



# CITY OF OCEANSIDE

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

JANUARY 19, 2005

**REGULAR MEETING**                      **4:00 PM**                      **COUNCIL CHAMBERS**

4:00 PM - OCEANSIDE CITY COUNCIL (COUNCIL),  
HARBOR DISTRICT BOARD OF DIRECTORS (HDB), AND  
COMMUNITY DEVELOPMENT COMMISSION (CDC)  
- REGULAR BUSINESS

**Mayor**  
**HDB President**  
**CDC Chair**  
Jim Wood

**Deputy Mayor**  
**HDB Vice President**  
**CDC Vice Chair**  
Rocky Chavez

**Councilmembers**  
**HDB Directors**  
**CDC Commissioners**  
Jack Feller  
Esther Sanchez  
Vacant

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

**Treasurer**  
Rosemary Jones

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

**Interim City Attorney**  
**HDB General Counsel**  
**CDC General Counsel**  
Pam Walls

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order at 4:02 PM, January 19, 2005.

### ROLL CALL

Present were Mayor Wood, Deputy Mayor Chavez and Councilmember Feller. Councilmember Sanchez was absent due to illness. Also present were City Clerk Wayne, City Manager Jepsen, Interim City Attorney Walls and Assistant City Clerk Trobaugh.

### COUNCIL, HDB AND CDC CLOSED SESSION ITEMS

**INTERIM CITY ATTORNEY WALLS** titled the following agendized items to be heard in Closed Session: 1.A), 2.A)1., 2.A)2. and 2.B)1. [Item 2.A)3. was not discussed]

1. **CONFERENCE WITH LABOR NEGOTIATOR ON STATUS OF NEGOTIATIONS**

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

**PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54957.6)**

- A) **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) and Unrepresented

**Continued to January 26, 2005**

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

**A) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

- 1. County of San Diego v. City of Oceanside et al., Superior Court Case No. GIN036570

**Direction was given to staff**

- 2. Frank Balistrieri v. City of Oceanside et al., Superior Court Case No. GIN040747

**Discussed; no action taken**

- [3. Riverwatch et al. v. County of San Diego et al., Superior Court Case No. GIN038227]

**No closed session was held on this item**

**B) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

- 1. Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9: Two cases

**Direction was given to staff**

[Closed Session and recess were held from 4:04 PM to 5:19 PM]

**5:00 PM – ROLL CALL**

Mayor Wood reconvened the meeting at 5:19 PM. Present were Mayor Wood, Deputy Mayor Chavez and Councilmembers Feller and Sanchez. Also present were City Clerk Wayne, City Treasurer Jones, City Manager Jepsen, Assistant City Clerk Trobaugh and Interim City Attorney Walls.

**INVOCATION** – Pastor Carl Souza

**PLEDGE OF ALLEGIANCE** - Hana and Derek Gilbert

**PROCLAMATIONS AND PRESENTATIONS**

- Presentation – 2004 Oceanside High School CIF Division II Football Champions
- Presentation – Oceanside Police Department Volunteer Service Awards
- Presentation – Employee Service Awards

<u>Employee</u>	<u>Department</u>	<u>Years</u>
Gerald Gilbert	Planning	20

<u>Employee</u>	<u>Department</u>	<u>Years</u>
David Larson	Police	20
Mary Cappadonna	Library	25
Bruce Cassenbaum	Fire	25
Scott Wright	Police	25
Richard Davis	Police	25
James Mormon	Fire	30
Alan McNeill	Public Works	30

**Presentations were made****3. CLOSED SESSION REPORT**

**INTERIM CITY ATTORNEY WALLS** gave the report on items previously discussed in closed session: See Items 1.A), 2.A)1., 2.A)2. and 2.B)1. [Item 2.A)3. was not discussed]

**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**

**LEONARD KUHLMAN**, 3554 Mira Pacific Drive, (Costa Serena) visited a neighborhood where a number of homes had collapsed because of improper procedures used when they were built as long as 30 years ago. There weren't proper soils tests done, vegetation wasn't cleared; and soil was simply dumped on top. When you get exceptional rainfall like we've had, it gets saturated and heavy and starts to slack. Soil tests and proper removal of the vegetation could have prevented that.

Many things are happening on the El Corazon property that are going to cause the same problems for people in the future. He has documentation regarding this.

**BRADLEY HAYWOOD**, P.O. Box 1151, got off the Coaster this morning and saw black smoke. He walked 6 blocks and there was a truck on fire in a parking lot and the fire station was right across the street. The truck was totaled, and the excuse he was given was that nobody called.

He was threatened by the Harbor Police that if he ever showed up at the Harbor again, he would be ticketed and thrown in jail. That is public property, and nobody should be told they can't be there as long as they are not breaking the law.

**LARRY SOSNA**, 815 Wisconsin Avenue, is President of the Oceanside Coastal Neighborhood Association (OCNA), which held their elections last night. He spoke about the goals of the OCNA and invited people to call him for more information.

**PAUL ADKINS**, 2592 Yucca Road, is interested in the project that is rumored or scheduled for development in his neighborhood. The handling of it so far seems a little egregious since there was very little advertising regarding that property. He has written to Council regarding some of the problems. The property was sold; the sale fell through; and then it wasn't re-advertised at all for the current sale. People in his neighborhood will have objections to this rumored project. The opposition is based on a past development in their neighborhood where there were many promises made, but not followed. He urged Council to look at this carefully. We are not small lots, and the plans would totally change the character of the neighborhood. He also asked that variances not be granted in this neighborhood.

**LON SIERRA**, 1766 Yucca Road, is here regarding the sale and subsequent development of a piece of property, public land, that is in the middle of our block. It's a cul-de-sac, and that piece of property is at the heart of our neighborhood. A developer has bought another piece of property on Yucca and intends to build 6-7 houses. That property right now has one house on it. He believes the developer has been given permission by the City in Closed Session to take possession of the City lot on Yucca Road and intends to put 3 houses on that lot, where there is none right now.

He lives directly east of that property, and he will be the most impacted by whatever the Council agrees to do with that lot. If Council allows this developer to go ahead with the project and build 3 homes on a lot that should have one at the most, his property values will be adversely affected, and he questions the legality of the spacing, lot size and zoning that the developer is trying to execute on this piece of property. This is just the start of something a lot bigger if this sale goes through. The process doesn't seem fair, and he questions the ethics and legality of the whole process. He implored Council to look closely at this proposal.

**ZENY WARD**, 2571 Yucca Road, understands that a developer bought a lot that has one house on Yucca Road and intends to put 6 houses on it. A source told her that regarding the sale of the City-owned lot, there was a higher bid on that lot from someone who was going to put 2 houses on it. When she spoke with some of the Councilmembers, she was told that the lot goes to the highest bidder. This lot is being considered to be sold to the developer who is going to put 6 houses on it. She hopes the City does not issue special consideration for this developer, such as waiving certain requirements for the widening of Yucca Road. It is her understanding that the road should be gutter-to-gutter 36 feet, with 5 feet on each side. There are too many houses already on Yucca Road. Most of the houses are on large lots. This congested small housing track is going to devalue our properties. She urged Council to think of the people and not just the financial aspects.

**CITY MANAGER JEPSEN** stated with regard to the issue of the property sale on Yucca Road, the Council recommended that staff work with an individual who had proposed putting 3 units on that site, which would result in lots in excess of 10,000 square feet if they get approval for that. However, the land, if it's sold, would have to come back to Council for approval. In addition to that, the land, if it's sold, would be sold without any entitlements. Whoever buys the land would have to come back through a public process and address all of these issues and concerns that are being expressed, both with regard to the number of units and any improvements that would be necessary on and off site.

**TOM FLAGG**, 1777 Yucca Road, stated when the City came out for the Requests for Proposal (RFP) for that land the second time, he was told by Mr. Eddow, the City's Property Manager, that the key thing for consideration by the City will be to enhance the neighborhood. The selection of MSK is not wanted by anybody in the neighborhood. The RFP clearly states the selection criteria. When he met with Mr. Feller, he said the selection criteria would be based on who pays the most to the City. There was a document in Mr. Feller's office that said that, but that is not in the RFP. Mr. Baumgardner, who met with everybody he could on Yucca, made a very comprehensive proposal on that property - a single nice residence that would be an asset to the neighborhood. He understands that offer was approximately \$20,000 less than MSK. What a shame. We would have had a real nice neighborhood.

**ROB HOWARD**, President of the North San Diego County Branch of the NAACP, 605 San Diego Street, thanked everyone who participated in/attended the Dr. King celebration at El Camino High School and Monday's community prayer breakfast.

He announced an SAT Prep for all students at 1831 Mission Avenue on February 5<sup>th</sup>, and there is a scholarship due from the Tuskegee Airmen on February 15<sup>th</sup>.

**JOHN TAYLOR**, 1763 Yucca Road, is disappointed in Council's decision to award the bid to MSK regarding Yucca Road. He is in the process of doing a 4-lot Parcel Map. He has 76,000 square feet, and he chose to split it up into 4 lots because he wants to put multi-million dollar homes on these lots. We need to have balance: low cost homes, commercial buildings and crown jewels. To put track homes on Yucca Road 15 feet apart from one another is unacceptable.

The developer's proposal came to Council with smoke and mirrors. What the developer has proposed isn't going to work. He is not willing to give up some of his property for road dedication because he wants maximum density. The developer has even called him to get him to cave in on dedicating his part of the property for the road. It's gotten out of hand. Mr. Baumgardner had a wonderful proposal. Let's put beautiful homes here, not track homes.

**CONSENT CALENDAR ITEMS** [ITEMS 5-18]

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

[Councilmember Sanchez left the dais at this time]

The following items were submitted for approval:

5. City Council/Harbor/CDC: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
6. City Council: Approval of a purchase order in the amount of \$148,638 to Electrical Systems Products, Inc., of Norco, California, for electrical control panels to upgrade the wash water pumps at the La Salina Wastewater Treatment Plant, and authorization for the Financial Services Director, or designee, to execute the purchase order
7. City Council: Approval of Change Order 13 [**Document No. 05-D0025-1**] in the amount of \$34,549.29 to Griffith Company of Santa Ana for extra work at waterline ties for the Rancho del Oro Drive Extension project and authorization for the City Engineer to execute the change order
8. City Council: Approval of Change Order 65 [**Document No. 05-D0026-1**] in the amount of \$134,932 to J.R. Filanc Construction Company of Oceanside for the San Luis Rey Wastewater Treatment Plant Interim Expansion project, and authorization for the City Engineer to execute the change order
9. City Council: Acceptance of improvements constructed by KEC Engineering of Corona for the Buena Vista Channel Repair project, and authorization for the City Clerk to file a Notice of Completion [**Document No. 05-D0027-1**] with the San Diego County Recorder
10. City Council: Adoption of **Resolution No. 05-R0028-1**, "...declaring its intention to vacate a portion of public street right of way", Valley Heights Drive east of Twins Haven Road, and setting a public hearing on the matter of the proposed vacation for February 23, 2005, at 6:00 p.m. in the City Council Chambers
11. CDC: Adoption of **Resolution No. 05-R0029-3**, "...approving the 2003/2004 Annual Report [**Document No. 05-D0030-3**] and directing staff to forward the Annual Report to the State Controller"
12. City Council: Adoption of **Resolution No. 05-R0031-1**, "...approving the appeal of

Planning Commission Resolution No. 2004-P44 and approving Tentative Parcel Map (P-1-04), Development Plan (D-1-04), Conditional Use Permit (C-4-04) and Variance (V-8-04) to subdivide a .11-acre lot into two single-family lots located at 307 South Ditmar Street" – Applicant/Appellant: Paul Zocco (Ditmar Residences, approved 12/15/04 by 4-0 vote)

13. City Council: Adoption of **Resolution No. 05-R0032-1**, "...approving the Final Map of Garden Homes", a 9-lot residential project located on .57 acres on the south side of Tremont Street, north of Cleveland Street and northwest of Oceanside Boulevard, and authorization for the City Clerk to record the Final Map with the San Diego County Recorder
14. City Council: Adoption of **Resolution No. 05-R0033-1**, "...calling and giving notice of the holding of a Special Municipal Election to be held Tuesday, June 7, 2005, for the election of one member of the City Council to fill a vacancy as required by the provisions of the law of the State of California relating to General Law cities", with the term ending 2006; adoption of **Resolution No. 05-R0034-1**, "...requesting the Board of Supervisors of the County of San Diego to render specified services to the City relating to the conduct of a special municipal election to be held on Tuesday, June 7, 2005"; adoption of **Resolution No. 05-R0035-1**, "...adopting regulations for candidates for elective office, pertaining to materials submitted to the electorate and the costs thereof for the special municipal election to be held on Tuesday, June 7, 2005"; and adoption of **Resolution No. 05-R0036-1**, "...amending the budget for the 2004-2006 fiscal years", transferring \$330,000 from the General Fund Unallocated Fund Balance to fund the Special Election
15. City Council: Adoption of **Resolution No. 05-R0037-1**, "...amending the budget for the 2002-2004 fiscal years", transferring \$4,800,000 from the Water Operating Fund to the Water Expansion Capital Improvement Project Fund for reimbursement of capital improvement project expenditures
16. City Council: Adoption of **Resolution No. 05-R0038-1**, "...amending the budget for the 2004-2006 fiscal years", accepting \$9,800 in grant funds from the Fireman's Fund Heritage Program awarded to the Oceanside Fire Department for the purchase of a thermal-imaging camera and transferring these funds to the Fire Department
17. City Council: Adoption of **Resolution No. 05-R0039-1**, "...amending the budget for the 2004-2006 fiscal years", accepting \$85,018 in grant funds from the California Office of Emergency Services awarded to the City of Oceanside to provide infrastructure protection, improve incident management capability, and purchase equipment that will enhance the City's ability to respond to potential terrorist or hazardous material incidents, and transferring these funds to the Fire Department
18. City Council: Adoption of **Resolution No. 05-R0040-1**, "...amending the budget for the 2004-2006 fiscal years", accepting \$75,000 in Proposition 13 grant funds awarded to the Water Utilities Department by the State Water Resources Control Board and the San Diego County Water Authority for planning of the San Luis Rey Water Reclamation Facility Expansion project, and authorization for the Mayor to execute the associated Memorandum of Understanding [**Document No. 05-D0041-1**]

**DEPUTY MAYOR CHAVEZ** moved approval of the Consent Calendar [Items 5-18].

**COUNCILMEMBER FELLER** seconded the motion.

**Motion was approved 3-0**; Councilmember Sanchez – absent from the dais.

**6:00 PM - PUBLIC HEARING ITEMS** - None

**GENERAL ITEMS**

**19. City Council: Approval of the Library Board of Trustees FY 2004-05 Workplan**

**DEBORAH POLICH**, Library Director, introduced the Library Board of Trustees. She recognized Nancy Foran, who is retiring this month as President of the Library Board of Trustees.

**ART MANDELBAUM**, Secretary of the Library Board of Trustees, stated the general goals and tasks of the Workplan came about when the City's Vision 20/20 Plan was adopted in March of 1999 and the Library Strategic Plan for 1998-2004 was adopted in 1998. In accordance with these plans, the Library Board of Trustees will work to promote City goals and objectives, some of which are:

- to assure a balanced program of the library's cultural arts activities, venues and programs for all ages
- to provide culturally diverse programs reflecting the Oceanside communities such as Latino, African American, Samoan and Phillipino programs and the world music series
- to encourage youth involvement in planning and execution of the programming through such groups as the Teen Advisory Council, Teen Computer Club and youth volunteers
- to support lifelong learning through the universal access to information for all residents.

Within the framework of the Library Strategic Plan, the primary goals of the Library Board of Trustees are to:

- monitor legislation that is affecting the library services
- serve as advocates to obtain funding for improved library services and materials
- support the library's volunteer and recognition programs
- support continued expansion of literacy services
- provide community feedback and evaluation of grant funded programs and assist with continuation efforts to maintain successful programs

Our specific tasks in fiscal year 2004-2005 are:

- oversee the development of a new Library Strategic Plan, which will guide the direction of Library services for the next 5 years
- assist the efforts of the newly formed Oceanside Public Library Foundation by encouraging private donations to build financial support for Library programs and services on an ongoing long-term basis
- participate in the Library Centennial planning programs which concluded in December of 2004. No additional funding from Council was needed because we drew a great deal of community support
- monitor the Library programs and service delivery to ensure the continuation of exemplary services and resources that are responsive to community needs.

On behalf of the Library Board of Trustees and the Library staff, he thanked Council for their continued support and for the recognition of the importance of library services to our community.

Public input

**GEORGE McNEIL**, 2153 Anda Lucia Way, uses both of our libraries a lot and thinks they are wonderful and the staff is great. We'd all like more books, but that's a money issue. He attended some of the musical events this year put on by the library, and they were fantastic.

Both libraries are closed on Sundays, and that's a good day for kids to do homework. He suggested that the branch library be closed on Mondays and open Sunday afternoons. That would better service our community. He also suggested staggering the evening library hours between the 2 branches so there is always one open in the evening.

Public input concluded

**DEPUTY MAYOR CHAVEZ** asked staff to look into the hours suggestions. He heard a rumor that he may be assigned as liaison. He **moved** approval [of the FY 2004-05 Workplan]. He would be honored, if he is so fortunate this evening, to work on the 5-year Strategic Plan.

**COUNCILMEMBER SANCHEZ** would be curious to know what the users think about the hours. Perhaps the Director could do an informal survey. She **seconded** the motion.

**MAYOR WOOD** has been the Council liaison for the Library Board for the last couple of years, and you get to talk to a lot of people and be involved in the events. Every time somebody says we need to make a cut, we always try to save public safety. The first one to take the cuts is generally the library. He has been proud to be part of it.

**Motion was approved 4-0.**

20. **City Council: Approval of the Economic Development Commission FY 2004-05 Workplan**

**HOWARD LA GRANGE**, Commission Chair, stated our first strategy is to work on retaining the existing businesses and assist the businesses in Oceanside to continue to develop. Each Councilmember has been out on one of our business visits, which we do twice a month. The purpose of that is to understand and show City interest in those businesses.

Another item that has come up this year more than in previous years is the issue of trying to streamline the process for business construction and expansion. We've heard quite a few stories from businesses that we seem to have a very slow process of getting things through the Planning Department.

Our second strategy is continued strengthening of Oceanside's economy through higher paying quality jobs. It's very important for us to continue to attract businesses like Biogen/Idex to our region. We need to refocus our efforts on the higher tech, higher paying jobs and less so on the manufacturing/warehousing activities. SANDAG had a presentation today and stated in 2004 high tech jobs were paying 58% more than manufacturing. This is going to be a continuing trend throughout the U.S.

The third strategy is to continue to recruit retail and provide assistance. Quarry Creek was developed. We also have the old drive-in acreage that's coming up.

The fourth strategy is development of the downtown area. One of the most important projects of 2005 for the City will be the hotel project downtown. Not only will that assist in providing revenue for the City, but will provide revitalization for the

downtown beach area. Another area that is important is the continuation of business development office space downtown. There are a lot of business activities we'd like to see downtown but a lot of them are dependent upon also having office workers downtown; i.e. restaurants who need the office worker lunch crowd to make it.

A walkable downtown is an interest that all of the Commissioners have. We've worked on this for quite a while, and it is our contention that people gravitate towards aesthetically pleasing areas. Good examples of this are the widened sidewalks, bulb-outs and added landscaping, which creates a better business atmosphere as evidenced in the downtown area along Coast Highway in Encinitas. We'd also like to see the Transit Center downtown keep pace with that.

The fifth strategy is increasing tourism. We've had interest in the Rancho del Oro area by Residence Inns on lot 12 in Ocean Ranch and Marriot Courtyard on the west side of Rancho del Oro. We also like to see areas where we can gain additional benefit out of the Harbor. There has been an application for a hotel right above the Trendwest area timeshare.

The sixth strategy has to do with our economic vitality in the future. One of the things this Commission needs to do is work with other commissions within the City, especially the Planning Commission, to work on items that we have joint efforts in. It's important to ensure that we maintain the industrial office space zoning that we currently have in order to create jobs instead of housing at this point. Looking at the City as a tourist or business person coming in, the gateways are very important for us. As he came into the Civic Center from Mission Avenue he could see a big improvement that the City has done on Mission Avenue.

Regarding transportation, we've always been a proponent of the Rancho del Oro/78 interchange area. One of the things we hear about all the time from the business owners is the continuing saga of traffic issues within Oceanside. We listed all of those items: the Highway 78 interchange, the Sprinter, parking lots, etc. The Department has continued to meet with and promote Oceanside as a location for business.

**COUNCILMEMBER SANCHEZ** applauds the goal to engage in activities that benefit Oceanside's economic future. Under economic viability, the first is to review statistical information of the City's economy and provide input on the short-term and long-term significance. One of the things she kept hearing was the ratio between residents to jobs. She would like to see this Commission do a study and try to come up with the different kinds of jobs that we should be seeking for our residents and how to best go about it. We have been talking a lot about the creation of a program at MiraCosta with Idec, where we'd have residents from the City going for these jobs. We need to figure out what other things we can do to achieve the goal of providing jobs for residents here, rather than jobs that are going to attract people from other places and add to traffic, etc.

Regarding the Gateway Enhancement Program, there have been times when she really wanted to hear from Planning and the Arts Commission on some of the beautification projects we've been doing. It seems like there is some disconnect somewhere and we aren't really working together. It's important to her to know what Planning and other commissions think. More than that, it's important to hear what the public thinks. She would like to see more working together and using the expertise that we have in-house to improve the look, not change the character of our City.

**MR. LA GRANGE** concurs 100%. A lot of the commissions suffer somewhat from working independently. Since he's been Chair of the EDC, he's tried to work a lot with the Planning Commission. We could work a lot more with the Arts Commission because it's an aesthetic aspect of the City and is important.

**DEPUTY MAYOR CHAVEZ** moved approval of the Economic Development Commission FY 2004-05 Workplan. He has had the opportunity to serve as the liaison to the EDC. The jobs per household ratio is something that the EDC is talking about, and the Chamber's Governmental Affairs Group is also taking that on. We need to have metrics to define the City, and jobs per household is one we can look at. The EDC has really tied this together, talking about the value of land and how it ties in with transportation corridors to attract the high-end jobs we want. This is a wonderful group doing wonderful things.

**COUNCILMEMBER FELLER** agrees about the creative forum part of the strategy for the other commissions. The one that most interested him was expediting through the planning. That's a serious concern for the whole Council to move the process along and get people into business as fast as we can. He **seconded** the motion.

**Motion was approved 4-0.**

21. **City Council: Acceptance of the Oceanside Neighborhood Traffic-Calming Plan**

**FRANK WATANABE**, Transportation Manager, stated neighborhood traffic calming is a process to slow down traffic, reduce cut-through traffic on residential streets, increase safety for pedestrians and bicycles, reduce traffic-related noises, improve aesthetics, minimize traffic improvement devices by going with the least restrictive device first and work with the neighborhoods for community support.

The true difference in what we have today from the previous traffic-calming program that we had called ONTAP is the new philosophy that if a problem is perceived our staff will go out and work with the communities. Sometimes there may not be a problem, it is perceived, but we'll go out there and take action on it. We always start with the least restrictive device and move progressively toward a more restrictive device. We try to do something as quickly as we can, rather than wait for an extended period to do a larger scale project. A good example is the Vista Way project, which took almost 6 years, but now we're installing the larger-scale median.

We cover the whole City with traffic-calming complaints. On average last year we did about 400 complaints. These are different than just requests; they are the actual traffic-calming concerns that we identify as a traffic-calming issue. To help ourselves and make it more fair with this new campaign, we split the City up into zones. Hopefully, we would provide equal service to all zones. We sometimes spend more in one area as opposed to other areas. This way balances it out for the whole City.

Within that philosophy, we use the basic engineering tools: engineering, education and enforcement. It is split into 2 phases. In Phase 1 we go with the least restrictive device, and in Phase 2 we go with the more restricted device. We have a handout we give to all residents when we meet with them to discuss traffic-calming. The traffic-calming investigation consists of us doing field reviews, where we go to the site and collect accident history and data. We do traffic volume counts, which is the average daily traffic (ADT), for several days. We do speed radars and we get the community involved so we have some support in terms of what they would like to see as traffic-calming devices. We then identify the traffic-calming options.

Regarding traffic-calming options, we start with the striping, signage, delineators and pavement markings and start slowly moving toward the more aggressive ones like flashing stop signs, all-way stops, speed cushions and humps, traffic circles, etc. We always do our projects with community meetings. Our true traffic-calming won't move forward without community support.

Speed cushions are in the first phase of being implemented. They are different

than speed bumps. They are sharp, about 1 foot wide, and they lay across the entire roadway. Speed humps are built onto the roadway with asphalt. We put them on Foussat Road. Speed cushions are made of rubberized materials and are patches we place on the roadway that are temporary. We've done a trial location, and it did slow down the traffic; however, the community wasn't supportive so we removed them. As this process has moved forward, we've created an evaluation form. The critical issues that were identified to be considered for these cushions are:

- The roadway volumes. If it exceeds over a certain amount of volume, i.e. 5,000 trips per day, it's considered more of a residential arterial, and we try to find other devices.
- We require at least a 70% petition of approval from the community supporting the speed cushions.

With the 70% and the roadway volumes as critical issues, he is assuming in the future we won't have what we've had in the past where we place certain devices that didn't work out. With acceptance of this new campaign, Council will be accepting this evaluation. This is the same evaluation that we're using now on California Street.

One of the first things we do is work with the Oceanside Police Department (OPD), which has a Traffic Enforcement Bureau that goes out and makes sure they are enforcing the roadway. Some of the other devices we have are the speed radar trailers that we place out for about a week. OPD has a trailer they leave out for an hour or two but our trailer is placed out there for about a week to give a solid presence. Other devices are visual strips, solar powered flashing stop signs, regular stop signs and speed cushions.

In Phase 2 we go for the more restrictive devices like speed humps, traffic circles and other physical improvements such as the median islands on Vista Way. We're looking at the new flashing radar signs that show the speeds of the vehicles, but these are fixed-mount and are mounted to a pole. We're considering one for Lake Boulevard.

As well as traffic-calming we want to do pedestrian safety. We're installing some countdown ped-heads as well, which count down the time remaining to cross an intersection.

#### Public input

**THOMAS DEMPSEY**, 3641 Esplanade Street, has photographic examples of traffic-calming devices installed in Fire Mountain that are ineffective. We need a traffic signal at Lake and Esplanade. If not, then an all-way stop or a nearby speed hump with medians. We need a permanent traffic solution for public safety and safe movement of controlled traffic. Quarry Creek opened in May of 2004. College Boulevard opened to Carlsbad on August 9, 2004. We have an urgent need for traffic signals on Lake Boulevard at Esplanade and Mira Monte Drive now. Quarry Creek Shopping Center will generate the revenue needed for the Lake community traffic signals. There was an accident today at this area, and we need help.

**JIMMY KNOTT**, 124 Sherri Lane, thanked staff for the equalization of the expenditures in all communities and the incorporation of the public in the decision-making process. However, not all of the accidents are being reported by police, fire, etc. A majority of accidents are reported to insurers. He suggested forming an advisory group made up of insurers who have access to an additional accident database in order to help staff see where trouble spots may be. He would like to see Mr. Watanabe given some latitude in establishing demonstration projects without having to come before Council every time.

#### Public input concluded

**COUNCILMEMBER SANCHEZ** asked if Mr. Watanabe plans on presenting his just-finished analysis of the Lake Boulevard/Mira Monte area to the Transportation Commission first.

**MR. WATANABE** responded we took that to the Commission last night and are planning to take the full report to the Council at the first meeting in February.

**COUNCILMEMBER SANCHEZ** thinks Mr. Watanabe does have great experience and came here about 4 years ago with a completely different philosophy on traffic-calming and addressing traffic issues and we are lucky to have that. She asked him to present a little bit about the projects he has been working on that are geared toward senior communities.

**MR. WATANABE** stated traffic-calming has expanded more than the traditional traffic-calming when we talk about vehicular and cut-through traffic. We're wrapping in more pedestrian safety in more of the senior communities. One special project we're working on is Oceanside Boulevard (Peacock Hills). First we met with their committee and Homeowner's Association (HOA) Board members to get community support. Once supported by the full community, we are going to present it to the Council. On Oceanside Boulevard along Peacock and Temple Heights by the school, seniors have a hard time crossing Oceanside Boulevard because of the 4-lane arterial. We're looking at some enhancements such as the countdown pedestrian signs, in-road lighting and some special signs to make the drivers aware that they are in a special zone – next to a school and a senior community. We also want to make sure that seniors maybe have slightly more time to cross the street.

**COUNCILMEMBER FELLER** talked previously to Mr. Watanabe about signs he has seen in other communities warning of the fine for red-light violations and thinks those can be deterrents.

**MR. WATANABE** is looking at that. We have 2 locations that have photo enforcement with signs in order to let everyone know they are fully operational. The typical advisory notice is putting the photo enforcement signs that look like traffic signals in front of each approach. Sometimes people have a hard time determining what that means. He has seen in other cities where they post the violation signs on the mast arm at the intersections. He thinks it's a great idea. He would like to see if there are any legal issues that go with it and, if not, he would like to install those signs at our 2 locations.

**COUNCILMEMBER FELLER** was referring to other intersections throughout the City besides the 2 mentioned. If you increase the awareness, it will be a deterrent and will save a lot of money regarding accidents and bodily injury.

**MR. WATANABE** thinks it's a good idea. We will be looking at new signs and intersections. A lot of it goes back to needing the support of OPD enforcement and the residents in the community. Nationwide a lot of drivers have become more aggressive and are disrespectful on the streets.

**MAYOR WOOD** has gone out to neighborhoods with Mr. Watanabe. Every community has their concerns. There is a very aggressive attitude out there, and people are cutting through neighborhoods to get home quicker. He's impressed with the modern technology: flashing stop signs and lights, etc. He likes the concept of signs that put people on notice. Traffic and traffic safety issues are one of the hottest issues in Oceanside.

**COUNCILMEMBER SANCHEZ** moved approval [of the Oceanside Neighborhood Traffic-Calming Plan (Document No. 05-D0042-1)].

**COUNCILMEMBER FELLER** seconded the motion.

**Motion was approved 4-0.**

22. **City Council: Approval of the installation of two demonstration speed cushions, on California Street between Stewart and Marshall Streets, and on California Street between Lucky and La Salina Streets**

**CINDY WATSON**, Project Manager, is here to make a recommendation regarding the need for traffic-calming on California Street. The residents of California Street are concerned about their safety; the vehicles are going too fast.

The process we went through for the speed cushions began by working with the residents in February of last year. This has been almost a year-long project. We've been gathering data several times throughout the year and have met with several residents, as well as setting up meetings with the neighbors to go over the results and talk to them about what we might be able to do. There was a petition signed by 98% of the neighborhood. We completed the speed cushion evaluation form and came up with more than 70 points for approval, which is the minimum.

The California Street investigation showed that it is a collector street. It is posted at 25 miles per hour (mph). The critical speed is 36 mph, which means that 85% of the vehicles are travelling at 36 mph or less. However, there is a maximum speed of between 50 and 70 mph. The section of the street we're looking at is 2,000 feet long. On this street there are 3,700 vehicles per day, but there are only 90 houses so we know that it's cut-through traffic. California Street is being used because of its connection to northbound I-5, as well as a connection from Coast Highway to the Fire Mountain communities. There is a nearby park, so the kids do walk that street. It is also a school area, with an elementary school on the other side.

She showed a graphic of what California Street looks like. There aren't any traffic-calming devices along the street; it's just a straightaway. We are recommending the installation of 2 demonstration speed cushions between La Salina Place and Lucky Street, and between Stewart Street and Marshall Street. They are approximately 500 feet apart. In order for the cushions to work, it is necessary to have 2.

Public input

**JIMMY KNOTT**, 124 Sherri Lane, stated this community is right above his, and he and his neighbors didn't get notice that these were going in. The loss of bus service by North County Transit District (NCTD) and the school are impacting the area because parents are now driving their kids to school. We need to ask NCTD and SANDAG about getting public transportation back in this community and the Fire Mountain community.

We have a lot of traffic on Coast Highway and he made suggestions as to how to relieve that traffic. For example, Morse Street is an underused wide street that could relieve some of the pressure on Vista Way.

Also, the Transportation Commission last night asked staff to address the pothole and street maintenance problems we're having in Oceanside.

**JIM GUSMAN**, 917 California Street, is a single parent and there are 3 schools in the neighborhood. Watching his sons walk on California Street is a scary thing. He has made several calls to OPD, and it's been worse since they moved. They used to routinely watch the stop sign runners on California and Cassidy. Over the past year, working with Mr. Watanabe and Ms. Watson, we have definitely made some strides and feel safer. Over the past 2 years he has witnessed several accidents, including his neighbor's house being hit by a speeder when his son was outside playing. We needed the speed control on Vista Way, but traffic has definitely increased onto California

Street.

**JOCK WACKERNAGEL**, 806 California Street, lives on the corner of California and La Salina and has a view of the dip there. He has seen individuals literally get airborne over the dip, all 4 tires off the ground. We're frightened, and it's only a matter of time until a tragedy happens. We need these speed cushions. We need to fast-forward this system to put these safety guards down to protect the families.

Public input concluded

**COUNCILMEMBER SANCHEZ** asked if these are the newer cushions.

**MR. WATANABE** responded yes. These are the rubberized ones that we call temporary. They are patches made of rubber and we bolt them down onto the roadway.

**COUNCILMEMBER SANCHEZ** asked how quickly he can put them in.

**MR. WATANABE** responded if Council approves this, we have several speed cushions available and could have them installed next week.

**COUNCILMEMBER SANCHEZ** moved approval [of the installation of the two demonstration speed cushions].

**DEPUTY MAYOR CHAVEZ** noticed in his packet there was a speed cushion evaluation but it didn't have the numbers filled in. What are the actual numbers?

**MR. WATANABE** responded it was 76 points. Within the new evaluation form we do have 3 criteria that will kick it into a no: one was if it exceeded the 5,000 volume trips; another was no community support and the third was the slope of the roadway. If it meets any one of those we won't move forward with it.

**DEPUTY MAYOR CHAVEZ** knows we experienced these at Henie Hills and Foussat and after we put them in there was some concern from the community on how effective they were. Earlier in the week he drove out there and sat on the street for about an hour watching the traffic and is concerned about the safety of the children walking there. He is going to support this but is concerned it may not meet the full requirements that we have. He asked Mr. Watanabe for his thoughts.

**MR. WATANABE** responded we will be taking this forward as the Circulation Element moves forward with our updates. He has heavy concerns regarding our arterial roadway systems and so-called residential arterials. He's sure the Fire Chief does too. We make sure that it's not on any of the primary response corridors. As we come down to these residential collectors, it's a balance point. That's why we kept it at 5,000 trips. Anything that exceeds 5,000 is carrying some regional traffic.

We want to have community support so we don't have the situation like Henie Hills where we thought we had community support, but we weren't discussing the whole community. We can't cover the whole City, but Ms. Watson covered everybody who lives on California Street. With 98% support that's pretty good. These are temporary devices so we can move it if necessary. We can't keep placing stop signs everywhere. Ms. Watson came up with these devices. We've looked at them in several other cities in Orange County and Palm Springs. All of those cities love them. That's why if we ordered them right now we couldn't get them. We pre-ordered these a year ago. There is a huge demand for these because they are very effective. The ones we placed on Henie Hills did drop the speed 10-15 miles, which is impressive for a control device.

**DEPUTY MAYOR CHAVEZ** recognizes that 98% of the community is significant. His concern is that it does meet the needs. He **seconded** the motion.

**COUNCILMEMBER FELLER** hopes this makes the neighborhood safe. There is going to be an impact on Morse Street. Have we thought about the future of Morse?

**MR. WATANABE** responded that in traffic-calming as you choke down traffic on one street you push the traffic onto another street. A good example is we're choking down Vista Way so now they're jumping onto other streets, such as California Street. As soon as we choke down California Street, it's going to jump onto Morse. We've done some pre-studies and counts on Morse. We're fully aware that once the traffic starts to increase on Morse, we will be working with those residents.

**MAYOR WOOD** stated a year ago he and Mr. Watanabe sat in a lady's front yard and watched traffic a couple of different times during the day. He was surprised about the behavior of the parents dropping the children off. They seemed to be the most dangerous people on the street. This is a necessary approach to address the problem. It may not work, and we might have to change it again. If it doesn't work, he would like the residents to come back and ask for help.

**Motion was approved 4-0.**

23. **City Council: Adoption of a budget resolution transferring \$250,000 from the Public Facilities Fees Fund Unallocated Fund balance to the EOC Project Account for the FY 2004-05 funding cycle amending the Capital Improvement Program (CIP) Budget, for the architectural and structural design, and administrative expenses for the Emergency Operations Center (EOC) project located at 1617 Mission Avenue**

**GARY KELLISON**, Senior Civil Engineer, stated this item requests Council's approval of a transfer of \$250,000 from the Public Facilities Fees Fund to an Emergency Operation Center (EOC) project account. Presently the City's emergency response to a natural disaster would be coordinated through existing fire and police dispatch centers and the Public Works dispatch center at COC. However, a separate EOC would provide City department managers a centralized location to direct emergency services and responses. It would also serve as a back-up if an existing communication center was down under the natural disaster.

The proposed EOC would be located at the old OPD building at 1617 Mission Avenue. To allow the use of the existing structure as an EOC, several existing deficiencies need to be remedied in the building shell. The electrical system and panel boards would be completely replaced. The HVAC system needs to be replaced and the building's structure upgraded, including removal of the unreinforced concrete jail cells. The overall building square footage is 20,000 square feet as it stands. With the removal of the jail cells there would be a net of 16,000 square feet. The EOC itself would only take 2,000 square feet, and there's a central room in the building that's more than large enough for use as an EOC. That leaves a remainder of 14,000 square feet that could ultimately be developed as a future permanent use yet to be identified.

The \$250,000 is proposed for administrative costs and to do the design for the building upgrades. The ultimate cost with the actual construction would be \$1,250,000. Staff will be pursuing grant opportunities to fund the construction, and we will be returning later on when we have specific grant proposals or the consultant contract to proceed with the design.

Public input

**BRADLEY HAYWOOD**, P.O. Box 1151, asked if they are going to include a newer faster response for the Fire and Police Departments that actually works. He is concerned about his earlier discussion about the truck being on fire with no Fire Department response. He urged Council to get the best equipment they can in this redesign.

Public input concluded

**COUNCILMEMBER SANCHEZ** asked how this relates to our discussions in terms of joining with Rancho Santa Fe for fire dispatch.

**ROBERT OSBY**, Fire Chief, responded the EOC is mainly for the purpose of coordinating major disasters/problems and managing the problem citywide, while coordinating with other agencies that may be necessary, i.e. utility companies, etc. What Mr. Haywood may be referring to is the day-to-day dispatching, and he would add that he witnessed the whole situation today regarding the fire. Once the Fire Department was notified, they were there in less than a minute. They had the fire under control within 3 minutes. We have to be notified to respond.

This is unrelated to the day-to-day dispatch. What we're currently doing is upgrading our dispatch with Automatic Vehicle Locator (AVL), and we're adding staff. In fact, we're in the process now of interviewing for a manager for the regional dispatch - police and fire. We're calling this public safety dispatch. Before we jump at a pasture that appears to be greener, we're doing our homework. We're not certain at this time if Rancho is able to handle Oceanside's additional volume, which will almost double their volume. At the same time Escondido was hesitant to move for the same reason. We're determining which is the best option. Right now we're staying at home and culturing our own lawn so it will be green.

**COUNCILMEMBER SANCHEZ** wanted to make sure that we're being as efficient as possible because it seems like things are going on a different timeframe and she wants to make sure everything is being coordinated. She understands that we are still looking at options and that we will only act if it going to increase level of service. Is there a timeline that we're looking at in terms of necessity and being as efficient as possible?

**CITY MANAGER JEPSEN** certainly hopes so. That's what we're tasked with. In response to this issue and the questions that the Council has raised, he shares their concern for not only our efficiency but the prudent use of our funds with regard to the implementation of EOC or anything that has to do with duplication of effort for dispatch. One of the things he has been concerned about for some time is the lack of a large central place where we could assemble staff if we did have a large natural disaster. We have to bring not only the first responders into a room together, but we have accountants, planners and a whole host of people who work together in close proximity to address that issue. Right now, if we had an event, we'd all have to try to fit into Fire Station 6 out at Santa Fe and Mesa. It would not work long-term. It's okay for right now.

**COUNCILMEMBER SANCHEZ** asked about the rest of the space.

**MR. JEPSEN** responded that over the last few years the building has been gutted by City staff in preparation for an alternative use besides a police facility. The architectural money will help us put together the plan, including studying those alternative uses and bringing back something to Council that's going to work long-term. If you have an EOC, it shouldn't just sit there empty. It should serve the community when it's not being used as an EOC. All of these things would be looked at with this money. We'd have to come back to the Council to authorize additional funds to actually do the construction. He thinks this is important to the community. It's a very high priority. He would put it at the same level as the Fire Station 7 or Fire Station 1 replacement and he would urge Council to let staff proceed with the planning for this facility and bring back what it's going to look like and alternative uses. Council can decide at that point in time if it's worth us taking the next step.

**COUNCILMEMBER SANCHEZ** thinks for the other possible uses it would be

more efficient in terms of the funding if we built at the same time.

**MR. JEPSEN** responded absolutely. We will bring that back as we are doing our planning with this money. We'll take a look at what City uses would be effective beyond the EOC. There are 16,000 square feet after we knock down the jail, so there are plenty of opportunities for other City services.

[Recess was called from 7:53 to 8:05 PM for a KOCT tape change]

Council reconvened with all members present.

**COUNCILMEMBER SANCHEZ** has been advised that this project will cost us about \$1,500,000, and she feels that, as a City official entrusted with the public's funds, one thing we can't skimp on is public safety. From what staff is telling her, this is a necessity and we should be prepared for the unexpected. While it is an expensive venture, it is important to the safety of our community. Based on that, she **moved** approval [including adoption of **Resolution No. 05-R0043-1**, "...amending the budget for the 2004-2006 fiscal year", transferring \$250,000 from the Public Facilities Fees Fund Unallocated Fund balance to the EOC Project Account for the FY 2004-05 funding cycle amending the Capital Improvement Program (CIP) Budget, for the architectural and structural design, and administrative expenses for the Emergency Operations Center (EOC) project located at 1617 Mission Avenue].

**DEPUTY MAYOR CHAVEZ** stated currently we have command/control elements for the Police, Fire and Public Works at different locations. In the event of a civil emergency or natural disaster, that sort of dispersion of control elements is not the best way to control it. Normally we like our command elements centralized. A good example of that was the recent slide in Oceanside that destroyed houses. The City Manager brought those three entities together here at City Hall in order to address how to do this. Imagine something on the level of a tsunami, etc. Critical decisions need to be made quickly, and you want the entities all together to make the best decisions for the safety of the community. This EOC is designed to be run 24 hours and have 22 people working it, which is probably appropriate for the size of our City. It's important that we have public safety in the front of our minds and have a centralized command element to address these issues. He **seconded** the motion.

**Motion was approved 4-0.**

24. **City Council: Approval of a professional services agreement with Carollo Engineers of Oceanside in an amount not to exceed \$1,185,571 for preparation of the Integrated Water Utilities Master Plan for the Water Utilities Department; and authorization for the City Manager to execute the agreement**

**BARRY MARTIN**, Water Utilities Director, stated the Integrated Water Utilities Master Plan is a road map for 20 years. We tried to focus on what the City needs to make existing improvements, maintain our facilities and look out into the future for 20 years. It's hard to believe that it's been 8 years since we started working on the last plan, which was approved in 1999. It almost took 3 years from when we hired a consultant to get to the end. It's a lot of work. Staff is going to be totally involved in this, as well as the Utilities Commission. The reasons we're doing this is because the City has changed its direction. Eight years ago we weren't concentrating as much on industrial commercial development. Now we are. Making the water and wastewater infrastructure ready for future facilities is very important.

Changes have happened in the last few years that affect operations and regulations. We are highly regulated in water and wastewater. The Environmental Protection Agency (EPA), as well as a lot of other regulatory agencies, is inventing new regulations on a daily basis. We need to catch up with those.

Technology has changed tremendously in the last years. Our department really hasn't grown in personnel over the last 10-15 years because we've incorporated technology to help us do our jobs better.

Water supplies have changed. It's hard to believe that after almost 17" of rain in the last 7 months, we're in a 5-year drought. Who knows if it will stay dry from now through the remainder of the year. We're still in an overall drought. That means our imported water supplies have changed, and the people who supply that water are looking at different ways of allocating river supplies from the Colorado River and Northern California. We have to be ready for that.

Finances have certainly changed over the last 8 years. There is available funding now that we weren't able to get before. There are a number of things in finance that have changed.

We are going to focus on providing a cost-effective, reliable and diverse water and wastewater service. That process will take 2-3 years. We will ask the public in different user categories, i.e. residential, commercial, building, etc., to sit on a Citizen's Advisory Committee (CAC) with members of our Utilities Commission to go through the process of looking at our facilities and the creation of this new Master Plan and working through the process. The last time we went through this, it took 6 months of meeting twice a month for 3 hours each time. It was a lot of work.

Once we get through the CAC portion of this, and they've made their recommendation, we will work with the public and the rest of the commissions. We will then go out to the civic groups and get their buy-off on the facilities that we're recommending. The focus is on existing and future water and wastewater systems. We're going to start looking closely at reclaimed water use. We've developed our basin and it's getting to the point where it's just about leveling off. Reclaimed is a good water source to offset the need for imported water.

This process looks at our facilities and puts a price tag on what needs to be done now and in the future. Then we have to put together a financial plan, which is a big part of this.

This study, if approved by Council, will allow us to improve and maintain our existing water and wastewater system and prepare for the future.

**DEPUTY MAYOR CHAVEZ** thinks this has laid out very clearly how important water is and how the whole process works. When you look at how the City is operated, the Master Plan that we just saw is probably akin to the General Plan within the City that deals with zoning and transportation. Zoning, transportation and infrastructure are the key documents that make this City operate.

He **moved** approval [of the professional services agreement (**Document No. 05-D0044-1**) with Carollo Engineers].

**COUNCILMEMBER SANCHEZ** asked Mr. Martin to elaborate about how the City's direction has changed.

**MR. MARTIN** emphasized that we've changed as far as our commercial and industrial base. When we were gathering our first information on this 8 years ago, we wanted and hoped industry would come in. Now we have Idec and a couple of other large industries. There is new industrial development coming in so we want to be ready for that.

**COUNCILMEMBER SANCHEZ** asked how big the ad hoc committee to gather public input would be.

**MR. MARTIN** responded the last ad hoc committee we had, including 3 members of the Utilities Commission, was about 8 people. The Utilities Commission were the ones that screened the people who were interested in being on the committee.

**COUNCILMEMBER SANCHEZ** wondered if we should be more inclusive and have each Councilmember suggest a person as well. That would make it 3 larger. You would get more input, and it might help the process. This is \$1,200,000 we're talking about, and she wants the public to feel like they are a part of this.

**CITY MANAGER JEPSEN** asked if this study is going to address the disposable bio solids.

**MR. MARTIN** responded yes.

**CITY MANAGER JEPSEN** asked Mr. Martin to tell Council about the Green Waste Committee.

**MR. MARTIN** responded the Green Waste Committee, is looking at another pilot project at the green waste facility. There are some technologies that are available now that we're looking at to run a pilot on. They have really good odor control capabilities. The green waste contractor feels it would be a good thing to employ at the existing facility, even if there were not bio solids added, if it was to continue at El Corazon.

**COUNCILMEMBER FELLER** stated the odor control at El Corazon is not working.

**MAYOR WOOD** stated this is a lot of money. In Southern California water is gold. Cities can't function without it, and we're one of the cities actively involved in trying to do things for the future. The infrastructure and keeping the costs down is important to him because the rate payers are hoping that what we're doing for the future will keep their rates down. In the long run these are going to be the money savers. Bio solids are another story that we need to address down the road.

**COUNCILMEMBER SANCHEZ** would like to have the maker of the motion add that each Councilmember appoint a member of the ad hoc committee.

**COUNCILMEMBER FELLER** thinks the committee is fine as suggested by Mr. Martin. He **seconded** the motion.

**MAYOR WOOD** stated as for the number on the committee, sometimes it's fine because we have more people that will show up and be actively involved. He relies on staff and asked for Mr. Martin's input.

**MR. MARTIN** thinks it's manageable to add additional members.

**MAYOR WOOD** suggested voting on the item and then addressing the issue of how many committee members there should be.

**Motion was approved 4-0.**

**COUNCILMEMBER SANCHEZ** is hearing that it would be a manageable group, and it would add to getting the word out as to why these funds need to be expended. She **moved** that each Councilmember appoint a person to this Citizens Master Plan ad hoc committee, in addition to those that are already scheduled to be on this committee.

**DEPUTY MAYOR CHAVEZ** **seconded** the motion.

**Motion was approved 3-1;** Councilmember Feller – no.

**MAYOR AND/OR COUNCILMEMBER ITEMS**

**25. Update by Deputy Mayor Chavez on the Ad Hoc Gang Committee**

**DEPUTY MAYOR CHAVEZ** stated we formed the Committee on November 17<sup>th</sup>. Back in November gang issues were rather significant in the City, and there was discussion on trying to take a multi-faceted approach to this. This Committee was formed to look at it.

The objectives given by the Council defined the City role as to quickly develop criteria and a plan for Council consideration. Whatever program we do or action we take is going to be a resource issue, and it's important that Council be involved in this.

This Committee was staffed by a number of City employees from the Police, Parks & Recreation, Housing and City Manager. When we first got together we determined that we had to define our terms. One of the first terms we had to define is what is a gang. We used the definition given by the justice system. After we determined what a gang member was, we talked to the Police, and their input was that there are 5 different types of gangs in the City:

- Intergenerational gangs - gangs that have been around for some time that may have 3 or 4 generations of people involved in the gangs. It's not uncommon to have uncles, brothers, cousins, etc. More typically you see those in the Latino community.
- New immigrant gangs - gang members who are, to a large degree, illegals. They're here to do the business of running drugs, and they prey upon a community's weaknesses and inability to use police forces because of cultural issues. The new immigrant gangs are considerably different from an intergenerational gang.
- Business-oriented gangs - these are gang members who are normally good students and good athletes and are in it for the money involved in drug trades. You're not going to pick them out as a gang member. They are totally different from the new immigrants or the intergenerational gangs.
- Gangs that are more non-violent - based more on friendships and territorial areas. They are not so much involved in drug-running efforts that you would see in the business-oriented gangs.
- White supremacist gangs - these are the gangs that have a political slant, generally based on race issues, and are commonly referred to as skinheads.

When you look at the diversity of gangs in Oceanside, you can't just say "gang members" because there is a whole spectrum of gangs. After we defined gangs, we wanted to know how to deal with the issue.

Suppression is what we would typically see as police involvement: gang injunctions, incarceration of gang members, etc. At another level you would see diversion or intervention. This is where they try to take kids that are 9-12 years old who are starting to go in the gang direction and divert them away before they become a gang member. The bottom level where the City puts the least resources, is in the prevention area: after-school programs, activities, etc. so they are not preyed on by gangs.

You won't see a lot of prevention that is effective with the new immigrant gangs

because these are criminals that need to be dealt with in a firm manner by the Police Department. The best effect on them is oppression. The generational, business-oriented, friendship or white supremacist gangs may be more impacted by prevention and diversion. There is no cookie-cutter way to solve this.

In our last meeting with City staff, we talked about what the City is doing. Right now the main effort in the City has been suppression and has been very effective with the gang injunctions and arrests. He doesn't want to downplay the importance of that because it is significantly impacting the new immigrant gangs. This is a constant effort that the Police Department is involved in.

A good example of the diversion/prevention efforts that the City is involved in is the Juvenile Justice Diversion Program. These are young people who are starting toward gangs and are being diverted toward a more positive element. Sometimes in these diversion programs we deal with drug, health and academic issues to keep them from going into gangs. In the prevention area we have the Resource Centers, after school programs, recreational activities, mentoring programs and the City working with the school district resource officers. The gangs in Oceanside are diversified, and there are different programs that impact upon them. These are the current City programs.

The City's role in dealing with gangs is a leadership role. The City has a responsibility to highlight this issue and to work with other members of the community organizations, and he's going to start at the bottom with parents. Clearly parents need to play a significant role in the after-school activities or house activities. There are also economic issues. There is a business community role in this as well, such as job shadowing, so the kids can see hope and the value of an education. Recreational sports can also help divert kids. Service clubs have a role as they have resources. Rotary has an interact program; the Kiwanis have a key program, etc. Clearly education has a role. Through education, self-worth and opportunity, young people can see an economic relationship between education and their future.

Lastly is the faith-based. We have the 10-point program that was discussed earlier. He read from a church hand-out about the Extreme Center, which targets junior high and high school students and began in February of 2002. They plan to have the Center completed in summer of 2005. The projected cost for this whole effort is about \$1,000,000. It will be a wonderful addition to Oceanside.

He asked the Council if the City should take a leadership role. This was discussed a great deal in the ad hoc meetings. Should we look at the allocation of resources? We know that the Community Development Block Grants (CDBG) go out every year, and maybe we could have a certain percentage of those CDBG funds be assigned to programs that deal with children in gangs for diversion and prevention. Unless we have resources, nothing will happen. This needs to have at the minimum 2 Councilmembers on this. If Council wants to go forward and take a leadership role, he asked that an additional Councilmember be assigned to the ad hoc committee to allow us to go forward.

#### Public input

**CLEM NICHOLAS**, 3621 Vista Campana, Pastor of Set Free Oceanside, stated we get out on the streets and tell people about the choices they have. We take in the ones who want to come in and get their lives straight at no cost. We have locations in eastern San Diego County and in Riverside County, but right now these men have no place in Oceanside to come back to. We are working on some kind of transitional housing where we can provide training for these men so they can go back out. He is asking the City for their cooperation to help us work together to get this resolved.

**MAYOR WOOD** wanted everybody to know that after some of our previous Council meetings, the gang issue that the Deputy Mayor has been working on is very

important, trying to address violent crimes. He had information on the 10-Point Program, and he wanted everyone to know that he went to several pastors and asked for their input. There are a lot of people out there willing to help, and they need to be organized. He is surprised at how many organizations are looking for assistance and a location at no cost to the City. We need to maybe have a workshop that is publicized to get some of these groups that we don't know about to come forward and organize efforts.

**REGINALD OWENS**, 1269 Sunglow Drive, Vice-President of the North County Branch NAACP, stated suppression leads to rebellion, and rebellion is not the way we want to go in abating gangs. It has its place and should not be retired, but it should be one in which we do not put the greatest amount of resources into. Gang rebellion can cause bad feelings and hatred that goes on for years, and it's aimed at the suppressor. What we need is some form of prevention. That is where we should put our efforts. If the City wants to take a leadership position, they should gather those organizations that don't have the resources and provide them with an umbrella to help them in coming to grips with how to manage their monies and be more effective grass-root organizations.

**AL NYMAN**, former San Diego County Sheriff Deputy, worked his last 4 years as a Watch Commander at the Vista Detention Facility and knows a lot about gangs, probably more than most people do. One of the programs in place in North County is the Juvenile Justice Panel, which is the diversion program in place in Carlsbad. The program is a role model program for the United States. This program has been designed to help divert juveniles out of the criminal justice system and send them in the right direction. He has volunteered his services to the program for the last 17 years, and they've been very successful. He hasn't seen that program in Oceanside, and he often wondered why. We're right next door; we've got a role model program and all we have to do is make a phone call. It is our role to work with these kids and ward off gang problems in the City. He encouraged Council to call them and get the information to apply the same model in Oceanside that we have in Carlsbad. The recidivism rate in Carlsbad is 1%. He lives in Oceanside and wants to get involved.

**MAYOR WOOD** stated Oceanside Police Department is aware of all of the surrounding programs for diversion. A lot of the diversion programs with juvenile gang members require acceptance by the parents, etc. Unless we have the power of the court systems to order them to these programs, they don't tend to work. If you just ask them to show up they won't, and forcing them is better than nothing.

**COUNCILMEMBER SANCHEZ** thinks the demographics and histories of the 2 cities are a bit different. She understands that in Oceanside people come back to an old neighborhood, which is no longer an ethnic community. However, they still go back to it because they think of it as their home place. She would like to take steps and perhaps see a pilot project, with each neighborhood defining what the problem is.

A lot of the older criminals are off the streets with the 3 strikes program, but the problem is the wannabe's. They are getting kicked out of school because of zero tolerance; they're home with nothing to do; and their parents are working so they are out on the streets. Each neighborhood has certain characteristics and a certain level of community organization. What would be good is to target and work with that neighborhood. She has seen different solutions. For example, in National City they did a boxing ring where kids could come in and train and tutor. It was successful. We can handle one neighborhood at a time, rather than trying to be broad because we aren't going to find only one problem.

The bottom line is money, economics. She grew up in a neighborhood where some of the kids started dropping out of school, and they later became the gang-bangers in the neighborhood. The City does have a role to play but she would like to hear from the community. She would like to identify one neighborhood and have our law enforcement and Code Enforcement do all the things we're doing right now but with

the added step of what else. In Calle Montecito we have a new building and Project SER has a job training program there, which she believes was key, besides the Day Care Center, to helping to get those kids off the street. You've got to have other choices for that kid that seem tangible and like a good idea.

She appreciates the presentation by Deputy Mayor Chavez, but she thinks there are other things that they could do. It takes more resources. If we could do this one neighborhood at a time, we could accomplish something in this City. We already use some CDBG funds for some of these programs, and perhaps we could look to see if there are any other funding sources out there. She thinks it would be phenomenal to have an anti-gang court in North County. We have drug diversion and domestic violence court, but we don't have anything about gangs other than enforcement of the laws. Many of our officers know these kids and are trying hard to be better role models for them. She sees a different kind of cop on the street than when she was growing up. She appreciates that effort to communicate with the community and be part of the solution. We haven't heard from the community and those are the people we need to work with to get these kids back in school with dreams.

She doesn't know if it would be an ad hoc committee but a workshop would probably be good.

**DEPUTY MAYOR CHAVEZ** clarified that we do have a Juvenile Justice Diversion Program. It's not a gang diversion program; it's run by County Lifeline and is designed for first-time offenders. They choose to go there in lieu of court, and it's staffed by police officers and community service leaders; the Kiwanis are actively involved in it. There is a follow-up process. If the juvenile is a repeat offender or doesn't seem to be moving in the right direction, then there's always the possibility of going to juvenile court.

This is a very complex issue. He wanted to highlight that the new immigrant gangs are people here from south of the border running drugs who are preying on the community, like Crown Heights. He doesn't think we can do a lot of prevention for them; he thinks it's a strong suppression effort. When he started doing this, one of the things we did with the committee from the City staff is start reading a lot of documents on things going on within the City. When we started reading all of these things is when it became very complex. That's why we had to define our terms, i.e. what is a gang, how do we deal with a gang, etc. That's where we came up with the suppression, diversion, intervention and prevention. We recognized that in each community there's going to be a different element.

He appreciates what the Pastor is doing for the community and is glad the Mayor brought the Pastor here because he is exactly what we're talking about - people doing good works in the City. However, we could play a leadership role in tying all of these things together. Family Fellowship raised \$700,000 for the Extreme Center because they saw a need within the community where they lived to deal with these 300-500 children.

He thinks a workshop is a great idea, but after the workshop we need to do this. This is a 5-10 year effort and not something that's going to be decided with a workshop. It's going to take significant effort, and he's willing to work with anybody on this because it's about the children.

**COUNCILMEMBER FELLER** stated if we don't take leadership on this, then who will? We'll have one group doing one thing and another group doing something else. What we've heard tonight is all part of a big picture of a community trying to come together with solutions. We can study things to death. The prevention portion is the most key to him. The Pastor is dealing with existing gang members that want out. The diversion program is kind of a court-ordered version of getting out and is very successful. The 10-Point Program is another great idea for mentoring. He personally

knows a former gang member who is willing to go out on the streets with the idea of saving young kids in a different venue. That's another part of the program that we need to look at. It's all a combination of a big picture.

He will support a workshop, to bring the resources and ideas together, but studying it to death is not going to get things done. We can definitely make a difference. The people are out there, and they can be saved.

**MAYOR WOOD** stated this is a very serious issue that we need to address. Most cities have a gang/youth problem, and it's hard to address. The problem is usually money and resources. None of us wants to see another workshop or another ad hoc committee on it, but there are resources out there that we didn't know about; and we're not working together. The workshop would give us the ability to have people come up and speak, or have some outside sources come in from parole, probation, etc., and address the issue.

The ad hoc committee was good. The number one question was whether Oceanside wants to take a leadership role and is it our job to do this. It's important, and we want to get input from the community. He feels suppression is the most important, and we're short on law enforcement officers for our community.

The ad hoc committee can stay around and try to organize the workshop and get people to show up. Councilmember Sanchez has a lot of contacts in the professional field, i.e. probation, etc., that have an input. If you can get the courts to order them into programs, it might be easier. He asked Councilmember Sanchez and Councilmember Feller if they are interested in sitting with the ad hoc committee.

A workshop isn't going to fix the problem; it's just a way that we can communicate with each other. As previously stated, this is a long-term, multiple year process to get something going. He liked Councilmember Sanchez's comments about addressing this one neighborhood at a time. We only have about 3 communities that have gang problems.

**COUNCILMEMBER SANCHEZ** thinks it would be better to have staff doing this and that way we could contact staff. She doesn't see why we need to have an ad hoc committee since we're going to have a workshop.

**MAYOR WOOD** thought the ad hoc committee could get out there with staff and make sure some of these organizations show up at the workshop.

**DEPUTY MAYOR CHAVEZ** concurs with the Mayor. There is a lot of groundwork to bring the different groups together. With Councilmember Feller's significant contacts throughout the community, we can have a good discussion.

26. **Appointment of Council Liaisons to Citizen Advisory Groups, and appointment of Council representatives to Regional Boards and Committees**

**MAYOR WOOD** stated this item is for appointment of the liaisons from the Council to those commissions and committees. Making these appointments is an important duty of the Mayor. State law gives an elected Mayor the right to make these appointments. He makes every effort to consider what's best for the City in deciding these assignments. He made an effort to move Councilmembers from one place to another because we need diversity in the sense that we all want to know about what's around us and what each committee or commission does. These aren't permanent positions. If any of these assignments are not acceptable to any of the Councilmembers, they can come into his office and we can discuss it. He hopes everybody is willing to give this a try. Six months from now after the election, we're probably going to have to review and revisit this to find out where everybody is going. This is a temporary issue to try to address things until the election in June to fill the

vacant Council seat.

He got some feedback from other Councilmembers, the committees and citizens and took those into consideration. His opinion was changed on some of them. He put his recommendations out to everybody today. Instead of going down the list, if there are any particular issues we can listen to those. He is hopeful we can do this in one vote and move forward.

**DEPUTY MAYOR CHAVEZ** thinks Mayor Wood did a great job. There are 17 liaison billets within the City and 9 regional boards and committees. He is honored to work with the committees and commission he has been chosen for.

He would be willing to vote for the balance, with the exception of the SANDAG appointment. He **moved** approval of the 17 liaisons and 8 of the 9 regional boards and committees [excluding SANDAG].

**COUNCILMEMBER FELLER** pointed out that the Buena Vista Lagoon has 2 people attend; it's not a regular and an alternate. He **seconded** the motion.

**DEPUTY MAYOR CHAVEZ** thinks SANDAG has a significant amount of things going on within the region, in particular with the TransNet passage. He'd like to hear the philosophical approach that the Mayor has for SANDAG.

**MAYOR WOOD** responded that with all of these commissions and committees he weighed out with input from everybody and who has or hasn't been there. Councilmember Feller indicated he wanted to stay on NCTD and potentially make Chairman. Regarding SANDAG allowing a secondary person to be there would be 2 people representing the City on SANDAG, which was a deciding factor on allowing Councilmember Feller to stay on NCTD. Councilmember Sanchez wanted to be on SANDAG as well. She's been on the Council longer and wanted to be on SANDAG, and she was his choice for SANDAG, with himself as the secondary alternate.

**DEPUTY MAYOR CHAVEZ** clarified he was asking for Mayor Wood's philosophical approach.

**MAYOR WOOD** responded regional government is important for transportation issues but, as a whole he believes that regional government is fine in the big scheme of things. However, he found out that in the County sometimes regional government doesn't lean toward the extreme ends of the County, like Oceanside in the North. He doesn't think we have the representation that we need sometimes down there or the people that will be outspoken about issues that are important to Oceanside in the regional scheme of things, whether it be Highways 76 or 78 or Interstate 5. He wanted to make sure that somebody was going to represent Oceanside and aggressively do so. He thought Councilmember Sanchez would be the best pick.

**DEPUTY MAYOR CHAVEZ** asked for clarification as to whether the Mayor feels that regional government is meeting the needs of the City.

**MAYOR WOOD** responded no. He doesn't think they do and they haven't for a long time. Representation of North County in a regional government needs to be aggressively approached.

**DEPUTY MAYOR CHAVEZ** has done some research on this, and SANDAG has 5 major committees that oversee their projects regionally: Executive, Transportation, Regional Planning, Border and Public Safety Committees. Generally, in talking to the people there and having pulled up their by-laws on what characteristics they are looking at, under Article V of Officers and Duties, Section 3, Paragraph B, it says in choosing nominees for the Executive Board, the nominee's committee shall take into account the nominee's availability, experience and skills. The way this works is that after you're

there for a while, you move up from one of the subcommittees, i.e. Public Safety, Borders, etc., to the Executive Committee. Currently Councilmember Feller has been there for some time and has moved up to the Executive Committee, which is significant for us because for the major decisions going on such as Highway 76; we would have a voice. If Oceanside brought in a new Councilmember to that commission, then chances are our representative is going to be moved to one of the other committees, rather than the Executive Committee.

He is also concerned, as far as regionalization, about partnerships. Very dear to his heart is senior transportation, which was worked on very diligently with Vista and Carlsbad. At the last Senior Commission meeting Mr. Watanabe presented a plan, now that TransNet has gone through. Councilmember Feller took this on and worked it through the Transportation and Executive Committees to see that we fund this. However, the plan that he saw the other day at the Senior Commission probably is not going to go forward unless we have a partnership with Vista and Carlsbad. We need to have their buy-in involved in the senior transportation.

His points are that in SANDAG we have somebody on the Executive Committee in the position to influence Highway 76, which is a key issue for Oceanside. We also have somebody who is a key influence to help senior transportation. If we want to garner the cooperation of Carlsbad and Vista on a regional partnership, it's important that we have this regional perspective on transportation issues on the different road structures. That's why he pulled this one out. He agrees, in the spirit of cooperation, on 17 of 17 liaison positions and 8 of 9 regional boards. Working with the regional organization is critical for the resources to the City, now that TransNet has passed, and the impact on senior transportation.

**COUNCILMEMBER SANCHEZ** stated that senior transportation was something that she moved to include when we studied the El Corazon site for the second senior center. It has been near and dear to her as well. She's made sure it was included, and it is a top priority for her. She understands the regional prospect of this. She has been working with SANDAG since college, voluntarily and not. She has the credentials and has been here for 4 years. She's worked with our traffic people a lot and she believes we should have a motion for all of these nominees or we shouldn't go forward.

She understands that Councilmember Feller is probably going to be the next Chair of NCTD, which means that he'll be moving into SANDAG independently. That means there will be a position opening up on SANDAG, so it seems wise to have 2 different people on SANDAG. Based on the fact that she is as senior as Councilmember Feller and has asked for this for the last 4 years, she believes she has earned this position. She would be happy to serve as the SANDAG representative and will put all of her efforts into it.

She does plan on reporting a lot more on the workings of SANDAG. SANDAG does a lot of things and is based on a model that the representative represents the whole Council and that the whole Council is getting input and giving information to the public. She intends to do that and go back to what it should be - a way of getting and giving information from and to the public, but also making important decisions in a smaller setting, with other cities and the County. Her motion would have been to approve all of these nominees at the same time. It isn't wise to pick and choose.

**MAYOR WOOD** stated no matter how we word things or how we say it, it is the ability of the Mayor to appoint people to positions. He's listened to the reasons of both ends and that's why he decided to make these appointments. If there are concerns, they've been voiced.

**INTERIM CITY ATTORNEY WALLS** pointed out that there is an existing motion that's been seconded for the approval of all the liaison appointments and the 9 regional board appointments, with the exception of the SANDAG appointment.

**DEPUTY MAYOR CHAVEZ** thinks this has been a healthy discussion, and it's good we're doing this. We're hearing some very good points and the public can see that we're concerned about their interests. Senior issues and Highway 76 traffic are important to him. He would ask that we can discuss this one issue separately. He **called for the question.**

**COUNCILMEMBER FELLER** understands where the Deputy Mayor is going. To lose the position on the Executive Committee is probably not the best thing for Oceanside. What might work is if he remains the primary to SANDAG and Councilmember Sanchez is the alternate and attends the Board meeting and the Policy Board meeting without Oceanside losing the seat on the Executive Committee.

**MAYOR WOOD's** recommendation on this vote would be no for all of them. He'll go back and rework this thing.

**COUNCILMEMBER FELLER** **seconded** the call.

**Motion on the call approved 3-1;** Mayor Wood – no.

**CITY CLERK WAYNE** stated Deputy Mayor Chavez's motion was to approve of the 17 liaison committees and to approve of 8 of the 9 regional boards, not including SANDAG, and was seconded.

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

27. **Appointment of Deputy Mayor for the City of Oceanside (January through December 2005)**

**MAYOR WOOD** **moved** to appoint Councilmember Sanchez as the Deputy Mayor. He talked to the other Councilmembers and they indicated no interest in it.

**DEPUTY MAYOR CHAVEZ** **seconded** the motion.

**COUNCILMEMBER FELLER** wanted it understood that is not a true statement. He does show interest in being Deputy Mayor, but in this case he will go along with the Mayor's recommendation.

**COUNCILMEMBER SANCHEZ** stated when we first came on 4 years ago the Deputy Mayor position was a rotating position, and we picked numbers to figure out which seat we sat in. It wasn't automatically who got the most votes; that year she got the most votes. We set up this rotation. In the last rotation she was taken out for some reason, so she is accepting this with the understanding that if we were doing the rotation she would be up and it would be her time to serve. She looks forward to serving as Deputy Mayor.

**Motion was approved 4-0.**

**CITY COUNCIL REPORTS**

28. **Mayor Jim Wood**

**MAYOR WOOD** announced Sam from the Wisconsin Market is leaving after 32 years of business in Oceanside. Greg Wood is going to take over the business.

29. **Deputy Mayor Rocky Chavez**

**DEPUTY MAYOR CHAVEZ** attended the BRAC hearing last week where the U.S. Government is looking at closing bases across the country to save money.

Governor Schwarzenegger has called for 6 meetings throughout the State to address the issue and hear from the public. One of the meetings was in Oceanside, and he was able to share the strong support the City has for Camp Pendleton. He will be asking at the next Council meeting for a proclamation from Council supporting Camp Pendleton in these BRAC hearings.

Artist's Alley is a group of 6 artists in the Redevelopment Area of Oceanside, and on February 5<sup>th</sup> they are going to have a new Artist's Alley show.

He attended the First Annual Member Recognition luncheon at the Serra Center.

30. **Councilmember Jack Feller**

**COUNCILMEMBER FELLER** thanked the Harbor & Beaches group for the remarkable job they've done of cleaning up the mess on the beach. He attended a League of California Cities Mayors and Councilmembers' Academy last week. It was the best workshop he's been to, and he would recommend it for everybody next year.

31. **Councilmember Esther Sanchez**

**COUNCILMEMBER SANCHEZ** saw in the newspaper a notice about public hearings being held throughout the County by the County Department of Aging and Independent Services to get testimony from seniors on senior services. The site for North County was Vista. However, we have more seniors here in Oceanside, and she wanted our seniors to have the opportunity to provide input at the public hearing. She lobbied the Division Chief to get a hearing set in Oceanside at our Senior Center, and we just got the yes. We are looking at the week of February 7<sup>th</sup>. There has to be actual testimony recorded to consider the input, and she encouraged all seniors to check with the Senior Center for information.

The restaurant Azafran has clarified with the City Manager that they can have a 3-person band and will have a set on Sunday.

**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 9:52 PM on January 19, 2005 Adjourn to a Closed Session meeting at 12:00 noon on Wednesday, January 26, 2005.

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

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Barbara Riegel Wayne  
City Clerk, City of Oceanside



California

# CITY OF OCEANSIDE

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

JANUARY 26, 2005

**ADJOURNED MEETING**

**12:00 PM**

**COUNCIL CHAMBERS**

**Mayor  
HDB President  
CDC Chair**

Jim Wood

**Councilmembers  
HDB Directors  
CDC Commissioners**

Jack Feller  
Rocky Chavez  
Vacant

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

Steve Jepsen

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

Esther Sanchez

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

**Treasurer**  
Rosemary Jones

**Interim City Attorney  
HDB General Counsel  
CDC General Counsel**  
Pam Walls

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

The adjourned 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 12:00 PM, January 26, 2005. The Pledge of Allegiance was led by Gerald Gilbert of the Planning Department.

### **ROLL CALL**

Present were Mayor Wood, Deputy Mayor Sanchez and Councilmembers Feller and Chavez. Also present was City Manager Steve Jepsen, Interim City Attorney Pam Walls and City Clerk Barbara Riegel Wayne.

### **CLOSED SESSION ITEMS:**

**INTERIM CITY ATTORNEY WALLS** titled the following agenda items to be

heard in Closed Session: Items 1A and 2A. [Item 3A was not required]

[Closed Session was held from 12:02 PM to 2:32 PM]

1. **CONFERENCE WITH REAL ESTATE NEGOTIATOR ON TRANSACTIONS PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54956.8)**

- A) **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** – Property: Property bounded by Pacific Street, Myers Street, Seagaze Drive, and Civic Center Drive (APN 147-261-01 through 12; 147-076-1, 2, 3, 10, 11, 12); Negotiating Parties: Community Development Commission and Pacifica Companies, Faulkner USA, SD Malkin Properties; Negotiator for the City: Jane McVey, Economic Development and Redevelopment Director; Under Negotiations: Price and Terms

**Direction was given to staff**

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

- A) **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9: One case

**Direction was given to staff**

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

- A) **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) and Unrepresented]

**No Closed Session was held**

**CLOSED SESSION REPORT**

**INTERIM CITY ATTORNEY WALLS** reported that Council gave direction to staff on Items 1A and 2A. No Closed Session was held on Item 3A.

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

**ADJOURNMENT**

**MAYOR WOOD** adjourned this adjourned joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of

January 26, 2005 – 12:00 PM

Joint Meeting Minutes  
Council, HDB and CDC

Directors at 2:34 PM on January 26, 2005. [The next regularly scheduled meeting is February 2, 2005]

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

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Barbara Riegel Wayne  
City Clerk, City of Oceanside





California

# CITY OF OCEANSIDE

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

FEBRUARY 2, 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

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

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

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

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB) and Community Development Commission (CDC) was called to order by Mayor Wood at 4:00 PM, February 2, 2011.

### **4:00 PM - ROLL CALL**

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

City Attorney Mullen titled the following item to be heard in Closed Session: 2. [Items 1 and Addendum Item 2(a) were not discussed]

[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

**No closed session held**

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (SECTION 54956.9)  
Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9: One Case

**Discussed; no reportable action**

**Addendum Item:**

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

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (SECTION 54956.9(a))  
Mira Mar Mobile Communities Homeowners Assoc., et al. v. Kendall West, et al., Superior Court Case No. 37-2009-00050733-CU-BT-NC – *Continued from January 26, 2011*

**No closed session held**

**5:00 PM – ROLL CALL**

Mayor Wood reconvened the meeting at 5:02 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**

Presentation – “Pet of the Month” presented by Elkie Wills, San Diego Humane Society & SPCA

Proclamation – Ronald Reagan Day, February 6, 2011

Presentation – Mayor's Youth Sports Recognition and Appreciation Award – Oceanside Recreation Basketball Team

**Presentations were made**

**CLOSED SESSION REPORT**

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

**CITY ATTORNEY MULLEN** reported on the item discussed in Closed Session:  
See Item 2 above. [Items 1 and Addendum Item 2(a) were not discussed]

**CONSENT CALENDAR ITEMS** [Items 5-11]

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

**COUNCILMEMBER KERN** requested Item 8 be removed from the Consent Calendar for discussion.

**COUNCILMEMBER FELIEN** requested 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 October 6, 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 to re-appropriate \$69,199.56 in grant funds from San Diego County awarded to the City of Oceanside for reimbursement of funds expended for the performance of grant-funded law enforcement services jointly with other law enforcement agencies under Operation Stonegarden 2009; and approval to appropriate the funds to the Police Department
8. **Removed from the Consent Calendar for discussion – Council**
9. **Removed from Consent Calendar for discussion – Council**
10. City Council: Adoption of **Resolution No. 11-R0087-1**, "...authorizing budget modifications to the FY 2010-11 State Supplemental Law Enforcement Services Fund Citizen's Option for Public Safety Grant" (COPS), reducing the grant award amount from \$278,355 to \$185,975.03 plus investment earnings; approving the revised expenditure plan; and authorizing the City Manager or designee to execute the grant documents
11. City Council: Acceptance of \$435 in unanticipated revenue from the auction sale of surplus Library property (furnishings to be replaced in the Library remodel project), and approval to appropriate these funds to the Library Department for the purchase of equipment

**DEPUTY MAYOR SANCHEZ** moved approval of the balance [of Consent Calendar Items 5-7, 10 and 11].

**COUNCILMEMBER KERN** seconded the motion.

**Motion was approved 5-0.**

**Items removed from Consent Calendar for discussion**

8. **City Council: Approval of a seven-year lease/purchase agreement [Document No. 11-D0084-1] with Oshkosh Capital in the amount of \$1,624,760.89 for the lease of two fire apparatus to be provided by Pierce Manufacturing of Ontario,**

**California, to replace two existing apparatus that have reached or exceeded their service life; (2) adoption of Resolution No. 11-R0085-1, "...naming the City Manager as 'authorized representative' of the City Council of the City of Oceanside for the purpose of executing leases with Oshkosh Capital"; and authorization for the City Manager to execute the lease/purchase agreement**

**COUNCILMEMBER KERN** requested that this item be continued to April 6<sup>th</sup> because he has a lot of questions about spending \$1,700,000 on an item that only has a 3-page staff report. He looked at one of these things on the internet and in the staff report there is nothing about a demonstrated need for this type of vehicle. This is something we've never had before. It's not just replacing current equipment with like equipment; it's a whole new system that we're doing, so there are a couple of things missing: one is the demonstrated need - why we need an apparatus of this type in Oceanside at this time; two - the training costs of a whole new piece of equipment. How much are we going to attribute to training, operations and maintenance of this particular vehicle?

Also, the replacement of F-38, the rescue truck, has been unmanned for several years according to his information. You're using it as a replacement for something we don't use right now. So, it's not really a fleet reduction. It's not that he's opposed to this; he just needs more information before we commit \$1,700,000 to something he doesn't know if we need.

**DARRYL HEBERT**, Fire Chief, responded the reason he is bringing this issue forward tonight is that if we don't do this within the next few days, the price automatically goes up 3-5% on the apparatus. It was actually scheduled for the 31<sup>st</sup> but he did additional staff work to make sure that the truck Councilmember Kern is talking about is a replacement truck for one of our current trucks. It's not a new vehicle to our fleet; it will be a replacement. It's not replacing F-38; it's replacing F-63, which is 17 years old. We currently, in the Fire Department under NFPA, have extended the life of our vehicles from 15 years to 17 years and that's why we're bringing this forward.

**COUNCILMEMBER KERN** stated this is a whole new apparatus. If you were just replacing it with like equipment, he wouldn't have a problem with that. We're getting a whole new piece of equipment we've never had before and there's no demonstrated need for that piece of equipment. This is beyond anything we have now. He's not sure that we need it. He would like to have seen that in the staff report as well as the other costs associated with it like training, operation, maintenance, etc. He doesn't think it's prudent for Council to make a decision to spend \$1,700,000 with this little amount of information.

**CHIEF HEBERT** did do an evaluation of the need. It's a 100' ladder truck that's replacing another 100' ladder truck. The difference in the apparatus is that it is a tiller truck, which allows us to access some of the areas that we can't currently access with our current truck. We're eliminating F-38, which carries rescue equipment that this truck, because it is larger but it is a truck, can carry on it. We've actually reduced the fleet by one vehicle. Even though F-38 is unstaffed, we still respond to rescue events.

**COUNCILMEMBER KERN** stated the research that may have been done was not put in the staff report to tell us what the demonstrated need is and he's having difficulty making a \$1,700,000 decision on a 3-page staff report that leaves out very important issue that he mentioned.

**CHIEF HEBERT** responded the operations and maintenance doesn't change. We ran that through the City garage and nothing changes there. As far as the training, Encinitas, Carlsbad and San Marcos have a similar truck. We talked about the training capabilities with that and we're not asking for any additional money in our training budget to train our people. To continue this item would cost 3-5% more. He's talked to the City Manager on this because he kind of put a verbal agreement out there to Pierce

Manufacturing, who we bought all of our equipment from.

**COUNCILMEMBER KERN** stated you shouldn't put a verbal agreement out there until you come to Council. He **moved** that we continue this to April 6<sup>th</sup> or sooner to supply the Council with a needs assessment and information so we can make a decision based on the information.

**Motion died** for lack of a second.

**DEPUTY MAYOR SANCHEZ** did ask questions beforehand. Every time she sees something on the Consent Calendar she spends the time talking to the City Manager to insure that we actually need something, especially in these times. She is convinced that we need this. We've been told by the Fire Chief that this is necessary and critical to be able to continue to protect the public safety of our residents. If we do not act tonight, the cost will go up and something else is not going to get funded because of the delay. Questions could have been answered by the City Manager or the Chief before today.

She **moved** approval of this item.

**MAYOR WOOD seconded** the motion.

**COUNCILMEMBER FELIEN** asked if other than the price issue, would there be a problem with a 2-month delay from any operational standpoint. Also, in the middle of a recession where virtually no company has pricing power to raise prices, why are we exposed to the potential of a 3-5% price hike? What gives these companies leverage or is there a provision in the contract that's raising the price?

**CHIEF HEBERT** responded that it's because we're still under last year's prices. We've been working on doing the analysis on this for quite some time and they gave us last year's prices. He doesn't know why they haven't held the same prices from last year to this year.

The current ladder that we have has been in the shop and we have probably spent, over its lifespan, well over \$300,000 to \$400,000. It's 17 years old and there is well over 100,000 miles on it and every day that we delay this, it takes about 6 to 8 months to get these apparatus built. It's not similar to buying a car, they aren't on the lot; they actually build them to our specs.

**COUNCILMEMBER FELLER** asked the Chief how many miles per day they drive these vehicles.

**CHIEF HEBERT** doesn't have that information in front of him but they respond to anywhere from 6-10 calls a day so they get quite a bit of mileage on them, depending on where the calls are in their areas.

**COUNCILMEMBER FELLER** hopes that's what we're using them for and not driving around the City and down on The Strand. He supports this. There is an issue for him that this is a replacement of a really old vehicle. The money we've been setting aside is about \$800,000 and we continue to set aside a certain amount that will be applied toward this loan. That's something we've been doing all along.

**CHIEF HEBERT** confirmed that.

**COUNCILMEMBER KERN** can't support it based on this information. Hopefully, in the future when a staff report comes forward, it will give us enough information to base a good decision on. He still doesn't see the need for this in a city of this type with the height that we have in most of our buildings, except maybe one. We may be overbuying or buying for the future, but maybe buying this in the future when

we have those other buildings in place would be more appropriate.

**MAYOR WOOD** stated we get these items on our agenda a week in advance so we have time to ask questions. He knows there is a daily response from Councilmember Kern's aide asking these questions. He will support this because it's a public safety issue.

**Motion approved 4-1;** Councilmember Kern – no.

9. **City Council: Adoption of Resolution No. 11-R0086-1, "...authorizing the filing of applications for Active Community Transportation Grant Program funds, Safe Routes to School Capacity Building and Planning Grant Program funds, and Safe Routes to School Education, Encouragement, and Enforcement Grant Program funds through the San Diego Association of Governments for the Neighborhood Revitalization Strategy Area Plan Update, the School Pedestrian Safety Policies and warrants program; accepting the terms of the grant agreement; and stating the assurance of the City of Oceanside to complete the projects by February 1, 2012" from the Communities Putting Prevention to Work Program through the American Recovery and Reinvestment Act (ARRA); authorize the City to act as collaborative lead partner on behalf of other agencies in these applications; and authorization for the City Manager to execute all necessary documents**

**COUNCILMEMBER FELIEN** asked for this item to be pulled to get a little more clarification from the City Manager. The wording of the report seems to suggest that we're paying \$10,000 per grant, but the summary says that we're not having a fiscal impact. He would like clarification as to whether we're spending any General Fund money to acquire these grants.

**CITY MANAGER WEISS** responded the action that we're asking Council to approve is to apply for the grants. Should we actually receive the grants, we would be coming back to Council to appropriate the money. The grants require us to provide \$10,000 of matching support or in-kind services. For example, when we do the bicycle rodeos, between the Bicycle Committee and staff that counts as our in-kind contribution. The action tonight has no fiscal impact because we're just asking Council to authorize us to apply for the grants. If there's an issue when we bring them back, or if the grant conditions change, which is unlikely, than we would be able to address those at that time.

**DEPUTY MAYOR SANCHEZ** moved approval of this item.

**MAYOR WOOD** seconded the motion.

**Motion was approved 5-0.**

#### **Changes to the agenda**

**CITY CLERK WAYNE** announced that, pursuant to a written stipulation between the City and the appellant, public hearing Item 12 has been continued to March 2, 2011.

**COUNCILMEMBER FELLER** asked to pull Item 15A. Although he thinks it's a very important item for us to discuss, we've got a heavy load today and we need to continue it to February 23, 2011.

**CITY CLERK WAYNE** stated Item 15A has been continued to the next meeting. Anyone here who wanted to speak on 15A, it will be heard on February 23, 2011.

**GENERAL ITEMS**

13. **City Council: Approval of the updated City of Oceanside Neighborhood Traffic-Calming Program, establishing new traffic-calming goals, policies, and guidelines**

**DAVID DIPIERRO**, Traffic Engineer, stated this item is to approve the updated City of Oceanside Neighborhood Traffic-Calming Program. In 1997, the City created its first Traffic-Calming Program and over the past decade it has been continually updated. The new program will be a uniform process for reviewing traffic-calming requests. To help us update the new program, a steering committee was formed that comprised of a local business owner, an Oceanside resident, a representative from the Transportation Commission and City staff from the Development Services, Police and Fire Departments.

Under the guidance of RBF Consulting, the committee developed the new program. This program was also presented to the Transportation Commission, Police and Fire Commission, Planning Commission and the SANDAG Technical Working Group of Regional Traffic Engineers, who all approved it. He introduced Dawn Wilson, a Senior Associate with RBF Consulting, who was hired to help us develop the program and will walk us through some of the highlights of the plan.

**DAWN WILSON**, RBF Consulting, stated Oceanside has been very involved in traffic-calming since 1997 with the Oceanside Neighborhood Traffic Action Plan (ONTAP). Since that time, the traffic-calming program evolved into the Oceanside Neighborhood Traffic-Calming Campaign (ONTCC), which was adopted in 2005 and revised in 2008. The goals of these programs were to address neighborhood traffic issues, such as speeding and traffic volume and improve the quality of life in residential streets. In 2010, the City embarked upon the traffic-calming program. The program is aimed at standardizing the process and the different types of tools available to our residential communities as part of our traffic-calming program.

The program concentrates on local streets as defined by the California Road Systems maps. Roads on the map defined as local have speeds of 25 mph or less. The traffic-calming program is now looking at traffic-calming for both localized streets and at a neighborhood level. For each of the different types of traffic-calming programs available now in the City, there is supporting criteria either for a localized street or for a neighborhood. Also included in the program now is the process for removing traffic-calming devices.

The Oceanside Traffic-Calming Program is a two-phase program and all requests for traffic-calming are now required to go through the first phase. In that phase, residents would place requests with the City Traffic Engineering Division and staff would work closely with the community members in understanding their traffic concerns. The staff would then use a small toolbox to help understand the traffic issues and develop solutions for short-term or potentially long-term for their community. Different options are educational tools such as flyers, meeting with the residents, radar gun demonstrations, signage, the placement of a radar speed trailer and increased police enforcement. Throughout the first few years this first phase of traffic-calming has been very successful in resolving different traffic-calming issues in our residential neighborhoods.

However, if the resident finds that the traffic issues continue or traffic does persist, then the project could move to phase two. Residents would then submit an application with a signed petition from their neighborhoods to continue to the next phase of the process. During that phase, the City would review the application, including the signatures from the residents, and complete their qualifying criteria worksheet. Once it's determined that a project would qualify for the traffic-calming program, the project would then be determined to be either localized or neighborhood. A graphic was used to show an example of what a localized traffic calming program might look like. Its

one street within a larger neighborhood, but traffic-calming on that street would very likely not affect the traffic patterns for the rest of the streets in the neighborhood.

A neighborhood traffic-calming program would affect a much larger area and if traffic-calming were placed on any one of the streets, it may have an effect on the traffic patterns throughout that neighborhood. Therefore, we would look at traffic-calming on a much wider scale.

If the study area is determined to be localized, staff would work closely with the residents along that street to determine the applicable tools that would address the speeding or traffic issues in their neighborhood. From there, a traffic-calming plan would be developed. If the traffic-calming plan was determined to be at a neighborhood level, staff would then host a neighborhood traffic-calming meeting and a committee would be formed, which would then help identify the tools and develop a traffic-calming plan. Either localized or neighborhood traffic-calming plans would need to be circulated through the neighborhood and a survey would be distributed.

Different criteria has been established for localized and neighborhood traffic-calming plans. At the localized level, where we have a much more concentrated group of homes in a much smaller area, 70% of the surveys distributed would need to be returned in support of the traffic-calming plan. At a neighborhood level, where far more traffic surveys would be distributed, 40% of the distributed surveys must be returned and of those that are returned 55% must be in favor of the traffic-calming plan. Because the residents immediately adjacent to the traffic-calming device would be most affected by its installation, 100% of the people adjacent to the traffic-calming devices must be in support of the plan for it to be approved.

In establishing this different criteria, RBF and City staff did extensive research of similar cities that have active and successful traffic-calming programs. She listed the cities that have very similar criteria to Oceanside for both installation and removal of the devices. If it's determined that there is neighborhood support for the traffic-calming plan, it would move into the approval process. At that time, a funding source would be identified and it would be presented to the Transportation Commission and eventually to Council. Once approved by Council, the project would move to implementation where it would be designed and implemented, and evaluation of the effectiveness would be conducted.

New to the traffic-calming program is the removal of the traffic-calming criteria. Once a traffic-calming device is installed, there is a 12-month waiting period before a resident can request that it be removed. After that period has expired, a resident would have the opportunity to submit a petition for removal. At that time, staff would circulate a new survey and 80% of the surveys distributed would need to be returned in support of the removal of that device.

Included in the traffic-calming program is a summary of all the traffic-calming devices that are approved within the City. Also included are the types of devices that are allowed on different classifications of roadway and the appropriate application of those tools. For each of those tools, there are now specific design criteria and application guidelines that are available for residents and staff to use.

At this time, staff recommends that Council approve the City of Oceanside Neighborhood Traffic-Calming Program.

#### Public input

**MICHAEL BULLOCK**, 1800 Bayberry Drive, stated he supports the Coast Highway Vision, which applies updated traffic-calming methods to our most important arterial. It uses bulb-outs, bike lanes, a 4-lane to 3-lane road diet and a complete street approach, including replacing traffic lights with traffic circles. The lane reduction is

possible because with traffic circles there is no reason to stack cars at red lights. Recently, looking at predictions for traffic for 2030, it was determined that there would be too much traffic for a traffic circle at the corner of Coast Highway and Mission Avenue. He hopes we don't put too much faith in a 2030 prediction of traffic.

Traffic-calming can be difficult if at the same time we are encouraging the use of more cars. A potential example is the use of the \$24,000,000 Redevelopment tax money to build a parking garage for our approved downtown hotel. That parking cost needs to be unbundled, as should all parking costs. Doing that would allow motorists to use all parking facilities and would also allow a reduction in the amount of parking needed by 10-20%. This would save taxpayers between \$2,400,000 and \$4,800,000 because the parking garage size could be reduced. Congestion pricing would ensure that there is always enough parking and no one has to drive around looking for parking.

**NADINE SCOTT**, 550 Hoover, sent Council an email saying how great the ideas were in the traffic-calming plan and how our neighborhoods need it. But she also noted how ludicrous it was to require 100% of the people to agree with anything; it's unrealistic and ridiculous. Furthermore, the 70% is also ludicrous. Who's going to pay, where's the fiscal analysis, who's going to send out and print the notices, etc. If one person doesn't agree, then it foils the plan for adequate traffic-calming. There was a lot of good work done but the percentages are unrealistic. Council needs to send this back for more realistic figures and a cost allocation.

Public input concluded

**DAVID DiPIERRO**, Traffic Engineer, stated part of the program is we actually did a test neighborhood; the Bella Collina neighborhood. In that neighborhood we actually went through the cycle twice. It required a 40% return rate and of that 40%, we required 55% of the people within that neighborhood to approve what was recommended by the task force. It happened the second time around. We actually got the 40% response on both occasions; the second time around we received 55% approval, which is what we're requiring for neighborhoods.

With due diligence, we've looked at about a half a dozen other cities and this is the standard that cities are using throughout the State. He came from San Diego where he helped develop their most current traffic-calming program. Again, these were pretty much the percentages that were used in San Diego's traffic-calming program. As far as the 100% rate, the reason we request that is that his experience has been that some people don't like road humps in front of their house; where the neighborhood likes it as a whole, a person doesn't like them in front of their house. If it's another type of device, such as a bulb-out, you might remove parking in front their house. We want to make sure that everyone is in agreement if we're putting the device in front of their house. We've received the 100% in not only the test neighborhood but in his experience in the past.

**DEPUTY MAYOR SANCHEZ** thinks everybody has a valid point. Where we worked with traffic-calming, it's been a community effort and an effort to get everyone to sign on. She was wondering if we could set these as goals versus absolute numbers. That way, as we go along, we know that is the goal and if it's 99% versus 100%, it's something that could be brought to the next step, which would be the Transportation Commission. If we do it as a goal, we know we still have to get there and we're still trying to work together on issues that are obviously important to the neighborhood and yet there is still room for staff, the Transportation Commission or the Council to have a little leeway in terms of discretion. She asked if having those numbers set as goals is a workable thing.

**MR. DiPIERRO** responded we would rather, being engineers, work with hard numbers. One reason is because we probably get over 100 requests a year for these types of things and a lot them are repetitive requests. One thing is, when we work with

the neighborhood, if it's a neighborhood traffic-calming plan, we form a task force that includes members of the neighborhood to suggest what the devices would be and talk to their neighbors. If we go through this plan once and it's rejected during the survey, we'll actually do it a second time based on the comments we receive back. It's not a set goal, but we're going through it 2 times. If we don't receive the required percentage, it's terminated and it's not going to work for that neighborhood.

Regarding Ms. Scott's question about the money, we're funded right now with \$200,000 from TransNet every year and that's the money that we'll be using for the program. We'll be using it as we did with the test neighborhood to send out the survey. It would be staff's time and expense to send the survey's out to the neighborhood, with the help of the task force walking around to their neighbors asking for support.

**DEPUTY MAYOR SANCHEZ** stated it appears to her that the residents could still petition to the City Manager and/or the Council if they don't get those magic numbers. We do need to have a program and definite steps.

She **moved** approval [of the updated City of Oceanside Neighborhood Traffic-Calming Program, establishing new traffic-calming goals, policies, and guidelines]. Since this is a new program, she would like to have some kind of review at some point - maybe 6 months after implementation - to see how it's working. Resolving the issues is the important thing, versus having hard rules.

**COUNCILMEMBER KERN** **seconded** the motion. He understands the 100% immediately adjacent to the device. On a personal level, he wouldn't want one in front of his house with the noise, etc. He noted that the thresholds are different for taking it out versus putting it in; it's 55% to put them in, but it's 80% to take them out. Why such a large difference? That's really a high threshold for a whole neighborhood to come forward to take them out.

**MS. WILSON** responded we looked very closely at the removal process and our goal was to make sure that the approval and removal process percentages overlapped. So if we have a percentage of residents necessary to approve a device, some folks would have to have changed their minds and want that device removed in order for the removal process to move forward. Had we gone with a lesser percentage, there was the possibility that a neighborhood could approve a project, based on the percentages that are established, and the same people who may have opposed the project when it was put in could turn around a year later and petition and possibly successfully have that removed. When we established the 80% threshold, we have about a 5% overlap between how many people it would take to approve a plan and how many it would take to have it removed. It may be high, but it would result in requiring residents along a street or in a neighborhood to have changed their minds about traffic-calming in order to reach those percentages.

We've looked at other communities that have a removal process that have ranged from the 70-95% range to have a device removed. Many people would state that after having gone through the extensive process to get them in, and the cost to have them installed, they want to make it a comprehensive process to have it removed as well. That percentage would meet that requirement.

**COUNCILMEMBER KERN** understands but is still concerned about that high threshold of 80% to get it removed. We can address that later on. If we have a neighborhood that has 75%, maybe we need to resurvey and make that evaluation at that time.

**CITY MANAGER WEISS** stated Council's other option is to drop it to 70%; you do have that discretion.

**COUNCILMEMBER KERN** asked if we can come back at a later time and

change it to 70%.

**CITY MANAGER WEISS** responded if that's what Council would like to do, then yes.

**COUNCILMEMBER KERN** would like to put it out there for a year and see if there's a neighborhood that doesn't want them and then we can revisit the 70-80% threshold.

**DEPUTY MAYOR SANCHEZ** asked if we could do a review at 6 months and then again at 1 year. That will take care of both issues.

**MR. DIPIERRO** responded absolutely. We can come back in 6 months and show Council where we're at with the program, and in a year. At the next Council meeting we're bringing the Bella Collina neighborhood program to you. We'll have them installed sometime this spring and it will be a great test neighborhood.

**COUNCILMEMBER FELLER** recalls an incident some years back in Henie Hills where we put something in and we really heard about it. We're trying to solve an issue that wouldn't be needed if people respected each other and where they live just by slowing down and respecting your neighbors. Most of the people that are offending are the ones that live there or in the near vicinity. He supports this and thinks it's something that we'll have to continue to refine as we go along.

**Motion was approved 5-0.**

Mayor Wood determined to hear Addendum Item 15(b) and at this time followed by 14.

**ADDENDUM ITEM:**

- 15b) **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 – Continued from January 26, 2011**

**COUNCILMEMBER KERN** is bringing this forward because we need to start looking at how we do government. The policy he's looking at, and he tries to adhere to it as much as possible, is that we're only allowed 4 hours of staff time per month for inquiries we may have. Councilmember Felien and he had this discussion that we can't keep doing things the same way that we've always done them. We need to start taking a look at what we do and how we do it.

The budget is the City Manager's purview and he will bring that forward based on the money that we have. What he wants to look at is the cost versus benefit. He wants to know if there are things out there where Council can ask staff to take a look at to remove some of the regulations and how we're going things or whether we need to keep doing them at all. We've been doing things the same old way and it hasn't helped. We're in chronic budget deficit now. There are a number of people here tonight to talk about saving their programs and he predicts that at this time next year we'll have the same number of people here talking about saving their programs. Our budget deficit is chronic and we need to get out ahead of this in some way and figure out how we redefine government.

He and Councilmember Felien both just started 4-year terms and have similar backgrounds; both have business degrees and understand how budgets come together and how processes work. All we're asking our fellow Councilmembers to do tonight is to grant us the additional time to start asking some of these questions.

**MAYOR WOOD** stated he put these two items together because he thinks they're interconnected. He doesn't know if the Clerk has separation of speakers or if they are all going to be on one.

**CITY CLERK WAYNE** responded we have confused the public; she thinks everyone wants to talk to the Council about the franchise fees as they relate to the budgeted programs. Combining them lets everybody speak on both issues at the same time.

**MAYOR WOOD** asked for input from the Council.

**COUNCILMEMBER FELIEN** doesn't know the specific procedure here. He believes once the members who came here hear a little bit of the discussion, most people are not going to want to speak because, although a lot of demagoguery went around with some emails in the community, there is absolutely no connection between his Item 14 and cutting any City services or closing facilities, etc. That will be clear and he would like to suggest we have the discussion and then ask if anyone still wants to speak after hearing the actual discussion of his motion. After everyone speaks we can vote, if possible.

**MAYOR WOOD** would like to come back to Council before he hears from the public on 15(b) and then go to 14.

**DEPUTY MAYOR SANCHEZ** stated this matter was continued from last week and she would like to address this now. First, we continue to have a strong City Manager form of government. It was adopted within our Charter, so it is the purview of the City Manager to bring forward, based on the input from all 5 of the Councilmembers. She is not going to support this. She believes that each Councilmember has 4 hours to be talking to the City Manager; that's 20 hours of staff time that we will be taking this month of a staff that is down to a skeleton crew.

She is not prepared to support a philosophy that does not include the provision of support services that include parks and other recreation programs for our community. She understands that both Councilmembers want to cut these and feel that government should not be about this. She's heard this over and over again. Each Councilmember will be able to discuss this before the public, properly noticed, and not behind closed doors and bullying staff, which is what she feels would happen, into some kind of program or cutting of services. This is something that we all need to hear, first from the City Manager and then from each Councilmember. We can do it via a workshop or whatever. Each Councilmember was elected and we all have a right to have input to the City Manager. Each one of us has 4 hours.

**COUNCILMEMBER KERN** thinks what's confusing the issue is combining two things that have nothing to do with each other. He would like his item separated from Councilmember Felien's item.

**MAYOR WOOD** responded we are separating them. This is Item 15(b) we're hearing.

**CITY CLERK WAYNE** stated we have confused the public by what we listed on our agenda for Items 14 and 15(b). They both translate, because of what the media has also advised the citizens, Item 14 is perceived as franchise fees and 15(b) they perceive as the budget – both they have tied together. We have a combination of people who didn't know where to speak tonight because they want to talk to Council about the franchise fee and how it relates to the budget. We have a total of over 80 speakers that didn't know which item was the proper item to talk about.

**MAYOR WOOD** responded you're right. He's gotten plenty of calls and emails and he understands what people are concerned about. These two items are similar.

Does he want 2 Councilmembers to do a similar subcommittee and decide what the budget and cuts should be; why those 2 over the rest of Council and why do they need more time. That's connected to the whole thing of where we're going with the budget (Item 14) and do we want to spend money there or not. He's not sure he wants to have part of the 80 speakers on Item 15(b) and then have 80 speakers on Item 14. He wanted to have Councilmember Kern explain what his item was and have the Council explain what we think about it and see if there are any speakers on Item 15(b) and then go to Item 14.

We are on Item 15(b) right now, Councilmember Kern's item, where he wants to have his and Councilmember Felien's staff look at it separately from the rest of the Council and the Mayor.

**COUNCILMEMBER KERN** stated this is confusing and requested a 5 minute break to see if we can straighten this all out. Otherwise, he's willing to listen to all 80 speakers on his item and then come back and listen to all 80 speakers on Councilmember Felien's item.

His item is not a time-sensitive item so he will pull his item. We will not discuss it tonight and move it to the next meeting so we can focus on Councilmember Felien's item and not have the public confused about what he wants and Councilmember Felien has. It is confusing because his item has nothing to do with Councilmember Felien's item or parks and recreation. It's about Councilmembers looking at the structure of government as a whole.

**MAYOR WOOD** appreciates that. So Item 15(b) has been pulled.

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

14. **Request by Councilmember Felien to discuss reducing the City's trash fees to eliminate the Waste Management Franchise Fee; review the status of the Rate Stabilization Fund; and provide direction to staff**

**COUNCILMEMBER FELIEN** stated this is the first agenda item he's brought to the Council and it seems to have stirred some controversy. He welcomed everyone and thinks at the end we'll have a better clarification because there seems to be some false connection between cutting a bunch of City services and this item and we haven't even begun the budget process.

He believes, as was discussed in his campaign, that the franchise fee really isn't a fee, it's a tax. He spoke with the people at Waste Management and they said that the fee is packed in with the trash rate. The \$19.44 includes the trash tax and Waste Management collects that trash tax and then passes it on to the City, but they don't pay it. He believes it's a tax and any tax the City passes, the voters should have a right to vote on and that wasn't done.

The City, within its budget, does have a challenge where it has to balance labor costs, programs and taxes. We have out-of-control labor costs and those need to be addressed by cutting programs, raising taxes or controlling labor costs. He doesn't believe we can tax our way out of this problem. During the time between July and December we played fast and loose with taxpayer money and signed several lopsided labor contracts and that's the problem the City has. We need to renegotiate, when they expire, more favorable terms for taxpayers. He would like to make sure that the money goes back to the rate payers. Even Governor Brown said that we shouldn't have any tax increases without a vote of the people. This shouldn't be decided by bureaucrats or labor unions, it should be decided by the people what they're going to pay for their taxes.

We also had an election with a debate and 2 candidates said this was a hidden

tax that needed to be refunded to the people. Those individuals received 61% of the vote. We also had 2 candidates who said the money fell from the sky and belonged to the City and rate payers weren't paying it. Those individuals received 39% of the vote. So in a way, we did vote on this issue that the money does belong to the people. He made that campaign promise and this issue of refunding the trash tax was on every piece of campaign literature he passed out. He believes the people have spoken and they want this to be refunded back to them on their trash bill.

One other reason is the inherent dishonesty of it. A tax is a tax; it's not free money. The public had a chance to vote and agreed with his position on it and he wants to honor the requests of the voters and return it.

We are stuck with the labor contracts that got signed and we need to meet the challenges of the coming year. In order to make sure these funds aren't co-mingled with the issue as we're going to have to meet a \$3,800,000 deficit this year and deficits for each of the following years, he wants to make sure refunding these taxes isn't confused with the cost increases that are going up each year because of our labor contracts. For example, our pension spending is going up 21% over the next 5 years and our labor costs in general are going up 13% over the next 5 years while our revenues are remaining flat.

He **moved** that beginning in July, 2012, which doesn't affect the 2011-2012 budget that's going to be discussed, that the City will lower trash rates by \$1,700,000 per year on a pro rata basis.

**COUNCILMEMBER KERN** seconded the motion.

Public input

**JOAN BRUBAKER**, 1606 Hackamore Road, stated a suggestion has been voiced by some that the \$1,700,000 to the City from the new Waste Management contract should be given to the citizens of Oceanside. This would likely result in a one-time transaction such as a purchase of a coveted item by one person. Consider instead the retention of these funds placed in the General Fund, as was originally planned, where it could be used to defray the Parks and Recreation Department for a sizeable portion of the year or more. The result would be many families and individuals would be served. You can drive around a pothole but you can't swim in an empty pool. She admonished Council to stop, look and listen.

**JERRY McLEOD**, 1571 Del Mar Road, stated Councilmembers Felien and Kern had a lot of money to put out a message and people don't really pay a lot of attention. They pay attention to hype. We're here because we don't want the pools and recreation closed. We want these things to remain open. Think of the kids.

**JIMMY KNOTT**, 127 Sherri Lane, stated that a franchise is not a tax, according to State law. A franchise is an agreement between a City and a private corporation for an exclusive contract for that company to do business. As an example, Cox Communication has had a franchise fee for over a decade that has brought in millions to the City and these 2 Councilmembers haven't posted any objections to that over the years. Why?

**BARBARA MANNINO**, 1687 Laurel Road, is the CEO of Vista Community Clinic who has 3 clinics in Oceanside. She is speaking in support of the Community Resource Centers and the Recreation Centers. She knows that's not directly what's on the agenda but that's why we're all here.

In 1996 crime was rampant in our communities and people were afraid and we were able to form a consortium called Partners for Healthy Neighborhoods to bring in \$1,000,000 from the California Wellness Foundation and spend that money over 5 years

to establish programs and services in those communities and Resource Centers in partnership with the City. Today, the Vista Community Clinic operates a clinic at Libby Lake. We see thousands of people every year at that clinic. We bring in \$2,400,000 annually of other funds, not City funds, to provide services. We have 540 employees, many of them who live and work in Oceanside. In addition to that, we have 3 afterschool programs in Oceanside's Resource Centers. We saw 1,700 kids in those Resource Centers with money that came from other sources besides Oceanside. We've highly leveraged Oceanside's involvement and ask Council to continue to support the Resource Centers and the Recreation Centers.

**TIMOTHY TOWEY**, 2860 Highway 76, has taught martial arts for Oceanside since the mid-1990's out of the Community Centers. He knows this decision is hard but he asked Council to take care of the people.

**HELEN SCHELL**, 544 Pacesetter Street, is a volunteer at the Country Club Senior Center and has been for over 10 years. She also helps distribute food for the San Diego Food Bank, etc. She asked Council to please not close the doors on these people.

**PAT CUBEL**, 328 Del Flora Street, doesn't like being illegally taxed, as Councilmember Felien called it, but on the other hand he doesn't like losing the recreational services we have here to support our kids, seniors and community. If things aren't working, then maybe changes need to be made on Council. Oceanside has only about 10% put forth for our community programs, which isn't right. We're not the largest City but we've got the largest Police and Fire Departments and Council just gave them \$1,700,000 for 2 new fire trucks when we have 2 that still work. That money could be used in other facilities. He noticed that the Fire Department is over budget for the quarter, and Council is giving them more money. The youth and elder centers are where they are supposed to be and are making the best out of the least amount of money around here. If this continues, there may be 5 new Councilmembers. He'll be running of something like this happens.

**OLIVIA GONZALEZ**, 1405 Eastview Court, is a Vista Community Clinic Board Member and a Social Worker in Oceanside who works with teens who are pregnant or parenting. She transports a lot of our teens to obtain services from Vista Community Clinic. She asked Council to honor the commitment to better provide for our community.

**JIM HAMILTON**, 502 Portico Drive, is not involved in any little league or senior program so they aren't personally important to him but they are important to him as a member of the community. Having taught for many years, he knows the importance of these types of programs for young people and seniors. These are things that improve the quality of life. He doesn't care about Waste Management; he wants to see better things for our citizens. It makes no sense to him to have a program with an agreed-to contract and speak of changing such a thing when we can bring added money into our City, which is suffering from a recession and has already made serious cuts. Every cut we can stop will benefit the citizens. He hopes this issue will go no further.

**BILL RIETMAN**, 5074 Corte Alacante, is President of the Soccer Club of Oceanside and is speaking on their behalf. The Soccer Club serves 2,300 kids. When he heard about this happening he reached out to Councilmember Feller, who informed him to cool our jets and we decided not to kick up a hornets nest. As many people as are here tonight, there would be many more if we reached out to our people. As an organization we also provide life lessons and we bridge the gap between formal education and informal education. We provide an outlet for kids to learn about teamwork, character and integrity and we keep them off the streets. We either pay for education today or more police and incarceration later. As far as contributing, through the Oceanside Unified School District's field fee and the City light fees (both of which we need), we're going to need to budget \$50,000 starting July 1<sup>st</sup>. We are already pricing some kids out of our programs and we want to make sure we don't do anymore. He

asked Council to consider all youth sports when balancing the budget.

**PAT WALLACE**, 1901 Bush Street #101, stated if she understands this issue correctly, there is money coming from Waste Management that can be used to get rate stabilization for all of the citizens or it can be used to avoid cuts in these services. If that is the issue, she thinks we need the City services to not be cut. If that's not the issue, she would like an explanation as to what is the issue.

**VISSA FERRELL**, 4795 Marblehead Bay Drive, represents many seniors. They have concerns about the possible closing of parks and recreation facilities, senior centers and libraries. The 55 Fitness Center doors were closed yesterday. That's just one facility that is affecting many seniors. Seniors have asked where they will go for their social gatherings and meetings. Many of the programs for the seniors for their well-being and livelihood will be affected. She has 317 signatures that she has collected over the past 2 days of concerned seniors. Many cannot attend this meeting but want everyone to know of their concerns. Seniors are important members of Oceanside's communities.

**LARRY BARR**, Law Enforcement Officer, is President of the Oceanside Swim Club and we represent the City nationwide. Our number one swimmer represented us in Hawaii recently and took several first place spots there. We are also the people who put on the Oceanside Pier Swim, which is also nationwide. We can't swim in empty pools and it affects people of all ages. In the event that these programs are closed, safety will affect both our children and our elderly.

Councilmember Felien failed to mention that the City Attorney already provided an opinion and said that this is not a tax. If that's not true, than he would like to know. He agrees with a previous speaker who stated if we do these cuts, we absolutely will end up with more people incarcerated and committing crimes. We need to keep these programs intact.

**VERNON ALLEN**, 1813 Magnolia Court, is a Parks and Recreation Commissioner. When he heard about potential cuts to the Parks and Recreation budget, he was dismayed because he and his family enjoy the facilities. He believes there are certain attributes of a City that make it attractive and irresistible to its residents and potential residents. Low to no crime, excellent schools and recreational facilities and programs are inseparable ingredients that make Oceanside attractive and irresistible. Under the current and former leadership of Oceanside Parks and Recreation staff and the Council, residents of Oceanside now enjoy the amenities at Mance Buchanon Park and over 30 additional sites in Oceanside; such as barbeques, youth athletics, walking trails, bicycle paths, swimming pools, beaches, soccer fields, dog parks and the currently dedicated senior complex. These recreational facilities allow adults and youth to momentarily lay aside stress and find fulfillment in leisure activities. It would be a mistake of enormous proportions to discontinue or dismantle Parks and Recreation. He urged Council to preserve and protect Oceanside's recreational facilities, programs and services that could be affected by any budget cuts.

**FRANCIS KAZERSKI**, 276 North El Camino Real #8, thanked the Parks and Recreation Department and the City, especially the El Corazon Senior Center. On August 31, 2010, they allowed the seniors and the staff of the City to have a cancer and cardiovascular screening at a very reasonable price. His financial circumstances made it impossible for him to maintain his healthcare. He was able to have a health screening at El Corazon Senior Center and found out that he has a heart murmur, a defective heart valve, etc. If it wasn't for that heart screening he could have had a heart attack or stroke. A lot of people need these screenings and it saves trips to the emergency room, ambulance trips and the costs involved with those.

**DAN ARMENTROUT**, 1391 Corte Bocina, asked Council to do the extraordinary and come together and figure out if this money is able to be used to be applied to the

current deficit and, if it is, if it's not a tax, then vote on it and apply it. That's a pretty straight-forward approach to helping reduce the deficit.

The Department that houses Parks and Recreation and inclusionary housing, libraries, senior citizen services, parks and recreations, received 10% of our budget. Carlsbad receives 22%. It's an underfunded department. Some of us feel disenfranchised. We contribute great things to this City and support all of the hard work that Council is doing, but you're taking 10% and going to reduce that even further. We don't think that's necessary. We think Council should find ways to come together and amend the budget so we save the things that are vital and important and are necessary services to help mitigate crime and the quality of life we want. We want safe cities, but we also want cities vibrant with youth and our seniors living out a quality of life that they've earned. He urged Council to find a way to bring our budget under control and vote quickly on this measure that we can reduce the budget by using these fees and applying them.

**MICHELLE BRAY DAVIS**, 306 South Pacific Street, stated there has been a great deal of misunderstanding about the issue before us this evening. But this crowd would indicate that it would be most prudent for Council not to consider this item and make no decision on the allocation of the Waste Management franchise fee until after they have had a chance to work with the City Manager and staff to develop 2 budgets; one that would include the fees and one that would not. That way the public will have an opportunity to have budget workshops where they can share with Council their thoughts of what really is essential to them in terms of their health and well-being.

**BERNARD WHITLEY**, 2604 Cabrillo Place, Carlsbad, has a daughter that swims on the Oceanside Swim Team. He's not sure that the franchise fee is a tax. He believes that it is a fee. He would ask that Council hold back from making any decisions until you do more research on whether or not it's a fee or tax and where it should or shouldn't go. He personally feels it should be in the General Fund to offset some of the expenses. The real issue is pensions and healthcare. You can take 100 municipalities and if they're broke, their issue is pensions and healthcare. All Council is doing is kicking the can down the road. We need to fix it. Closing recreation centers, beaches and parks isn't going to do it.

**LARRY BARRY**, 3973 Brown Street, was also a Parks and Recreation Commissioner, a coach and a parent of girls playing sports from the beach center to North River Road. Parks and recreation is a sense of community and getting to know your neighbor; it's about kids playing sports. California is in a mess. We don't know what we're going to get in the budget until June. Property taxes, vehicle fees and food prices are going up. Property values are dropping. Gas prices are rising. He asked Council to do this without emotion, fairly and the best way you can to accommodate the people and act responsibly in the budget.

**GWEN GRAHAM**, 1705 South Clementine Street, is the mother of 3 daughters who are on the water polo and swim teams at El Camino High School. Her husband's family has used the pools for generations. By doing this you are taking the possibility of college scholarships away from our children that are in water sports. 29% of girls involved in sports go on to college. Without our pools, recreations centers and the coaches involved in helping our children, they don't get the opportunity for those scholarships.

If you take the kids off the streets, good things happen. If you take this away they are on the streets and bad things happen. Child obesity is at an all-time high and if you take this away then they are sitting eating or in front of video games all day. This is about our children.

**CHARLES ADAMS**, 2201 Saratoga Street, is the Chairman for the Parks and Recreation Commission. He got word of this through emails and phone calls from senior

citizens and other members talking about this amount of money that Waste Management is giving to the City. Being a statistician, the first thing he did was put the figures together and his figures came out to 50¢ per person. He called Councilmember Feller who said it was more like \$1.99. If you're going to hand me back \$1.99, that's an insult. He would much rather see this Waste Management money put back into the General Fund where we can help reduce some of the City's budget.

He strongly urged Council to protect our quality of life, services, parks and recreation, libraries and resource centers. He has many friends both retired and active duty that come to Oceanside and the first thing they comment about is our parks and recreation, beaches and the things we have going on for our youth and adults. He would hate to see these things go to waste.

**FERNANDO SAÑUDO**, works at the Vista Community Clinic, 4700 North Road, Suite B, and for the last 23 years he's worked with the City staff in partnership with other social service agencies in designing, implementing and evaluating a variety of different programs for youth. One of the programs we designed was our Recreation, Employment Readiness, Academic Achievement, Communication Skills and Healthy Lifestyles (REACH) after-school program, developed for youth ages 12-19. We have 2 sites – the Balderrama Center and the Libby Lake Center. The evaluation has shown us that the kids have demonstrated a significant increase in their grade-point average, are less likely to be involved in risky behavior and had increased social involvement in community events at school. He asked Council to keep the recreation centers open.

**CONNIE BENNINGHOFF**, 1436 Dubuque Street, supports Junior REACH and the REACH after-school programs. Her daughter attends that program and it has been very helpful for her and her grades are better because they sit with them and do their homework. The program helps keep them focused and is teaching them to reach for a better future.

It is her understanding that Vista Community Clinic foots most of the bills and that the City is providing the space. If Vista Community Clinic is paying for most of this, why would Council want to take this away from the children.

**ANGELA**, youth, thinks Council should not shut down the Joe Balderrama Recreation Center because it helps children stay off the street and away from gangs, drugs and violence. REACH also helps kids with homework, study for tests, gives them healthy snacks and takes them on field trips.

**CLARISSA**, youth, thinks it's important to keep this program open because it keeps us safe and is fun for the kids. REACH should stay so kids can be healthy, having fun and doing good in school. She asked Council to save the program.

**MARC BEASLEY**, 539 Lime Tree Way, is the new Communications Director for Oceanside Parks and Recreation Community (OPARC) Foundation and is President of Oceanside Pop Warner. OPARC has a goal of finding resources to support parks and recreation in Oceanside. We are a new citizen's group that just formed in January. Hopefully this time next year we will be presenting money to the City to help close the gap so we won't have this discussion in the future. He understands the budget woes the City is facing but urged Council not to undervalue soft services. It tells him a lot if you are referring to services that have been in the community for over 60 years, that you're considering them non-essential as soft services that need to go. If that's the case, you will find this kind of response at every Council meeting until you restore them.

If when you were considering buying a house in Oceanside you knew that the City had no recreation, library, cultural arts, etc., would you have bought your house here? That's the choice Council is making now. It's turning people away and devaluing property. He asked Council to listen and make the right choice for the whole community.

**YESENIA DIAZ**, 709 San Diego Street, is currently working with Vista Community Clinic at Joe Balderrama with the REACH program; she brought 3 of her kids with her. They are asking for Council's support to keep their center open. We're there to make a difference and offer a place for the kids to feel welcome, hang out in a healthy environment, find the help they need to succeed in school and to keep them off the streets. We are there to fight for the healthy development of the youth. She asked for Council's support.

**JOEY**, youth, stated this program means a lot to him and his friends. It has helped him with academics and thanks to them he is getting higher than a 3.0 grade point average at school. They have helped give him life lessons. He asked Council to please keep the program open.

**ALFREDO**, youth, thinks Council shouldn't close their program because it keeps kids off the streets where they might get involved in drugs, violence and gangs. The program helps with our homework and helps us stay active.

**JONATHAN**, youth, has grown up half of his life in this program. He's doing better in school than last year. The program should not be shut down because it will keep kids off of the streets and out of gangs.

**POLLY FUKUHARA**, 520 South Ditmar, doesn't need any of these programs as she is not a senior and does not have children, but this is a matter of values. We have to decide if the \$19 per household is more important than keeping these programs in place. People who have money don't need these programs, but people who are marginal do. The City should value everybody and leave these programs in place.

**SCOTT WAGNER**, 1532 Hunsaker Street, is a teacher with the Oceanside School District and a Swim Coach at El Camino High School. We're already at a tremendous disadvantage with schools that have pools on their campus and with the loss of Marshall Street pool we lack time, space and have terrible hours. If we lose this pool, between El Camino and Oceanside High Schools, we will lose 8 aquatic teams (both water polo and swimming). He asked where children will be trained to be pool safe. We have over 3.5 miles of beach here and we can't train our own citizens to be safe in that water. It would be a tragedy to lose these pools.

**MARIA RUSSELL**, 1323 Lemon Street, is President of the Eastside Neighborhood Association. When we found out about the possible cuts in parks and recreation, libraries, resource centers and senior centers our hearts dropped. Our neighborhood relies heavily on these services and cutting them would create a dangerous scenario in our neighborhood. There is a high level of at-risk kids and they need these services to help them develop self-worth and encourage them to finish their education. To take these services away, the choices are gangs, drugs, violence and an overall hike in crime. We are all aware that the budget needs to be balanced, but to create such an imbalance in our community is not the answer. She would be happy to give up her \$2.40 rebate from Waste Management to help save these programs. She urged Council to think about the devastating long-term effects that these cuts will have on our youth and seniors.

**BOB BOON**, 305 Hoover Street, sees that the City is at a crossroads about what to do with the \$1,700,000. Some Councilmembers think it's a tax and should be used as a rate stabilizer fund or given back to the residents; others believe it should go in the General Fund, while others argue that if it goes there it might go into pensions. Lastly, he was told that if some of the \$1,700,000 is not put toward the aquatic programs, those programs would be cut and the pools would be closed. He moved his family here for the high school swim teams, water polo teams and the City's swim team. His family has participated in all of the lifeguard programs.

He asked where the youth of Oceanside are going to go to learn how to swim. He asked if Councilmembers would rather see Waste Management get their money instead of teach a child to swim. He urged Council to do the right thing.

**MAYRA GOMEZ**, 2105 Crestline Drive, is representing the Eastside Neighborhood Association and Vista Community Clinic's REACH program. She asked Council to keep these programs going. REACH has helped her brother to be motivated in school and maintain higher grades. These students are the future of this City. She would also ask to maintain the senior programs which are very important.

**CHUCK LOWERY**, 812 Alberta, stated last week the Planning Commission voted unanimously no on a road project, yet after the meeting Councilmember Kern was quoted in the *North County Times* as saying we've got to get this done. That road project is a \$20,000,000 deal. How is it that we have to get this road project done but we don't have enough money for our infrastructure, senior centers, swimming pools, parks, afterschool programs, etc.? The reason that is happening is because we have 3 Councilmembers who stand to benefit from this project. He understands the need to make cuts. Council works for us, not for developers. Let's cut your developer giveaways and we'll have plenty of money. He asked that Council wait on the already approved \$75,000 consultant report to tell us what we can do most effectively with the money, and take citizen input at a public workshop. Make the decision based on what the citizen's want to spend our money on.

**PAT RAETZ**, 3837 Paprika Way, is on the Senior Commission. She feels that we need to have these workshops in order to be able to talk to Council and have a better understanding as to what's going on. She knows some of the problems and knows that there has to be paid employees when we have any of our offices, pools, recreation centers and libraries open. This is about money and we need to figure out how we can work with the budget, the employees and the people who want these programs. She asked Council to allow us to have workshops that will give us better information.

**DINA DAVID**, 914 South Tremont, teaches school in Vista and for 44 years she's taught a baton twirling class at the Oceanside Recreation Department. There are wonderful programs out there for the children and extraordinary people who run them. There are aquatics, karate and ballet and many of them pay for themselves. She asked Council to remember that these programs are for the people – young and old – and people are priceless.

**JAYSON BORDGES**, 4700 North River Road, works for Vista Community Clinic's Project REACH at the Libby Lake Community Center. He introduced two of his teens and thanked Council for supporting this program in the past.

**EVA**, youth, attends El Camino High School and has been going to REACH for 4½ years. She asked Council to please consider the many benefits of the programs that are currently available to all of our family members. These programs are the backbone of support for our children, parents and the community as a whole. Regarding the REACH program, she is a representation of the future and a true example of the benefit of the program. By having the REACH program available to her she is currently passing all of her classes. The REACH program provides support and helps kids understand that a life of value and success awaits us.

**DAVID**, youth, is a current participant in the REACH program. Since he started going to REACH he has made better decisions, improved his grades and stayed out of trouble. His friends who didn't go to REACH have been joining gangs, doing drugs and being in the streets all the time. He is thankful to have a place to go and be himself and learn that he can be someone in life. If this program is taken away, he could end up being one of the kids on the streets and doing drugs. He asked Council to continue to support REACH.

**MICHAEL BULLOCK**, 1800 Bayberry Drive, asked Council to please not reduce his trash bill by eliminating the Waste Management franchise fee. This \$1,700,000 franchise fee now belongs to the citizens. We cannot afford to give it away to ratepayers. For the good of the City, he urged Council to use that money to retain City services.

Both of his granddaughters learned to swim at Brooks Street pool. A good parks and recreation program can have significant financial impacts on a city. The biggest loss at Brooks Street pool would be the age-group swim team. Beside swimming ability, these kids were improving their work ethic, honesty, math skills, respect for authority and teammates, self-respect, confidence and citizenship. It is unthinkable to lose a program like that for \$1.55 a month. Please, keep the franchise fee.

**DIANE STRADER**, 1400 Marquette Street, stated if Council does away with the parks, recreation, senior centers, etc., those empty buildings will be a plight in our neighborhood. Who will mow the lawns at the parks? Will the City sell those properties? We don't need any more fast food or liquor selling businesses in Eastside. She asked Council to consider this flipside and keep these programs together. The citizens can get together with you to help this community keep the things we have.

**SHEILA KADAH**, 5301 Village Drive, collected 3½ pages of signatures in her neighborhood last night. This is City government by the people and for the people. Councilmembers are the people's employees and what the people want is what Council is supposed to vote for. It is abundantly clear that everybody wants this franchise fee. We don't want to get that \$2.40 per year. We don't want our budget deficit to go from \$3,600,000 to \$5,300,000.

**TIMOTHY JOHNSON**, 4755 Frazee Road #1201, is a combat veteran and a father of 3 children and a citizen who utilizes the resource centers. Nobody has talked about the military in this community and the contributions they make. His children take part in some of the programs the City is trying to cut. This savings should be given back to the people. Most people in the military who come to Oceanside want to retire here. He asked Council to remember the responsibility that they were charged with when they came into office.

[Recess was held from 7:40 PM to 7:48 PM; Councilmember Feller was absent]

**JACQUES DOMERIQ**, 1348 Buena Street, supports the libraries, senior centers, etc. The City is bound and obligated to do so. The bottom line is that the \$1.55 that ratepayers would save is not a good deal for the library, senior centers and the pools. He asked Council to put that money back in the General Fund to save these services.

**JOSE**, youth, (joined by 7 other youth) attends the after-school program in Crown Heights and thanked Council for the opportunity to have access to the resources they have funded, not only in his community but all around Oceanside. In June he will graduate from Oceanside High School, a choice and opportunity that not many people in his neighborhood have. Bussing was cancelled not too long ago due to other budget cuts. We were left without bussing to school, so with the resource centers we were able to contract with Oceanside Unified School District and have bussing to various schools. The resource center is the heart of our community. It lets the residents have a voice of their own, learn English and Spanish and keep up in our technical world using computers. Overall it provides after-school safety for the youth in the community. Without the after-school program kids would be in the streets and possibly join gangs and the City would have to spend more money on the Police Department to settle those issues.

**JEFF GUZZARDO**, 1708 Calle Platico, Executive Director for the Joe & Mary Mottino Family YMCA on Mesa Drive, is reminded each day how grateful the YMCA family is to have the partnership with Oceanside that has allowed the Parks and

Recreation Department and the YMCA to be able to deliver safe, affordable and quality recreation programs to the citizens. We look forward to continuing and enhancing our partnership whatever the Council's decision. However, it's not the mission of the YMCA or in its best interests to solely deliver municipal parks and recreation services. It is in the YMCA's best interests to continue our relationship by not duplicating services, but joining forces to meet the recreational needs of our community.

**BISHOP FOLEY PARKER**, 955 Manteca Drive, President and Founder of Holiness Ministries Coalition and National President for the International Faith-Based Coalition and California Association for Drug-Free Youth, is a long-time resident of Oceanside. He hears everything that's been said and he wants to reiterate government for the people and by the people. If you aren't going to do something that benefits the people, why are we here having this conversation. Find something else to cut off.

**PHIL NEEDLEMAN**, 2717 Mesa Drive, stated not one speaker has asked to have their \$2.00 back. This is appalling. This is a community based on people and we support one another for a better City and environment. If we allow the people to slip through the cracks who are most at risk who most use our facilities, then we will suffer as a city. The hubris for this proposal is appalling to him; it's aggressive and heavy-handed. You are selling a bill of goods that's a hollow promise. Tax refund is just buzz words. He asked Council to listen to what people are saying.

**SALLY JOHNSON**, 4660 North River Road #53, is a patient of Vista Community Clinic, a resident and a concerned parent. The community resource center in Libby Lake offers many things to many people who need help getting by in these trying times. We have been able to use the Libby Lake Resource Center on many occasions. It's like a safe haven for people who need help that no one else can provide. Many people don't speak English and can come to the resource center for information and help. Where will they go if these things aren't there for them? All of our children use the resource centers. If we attempt to close places such as the Libby Lake Resource Center, what message do we send our children? The REACH program is part of it. If we create a problem now, we will have to spend more to fix it later.

**ELIZABETH YAHN WILLIAMS**, 2049 Wedgewood Drive, is a member of the El Corazon Creative Writers. She has watched the Council struggle to make Oceanside a beautiful city. She asked if the Council seeks to destroy a quarter century of inspirational construction and close down multi-million dollar buildings that have just been opened in order to attract people to the City and raise the real property values of the community. It is common knowledge that illiteracy and crime go hand-in-hand. She asked that we keep our librarians, the learning centers and their mentoring programs open. These facilities will preserve the neighborhood values and create an enlightened cultured community.

**NADINE SCOTT**, 550 Hoover Street, Chair of the Integrated Waste Commission, stated this issue didn't come before us. In the past we were always sure to retain funds for the stabilization fund. However, in this case, speaking as an individual, she has to agree with every other person that saving \$1.55 a month is like putting a band-aid on the budget issues. Campaign promises are puffery and you can't fulfill every promise you make.

Councilmember Felien keeps calling this a tax and we know that's not true. This is a really bad idea. Tonight we need a major tourniquet put on those services that the residents depend on and no, it is not going to solve the budget issues, but you cannot ruin the quality of life and the things that make people invest in our city and make our city great.

We've already hired a consultant to determine where the budget should go. This would seriously affect the budget; whether you put it in the rate stabilization fund or give it back to Waste Management. She doesn't think you can give it back to Waste

Management as it was a unanimously approved contract in good faith. Council really needs to address budget issues, forward thinking; looking at PERS, raises for the next contracts you're going to approve, containing health care costs, capital improvement budgets where things have been borrowed from the General Fund and put into capital improvement. Council needs to look at all of these things in a comprehensive manner. You can't do that until you hear from your consultant and the public. She hopes Councilmember Felien will withdraw this.

**LISA HAMILTON**, 323 South Ditmar Street, stated it's her impression that this Waste Management contract was a publicly negotiated contract; it wasn't a secret. Did the Council during negotiations have a lot of emails, calling or complaining about it before it was voted on? The only person on the dais who didn't vote on it was Councilmember Felien. Has Council been besieged with people wanting their money back? This sounds a lot like political posturing. A decision is a decision and should not be easily overridden. You want to recall organizations that this money could support, which are important parts of the community. She thinks Council will find that the eventual political fallout will be costly if you turn down this money. The cost/benefit equation really doesn't pencil out.

**CORA FROLANDER**, 1931 South Pacific Street, is a little sad that people get up here and cut down our Councilmembers when they are trying to do what they feel is best for the citizens. They need encouragement and help.

She's been in business 48 years and you do have to meet a bottom line. You can cut just so much and then you have to figure out how to bring revenue in. That takes a tremendous amount of work. We do need the programs. Children need these services and she has used the services at the senior center.

**ANDI**, youth, stated that so much has been cut in this State. There are well over 40 kids in each of her classes. She plays water polo and the last thing she needs is to have that cut. It has benefitted a lot of people.

**DR. NORMIL-SMITH**, Physician with Vista Community Clinic and the Director at the North River Road Clinic, stated our medical clinic, along with the REACH after-school program, operate out of the Libby Lake Resource Center. This facility is vital for our neighboring community because of the various services it provides. Closing that facility and others will be devastating to the families that rely on the types of services they receive at these various locations. Most of our patients walk to the clinic at North River Road because of the proximity to their home. She sees the kids playing in the REACH after-school program and thinks how lucky those parents are to know their kids are safe, supervised and engaging in healthy and safe activities. She implored Council not to close the resource centers.

**PATTI HAMIC-CHRISTENSEN**, 862 Pinewood Drive, is a member of Community Housing Works but tonight is speaking as a citizen. As somebody who works in the non-profit world, she knows what it costs to return \$1.50 to everyone in the City. Don't close these facilities because the organizations that are a vital part of this community bring millions of dollar's worth of business and match money to serve the citizens of this community. If you close the centers, you will have more loss of jobs, displacement of people and a loss of economy. People are here for the people those programs serve and she asked Council not to lose sight of that.

**RICK KRATCOSKI**, 2110 Foster, thinks everyone is a little too optimistic. This is going to be a record year for real estate foreclosure, so the cuts are going to continue in California. In Oceanside there should be no cuts to the Police, Fire or Ambulance services. If there is a need in those departments, let's look at upper management that retire at \$150,000 to \$200,000 per year. Let's keep the \$1,700,000 franchise fee. Don't forget that in good years when interest rates are up, we get interest off that \$1,700,000 so that will be additional money. He would like a rate stabilization plan; he doesn't want

his trash going up every year.

As to the cuts, Council Aides don't need to be a full-time position. By making them all part-time you can save \$200,000 a year that can go to other services. There is way too much mid-management in the City that are making that \$150,000 to \$200,000 retirement. The City should look at part-time staffing. Lastly, look at all the cell phones and cars that the City employees have and don't need. There are lots of cuts to be made. The citizens know better than an outside consultant where the cuts need to be made.

**NICOLE**, youth, has been on the swim team for 4 years and if she did not swim she probably wouldn't smile anymore and we don't want a bunch of frowning people in Oceanside.

**BEN SCOTT**, 516 South Home Street, spoke about using the Brooks Street Pool for his health. He urged Council to come up with new ideas. Before Council does anything they should get the input like they're supposed to. Then Council can absorb and get the right answers. He urged Council to keep the water in the pool.

**JIM SULLIVAN**, 900 North Cleveland #159, urged Council to ask the people before they dictate what is best for us. If Council had more workshops and community input it would be a valuable thing. The neighborhoods that have been in the past looked at as small individual groups have begun to understand that the only way we'll get Council's attention is to band together. We ask that Council listen to us and do what the people ask rather than what contributors or outside sources would ask. We are the important ones in our community.

**KATHY OBERGFELL**, 2741 Thunder Drive, has raised her 11-year-old autistic son who learned to swim at Brooks Street pool and learned to play basketball at Melba Bishop. Her 3-year-old adopted daughter is doing dance at Melba Bishop. The City has given her the opportunity to coach and play in the women's soccer league. Oceanside is one of the few cities that offer adult programs, and that means a lot to moms that get out one night a week.

Our property values have sunk. There are 4 foreclosures in her neighborhood, where a house used to sell in a week. The houses are vacant and have been vandalized. If we cut services and take away the reason people move to Oceanside, where will the money come next year or the following year. We have to keep the services and keep promoting the City so we have income for the City to operate.

**GARY LAWRENCE**, 3421 Caseras Drive, stated this is what happens when Council wants to shove something down our throats, like the City Charter. Parks make the community great. There's a limit to what you can expect to do by deteriorating the lifestyle and quality of life of the citizens; and now you're hearing it. He also belongs to ACTION for Oceanside. We're organizing the communities around Oceanside so Council will hear from us anytime you try to push something through. If you talk it over with your constituents and the neighborhoods, you may not bring up these crazy ideas from now on.

**DANA CORSO**, 5838 Ranchview, is President of ACTION (Alliance of Citizens to Improve Oceanside Neighborhoods) and currently we have 40 neighborhoods that have joined forces and we are growing rapidly. Tonight the issue of refunding the Waste Management franchise fee to us, the consumer, in the form of a rebate is ridiculous. The actual cost of this rebate will be tremendous to the citizens of Oceanside, who will see dramatic cuts and/or complete elimination of many City services; primarily the libraries, parks, pools, senior centers, etc. We all know how important these services are. As a community we have an obligation to provide these essential services to our families. Clearly this whole notion is irresponsible and will have a lasting irrevocable negative impact on the quality of life. She knows that 40 neighborhoods are 100%

opposed to this. These services provide way too many resources to eliminate them. We need our parks, libraries, pools and senior centers. She urged Council to find another avenue to balance the budget.

**MARGARET MALIK**, 1611 Hackamore Road, stated Council is supposed to fix things. Her kids utilized the services available in Oceanside and her daughter went to college on a full soccer scholarship. We need these services. She is tired of things going the way of the developers and not the people of this City. She asked Council to do what's best for the City.

**ROY VALLEZ**, 3985 Mission Avenue, represents S.O.S, New Song Church and Gangland Ministry, has enrolled 30 kids in college because we have been allowed to use the facilities Council is trying to close down. We've just recently had one kid graduate with a 3.7 grade point average who was an ex-gang member and fulfilled his dream to become a counselor and help other kids stay out of gangs. If you shut these services down, we're going to have more gangs and problems. We need to keep them open so we can continue to do our work. Oceanside is down 30-40% in gang crime alone. We need to keep this going in the right direction.

**CARMEN AMIGÓN**, 1820 South Escondido Boulevard, Director with Community Housing Works, stated when she first read about the franchise funds being sent back to the citizens and the potential cuts in services, she had some flashbacks of the 1980's and early 1990's. She remembered one year when we had 24 homicides and she believes 9 of them were gang-related. It is important for Council to remember the past as you are considering making some decisions about the future. She has seen innovation at these centers and parents participating. She has seen many kids who have benefitted from the programs.

**JUDITH KEHRMANN**, 1359 Via Cibola, stated the unintended consequences that Council is talking about would be absolutely decimating to this City. You're talking about property values vanishing, property taxes going down further and the quality of life being horrendous without the parks and everything else that makes it a place where people want to live. The reputation of 15 years ago was horrible and it will be back again if we cut services.

**ANDREW**, youth, is on the Oceanside Swim Club and got an award last time he was at Council. Now the pool is going to get shut down. He asked Council not to shut it down.

**KEWANA COLEMAN**, 2125 Via Sonora, is the Youth Director at Walker Chapel AME Church. Her children, nieces, nephews, friends and the youth use and participate in almost all of the programs and facilities that Council is thinking of cutting. She urged Council not to cut the programs. The seniors need their center and the kids need their programs. Her husband grew up in Fresno and when they cut these same programs the crime rate skyrocketed. She asked Council to keep the parks, after-school programs, libraries, resource centers, senior centers and pools and everything open.

Public input concluded

**COUNCILMEMBER FELIEN** stated many people came to fight an enemy that isn't here. He doesn't know where the emails originated or what ended up in the newspaper, but to his knowledge no one has proposed cutting anything. The budget process hasn't even begun. He hopes the enthusiasm of the people who came here to speak on the programs that are important to them, follows through and participates in the workshops and the budget process. We do have to prioritize. When you look at the 5-year forecast, we see that our deficit this year is doing pretty good, but next year it's at \$3,500,000, the year after that is \$6,000,000, the year after that \$7,000,000, then \$9,000,000. Obviously there is a lot of prioritizing that needs to be done and we need citizen input to set those priorities. He doesn't want to make decisions on his own,

overriding the views of the people.

The motion he made has nothing to do with making or proposing any cuts. His motion begins in July of 2012, so it has nothing to do with this budget year cycle or any cuts that need to be made. Part of the reason is so that we can go through 2 budget cycles and, if for some reason it's decided next year that this money is needed, then Council can always change their minds. He felt as a matter of principal that every tax should go before the people. He credits the Mayor for saying he would consider a sales tax, which is open, above-board and we can debate it, and maybe put it on the ballot if the majority of the people want it. He doesn't think there is a majority for raising taxes because the numbers he just read show that the only way we're going to do this is to reform our labor contracts. We need all of the citizens to participate and determine where we do need to make cuts. He participated at community pools, parks and programs. We do need these kinds of programs. He wants to play his part in preserving the programs that we have.

Of course, the other side of this, and we're going to be debating an item later, is the easiest money is to increase our tax base by expanding business. We need to make sure the City is welcoming to business and that we roll back regulations that prevent people from even starting projects or a business and hiring people. That's part of the focus that he wants to bring to the Council. He believes his motion doesn't involve cutting any City programs; it doesn't involve anything with the budget this year. Unfortunately there was a lot of boxing against a shadow. He appreciates everyone who spoke. This is democracy and he's grateful that everyone came down to participate in it.

**COUNCILMEMBER KERN** stated what the speakers were talking about tonight wasn't on the agenda. There were no programs; all we were talking about is what to do with the \$1,700,000 and Councilmember Felien's motion was to leave that in the budget for this year, so the budget gap that we will have to close is \$3,600,000. The problem is that we've taken 2/3 of the budget off the table with last summer's fire contract, which was a disaster for the citizens. It basically exempted the whole department from any cuts whatsoever. We were asking for \$1,000,000 in cuts from the Fire Department and we actually ended up giving them \$535,000 more. Those are General Fund monies; those go to services.

Mr. Lowery was talking earlier about Melrose. The Melrose money is not General Fund money; it's Thoroughfare money that was paid by developers for roads. We have a total budget of about \$350,000,000; the CIP budget, water and sewer (which is an enterprise fund) and we have the General Fund budget. Our General Fund funds things like parks and recreation. We have to close a \$3,600,000 gap, even putting the \$1,700,000 in. It's going to be a hard decision, especially when we say we're going to try to balance our budget on just 1/3 of the remaining portion of the budget because we're taking public safety off the table. If that's the priority of the Council or the citizens that we fund public safety first and then take that \$3,600,000 out of the remaining things that the City funds, that's going to be a hard decision.

If you think it's hard this coming year, wait until next year when we have to do another \$3,000,000. Part of it is because of the economy. We lost tremendous amounts of money in property taxes, which makes up about 51% of our budget. Oceanside's budget, discounting the harbor, about 4 years ago was \$129,000,000. If we don't count the harbor this time, our budget is about \$103,000,000 for just general services, so we've cut tremendously. We've spent our reserves; we have nothing left. We have less than \$500,000 on a \$117,000,000 budget. There's nothing there that we can do. The only way that we can bake the budget is make the cuts. We're going to have the workshops to deal with that.

He's never heard anyone criticized for trying to keep a campaign promise, but that happened here tonight. When he walks precincts and talks to people, the general

consensus of the people last summer was that the trash money belongs to the citizens and they wanted it kept in rate stabilization so 3 or 4 years from now the rates won't go up. If we use this money in the General Fund, then 3 or 4 years from now, a lot of these same people will be in here saying why are you raising our trash rates, because they don't want their rates to go up. We're trying to balance everything here. It's going to be hard and emotional, but we're going to try to do the best we can with what we've got and we don't have much anymore.

We won't get a handle on the horrible labor fire contract until it expires next July 1<sup>st</sup>. Hopefully, we can get some of that money back to put into pools, parks and other recreational services; instead of pensions and benefits for people that used to work here. The pensions are the tsunami that's coming. The other one is health care. If Oceanside closed up shop and walked away tomorrow, our pension obligation is still \$173,000,000 to pay for everybody that used to work here and is working here now to the end of their lives. That is something we have to get ahead of. That's what the item he pulled tonight was trying to look at. It wasn't tied to the \$1,700,000 but it got convoluted so he will bring that back separately. We can't keep doing business the same way every year. If we don't get out ahead of it, next year at this time most of you will be here again saying the same things about the parks and pools because we'll have to cut again next year.

He's not worried about the \$1,700,000 in or out, he's worried about the \$3,600,000 this year and next year and the \$10,000,000 2-5 years out. That's going to be the hard part and it's going to get much tougher. We're not alone; this is what the State and most of the cities in the County are facing. We have cities filing for bankruptcy. In fact, we're supposed to get the new Public Employee Retirement System (PERS) numbers about their assumed rate of return sometime this month. Right now they're assuming that they're going to make 7¾%, which is very unrealistic in this market. They're going to change that adjustment to 7½% and to the City Manager's credit, he has forecasted that and included it in this budget. However, if PERS comes in and says let's be realistic about our rate of return and drops it to 7¼% or 7%, we're going to have to pick up the balance and you will see cities in California go bankrupt due to pensions. We are much better than some but not as good as others. We need to be focused on what we're doing and how we're doing it.

He appreciates everyone coming here. We've kind of had a budget workshop now and we will have another one. It would have been better if people had been here last summer when we did that give-away contract to the fire union saying that we can't afford this because it will impact services. We are heroes up here when we spend money on pools, police, fire, etc. but we're heroes because we're spending money – until we're out of money. That's when people come yelling at us asking why we didn't take better care of the money. So we're trying to keep better care of the money right now. Coming back and reviewing this trash contract to stabilize rates is a good idea. Otherwise, it's just going to be gone for pensions or something else. Protecting the taxpayers' dollars is what Council is here for.

If people had listened to Mr. Felien's motion, that \$1,700,000 is in next year's budget so everything they wanted tonight is going to happen. That \$1,700,000 will be saved and it will go toward services. However, that doesn't get us out of the woods. He urged people to pay attention when we start talking about contracts and how we go forward. We need the same passion we have in this room tonight to say don't spend the money on certain things because we need that money for services. No Councilmember can guarantee that a particular program or anything else can be saved with that \$1,700,000, but we will do our best to provide the best services we can with the money we have.

He's heard some pretty irresponsible comments that we should spend our Healthy City reserves; that we should take those reserves that we have for emergencies and start spending that. We have spent every dime in the bank and now people want

us to start spending the money in the mattress. If we do that, within 4 years we will be broke and filing for bankruptcy. We have to deal with the hand that we've got. People feel that they're over-taxed and over-regulated now. We cannot go back to them and raise taxes; we have to deal with the money that's coming in and move forward. Everyone isn't going to be happy with the budget. The Mayor made a comment about our \$3,600,000 deficit being chump change. He'd hate to hear the reaction next year if the deficit is higher.

**DEPUTY MAYOR SANCHEZ** appreciates that people took the time to come talk to the Council. She believes that changed what was supposed to be here tonight to 2 years.

The City Manager requested, at the last Council meeting when he did a presentation about the budget, our input. He said his door was open and he was looking forward to hearing from us after speaking to his department heads and finding out what was going to be offered up. That means that each one of us can have up to 4 hours. The City Manager told us at the last meeting that he had a \$3,600,000 gap. Then Councilmember Felien continued to insist that, regardless of the opinion of our City Attorney that this is not a tax and is a franchise fee, and regardless of our 5-0 Council vote accepting the \$1,700,000 as a franchise fee, we get rid of this trash tax. This past week he keeps saying this is a trash tax and shouldn't have ever happened. That's not what happened. Every city has been collecting a franchise fee for years. Oceanside has been subsidizing other city's franchise fees and programs.

When we negotiated this 13-year contract, we wanted to have competitive rates for our ratepayers. That was very important, it was number one, and we were promised we'd be in the lowest 3 rates, just like we've had them. We were promised that we would have better services and finally turn the corner on these dirty trucks and finally getting around to recycling. We were also finally promised a franchise fee. Those were our goals and we got them. If we weren't going for a franchise fee, we would have gotten a better contract. In our contract it says, regarding our recyclables, that Waste Management gets to keep our trash for the current value and that anything beyond that the City gets the value of. Don't you think we would have insisted on having the value of all of our trash? We would have gotten more money for our City, but that was not how we went about negotiating. We negotiated for our community to get this money to support these programs.

We will be having budget workshops. We learned last week that the General Fund has been subsidizing Development Services and we actually hired more people to do future planning. That means doing planning for developers for \$2,000,000 this past year. Last time they didn't get any cuts, we hired more people in Development Services. What we try to do is simplify the process and make it as easy as possible so that if people want to develop they can. They've got bright lines in terms of what the rules are and they don't waste their time and money.

There is another item on the agenda tonight to give developers another break; another hand-out. Most of what is left for us is what we call in-fill. We would be taking more money away from our General Fund to subsidize developers. We have \$15,000,000 in the Healthy City reserves. We used to have \$8,000,000. For the last 10 years we've increased the amount of money in our Healthy reserves. She voted for that when we had extra dollars so that when we didn't have the extra dollars we could have some money saved up to use. Now, she's being told we can't do that.

She would like to know where the people are who are asking for the franchise fee back. She has not received one email or contact from a person saying this is a tax. The only one has been Councilmember Felien. We get franchise fees from Cox Cable, SDG&E and different places, because we agree to an exclusive contract with no competition. This is the way we insure that we get a good deal. This is very valuable to the businesses. In addition, it helps pay for the impacts to our community. For the

waste hauler contract, that means impacts to our streets, air quality and noise. We have never collected this for 30 years and we're just now starting. We deserve that.

We already have 5% going towards the rate stabilization fund. That started in July, and it already has \$700,000 in it. The public is not getting the correct information and that is frustrating. We don't know if our rates are going to go up in 2 years. We will have funds in the rate stabilization fund and it can only go  $\frac{3}{4}$  of the CPI. It's very possible that our rates will not go up for the next 3-4 years.

Regarding cuts to the Fire Department and public safety, every year we've seen cuts to these departments. We had actually planned to do Fire Station 8; we took that \$1,000,000 out of that fund. Not only have the departments been cut by millions of dollars, but they have also, in the last negotiations, given up money and we know that they are going to give up more money next time. This item is about what Councilmember Felien has called the trash tax. It is not a tax, it is a franchise fee, and this franchise fee should go to our residents to support the library, swimming pools and our parks and park programs.

**COUNCILMEMBER FELLER** stated we began this process one week ago and we have until June to get a budget for next year. Last week he asked for at least a couple of workshops between now and the end of March. We have a workshop on February 22<sup>nd</sup> regarding PERS and our obligation, and he hopes all of the people here show up for that because that's where we're going to hear how much trouble we really are in with the PERS obligations. You need to let Council, as well as the union leadership, know your thoughts. This \$3,600,000 deficit is still going to take public/private partnerships/privatization. We're going to need to study privatization. There will be cuts in underutilized programs. It's going to take a lot of input and he hopes the public continues to enlighten Council on important programs.

Council did approve some pretty serious public safety contracts with pay raises. He wondered how many people got pay raises in the last 2-3 years. The negotiations are upcoming for our City employees, the unrepresented managers, etc. in July.

He knows exactly what everyone was talking about tonight because he's been to the REACH programs, in Crown Heights, Balderrama and Melba Bishop, Senior Center, etc. We've heard a tremendous amount of emotional pleading tonight. If we do nothing tonight, the money stays in the General Fund, just like it was planned, although he still disagrees that maybe if times were better we would be using that money strictly for rate stabilization, for fixing roads that are necessary.

He agrees that we should hear what the consultant says about ways to work on this budget and help us improve our plans for the future. We are in this deficit because we were misled. There was something too good to be true about the 1998/1999 era when we started trusting that we could actually afford these pensions, and now we can't. We can't afford raises. We do have change coming in the future and employees of the City are going to need to understand that change to accept the fact that citizens are suffering. We've heard it tonight. There are a lot of citizens suffering because their programs may be cut. Maybe their parents have lost their job or their house. These are important services.

We are suffering from property and sales tax deficits and as employees of the City, we all have to think about the possibilities of giving up some of our dollars. He heard from people in the last week that we should all take pay cuts and he's agreeable, but we can't do that with existing negotiated contracts. We can do that going into the future.

He had prepared a solid waste fee use and it did touch on the fact that we as a City could designate that money to go to rate stabilization or capital improvements, such as the roads that were referred to earlier. However, he's not sure that's what we need

at this point. Maybe we can review how to handle this fee going into the future. We're already going to be talking about this budget for the next 2-3 months or more.

If we're going to talk about utilizing that rate stabilization or refunding the fee, then it should be tied to something like when property taxes or actual sales taxes return to a level that allows us to give it back. He's not ready to be returning or refunding that fee. He doesn't want to vote on this tonight. We already have the money coming into the General Fund and we need to continue with the quality of life that this City deserves. There is \$14,000,000 in Healthy Cities, but there was \$14,000,000 or \$16,000,000 a couple of year ago in the General Fund reserve and that's all gone because we didn't make any cuts at that time. It was hard to make cuts. This isn't the time to think about taking away programs and amenities. The City Manager has his plate full trying to figure out how to make everything work and this is the time that we as a City need to come together in these workshops and come up with ideas that the citizens think might work as far as cuts. That \$3,600,000 has to come from somewhere. We have to balance our budget.

We heard many speakers tonight. Maybe we'll have many speakers at the next workshop or on March 22<sup>nd</sup> to ask about the police and fire budgets going forward; what happens with the City employees? Maybe we can figure out a way to give everybody in the City a 5% cut or everybody can start paying 10-12% of their PERS to offset that budget. We have to figure out a way to balance the budget. We have the \$3,600,000 deficit if the \$1,700,000 goes into the General Fund. We need to continue talking in the next few weeks.

**MAYOR WOOD** stated he gave a long speech last week and tried to be the upbeat person. He did use the term "chump change" with respect to the \$3,600,000 deficit and he apologized, but we're the third largest city in the County and he thought it was a minor amount for a city this size. We're doing quite well compared to other cities. San Diego and Chula Vista are just disasters; Chula Vista is \$20,000,000 in the hole. The City Manager thought the \$3,600,000 shortage in the budget was something that would be workable and we could get through it without doing draconian cuts in all of the services.

Then he heard about the \$1,700,000 as a stabilization. He agrees that a few years back when things were great we may have used a stabilization. It's not possible to do that anymore, obviously; that would make the budget deficit \$6,000,000. We took all the State hits and everyone is aware that these are economic hard times for everybody. We try to do the best we can. He doesn't think it's as bad as we make it out to be and we can get through this by making some changes, cuts and maybe even some personnel cuts. We've looked into people retiring early, furloughs, etc. All of those things are possible. He doesn't want to take it out of the hands of the City Manager and staff. He doesn't want to give it to subcommittees/Council Aides to go out and tie up that same staff talking about this and where the cuts should be. We all get to give our input daily to the City Manager and staff. Council doesn't run the City; the City Manager and his staff do. In his long speech last week he said a lot of positive things. The citizens want us to provide the services they expect for their tax money. Part of those services is quality of life – pools, libraries, parks, recreation, etc.

At every election the priorities are generally public safety and that was his goal when he first got on the Council. This town had an image of a crime-ridden military town in the 60's and 70's. He tried to address that with public safety - police and fire. The crime is down 35%. The Fire Department has boundary drops. A lot of changes have taken place. When you call an ambulance or fire truck, it responds with all paramedics, not just EMT's. The safety/quality of life has improved.

The other thing he's proud of is the change in the image of Oceanside, which makes people want to move here and have their businesses here. We were the most booming city in the County a few years back. We had plans for a lot of things that

didn't get here. We have about 29 major projects that have been approved by Council, but nobody has financing. Those things will be built in the future. He doesn't want to depress anybody anymore. After that last Council meeting, he's heard a lot from the citizens and he knows this is bothering them. There was information that got out from the City Manager's and the Council's offices that said we were looking at cutting services that would hurt the youth, the future, the seniors, etc. that he thought wasn't necessary. That is part of the services we provide to the citizens and it is expensive.

Some of the comments that got out after the last Council meeting scared people. That's why people are here. It also scared most of our employees. If we'd have gone for the \$6,000,000 deficit instead of the \$3,600,000, we'd be doing drastic cuts; not just thinning out things but taking whole things off the chart. Some Councilmembers said that it wasn't the City's job to provide libraries, pools, parks, etc. That scared many.

He pointed out that the pay raises to public safety, who have gotten our crime rate down 35%, would have probably received bonuses in the private sector. We gave them minor pay raises, but they deserved it. Some Councilmembers who were against these pay raises also wanted to give Waste Management a 7-year extension with no franchise fee. We however go a contract with millions of dollars back to the City in franchise fees, plus a \$1,000,000 signing fee. That bonus is paying for some of these services.

He was a police officer and detective with Oceanside Police Department for 31 years and he saw the things that made a difference on the streets for kids, crime and the future. It's important that we look at these things and consider where the cuts should be. We're going to have to make some changes. We're doing a lot better than most. The City Manager brought this budget up and thought it was a pretty good budget that we could work with and get through some stuff, right?

**CITY MANAGER WEISS** responded when we presented the \$3,600,000 deficit to Council, it's still going to be a challenge, it is much more manageable than the other.

**MAYOR WOOD** asked the City Manager if we had taken the \$1,700,000 out of it, what were your comments regarding how we would handle the \$6,000,000 cuts.

**CITY MANAGER WEISS** responded preliminarily, if you just look at the total budgets, if you completely eliminated all parks and recreation and libraries, the total is not quite \$5,000,000.

**MAYOR WOOD** stated if we hadn't taken that money, we would have had to cut some very important services; it would have wiped them out. We have a consultant looking into some of the management, what's the status of that.

**CITY MANAGER WEISS** responded Council just approved that contract last week and we had a preliminary meeting yesterday afternoon and they're going to start in earnest next week. We won't know until probably April or May what the result of that is.

**MAYOR WOOD** is tired of people vilifying the employees. That was a big thing saying that is what cost us all of this. It's easy to point fingers in one city, but nationwide we all do negotiations the same way; it's called bargaining in good faith. We do that in order to keep good employees and get new employees to come to town. We can look into issues regarding two-tiered systems, etc. but he thinks it should start at the State level so we can continue to compete with Orange and Riverside Counties. Our employees have done a wonderful job, but that doesn't mean we can't make some changes and work some things out. That's not going to make up the \$3,600,000 but we'll work hard to do it with workshops. We should have done a lot more things with the public.

He's concerned about where this was leading the other day and has heard comments that this isn't what it was about tonight from Mr. Felien. This is a very conservative approach from the Republican party. A lot of these things didn't have heart regarding the impact on employees and the impact on the citizens and their services. When you start cutting these things, that's the heart of the City and it can't be done. We have to work hard to make sure we get around it. We should try to keep the services and quality of life things we have without wiping them out.

**CITY CLERK WAYNE** clarified that the motion on the floor is that beginning in July of 2012 the City will lower trash rates by \$1,700,000 per year on a pro-rated basis.

**DEPUTY MAYOR SANCHEZ** has been working with her Aide and he looked at the figures if employees start paying their full share of PERS and it came to \$1,000,000. We have \$737,000 unassigned General Fund reserves.

We did come up with a rule about the Healthy City funds that they could only be used when the revenues experience a 5% reduction or more. In fact, in fiscal year 2010-2011 the difference was 7.78% and for 2011-2012 it's 8.49%. We actually do qualify to use our Healthy City reserves. Add that to the \$2,000,000 that we subsidized Development Services, we're all going to be looking at this.

She was born and raised in Oceanside and utilized all of the services. She spoke about her parents hard work and the need for kids to be productive and participate in the economy. We have the potential to create wonderful people in our children and we need to do that.

**COUNCILMEMBER FELIEN** stated the motion is not taking affect until July 2012; we're going through 2 entire budget cycles and the workshops. He is the type of person who is willing to admit he's wrong, so if we get to July of 2012 and the \$1,700,000 is still needed, then he would be willing to reverse the motion, but he thinks it's important to establish a principle. He believes that the trash fund should be a stand-alone fund, just like the water and sewer. When costs go up, the rate payers pay more, but when costs go down they should get the benefit of that. He believes his motion takes us in that direction. He has had 22 years of experience in the corporate world balancing budgets and making cost-savings while providing a return to the stockholders and he thinks it can be done. He appealed for Councilmember's support.

**CITY MANAGER WEISS** has heard that for the fiscal year 2011-2012 budget we would be using the Waste Management franchise fees as part of the General Fund offset. He doesn't know that Council needs to make a motion for what you're going to do in the future because when we prepare the budget next year, Council will have the opportunity to provide that direction at that time.

**Motion failed 2-2;** Mayor Wood and Deputy Mayor Sanchez – no, Councilmember Feller – abstained.

**MAYOR WOOD** announced he would be leaving the meeting.

[Recess was called from 9:45 to 9:57 PM. Mayor Wood was absent]

**DEPUTY MAYOR SANCHEZ** determined to hear Item 4 at this time.

**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**

**GIOVANNI RIELA**, 1440 Mission Avenue - Ramada, stated there are people working for the City that are in violation of the ADA and FHA. He will be bringing a packet to Council at the next meeting so Council can see what he's talking about.

Discussion was held regarding continuing past 10:00 PM and Council agreed to continue.

**MAYOR AND/OR COUNCILMEMBER ITEMS** – Continued

15. **Request by Councilmember Kern to discuss initiation of amendments to the City's utility undergrounding ordinance, whereby all approved and not yet constructed, proposed and future residential land development projects of four or fewer lots or units would be exempt from the current undergrounding requirements and further, direct staff to return to Council within 90 days with the amended ordinance**

**COUNCILMEMBER KERN** stated the current City Undergrounding Ordinance was adopted on February 27, 1991, and it needs revision. Accordingly, it is proposed that this ordinance be amended to include a waiver or an exemption process for small in-fill projects to encourage their development, reduce urban sprawl, reduce traffic impacts, improve air quality and reduce water and sewer extensions compared to outlying projects on the fringe of the existing infrastructure. This change in policy is consistent with our neighboring cities and counties. The County of San Diego and the City of Encinitas have similar waiver exemption ordinances.

The basic reason for a city to require undergrounding of existing overhead utilities, generally referred to as utility conversion, is to improve the aesthetics of the neighborhood. This is generally considered to be a public benefit and an environmental enhancement, improving the quality of life. However, it is recognized that there are circumstances where the waiver or exemption of undergrounding requirements is appropriate because of the high cost/benefit ratios falling way short of any value metric. This includes many small projects where the high cost of conversion places an unreasonable financial burden on these small projects, while at the same time providing very little aesthetic benefits to the neighborhoods or the public at large. The current City ordinance for undergrounding utilities presents such a situation.

What's happening now in some of these small in-fill lots where you have a 50-foot front, you have to pay a tremendous amount of money in either in-lieu fees or to underground it and mostly there is no benefit to the neighborhood. Most of the people pay the in-lieu fees and that money is put into a fund and they go underground someplace else, so the neighborhood gets no benefit anyway. We talked earlier about how we can stimulate the economy; how do we get people to work and broaden our tax base. One of those things is to build these in-fill lots that people are sitting on because of fees involved, which sometimes make it prohibitive to go forward. He's not saying that if we do this there will be a mad rush of in-fill lot construction because this is just one portion of that. This may be the portion that helps people get started.

He **moved** that the Council direct staff to initiate amendments to the City's Utility Undergrounding Ordinance whereby all proposed and future residential land development projects of 4 or fewer lots would be exempt from the current undergrounding requirements. This should take no longer than 90 days for them to come back.

**COUNCILMEMBER FELIEN** seconded the motion.

Public input

**JIMMY KNOTT**, 127 Sherri Lane, stated this has a couple of problems. First, businesses like Cox Communication and other utilities could use this to avoid undergrounding their utilities because it would provide them with an exemption for those lots. The second potential problem is something called break-aparts where the land owner/developer has a large piece of property but can't do it all at once because of all the regulations, so they take advantage of things like this and break their lots apart. Something should be put into this that prohibits the break-aparts. If those two things are prohibited, he thinks the measure has good standing.

**JOAN BROWN**, 511 Rockledge Street, believes undergrounding helps property taxes as does planting trees. She commented on how some of the streets and properties in Oceanside look like downtown Baghdad and how adding wires will keep the developers from selling what they built. When Councilmember Kern says he is helping development, she begs to differ.

When Deputy Mayor Sanchez mentioned the \$2,000,000 that we have in future development planning, she realized why this was brought up. The people here in defense of this are long-time little developers who do not benefit the City when they develop their properties. When she moved here in 1997, there was \$5,000,000 to underground Oceanside Boulevard, but that never happened. Where did that \$5,000,000 go? Nothing has been done over all these years as part of the Oceanside Boulevard Plan. San Marcos undergrounded their Mission Avenue and put in landscaping and it's beautiful now. She would like to see undergrounding continue.

**CHARLENE KERCHEVALL**, 533 South Nevada Street, would like to see where that \$2,000,000 went. If it was pulled from the General Fund, there was no reason for that and she believes the public is entitled to that information. An unreasonable financial burden on developers - she cannot accept that.

She understands developers' desire to build their projects the way that they want them built. However, she believes the undergrounding charges are an integral part of the design and construction process. Undergrounding of utilities cost developers more money out-of-pocket. An example of what is being proposed as she understands it is that developers could build a housing tract of 300 homes and each project would entail a cluster of 1-4 homes. The homes are then constructed and the wires are still dangling from the pole. This practice was viable 30 years ago; however, no longer. There are many examples of this past practice in the Seaside neighborhood. At 522 South Ditmar there is a home being built that is way too large. The first thing she asked them was if they were going to underground the wires and they said no because the City doesn't have any money.

In this economic climate, she believes that all monies that are due the City concerning properly, efficient and environmentally safe undergrounding of utilities need to be paid to the City and possibly this should go directly into the General Fund. If this is not a possibility, she requested an explanation as to how this benefits the residents and homeowners of Oceanside. She asked how this also benefits the developers.

**RICHARD EISENDRATH**, 3784 Mission Avenue, is a real estate broker in Oceanside. Things are going to get a lot tougher and we have to make sure that anybody that thinks about developing anywhere wants to think about Oceanside first. This will be one way to allow that to happen. There are other seaside communities that have above-ground utilities, i.e. Newport Beach. The burden this is placing on the small in-fill developer is preventing development in this community and has for quite some time. That's why we came up with this visionary plan to try to get something going outside of the Redevelopment Area. Still, nothing is going on. We've got to make it easy for developers to get the incentive to move forward with developing in our community. This is an excellent way to do it. The people that will do these in-fill projects aren't large developers; they are the small mom and pop developers that are taking a chance to see if they can make something happen. He implored Council to take

the first step towards making this a development-friendly beach community so we can eventually get a developed community here.

**RICK LE TOURNEAU**, 907 South Tremont, is one of the City's developers. He was a carpenter who saved his money to build a house to do something in Oceanside because he thought there was an opportunity here to improve things. The in-lieu fees for a 50-foot lot are about \$120,000. That expense makes the project impossible, especially in this environment because the properties are basically upside-down. To remove that in-lieu fee would help a lot to start a renaissance program down on the South Beach area. It would help small developers like him get started. It doesn't make sense to require one guy with a 50-foot lot to underground all the wires for the whole block. The in-lieu fee, which he paid when he went to the City, he was told would then go somewhere else and not to the street where he lives.

Public input concluded

Regarding Mr. Knott's issue about the break-aparts, **COUNCILMEMBER KERN** stated we did discuss that with staff and if they come forward with a 4-lot project, they have to sign that they will not further subdivide that project, so it is restricted to 4 lots.

**COUNCILMEMBER FELIEN** felt this is a critical jobs-creating idea. Too many people make the mistake of static analysis. People are going to make the same decisions regardless of the burden that City regulations or taxes place on them and, unfortunately, that's not the case. People are dynamic and they respond to incentives, good and bad, and when the cost is too high and the burden too great, projects do not go forward.

We're in a State with 12% unemployment, which is probably closer to 20% when we factor in people looking for work who can't find it or part-time jobs who want full-time jobs. The City has a moral obligation to do everything it can to review every regulation to see if we can do anything to lower the burden to create private sector jobs. As was discussed, the undergrounding is not getting done anyway. The City is simply collecting a fee and maybe this is one of these fees that needs to be there when times are good, but when times are bad we have an obligation to help families have employed individuals. This is an excellent way for the City to review these types of regulations and he is in total support of it.

**COUNCILMEMBER FELLER** stated we had a question about \$2,000,000 and he asked the City Manager to have that clarified.

**CITY MANAGER WEISS** responded staff would get Council a memo next week. Staff has already prepared an assessment of that.

**COUNCILMEMBER FELLER** asked if the large home that was referred to on South Ditmar paid undergrounding fees. His guess is that we probably did because we haven't corrected that in the past. He's heard for 10 years about why a small 1 or 2-unit project has to pay for 180 feet of frontage and then not get any telephone poles removed. He's going to support this and hope we can come back with something that's palatable for the residents.

**DEPUTY MAYOR SANCHEZ** stated the City has been collecting in-lieu fees for a substantial period of time. The program is dependent on the participation of all projects on a street and is delayed until the final lot is developed. All of the fees are then used to underground the utilities. This in-lieu fee program was created so that it would not be a burden on individuals or companies building in-fill projects. Instead of them actually having to do the undergrounding, the idea was to allow them to pay an in-lieu fee. You have to qualify to be able to pay that in-lieu fee. Other individuals have been allowed to pay the in-lieu fee rather than underground the utilities. It is unfair to the rest of the neighborhood to abandon this program now when they've been looking forward to this day. She will be voting against this.

**Motion approved 3-1;** Deputy Mayor Sanchez – no; Mayor Wood – absent.

**CITY COUNCIL REPORTS**

- 25. **Mayor Jim Wood** – absent
- 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**

**DEPUTY MAYOR SANCHEZ** adjourned this joint meeting of the Oceanside City Council, Community Development Commission and Small Craft Harbor District Board of Directors at 10:24 PM on February 2, 2011, to a Mayor/Council workshop on Tuesday, February 22, 2011, at 2:00 PM on PERS.

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

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Barbara Riegel Wayne  
City Clerk, City of Oceanside



1) defined benefit plans - provide a guaranteed annual pension benefit based on retirement age, years of service and salary. In the public sector in California CalPERS is by the far the number one provider of that. There are other systems throughout the state. The private sector, generally speaking, has moved away from defined benefit plans, which are mostly for large corporations.

2) defined contribution plans - most private sector entities have gone to defined contribution plans. A defined contribution plan promises a retirement contribution now and whatever the account balance gets to is what the individual has to use for their retirement. So in the public sector it's the 457 Plan and in the private sector the 401(k) Plan is common. Those numbers refer to sections in the Internal Revenue Code that allow all of this to be in place.

Regarding the term "vested rights", the California Supreme Court has said an employee must be eligible to continue earning the benefit formula that was in place when hired. It cannot be reduced or eliminated unless it's traded for something of equal or greater value. Generally speaking, the courts have said that greater or equal value means the same sort of plan. You could not trade future benefit accrual for the ability to retain your job, for example. It would have to be something that is measurable of a similar nature. It is an individual right that cannot be negotiated away. That means that when we get to a second tier, unless the California Supreme Court changes its mind on this issue, it means changing the benefits can only happen for the people that the City has not yet hired. That's why when we're talking about changes; we're looking at benefit formula changes for a second tier.

CalPERS retirement formulas vary based on the type of employer; State, schools, local public agencies, and occupation; miscellaneous or non-safety, and sworn safety. The formulas that are available are different for miscellaneous than they are for safety, non-certificated school members and local public agencies. It's a contract that the City has entered into with CalPERS to provide a level of benefit and the benefit is pretty straight forward; its years of City service times final average compensation times a benefit factor (service x final average compensation x benefit factor). What happens is the later somebody retires, the higher the benefit factor, generally speaking.

Computer graphic page 7 showed the 6 "miscellaneous" formulas. He refers to the top 3 formulas as the 3 enhanced formulas. All 3 of the enhanced formulas, if you retired at 50, have a 2% benefit factor, so if you retire at age 50 with 10 years of City service, its  $2\% \times 10 \times$  final average compensation. What you see is 2.7% at 55 starts at age 50 and increases to 2.7% at age 55 and then remains 2.7% regardless of how much later someone retires. So if you retired at age 55, your benefit factor is 2.7%. If you had 10 years of service at age 55, your benefit would be  $10 \times 2.7\% \times$  final average compensation. If the individual retires one year later, it would be one more year of service or  $11 \times 2.7\% \times$  final average compensation. The 3% at 60 formula starts at 2% at 50 and increases to a 3% factor at age 60 and then remains flat. The 2.5% at 55 formula is identical to 3% at 60 until you get to age 55 and then it remains flat.

The non-enhanced formulas are the 2% at 50 and 2% at 60. The earlier you retire, the more of an enhancement in the benefits there is.

**COUNCILMEMBER KERN** asked about what the City has for safety employees of 3% at 50.

**MR. BARTEL** responded this is non-safety we're reviewing now. These formulas are the available formulas for non-safety personnel. Interestingly, that difference between the City's old formula, which was 2% at 55 and the enhanced formula is that decreases as people retire a little bit later. The enhanced formulas encourage people to retire a little bit earlier and the earlier somebody retires, the more valuable they are. He encouraged thinking of 2% at 60, 2.7% at 55, etc. as names, not as descriptions of

what they do. For example, 2% at 55 provides a benefit of 2% if you retired at age 55 and provides a benefit of 2.4% if you retire at age 63. One could call this the 2.418% at 63 formula, but that's not what everybody calls it so you should not think of those names as being descriptive of everything the formula does.

Similarly, the enhanced formulas all start out with a 2% factor at age 50. Oceanside's old safety plan is what was referred to as 2% at 50 and that formula is identical to the 2.7% at 55 miscellaneous formula with the exact same benefit factors. For miscellaneous formulas there is no benefit cap; an individual could retire, if they had enough service, with a benefit that is greater than 100% of final average compensation. For example, with the 3% at 60 formula if you had somebody retire at the age of 60 with 40 years of City service, their benefit would be  $40 \times 3\%$ , which is 120% of final average compensation. There is no upper limit on the percentage as it applies to miscellaneous.

On graph 8 is a table with percentages. It also shows the member contribution rate and is generally set by statute but you could negotiate an increase for certain reasons.

There are generally 4 "safety" formulas that work the exact same way; number of years of City service times a benefit factor based on the individual's retirement age times final average compensation (service  $\times$  benefit factor  $\times$  final average compensation). The old formula Oceanside had, 2% at 50, starts with a 2% multiplier, goes to 2.7% at age 55 and then remains flat. The one primary difference, in addition to the available formulas, is that safety has a 90% benefit cap. The 3% at 50 formula starts with a 3% benefit factor at age 50 and that factor remains constant regardless of service retirement age. For an individual under 3% at 50, once they get to the point where they have 30 years of City service, they are capped out on the benefit, based on that 90% cap.

On the previous computer graphic that referred to the 6 miscellaneous formulas, he didn't talk about the 1.5% at 65 formula because, to the best of his knowledge, nobody has ever contracted for that.

**COUNCILMEMBER FELLER** asked how many cities participate in social security.

**MR. BARTEL** doesn't know off the top of his head. He guessed somewhere in the neighborhood of half of the cities in the State participate in social security. That number is different for non-safety versus safety. Very few participate for safety.

Continuing, the safety formulas, 2% at 55 also known as 2.7% at 55 and the 3% at 55 formula starts at a 2.4% benefit factor and increases to a 3% multiplier at age 55. CHP was the first group in the State to go to the 3% at 50 formula and that's why it's in the Code. It was put in the Code and made available to public agencies. CHP has recently negotiated to put future hires into 3% at 55; in addition they negotiated to have the member rate of pay go from 9% to 11% of pay. In effect, employees agreed to pay 2% more to keep it at 3% at 55, rather than going back to the 2% at 50 formula.

Regarding terminology, there are 2 important terms in pension terminology:

- actuarial liability or actuarial accrued liability - the best way to think of that number is the value of benefits due to service that's already been rendered. From an actuarial perspective, that represents a target for the asset value. If you have assets greater than the actuarial liability, you're ahead of the funding game and if you have assets below that, you're behind the funding game.
- normal costs or current normal cost - normal cost has a component that is

the member contribution rate and then an additional amount usually referred to as the employer normal cost. It represents the value of benefits earned or allocated to members during the current year. Think of that normal cost as a taxpayer generationally equitable number. If every year the normal cost was paid and all assumptions were met, then you would have assets equal to the actuarial liability and your contribution would be the total normal cost. That's arguably a target contribution rate and what happens is it never ends up being that everything happens the way the actuary expects them to happen. So investment returns can be substantially different than expected. Everyone could go merrily along their way and the actuary knows you have the 2% at 50 formula and then you change that benefit providing prior service and immediately there ends up being a higher actuarial liability than expected. That might generate an unfunded liability as well.

A key term is unfunded liability - the shortfall between the assets that you have and the actuarial liability and excess assets or surplus. So if you have assets greater than the actuarial liability, then you're ahead. CalPERS, like other actuaries, says if you're short and your assets are not sufficient to cover the actuarial liability, we're not going to ask you to make that difference up immediately, but they ask you to pay it off over time. So there is an amortization of that unfunded liability and so the contribution rate really is the sum of the normal costs, plus the amortization payment.

We are getting asked constantly by almost all of our clients if they could withdraw from CalPERS, and the answer is yes. He doesn't believe that changes individual vested rights so you would still have to provide the same level of benefit for current employees through some vehicle; if not through CalPERS, it has to be some other type of vehicle, and then you would notify CalPERS that you wanted to withdraw. CalPERS would calculate a withdrawal liability and that would include your actuarial liability, loaded for a contingency. In other words, CalPERS really doesn't have a source of money other than contributions that are paid to it. If you walk away and pay your withdrawal liability off, they want to be certain that you're not leaving some sort of liability with the system. So they load your actuarial liability for a contingency and they calculate your unfunded liability based on a market value basis. That unfunded liability is required to be paid off over no longer than a 10-year period. That 10-year period is a CalPERS policy, but to the best of our knowledge, they have not ever backed off on agreeing to a longer period.

**COUNCILMEMBER KERN** asked if Mr. Bartel knows of anyone that's done that.

**MR. BARTEL** responded no. He's certain it has happened, but he can't say who; certainly nobody in recent history. We've had a few clients go to CalPERS and look at their withdrawal liability and the conclusion they have all come to is that now is not the time by any stretch of the imagination. It ends up being a very expensive proposition; forget about the fact that you have to go out and set up another plan to take care of benefits for current employees. Just the cost of paying that unfunded liability for current employees ends up being quite expensive.

**COUNCILMEMBER FELIEN** stated in terms of the withdrawal, you mentioned earlier that if someone withdraws, their unfunded liability is amortized over 10 years, but back when discussing the regular payment, that includes an amortization of the unfunded liability, how many years is that amortized over?

**MR. BARTEL** responded in the actuarial world what creates the unfunded liability generates the amortization period. For example, if you amend your contract to improve benefits, that increase in the actuarial liability is paid off over 20 years from when you implement the benefit improvement. Gains and losses, including some rather large asset losses, are amortized over a 30-year rolling amortization period. Thinking of this like a home mortgage, if you refinance that home mortgage every year over a 30-year period, you don't pay much of your principal off over a long period of time. Under

CalPERS methodology, not only do you pay no principal off, you actually have negative amortization.

**COUNCILMEMBER FELIEN** stated if you stay on the merry-go-round, they're letting you get away with 30 years, but the moment you want to get off, they want to stick you with a 10-year amortization.

**MR. BARTEL** responded that's right. In fact, you could go to CalPERS and say we'd like to amortize this over a shorter period of time and they will gladly let you use a 10-year amortization rather than 30. If you did that, you would find that your budget, which is already strained, would be even more strained.

**COUNCILMEMBER FELIEN** isn't interested in popping the bubble any sooner than it needs to be popped. We all know there's a big bubble that's just blowing up every minute and his concern is to try and get the new employees out of the bubble. Does the structure for CalPERS change if you say the existing employees stay on CalPERS and we'll wait for the bubble to pop, but you want to get new employees on a defined contribution plan; does that change the payment structure?

**MR. BARTEL** responded CalPERS today does not offer a defined contribution option. He is not an attorney and would leave the legality of what he's saying up to the attorneys, but his understanding of the Code and CalPERS' position is your contract requires you to be in CalPERS for everybody in a classification. You could not opt out of CalPERS for people being hired in the future. The only way you can set up an individual account defined contribution plan is literally pulling out of CalPERS. There may come a day when CalPERS offers a defined contribution approach. If you put new employees on a defined contribution plan, you could not do it through CalPERS, which would mean you would have to withdraw from CalPERS. You could put employees into a less valuable benefit, which doesn't get you to the individual account defined contribution plan, but it would mitigate the contribution on a go-forward basis. It will not mitigate it a lot, but it will mitigate it some.

**COUNCILMEMBER FELIEN** stated that wasn't the answer he wanted because when you need new employees to prop up the old employees, isn't that the very definition of a Ponzi scheme.

**MR. BARTEL** doesn't think so. The nature of a Ponzi scheme is when you're bringing people in, the cost of that, at some point in time it's going to collapse. The nature of a defined benefit plan really uses the fact that your new employees are younger and there is more time to fund so it uses that to create an environment where it can be a very efficient way to provide for taxpayers' cost of benefits. There are by-products of that, some of which might not be very good like contribution volatility. Absolutely there are. But contribution volatility is a lot different than suggesting that CalPERS is a Ponzi scheme.

**COUNCILMEMBER KERN** asked if we went to the minimum 1.5% at 65, then could we have an augmented defined contribution plan outside of that. So by opting for the absolute minimum, we've met the requirement of the law - they're in some type of a CalPERS program - but then we can augment it with a defined contribution.

**MR. BARTEL** responded that's correct. To contract for the 1.5% at 65 formula under the Statute as it is written today, you would have to be participating in social security. We have a lot of clients that are thinking in that direction but whether they will actually do it is a different question.

Regarding Mr. Bartel's answer to Councilmember Feller's question about how many cities participate in social security, **COUNCILMEMBER KERN** asked if half have some type of a plan like that.

**MR. BARTEL** responded no. No one that he's aware of has a 1.5% at 65 formula. Half would be eligible to contract for that but none have.

**COUNCILMEMBER FELLER** stated social security is in at least as much trouble as CalPERS. It would be nice if the CalPERS Board and those that are making the decisions about where to spend money would not be spending it like drunken sailors. It seems like their investments have not proven to be anything worthwhile. They should also look at their salaries.

**MR. BARTEL** has mixed feelings about both of those topics because they have done an excellent job of doing things that get them into the headlines and on a less than favorable approach. He shares some of the concern. However, on a couple of occasions he's had the opportunity to hear CalPERS' Chief Investment Officer talk and the things that he is saying are the things that I, as a resident of the State, want to hear. He is saying things like maybe we lost our way when we started buying real estate with a heavily leveraged approach. The real estate would increase and money would be made. What happened though was that it didn't keep going up and sometimes it went down. So if you had a piece of property where you put down \$5,000,000 and you borrowed \$95,000,000 and that property is now worth \$70,000,000 or \$80,000,000, you've lost multiples of the amount of money that you put down and you still have a \$95,000,000 loan. The Chief Investment Officer's comment was CalPERS lost their role in the world, which is to try to make sure that money is there for when people come up for retirement, not to chase short-term profit.

I share the concerns. It will be interesting to see if the things he is hearing will be followed by action. But the things he's hearing lead him to believe that they might be moving in the right direction. Maybe a year from today we'll know, or maybe we won't. They are using the right words today and hopefully that will continue.

Continuing, computer graphic 15 shows CalPERS' historical market value and actuarial value investment returns. In 2008 the assumed rate of return was 7.75%, the market value (MVA) rate of return was minus 5 (-5). Compare that with 7.75% and get a 12.9% differential. Computer graphic 16 shows 2 columns and multiple lines on graph 15 demonstrating that market value is what they really earn on the fund. The actuaries don't use the market value because that would make contributions even more volatile than they've been. They use a smoothed market value. So at June 30, 2008, the actuarial value rate of return, what's used to set contribution rates, was a positive 8%; comparing that to 7.75% you get to a 3/10 of a percent (.3%) gain.

If we go to June 30, 2009, the market value rate of return minus 24 (-24%), compared to 7.75%, it is just short of a 32% differential. So in 2 years the market rate of return, forgetting about compounding for a moment, you've got a 13% loss and a 32% loss; a 45% difference. On an actuarial value basis you're less than a 2% (-2%) differential. One of 2 things will have to happen: either investment return will make up those losses or they won't and if they don't, contribution rates will have to supplement whatever investment return does not make. We are expecting the contribution rates to be relatively high and even if investment return is good, we are expecting the contribution rates to remain relatively high. So if investment return is bad, contribution rates will escalate into the foreseeable future.

**COUNCILMEMBER FELLER** asked what level you'd have to have as a contribution to keep from adding more contribution from the City.

**MR. BARTEL** will answer that in 2 ways: first is to change the word contribution to investment return. Looking at June 30, 2010, the investment return is 13.3% compared to the 7.75%, a 5.5% gain. What happens is that people will commonly misuse the rates of return at CalPERS. So you think of a minus 24 (-24) and then think of a plus 13.3 (+13.3%) and it sounds like you've made up half that loss. Unfortunately, you have not. If you look at June 30, 2009, you were (negative) 32% off

and at June 30, 2010, you were plus 5.5%, so you need 6 years of 13% rate of return to get back those investment losses from one year. He's not hearing any investment people say that they think that is likely. In fact, he's hearing some concern that the stock market equities may be a little over valued.

There is some concern that investment return over the next few years may end up being less than good. So if CalPERS gets a 13+ rate of return for 6 years in a row, including the 13.3%. The current fiscal year is on track to get to that 13 rate of return. That doesn't mean it's going to happen; we're still several months from the end of the year but things are looking good. If we get there, that would be 2 years and you just need 4 more years. That's a tall order at best.

Computer graphic 17 shows demographic information. One of the things that's important to understand is that the most recent valuation report prepared by CalPERS is using information, assets and demographic information, at June 30, 2009. That 2009 valuation determines the City's 2011-12 fiscal year. Oceanside has 687 active miscellaneous members in the June 30, 2009, valuation with an average age of 47 and average City service of 12 years. So 12 and 47 are very modestly higher than what we see with other agencies around the State. What's more interesting is that Oceanside has more miscellaneous people receiving a benefit (retirees, survivors, disability, etc.) than you do active employees. Most of those did not work their full career here, but they worked a portion of it. The average aged retiree is 71 on the miscellaneous side, and the average annual benefit is \$11,400. That doesn't mean that the total pension received by these 744 people is on average \$11,400; it means the portion of the benefit provided by the City is \$11,400 and many of those people retired using an unenhanced formula, so when you look at the people who have retired in the last 5 years, the average annual benefit is \$14,500. It varies a lot from one agency to the next, but it's probably true that the average non-safety individual works at 2-3 agencies in their career. Senior management is many more than 2-3. Rank and file is probably far fewer than 3. So it's not uncommon for rank and file to work at one agency for the bulk of their career. This is obviously a combination of those. But if you took these numbers and multiplied them by 2 or 3, what happens if you don't get the annual total pension benefits that are as high as what people might think they would be, even if you took the \$14,500, you probably don't have very many people who are in the \$100,000 club. He doesn't know how many Oceanside has, but your average benefits are a long way from that.

Safety is a little bit different. Safety people have a tendency to hire with an agency and stay with that agency for the bulk of their career. So because of where you're located, you may actually hire people a little bit later in their career than some of our other clients. 329 safety people with an average age of 40 is a little higher than what we see, and an average service of 11; that means on average you're hiring people right around 29 years of age. Some of our other clients might have an average hire age of 25. For safety, more people retired with an average age of 62 than you do active employees. The safety benefits are historically more valuable so you get to a total pension benefit (retiree, disability, survivor) of \$52,100 and for the people who have retired in the last 5 years, \$62,700. These are Oceanside's numbers and not CalPERS averages.

**COUNCILMEMBER FELLER** asked if the numbers across the bottom of the graphic that show retired in the last 5 years is not the total of their pension benefit, there are other factors.

**MR. BARTEL** responded that's correct. It would be the portion of their benefits provided by their City service. If you had an individual retiring with a City provided benefit of \$14,500 and they worked at 2 other agencies, their total pension is going to be roughly 3 times that amount, depending on the benefit formula at the other agencies. You could easily take the miscellaneous numbers and multiply them by 2 to 3 to get to the total benefits and the safety numbers by maybe 1 to 1½.

Regarding funded status (Graph 18), Oceanside's actuarial accrued liability from the June 30, 2009, numbers is \$266,000,000 for the miscellaneous plan. The actuarial value of assets smoothed market value is \$221,000,000. So there is an unfunded liability on a contribution basis, on an actuarial basis, of \$45,000,000 and a funded ratio of 83%. That sounds quite good until you look at the market value, which the actuarial value has not recognized all of the asset losses. They are recognizing them slowly so the market value at June 30, 2009, was \$162,000,000. The market value (MVA) unfunded liability is \$104,000,000, more than double the actuarial value (AVA) basis. The miscellaneous funded ratio is 61%, similarly for safety it is 88% (AVA) and 64% (MVA) for safety. Just to be clear, if we were showing you these numbers at June 30, 2010, what you would see is the actuarial liability would be bigger because employees keep earning benefits, the market value of assets would have grown more than the growth in the actuarial liability because of a 13.3% rate of return. The actuarial value though would actually be growing less so if we showed this on June 30, 2010, you would see lower funded ratios on an actuarial value (AVA) basis and slightly higher on a market value (MVA) basis.

When we show this information to clients, people's initial reaction, depending upon where the market value funded ratio is, is either all hell is going to break loose because our funded ratio is as low as it is or the funded ratio on an actuarial value looks good so let's not worry about the funded ratio on an actuarial.

**COUNCILMEMBER FELIEN** asked if the difference between the 2 is primarily the 30-year smoothing and the assumed rate of return; we're just going to pretend we're earning 7.75% per year even though we're losing 21%.

**MR. BARTEL** responded not really. There are 2 terms that are important to understand; people think they are the same thing but they're not. Amortization is once you get something into the unfunded liability, how long do you take to pay it off; that's the 30-year rolling. The other one is how long do they take to get gains or losses into the unfunded liability; that's a 15-year period. So they are recognizing investment losses on a 1/15 basis. Referring to graphic 16, this is not exactly how it works but if you think of it this way you'll be kind of there. If you look at the 32% market loss at June 30, 2009, and you take 1/15 of that, you'll get something close to a 2% actuarial loss. So 2 is what's going into the actuarial value; 32 is what's in the market value. The big difference is that 1/15 recognition of the gains and losses. It's really losses. The 7¾ assumption is, if we go to the numbers on graph 18, that is going to be an unfunded liability on a market and an actuarial basis because the \$317 AAL on safety and the \$266 AAL on miscellaneous have built into it the 7.75%. So they both factor in the 7.75% assumption.

Graph 19 shows the historical funded ratio (miscellaneous) and where we think that's going to go. We showed you the June 30, 2009, numbers so we've projected the actuarial liability and the assets forward and we think the 2009 number at 2010 is going to drop on an actuarial basis very modestly. It's going to go up noticeably but there is a big drop from 2008 to 2009 and then a modest increase from 2009 to 2010. That should tell you that it would take a lot of 13% rates of return to turn that funded ratio around.

Graph 20 - Safety is very similar. In 2008 it was 94% (MVA), in 2009 it was 64% and in 2010 up 3% to 67%, and then the actuarial value down modestly. Just to be clear on both slides 19 and 20, for 2011 we are not far enough into the year for us to know what a good estimate for that will be. We are using 7.75% to get to the 2011 number. If they end up getting more than that, then the funded ratios will be higher on both accounts.

**COUNCILMEMBER FELLER** stated the computer graphics showed 1997, 1998 and 1999 as almost too good to be true.

**MR. BARTEL** might not use exactly those words but similar words. He has told clients to be careful when something looks better than they think it is. Usually it is better than they think it is. The issue he has is that those years (1997, 1998 and 1999) the market value funded ratio was greater than the actuarial value so contribution rates were based on less than the market value and the delta – the between those two was not dramatic. The issue that we have now is when you look at June 30, 2009, the delta between how much money you have in the bank and what is being used to set your rate.

(Per Slides 18-20) Regarding miscellaneous, Oceanside had at June 30, 2009, \$162,000,000 (MVA) and \$221,000,000 (AVA) was being used to set your 2011-12 contribution rate. The concern that he has is that gap is too wide and if you extrapolate what he's saying, you come to the conclusion that you're 2011-12 contribution rate is not as high as it should be. So you are already struggling with your 2011-12, 2012-13 and 2013-14 budgets. You're hearing me say that you should be struggling more with your budgets and nobody wants to hear that but that's what this graph tells you is that if you believe investment return is going to be exceptionally good then, no problem. If you're worried about that, than you ought to seriously think about doing something that no one wants to do and that is paying more than CalPERS is asking you to pay. What's going to happen is if you don't, and investment return ends up being modest, below 7.75% or not really good for an extended period of time, then your rates are going to be extremely high and you really are shifting debt to future taxpayers. Oceanside has an unprecedented gap between what you have in the bank and the funded ratio being used to set your contribution.

(Slide 21) Regarding contribution projections, we're projecting where we think your miscellaneous and safety rates will go. We've taken into account the June 30, 2009, minus 24%, the 13.3% for June 30, 2010 and June 30, 2011-14, which is actually not quite right. We're projecting contribution rates using a 50% confidence limit of 7.75%. We're also going to show you what happens if CalPERS lowers that 7.75%. So the 75<sup>th</sup> confidence limit means that we think there is a 75% chance that CalPERS' investment return will be greater than the low single digits. That is referred to as bad investment returns. At the 25% confidence limit, it is 11/8-15.3%. The contribution projections include the impact of expected investment return changes, but no other gains or losses, Method of Assumption Changes or benefit improvements.

On Slide 22 are your miscellaneous contribution rates with 6 graph lines. The solid black lines are contribution rates we think CalPERS will provide. The dotted lines are part of CalPERS' modified asset smoothing as part of the June 30, 2009, valuation. Had they not modified it, the City's 2011/12 contribution rate would have been around 21.5% so the City would have contributed more. So slides 22-25 also shows the range of contributions had it not been modified.

Regarding the 7.75% assumption, last week CalPERS staff was supposed to go to the Board and talk with them about the long-term 7.75% investment return assumption. That conversation has been put off until March. In conversations with CalPERS' Chief Actuary, I believe he will recommend 7.25% or 7.5% and the odds are the Board may move the long-term investment return assumption down from 7.75% to 7.5%. There is some significantly heavy lobbying of the CalPERS Board to not do that. The odds are excellent the Chief Actuary will recommend 7.25% or 7.5% and CalPERS will adopt the 7.5%. Based on everything he's seen, he thinks an appropriate long-term assumption is somewhere in the neighborhood of 7% and 7.25%, which is below what they will likely put in.

If you look at the 2012-13 contribution rate for your miscellaneous plan, if CalPERS keeps 7.75%, we think we will be about 18%. If they put in 7.5%, it's going to be another 2+ percentage points higher. If they put in 7.25%, it's going to be an additional 2+ on top of that. If they put in 7%, which is highly unlikely it would be a

total of 6 percentage points higher than what you previously saw on slide 22, etc. That would, in his opinion, begin to stabilize contribution rates; they would be high for a long period of time, but you would not see this increasing pattern where you would begin to level out a bit in terms of contribution rates. That's where he thinks their investment return assumption should be and it's an even bigger costly deal on 'safety' (which is demonstrated on slides 24-25).

**COUNCILMEMBER FELIEN** stated it's realistic that you can earn 7% on real assets, but he's interested in Mr. Bartel's opinion as to whether he believes CalPERS has sufficiently cleaned up their closet and recognized all of these exotic real estate losses and private equity deals, etc. that were done by a Board of Directors that had no risk. If they're going to try and earn 7% on zombie assets, that's never going to happen.

**MR. BARTEL** doesn't know the answer to that. He believes the answer is yes. He is a fan of the way audits work in the public sector. Generally CalPERS goes out every year and hires somebody to review information that they've put together so they have an auditor that specializes in public sector come in to verify that these amounts are correct. Just because they do it doesn't mean the auditors are doing a great job. That's not what he is implying. There was a hidden story that happened as part of June 30, 2009, that leads him to believe that the outside auditors are doing a good job. What happened was related to real estate. CalPERS deferred some of the June 30, 2009, investment losses to the next year so their auditors came in and said that wasn't okay. So their issuance of their final CAFR was delayed for 3 months so they could go through that negotiation process, which all happened behind closed doors, and they ended up bringing down the rate investment return on real estate and adjusting the numbers based on what their auditors said. That doesn't mean that the auditors are for sure recognizing everything. But when he hears stories like that from people who are not biased, it leads him to believe that the system appears to be working and they are cleaning up.

We think 7.5% is where it's likely going to be and that's what is going to drive your contribution rates. If investment return is less than good, the bad news is your rates are going to be substantially worse than where they are.

(Slide 26) Oceanside's current benefit formula for 'miscellaneous' is 2.7% at 55. It starts with a 2% multiplier at age 50, increases to 2.7% and then remains flat. Final average earnings are highest year for both miscellaneous and safety. For 'safety' you provide the 3% at 50 benefit formula.

[Recess was held from 3:15 PM to 3:20 PM]

(Slide 27) Regarding alternative benefits, **MR. BARTEL** stated these are options the City has. As an illustration, everybody hired on or after July 1, 2011, using a miscellaneous formula of 2.5% at 55, 2% at 55 and 2% at 55; and safety formulas of 3% at 55, 2% at 50 and 2% at 60. We think the way to estimate savings is to look at the normal cost rate for the difference in the various formulas. Those savings, whatever percentage of saving there are, get applied to benefits being earned by your tier-two. If you move everybody who's hired on or after July 1, 2011, into 2% at 60, and you don't hire anybody then you don't have any savings. Your savings by going to a second tier takes many years to materialize. So the reason to do a second tier is not short-term budget related.

He suggests to all Councils that are thinking about this that it is part of the bargaining process and your savings materialize over a very long period of time. For example, if you went to 2% at 50 for safety, your reduction in the normal cost rate would be about 5% in about 10 years. Your tier-two people, who were hired after July 1, 2011, would make up about 50% of your payroll, so your savings in 10 years would be 2.5% of that. It takes in substantially less than that if you're hiring very few people in the short run. The next slides have many numbers looking at that savings.

**COUNCILMEMBER KERN** asked what the total number is of our pension liability. How many dollars do we owe right now for everybody that is or has worked here.

**MR. BARTEL** responded unfortunately we don't know a today number, but if the definition of today was slightly less than 2 years ago – June 30, 2009 – your miscellaneous actuarial accrued liability is \$266,000,000 and your safety is \$317,000,000, for a total liability of \$583,000,000 (Slide 18). Your total unfunded liability on a market value basis is \$104,000,000 for miscellaneous and \$114,000,000 for safety, for a total of \$218,000,000.

**MS. FERRO** is basing it on the June 30, 2009, which is the most current information we've gotten from CalPERS. That is the report that she distributed to Council in October, but it's always in arrears.

**COUNCILMEMBER FELIEN** asked which of the numbers are the assets that are supposed to offset the liabilities – what are you subtracting from the \$266,000,000 to get the \$104,000,000.

**MR. BARTEL** responded for miscellaneous your liability is \$266,000,000, but your market value of assets – how much money you really have in the bank – is \$162,000,000.

**COUNCILMEMBER FELIEN** stated so the AVA and the MVA are the assets and the UAL is the remaining unfunded liability, which we believe is the \$218,000,000.

**MR. BARTEL** stated that number if we were doing that calculation today would likely be very modestly below \$218,000,000, but it is a point-in-time number that changes. It may now be closer to \$200,000,000 - \$210,000,000.

**COUNCILMEMBER FELIEN** asked if based on the estimated increase (on Slide 18) in the top line (AAL) and our likely investment returns, do you think that spread will be widening or contracting long-term.

**MR. BARTEL's** concern is that it's going to be widening and not contracting.

**COUNCILMEMBER FELIEN** asked if that is because on the one slide it appeared we had 3 balls in the air at the same time. The slide based on what the actuarial calculation is does not match the market calculation and the spread between those two calculations will continue to cause the unfunded liability to expand.

**MR. BARTEL** responded yes, for 2 reasons. That's reason number one. Reason number two is he is worried that CalPERS will not be able to earn 7.75% or 7.5% and if they don't and they earn 7%, then the nature of that is that gap will widen.

#### Public input

**JIMMY KNOTT**, 127 Sherri Lane, CalPERS has a website and he brought Council a copy of all the videos on that website. CalPERS has initiated their own process of doing a top to bottom review that will be completed this month.

A majority of CalPERS people receive \$36,000 or less, 24% receive \$36,000 to \$100,000 and 2% today receive more than that. That 2% are mainly management but in today's presentation management was not separated out. There are a certain number of employees being reduced in the City and State that will affect all of the numbers being taken into consideration. There is no representation here from CalPERS but they would be willing to send a representative if they were asked by someone with authority. He thinks it's unfair to show just one side and this is a sham presentation.

Public input concluded

**COUNCILMEMBER FELLER** asked the Finance Department if they've had conversations with PERS in the past.

**MS. FERRO** stated all the information that was presented today is based on the report distributed by CalPERS. We hired Mr. Bartel because he's a third-party unbiased actuary who can interpret the information in layman's terms for us. It's still based on CalPERS information.

**COUNCILMEMBER KERN** asked what would happen if we reduced the number of employees or the hours of employees.

**MR. BARTEL** responded if you reduce hours, like on a furlough basis, ultimately there would be a basic understanding that the furloughs would be temporary in nature and that people would get back to full-time salary. If that happened, it would mean you would under-contribute, exacerbating your unfunded liability and driving contribution rates up, depending on how large the furloughs would be into the future. If you operated on a long-term basis with fewer employees, two things would happen: you would have fewer people earning a benefit but the dollar amount of your unfunded liability would not be any different. By definition your unfunded liability is the value of benefits due to service that's already been rendered so if you laid off 1/3 of your population, the people that you lay off still have an actuarial accrued liability and still contribute to that unfunded liability. What happens is you're paying your unfunded liability over a shrinking payroll so your contribution rate actually goes up. How much it goes up depends on how big of a reduction you have in staff.

**COUNCILMEMBER KERN** asked if we reduce the number of hours worked per week per employee, is that the same as a lay-off scenario.

**MR. BARTEL** responded if you have furloughs and people are working 35 hours rather than 40 hours per week, then you will have savings associated with that. It just will not be on the pension side. It may look like you have savings but that shortfall in the contribution will result in higher rates down the road. So from the pension plan point, you are not saving.

He thinks Council is asking the right questions. The question is, will a second tier solve your budget problems and the answer to that is no, not anytime soon. The second question is where should you expect your rates to go? Unfortunately you should expect them to go up. With a little bit of luck, if investment return ends up being better, then maybe they won't go up quite so fast. But you should anticipate that they are going up.

**COUNCILMEMBER KERN** asked Mr. Bartel how long he's been doing this type of work.

**MR. BARTEL** responded a long time. He's been doing actuarial work almost 35 years and has been doing work for public sector entities for about 20 years.

**COUNCILMEMBER FELIEN** asked if any members of the audience had any questions/concerns that they don't think have been addressed yet.

**CITY MANAGER WEISS** reminded Council that staff does have an approximate 80-page report that will be provided to Council this afternoon and it will also be available on the website as well. The information we have from PERS will also be on the website.

**MARYAM WAGNER**, Senior Engineering Assistant, asked if they have already calculated if all employees pay their complete share of our pension, how much would

that help with off-setting the amount the City has to pay.

**MS. FERRO** doesn't have the numbers in front of her but on the City website there is a document called the 5-Year Forecast and in there we have run some scenarios and assumptions that, if the employees were to contribute, how much the City can save based on the various bargaining groups. Mr. Bartel's presentation was more showing regardless of whether the employee pays or the employer pays, the rates are still going up.

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

**JIMMY KNOTT**, 127 Sherri Lane, stated some of our seniors think that Council's actions recently don't show that they care about the issues that are important to them. They would like for Council to become more reflective in some of your actions.

**ADJOURNMENT**

**COUNCILMEMBER FELLER** adjourned this special meeting of the Oceanside City Council at 3:44 PM on February 22, 2011. The next regularly scheduled meeting will be February 23, 2011, at 4:00 PM.

**ACCEPTED BY COUNCIL:**

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Barbara Riegel Wayne  
City Clerk, City of Oceanside





California

# CITY OF OCEANSIDE

## MINUTES OF THE

### OCEANSIDE PUBLIC FINANCING AUTHORITY

Wednesday, April 20, 2011

**SPECIAL MEETING                      5:00 PM                      COUNCIL CHAMBERS**

**5:00 PM                      OCEANSIDE PUBLIC FINANCING AUTHORITY**

**Officers:**

**Chair**

Jim Wood

**Vice Chair**

Esther Sanchez

**Directors**

Jack Feller  
Jerome Kern  
Gary Felien

**Secretary**

Barbara Riegel Wayne

**Treasurer**

Gary Ernst

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**Executive Director**

Peter Weiss

**Legal Council**

John Mullen

The special meeting of the Oceanside Public Financing Authority was called to order at 5:07 PM, Wednesday, April 20, 2011.

**ROLL CALL**

Present were Chair Wood, Vice Chair Sanchez and Directors Kern and Felien. Director Feller was absent. Also present were Secretary Wayne, Executive Director Weiss and City Attorney Mullen.

1. **Adoption of a Resolution of the Board of Directors of the Oceanside Public Financing Authority establishing regular meeting dates**

In the absence of the City Treasurer's office, Secretary Wayne reported that today's action is simply to establish regular meeting dates for the Oceanside Public Finance Authority (OPFA). There is legislation requiring that such agencies wishing to take certain actions must do so at a 'regular meeting'.

In order to provide the City and Community Development Commission with the most flexibility to achieve lower borrowing costs and to refund existing obligations for General Fund savings, it is recommended that the Authority adopt the resolution establishing its regular meeting dates to be the same as the City Council. [Per the report to Council, this action would allow the City to potentially take advantage of low interest rates to refund the outstanding 1998 Certificates of Participation for debt service savings and accordingly reduce costs for the General Fund.]

**DIRECTOR FELIEN moved adoption [of Resolution No. 11-R0270-OPFA,**

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



April 20, 2011

Special Meeting  
Public Financing Authority

"...establishing regular meeting dates".]

**DIRECTOR KERN seconded** the motion.

**Motion was approved 4-0;** Director Feller – absent.

2. **Communications from the public regarding items not on this agenda - None**

**ADJOURNMENT**

**CHAIR WOOD** adjourned this meeting of the Oceanside Public Financing Authority at 5:08 PM on Wednesday, April 20, 2011.

**ACCEPTED BY OCEANSIDE PUBLIC FINANCING AUTHORITY:**

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Barbara Riegel Wayne  
Secretary, Oceanside Public Financing  
Authority

