



California

ITEM NO. 3

# CITY OF OCEANSIDE

## JOINT MINUTES OF THE CITY COUNCIL SMALL CRAFT HARBOR DISTRICT BOARD OF DIRECTORS COMMUNITY DEVELOPMENT COMMISSION OCEANSIDE PUBLIC FINANCE AUTHORITY

SEPTEMBER 19, 2012

REGULAR MEETING                      2:00 PM                      COUNCIL CHAMBERS

2:00 PM - OCEANSIDE CITY COUNCIL (COUNCIL),  
HARBOR DISTRICT BOARD OF DIRECTORS (HDB), AND  
COMMUNITY DEVELOPMENT COMMISSION (CDC)  
OCEANSIDE PUBLIC FINANCE AUTHORITY (OPFA)  
- REGULAR BUSINESS

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

**Deputy Mayor**  
**HDB Vice President**  
**CDC Vice Chair**  
**OPFA Vice Chair**  
Jack Feller

**Councilmembers**  
**HDB Directors**  
**CDC Commissioners**  
**OPFA Directors**  
Esther Sanchez  
Jerome M. Kern  
Gary Felien

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

**Treasurer**  
Gary Ernst

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

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

For this regular and joint meeting, the Council sat as all 4 governing bodies [Council, HDB, CDC and OPFA] 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), Community Development Commission (CDC) and Oceanside Public Finance Authority (OPFA) was called to order by Mayor Wood at 2:56 PM, September 19, 2012.

### 2:00 PM - ROLL CALL

Present were Mayor Wood and Councilmembers Sanchez, Kern and Felien. Deputy Mayor Feller arrived at 2:58 PM. Also present were Assistant City Clerk

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

Trobaugh, City Manager Weiss and City Attorney Mullen.

City Attorney Mullen titled the following items to be heard in Closed Session:  
Items 1, 2A, 2B, 3A and 3B.

[Closed Session and recess were held from 2:57 PM to 4:02 PM]

**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

**Item discussed; no reportable action**

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

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

Hirst v. Garcia; City of Oceanside, Superior Court Case No: 37-2010-00101050-CU-PO-NC

B) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (SECTION 54956.9(b))

Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9: one case

**Items discussed; no reportable action**

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

A) Property: Center City Golf Course, consisting of approximately 70 acres (portion of APN 151-011-11); Negotiating Parties: City of Oceanside and Goat Hill Partners and Golf Links Consulting; Negotiator for the City: Douglas Eddow, Real Estate Manager; Under Negotiations: Price and terms for the use of real property

B) Property: El Corazon consisting of approximately 450 acres bounded by El Camino Real to the west, Oceanside Boulevard to the south, Rancho del Oro Drive to the east and Mesa Drive to the north (APNs 162-082-51, 06, 08 and 09); Negotiating Parties: City of Oceanside and Sudberry Properties, Inc.; Negotiator for the City: Douglas Eddow, Real Estate Manager; Under Negotiations: Price and terms for the disposition of real property

**Items discussed; no reportable action**

**4:00 PM – ROLL CALL**

**MAYOR WOOD** reconvened the meeting at 4:02 PM. Present were Mayor Wood, Deputy Mayor Feller and Councilmembers Sanchez, Kern and Felien. Also present were Assistant City Clerk Trobaugh, City Manager Weiss and City Attorney Mullen.

**CONSENT CALENDAR ITEMS** [Items 4-12]

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

The following Consent Calendar items were submitted for approval:

4. City Council/Harbor/CDC/OPFA: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission, City Council, and Oceanside Public Financing Authority of the May 16, 2012, 2:00 p.m. Regular Meeting
5. City Council/Harbor/CDC/OPFA: 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 Amendment 1 [**Document No. 12-D0610-1**] in an amount not to exceed \$120,000, paid from Developer Deposit Accounts, to the professional services agreement with Mestre Greve Associates, Division of Landrum and Brown, Inc., of Laguna Niguel for Supplemental Technical Review of Radio Frequency (RF) Compliance Reports, adding to the scope of work technical review of an additional 40 compliance reports; and authorization for the City Manager to execute the amendment
7. City Council/Harbor: Approval of a two-year professional services agreement [**Document No. 12-D0611-1**] with two one-year options with California Office Maintenance of Poway in an amount not to exceed \$446,400 for the first two years for harbor and beach area janitorial services; and authorization for the City Manager to execute the agreement; and approval of additional funding in the amount of \$55,800 for the period from July 1, 2012, to September 30, 2012
8. City Council: Approval of professional services agreements each in an amount not to exceed \$50,000 with Carollo Engineers of Oceanside [**Document No. 12-D0612-1**] for water and wastewater engineering services, Infrastructure Engineering Corporation of Oceanside [**Document No. 12-D0613-1**] for water and wastewater engineering services, RMC Water and Environment of San Diego [**Document No. 12-D0614-1**] for grant support services, and Atkins North America, Inc., of San Diego [**Document No. 12-D0615-1**] for public outreach services; approval of a professional services agreement in an amount not to exceed \$75,000 with Carollo Engineers of San Diego [**Document No. 12-D0616-1**] for on-call financial assistance services; approval of professional services agreements each in an amount not to exceed \$100,000 with Parc Civil of Oceanside [**Document No. 12-D0617-1**] for as-needed project management services, and Trussell Technologies [**Document No. 12-D0618-1**] for on-call water and wastewater technical services; and authorization for the City Manager to execute the agreements
9. City Council: Acceptance of the Treasurer's Report for the quarter and year ended June 30, 2012
10. City Council: Adoption of **Resolution No. 12-R0619-1**, "...authorizing the City Manager to execute State and Federal grant-related agreements and approval of Master Agreements between the State of California Department of Transportation (Caltrans)

and the City of Oceanside administering agency – State agreements for Federal-Aid projects and State-funded projects”, and any other necessary agreements and documents to accept and use Federal and State funds with the California Department of Transportation (Caltrans)

11. City Council: Adoption of **Resolution No. 12-R0620-1**, “...authorizing the Water Utilities Department to accept \$180,493 in grant funds from the California Department of Water Resources and the United States Bureau of Reclamation for a turf removal program offered through the Metropolitan Water District to redistribute funds to program participants”; and authorizing the City Manager to act on behalf of the City of Oceanside as signatory to accept the grant funding; and approval of a co-funding (City match) in the amount of \$77,355, required as a condition of participation in the incentive program
12. City Council/HDB/CDC/OPFA: Adoption of four resolutions amending the 2012 meeting schedule dates and times for regular meetings of the City Council, **Resolution No. 12-R0621-1**, “... revising the dates and times of the regular meetings and establishing the regular meeting schedule for calendar year 2012”; Harbor District Board of Directors, **Resolution No. 12-R0622-2**, “...revising the dates and times of the regular meetings and establishing the regular meeting schedule for calendar year 2012”; Community Development Commission, **Resolution No. 12-R0623-3**; “...revising the dates and times of the regular meetings and establishing the regular meeting schedule for calendar year 2012”; and Oceanside Public Financing Authority, **Resolution No. 12-R0624-OPFA**, “... revising the dates and times of the regular meetings and establishing the regular meeting schedule for calendar year 2012”, adding 10:00 a.m., December 5, 2012, to the 2012 meeting schedule, for the purpose of certifying the results of the November 6, 2012, General Municipal Election and swearing in one Mayor, two City Councilmembers, one City Clerk, and one City Treasurer

**COUNCILMEMBER KERN moved** approval of the Consent Calendar [Items 4-12].

**DEPUTY MAYOR FELLER seconded** the motion.

**Motion was approved 5-0.**

#### **GENERAL ITEMS**

General Items are normally heard after any 5:00 p.m. Public Hearing Items. However, if time permits, some General Items may be heard prior to any 5:00 p.m. Public Hearing Items, following the Consent Calendar.

13. **City Council: Approval of a budget appropriation in the amount of \$20,000 from the Unallocated General Fund Reserve to the City Manager’s Office budget for the City Council-approved Goal-Setting and Budget Prioritization process**

**MICHELLE SKAGGS LAWRENCE**, Deputy City Manager, stated at the June 27, 2012, meeting Council directed staff to issue an RFP (Request for Proposals) for facilitation services to help with the Council goal-setting and budget prioritization process. We issued the RFP and, at Council’s direction we selected a consultant. Staff is requesting Council’s approval for a budget appropriation in the amount of \$20,000 to fund the effort.

**COUNCILMEMBER KERN moved** approval [of a budget appropriation in the amount of \$20,000 from the Unallocated General Fund Reserve to the City Manager’s Office budget for the City Council-approved Goal-Setting and Budget Prioritization process].

**DEPUTY MAYOR FELLER** seconded the motion.

**COUNCILMEMBER SANCHEZ** is voting against this because it's a waste of taxpayer funds. We don't need someone else to moderate a discussion among Councilmembers. We should be able to do that. \$20,000 could have meant the difference in keeping the San Luis Rey Resource Center open.

**MAYOR WOOD** agrees and does not support this.

**Motion was approved 3-2**, Wood and Sanchez – no.

14. **City Council: Consideration of a purchase order in an amount not to exceed \$783,180 to Mar-Co Equipment Company of Pomona for refurbishment of four Tymco Street Sweepers for the Public Works Department, and authorization for the Financial Services Director, or designee, to execute the purchase order; or, in the alternative, approval of a five-year professional services agreement with Cannon Pacific of San Marcos in the average annual amount of \$719,042.80 for Citywide street sweeping services and as-needed emergency work as a result of accidents, storms, etc., and approval of a one-year property use agreement for staging, fueling, parking, unloading of sweeping debris and washing equipment on City-owned property at 4927 Oceanside Boulevard; and authorization for the City Manager to execute the agreements; and direction to staff**

**KIEL KOGER**, Public Works Manager, stated this item is asking Council to either approve a purchase order for the refurbishment of 4 street sweepers, or to approve a professional services agreement to outsource these services.

At the May 16, 2012, meeting, staff recommended outsourcing this program and awarding a 5-year professional services agreement to Cannon Pacific of San Marcos. Council decided not to outsource the program at that time and to continue to provide the service with City staff.

At the August 15, 2012, meeting, staff recommended approval of a purchase order to Mar-co Equipment Company of Pomona for the refurbishment of 4 street sweepers due to their overall poor condition and an order to meet diesel engine emission standards. Refurbishment of the sweepers was previously delayed to see the results of the outsourcing RFP process. Council did not make a decision on the purchase order at that time and continued the item until this evening.

If the street sweeping programs continue to be provided by City staff, the 4 street sweepers need to be refurbished. The current replacement cost for a street sweeper is \$226,000. The cost to refurbish a sweeper is \$196,000 for a per-unit savings of \$30,000. Staff recommended refurbishing the sweepers, since insufficient replacements funds have been collected over the life span of the vehicles. The sweepers were originally put on a 10-year life span, but only lasted 8 years due to a harsh environment of salt air, constant moisture and long hours of operation. The chassis on the sweepers are still in good shape so refurbishment is the best option. The refurbishment costs were not obtained through a competitive bid process, but were sole-sourced. All existing street sweepers utilize Tymco equipment and Mar-co is the only distributor of Tymco equipment in the Southern California area.

Each year, Fleet collects money from users to pay for the eventual replacement of the vehicles. The future replacement cost of a vehicle is calculated by taking the current acquisition costs of the vehicle and adding an annual 4% inflation rate. The future replacement cost is then divided evenly over the life span of the vehicle. These replacement and refurbishment costs were included in the cost comparison between City staff and contractors for outsource consideration. Staff is asking Council to either

approve a purchase order for refurbishment of 4 street sweepers or to approve a professional services agreement to outsource these services.

Public input

**CHESTER MORDACINI**, 9900 Flower Street, Bellflower, Teamsters Local 911, represents the OCEA bargaining unit, of which these employees that would be outsourced are members. You have a challenge of what to do about the street sweepers. Mr. Koger went back to his people in Fleet, and they came up with a new approach to dealing with it. Instead of buying new street sweepers, they will refurbish the old ones and keep more longevity. That keeps the employees in place and continues your flexibility. If you continue to contract employees out, you're going to find that someday you'll have a catastrophic event in the City and will have no employees to deal with restoring services to your community. This is a time and political environment where outsourcing seems to be the panacea; everybody wants to do outsourcing.

The reason we have public employees is because you need to have services for the community. When the economy comes back around, you will be paying contractors at the highest bid. The excuse has been that public employees are too expensive. We've negotiated pension reform, and the government has implemented and signed AB 340, which is further pension reform. You can't use the excuse that it's too costly for City employees. That train has left the station. He urged Council to keep the in-house employees in place and making good judgments on how to find savings. The savings you'll realize from contracting the sweepers out is minimal compared to the cost our guys came up with of \$30,000 a unit to refurbish and increase the life span of those sweepers.

**NADINE SCOTT**, 550 Hoover Street, agrees with the previous speaker. She has a few concerns about outsourcing. One is that there is a fuel adjustment in the contract, and we all know how gas prices are being manipulated by the big oil companies. That could take up any savings in the first year. There is also only 80 hours for emergency and special events sweeps in their cost savings. That's an unrealistic number. They're replacing 4 street sweepers with the 5 that we have now, so service will not be as good as we're currently getting. She's very concerned that an outside contractor has 72 hours to report an accident, even if there are severe or serious injuries. They're getting a huge amount of City property for \$2,000 a month. If you're trying to pump up revenue, that's not how you do it. Finally, they're discussing a repair facility for their equipment, but there is nothing in the contract that says where that's going to happen.

Regarding the existing schedules, right now they're sweeping at 4:00 a.m. adjacent to residential areas. That's egregious. We have so much noise in our City now. The Circulation Element is going to raise the noise level above what is acceptable under our own noise ordinance, and we need to be more cognizant of what we're doing in this City relative to noise. Based on all of those factors and the fact that this is not a cost savings, she is against this. You're going to lose 4 people. You can't outsource everything. When the pension expert came, he was extraordinarily clear that if you continue to outsource, you're no longer going to be able to meet your pension obligation. Let's stick with what we have and let the City employees make the savings.

**WILL HOLDER**, Street Sweeper for Oceanside, stated a year ago we were told we were going to be coming to Council for outsourcing. In May of this year, the Council decided not to outsource us for the current fiscal year. That was the impression we were under, but that wasn't the case because we're here now 3 months later. He doesn't understand why we're here. It's going to set a bad precedent to other contractors who are not happy with what Council decides, and they can have the matter brought up every 3 months. That seems time-consuming and tiresome.

All 4 of the current street sweepers live in Oceanside. We are second and third generation Oceanside residents. We do the best job possible for our friends, family and the City. There is pride of ownership when you can work in the City you live in or were born and raised in. Two years ago, he was on the tree crew that the City outsourced. He understood because it was a General Fund expense and was a necessary evil. The street sweeping program is an Enterprise Fund; we generate our own revenue; pay our own fuel and maintain our own vehicles with the money we generate. It should be more about quality than quantity. Cheaper is not always better.

**JIMMY KNOTT**, 127 Sherri Lane, thinks it's time to explore a new option other than outsourcing. We need to restructure this service into a self-supporting enterprise, with the fees and fines going into the enterprise. They could expand to the mobile home parks and multi-family communities, which they are currently not serving. That would generate additional revenue. Challenge them to make it work.

**SHIELA KADAH**, 5301 Village Drive, stated her life has been turned upside down due to outsourcing. In 2006 our government gave big corporations our taxpayer money to move manufacturing overseas, which destroys us. She wants to fight for people to keep their jobs. She wants her taxes to give people good paying jobs and build the middle class. When you privatize it ends up costing more money, and they don't do that good of a job. These street sweepers are our friends, neighbors, brothers, etc. She supports our street sweepers and public employees. Outsourcing destroys lives.

**BILL BRUINSMA**, 2882 Dartmouth Drive, would like Oceanside to stay as good as it has been for his children and grandchildren. We don't have a big problem with our employees, but we do have a problem with City management in the various departments. If they were doing their jobs, we wouldn't be here talking about this. One of the things that's been discussed is repairing street sweeping equipment. He did some research into what other cities are doing, and all of them are using their own people. Oceanside sweeps twice a month when everyone else is sweeping once a month. Why can't we do that? It would save at least half, and you wouldn't have to repair those vehicles. This is what our managers should be looking for. Maybe the parking enforcement guy that follows the street sweeper could do double duty by citing people for all Code violations. There's a lawsuit pending against the City for about \$1,500,000 for the sewer spill. If management has been paying attention, they would have kept that from happening in the first place. Now we're thinking of getting rid of hard working employees. We could have saved the money from that lawsuit and not had to consider getting rid of the employees. Council has the power to light a fire under management and have them be accountable. If they can't, then get rid of them and find someone else.

**TERRY JOHNSON**, 169 Mayfair Street, is concerned about what he's hearing. He sympathizes with Council in having to make this decision. When you look out in the audience, you see hard-working and dedicated employees. During these tough times when the resources are not there as they have been in the past, you have to do what you have to do. When he left office 8 years ago, there was roughly \$34,000,000 in the budget reserves. He asked what has happened to that money. It took a number of years to raise that money and store it away for a rainy day. When he left office there were roughly 900 employees working for the City. At one point it reached about 1,100. He understands that now it's down to about 700 or 750. What happened to all that money? There may have been some mismanagement or misallocation of funds or maybe spikes in salaries or pensions.

Before you do any more outsourcing or lay off any more employees, he would like each Councilmember to consider that in these serious times of financial constraints, each one has a full-time Aide for which collectively you're spending about \$400,000 a

year. You should eliminate the Aides and get one secretary for all of Council. Those are cost-savings right there. It doesn't have to be permanent. When times get better maybe you can hire them back. Having 5 legislative Aides is a luxury that this City can no longer afford. Please consider that before you lay off any more employees.

Public input concluded

**CITY MANAGER WEISS** stated there still is \$14,500,000 in the Healthy Cities Reserves. There is some money left in the Economic Stabilization Reserve and Infrastructure Reserve. Part of that was refunded when the State came in a number of years ago and took about \$9,000,000 from us. Part of that also went to buying the new senior center, the new fire station and mostly capital improvements. Council consciously decided to spend that money on something that would benefit the community. We'd have to do some research to determine the entire amount.

**COUNCILMEMBER FELIEN** stated this item was pulled at his request because he was not sure when we got the Council item to buy the street sweepers whether or not the purchase price or annual cost of the sweepers was factored in to the cost difference in the outsourcing bid. He had asked for time to meet with staff. After meeting with staff, it is all factored in there. From his standpoint that is not an issue. He does have a later item on the agenda dealing with recognizing the true unfunded liabilities and unrecognized stock market losses, and comparing apples to apples to get the full pension costs for private sector partnerships to save money.

Looking at the cost of \$319,000, that additional cost is approximately 30% of the base wages, and the amount of money we're paying to CalPERS is an additional 30%. The pension costs for the City are approximately 60¢ on the dollar. He has railed against what he believes is a dishonest use of 7.5% as an inaccurate discount rate. If we used a more realistic rate that would be used in the private sector or long-term bonds, you would see the unfunded liability increase by about 250%. There are huge costs out there that are not being recognized. Not adjusting for the discount, but just allowing for the 30% in unfunded liabilities on this contract would be roughly \$50,000.

Since this item was put off and was voted on in the past, the issue is whether or not the majority on the Council wants to move ahead. His specific issue has been resolved. There might also be an interest to look at getting a policy from the City later about whether or not they want to look at his item later and do a factoring in of the unfunded liability.

**COUNCILMEMBER SANCHEZ moved** to approve the purchase order in the amount not to exceed \$783,180 to Mar-co Equipment Company of Pomona for refurbishing 4 Tymco street sweepers for the Public Works Department, and authorization for the Financial Services Director or designee to execute the purchase order.

**MAYOR WOOD seconded** the motion.

**COUNCILMEMBER SANCHEZ** stated the sweepers have collected sufficient funds to be refurbished. It would be paid out of the Fleet Replacement Fund. This is one area that does not make sense to outsource. Street sweeping in Oceanside is critical. We have requirements with the Clean Water Act that we have to comply with. These laws are in place, and we want to have a clean city. She has heard some residents ask why we don't do one versus two per month. She would prefer to have the City Manager look at that, although she prefers two per month. She wouldn't want to have a reduction in a lot of our neighborhoods. Our street sweeping program is a great service and one we can't do without. It doesn't make sense to outsource. We get personal service, and we even heard from one of the employees that this is about pride in Oceanside for them. We need to do this.

**DEPUTY MAYOR FELLER** asked what outsourcing we do now.

**CITY MANAGER WEISS** responded we have a number of programs that we outsource. Earlier this evening Council approved a number of contracts in the Utilities Department, which is using consultants in order to not hire additional City employees. Outsourced services include the maintenance and janitorial services in the Harbor, tree trimming and mowing in Public Works and other services. We've outsourced all of the accounting functions in Finance. Mr. Koger could further address the others in Public Works. As far as dollars are concerned, there is a fair amount of money that is now spent on outsourced services.

**MR. KOGER** responded we outsource all of the landscape maintenance, which includes the parks, medians and landscape maintenance districts. Tree trimming, concrete repair, storm drain cleaning, pressure washing, machine and meter maintenance, any type of mowing and underground utility marking services are also outsourced. There are probably a few smaller ones he missed.

**DEPUTY MAYOR FELLER** referred to a memo from Finance Director Teri Ferro to City Manager Peter Weiss, dated September 6<sup>th</sup>, and asked about the street sweeping 5-year forecast.

**TERI FERRO**, Financial Services Director, responded there was a request from Councilmember Kern to put together a 5-year forecast just for the street sweeping budget. We used the parameters that were used in the overall City forecast in January of 2012. Within the business unit for that budget, there are 3 components: street sweeping, which is up for discussion right now; City parking enforcement, which is not being proposed for outsourcing; and fixed costs, which are costs that the City has to pay regardless of being outsourced or in-house services. We put together the parameters and those numbers, within a few thousand dollars nearer than what Mr. Kroger has in his staff report.

There are some fixed costs like debt service on the building. Regardless of how many people you have in the building, you still have to pay debt service. The pension obligation bond is an issued bond. Whether you have one employee or a thousand employees, you still have to pay that, and that's a big cost.

She has further information about pension obligation, which is not addressed in here.

**DEPUTY MAYOR FELLER** asked the number that is the debt for the pension per employee.

**MS. FERRO** doesn't have the number off the top of her head.

**CITY MANAGER WEISS** stated there are certain assumptions that would need to be made, and we have additional information later, but a portion of the unfunded liability is included in our PERS rates. They give us that number, and it's included in our overall costs in those rates. If you eliminate employees, we will still have a burden to PERS that needs to get paid for existing employees and employees who are eligible to retire. So that dollar amount will continue, which is part of our PERS rates. Councilmember Felien raised an issue in regards to the 7.5% discount rate they use. Whether you agree with that or not, PERS gives us a bill that we have to pay. They made a 1% return last year based on additional return. Philosophically the issue of whether there is adequate funding for the unfunded liability, we are making our payments to PERS based on what they're telling us to pay and not whether or not it's what we may think is the right thing to pay.

**DEPUTY MAYOR FELLER** referenced a memo in the back-up that states City staff costs and contractor costs is \$795,609. The contractor costs after the first year is \$762,166. There is no CPI (Consumer Price Index) on City costs?

**MR. KROGER** believes the CPI costs that Ms. Ferro came up with were about .5% a year.

**DEPUTY MAYOR FELLER** is looking at the top of that memo under City street sweeping costs, personnel, maintenance and operations and it says at the end of 5 years we're at \$760,000. Is that right?

**MR. KROGER** responded yes. This chart doesn't show that we have a charge from Waste Management of \$125,000 every year, so you have to add that into this chart to get a true equal comparison between City staff and the contractor. It wasn't put in this because it's paid for out of another program; however, we did identify it in the back-up material so you could see the true difference.

**DEPUTY MAYOR FELLER** has come to the conclusion that after 5 years, we are not saving significant dollars. If these employees are outsourced and it bumps down to the newest hire, he would like to change the tone. He supports the process of evaluating City services and outsourcing those services that can be provided at a lower cost and still maintain the satisfaction level we expect. It's one of several ways we have to balance our budget. Before he can support outsourcing any more City services, he recommends looking at another area to save and consolidate services.

This was a hard decision for him, but he believes we need to start looking right outside our office doors. Having individual Council Aides for the Mayor and Councilmembers is an expense that is not needed and we cannot afford. The salary and benefit package for 5 Council Aides comes close to \$390,000 a year. One person hired by the City Manager to handle phone calls, type letters, gather information, schedule and make proclamations, etc. would be sufficient. All departments should be looked at equally in this process, and that includes ours. We should lead by example and eliminate the 5 Council Aides. He feels as strongly about this as others do about outsourcing. He proposed postponing tonight's vote to outsource street sweeping and then asked for support to place on the next agenda the elimination of our 5 Aides and replacing them with one hired by the City Manager. By supporting this proposal, we will be leading by example and demonstrating that we as a Council are willing to be part of a solution to the problem.

**MAYOR WOOD** stated we have 2 choices here. Deputy Mayor Feller is asking at the last minute for a postponement, which is a third option.

**COUNCILMEMBER KERN** stated let's stay on topic for tonight. Deputy Mayor Feller should bring that back another day as a Councilmember Item, and we can discuss it.

Everybody knows where he stands on this. We've brought this up before. He's not going to support Councilmember Sanchez's motion because that's a \$783,000 check that we don't have to write. There are some numbers floating around, but the staff report says this saves us \$118,434 in the first year. Is that correct?

**MR. KROGER** responded yes.

**COUNCILMEMBER KERN** stated that's a significant savings. We talk about this particular service that the City provides at a previous meeting, and he called around and talked to other cities to find out what they did with their street sweeping. Carlsbad has outsourced their street sweeping for 20 years. Carlsbad is a clean city, and it seems to be done well. He's never heard any complaints about Carlsbad's streets or services.

Escondido has been contracting out their street sweeping for about 10 years, and it seems to work well. In San Diego County there are 18 cities, but only 3 keep that service in-house. The vast majority of cities hire private contractors to do this. We can save \$118,000 and put it towards parks or other street maintenance issues. The long-term goal of the Council is long-term fiscal viability of the City. The trend has been to go for public/private partnerships in all areas. Private industry has economies of scale to be able to provide the same service at a cheaper cost. That's what we're trying to do: maintain that level of service, while reducing our costs.

When we talk about PERS, which is the big mess, as long as we keep the employees on PERS our unfunded liability keeps rising. That's the problem. At a certain point, the whole system is going to collapse unless we can get ahead of it. Other cities in the County have done it, and we aren't any different in needing to go out to the private sector to get help in providing services. He can't support writing a check for \$783,000. If this motion fails, he will support contracting out for this service.

**COUNCILMEMBER FELIEN** clarified that we're voting on the purchase of equipment. If the majority of the Council votes to keep the services in-house, then it makes sense to purchase the equipment. He is going to vote no on this motion. When this came up, he was satisfied with saving \$118,000 in the first year. Why would we turn down any savings? The whole thing that's driving this is pensions. When you have private sector pensions at 12% to 12.5% and our pension expense at 60% on the dollar, that's what's driving it. It isn't that we're unhappy with the work done by City employees; it's just that their cost structure is unsustainable. Cities all over the State are beginning to go bankrupt. The only options are to spend the same money and get less service, raise taxes and pay more money for the same services, or outsource and spend less money for more service. The most successful outsourcing we've done is to get rid of our in-house trash services. He doesn't believe anyone has been unsatisfied with that decision. The goal of the City is to provide services, not be a job bank. He doesn't like hearing that only public employees do good jobs, and in the private sector you'll never get good work.

When anyone goes out to shop, they benefit from competition. Taxpayers should get to shop around too and benefit from competition. He hopes there is support to save the taxpayers any amount of money. \$118,000 is a good start. When we properly factor in the unfunded liabilities that currently aren't factored into the outsourcing bid, that amount goes up roughly an additional \$50,000 per year. That's worth saving. Everyone has to make tough choices to get through the financial crisis we're in, and this is a small step in the right direction.

**DEPUTY MAYOR FELLER** asked if the contract with an outside source was approved, where does that \$783,000 go.

**CITY MANAGER WEISS** responded that would be surplus money that would be reimbursed back to the Solid Waste Fund.

**DEPUTY MAYOR FELLER** asked if it's possible to move forward with refurbishing the sweepers. Then if we go to outsourcing eventually, they could take those off our hands.

**CITY MANAGER WEISS** doesn't know. That would be a conversation we'd have with that contractor.

**DEPUTY MAYOR FELLER** thinks we need to lead by example. He will be supporting the motion. He doesn't believe we're taking ourselves seriously. A \$300,000 savings if we just hired one Aide for all of the Councilmembers is probably the best thing we could do if, in fact, we're interested in outsourcing completely.

**Motion for approval of purchase order for refurbishment of street sweepers was approved 3-2, Kern and Felien – no.**

15. **City Council: Discussion of a draft update of the City's Housing Element for the Fifth Housing Element Cycle, and adoption of a resolution authorizing staff to submit the draft update to the California Department of Housing and Community Development for initial certification review**

**RUSS CUNNINGHAM**, Senior Planner, stated staff is seeking Council's authorization to submit to California Housing and Community Development a draft update to the City's Housing Element for the 5<sup>th</sup> Housing Element cycle for the San Diego region. The draft has been available for some time now, vetted by our Planning and Housing Commissions and public workshops and made available to the public for approximately 2 months now.

**COUNCILMEMBER SANCHEZ** stated this is concurrent with the adoption of the 2050 Regional Transportation Plan (RTP) and Sustainable Community Strategy. What we have before us is what has been approved by SANDAG's Board of Directors, which is our Regional Housing Needs Assessment Plan. Our assignment for the City with respect to our regional fair-share allocation is 6,210 new dwelling units for the State-prescribed, 11-year project period. That's for 2010 to 2020. For very low, it's 1,549 units; low is 1,178; moderate is 1,090; and above moderate is 2,393, for a total of 6,210. That's our obligation, which includes demonstrating that we have adequate land resources to accommodate the development. We have Mission Cove. We have the opportunity from the sales from original HOME funds to make it happen. She hopes having this before us this evening reminds us of our obligation. This is a requirement from the State so we can continue to get our funds for everything else.

She **moved** approval [of a draft update of the City's Housing Element for the Fifth Housing Element Cycle, and adoption of **Resolution No. 12-R0625-1**, "...authorizing the Planning Division to submit the draft update of the City's Housing Element for the Fifth Housing Element Cycle (2013-2020) to the California Department of Housing and Community Development for initial certification review – Housing Element Update].

**MAYOR WOOD** seconded the motion.

Public input

**KAY PARKER**, 4377 Albatross Way, commended staff. She's seen a few Housing Elements in her day, and this one is very professional. A lot of work went into this; it's a fine job. We have to submit it to the State. It's a snapshot of our City that identifies our needs and how we will meet them. There was a lot of active community outreach, and the Housing Commission voted unanimously to approve this. We'd like to get a 5-0 vote to submit this to the State.

**NADINE SCOTT**, 550 Hoover Street, agrees with Ms. Parker that this is a professionally prepared report. It has a lot of great data. She was also pleased to see the mobile homes were recognized as a critical component of the affordable housing. That should be a message for anyone who supported Proposition E. Without the mobile home component, we're never going to meet our goals.

However, the environmental constraints were not adequately covered. That section could be enhanced because you did not seem to take habitat replacement into account and where that would occur. When you have limited acreage, you're going to have to seriously think about where those are going to be.

She would like to make sure that when we talk about Smart Growth that it's not stupid growth. We want high quality designs. If you read through the report in the underutilized sites inventory, there are a lot of commercial properties listed. She believes it's the policy of the City not to convert commercial to residential. That has to be a consideration as you're preparing the plan. You may have already looked at that, but it doesn't show.

Lastly, the Loma Alta neighborhood has a massive overconcentration of affordable housing. You can see it clearly in the report; we have over 50% of the affordable housing in that neighborhood. We have that great property by the Sprinter, but we need to think carefully when we develop that to make it good projects and not apartments and blight.

Public input concluded

**DEPUTY MAYOR FELLER** asked how much each unit costs at the Cove.

**DAVID MANLEY**, Neighborhood Services Division Manager, asked if Deputy Mayor Feller is referring to the City subsidy that is going to be required.

**DEPUTY MAYOR FELLER** responded no. What does it cost to build?

**MR. MANLEY** responded total development costs are about \$81,000,000 at this point. The units will be under \$300,000, but that includes their long-term affordability out 55 years, not just your market rate turnkey.

**DEPUTY MAYOR FELLER** stated that's more than the house he lives in. Affordable is about 50% of the entire City based on those standards. He supports this. The vacant property is owned by somebody on Crouch Street. Has it been discussed with that property owner?

**MR. CUNNINGHAM** asked if the Deputy Mayor is referring to properties listed in the housing sites inventory.

**DEPUTY MAYOR FELLER** responded yes.

**MR. CUNNINGHAM** responded we haven't contacted any property owners regarding inclusion in the inventory, because the inventory is simply establishing that these are properties that have the potential to accommodate housing at a certain density.

He introduced John Douglas, of JH Douglas & Associates, a very experienced Housing Element consultant, who gets most of the credit for this.

**MAYOR WOOD** stated this is an important issue so we know from SANDAG and the State what is required of us for affordable housing. Sometimes it's a number we can't believe.

**Motion was approved 5-0.**

**5:00 – ROLL CALL**

Mayor Wood reconvened the meeting at 5:20 PM. All Councilmembers were present.

**INVOCATION** – Reverend Malaki Tauiliili

**PLEDGE OF ALLEGIANCE** – Chris and Wendell Keays, Wanda Prosser

**PROCLAMATIONS AND PRESENTATIONS –**

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

Presentation – Employee Service Awards

Presentation – Oceanside Police Department to honor Jerry Comeau and Judy Castaneda

Proclamation – Constitution Week – September 17-23, 2012

**Presentations were made**

**CLOSED SESSION REPORT**

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

**CITY ATTORNEY MULLEN** reported on the items discussed in Closed Session: See Items 1, 2A, 2B, 3A and 3B above.

**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

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

**FRED MURRAY**, 2409 Dunstan Street, announced the Speak Out Oceanside event on Thursday, October 18, 2012, at the library. It’s a non-profit forum for citizens of Oceanside to come and express their views about what’s going on in the City. He encouraged everyone to attend.

**SHIELA KADAH**, 5301 Village Drive, stated the job of our elected officials, especially in this economy, is to protect jobs and not lay anyone off. It’s not a good idea to lay off the Aides for the Councilmembers. There are other ideas, like a reduction of pay for everyone across the board. Employees who are making over \$200,000 should take 20% cuts. It can be on a scale depending on what you make. This will save jobs.

We had a good tax that went after insurance companies if there was an accident or spill on our freeways to pay for it. It may only be a few hundred thousand dollars a year, but now that’s coming out of our General Fund because we got rid of that on Councilmember Kern’s suggestion. He thought it gave Oceanside a bad name. She’s asked many people, and they said they didn’t care about that and would come here anyway.

She admonished Council to not waste money and save jobs.

**NADINE SCOTT**, 550 Hoover Street, stated the vote-by-mail ballots will be out in approximately 10 days. Oceanside is a huge vote-by-mail city. She urged the public to make sure they are registered and that they vote. She spoke of the candidates running for office.

**MEL VERNON**, 1044 North Ivey Street, Escondido, spends a lot of time in Oceanside and read an article about the Senior Center at El Corazon not having a kitchen. There are people having to deal with everyday circumstances, and the senior center might get pushed back because something else has taken the limelight. The community needs to come together on some of these issues that benefit the community and the seniors in a non-partisan way. These issues are relevant all the time no matter who is in the driver’s seat. He’d like to see a fund raiser for issues that can relieve the

day-to-day issues of some people.

**SUSAN CRATTY**, 917 Rosemary, Carlsbad, previously lived in Oceanside and is a graduate of Oceanside High School. She encouraged everyone to attend the Speak Out Oceanside meeting that was announced previously.

**5:00 P.M. – PUBLIC HEARING ITEMS**

Public hearing items are "time-certain" and are heard beginning at 5:00 p.m. Due to the time-certain requirement, other items may be taken out of order on the agenda to accommodate the 5:00 p.m. public hearing schedule.

23. **City Council: Adoption of a resolution implementing automatic annual increases in the City's Thoroughfare Fee Program for residential development according to TransNet requirements**
- A) Mayor opens public hearing – hearing was opened.
  - B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood and Councilmembers Felien and Kern reported contact with staff and public; Deputy Mayor Feller and Councilmember Sanchez reported contact with staff.
  - C) City Clerk presents correspondence and/or petitions – none.
  - D) Testimony, beginning with:

**GARY KELLISON**, Senior Civil Engineer, stated this proposal allows for a pass-thru increase in our existing Thoroughfare Fee Program. The increase originates from the original ballot proposition from the 2004 TransNet extension. In addition to the half-cent sales tax, it included a provision that all cities exact from the development community at least \$2,000 per dwelling unit from 2004 – 2010. Since 2010, there have been 3 cost of living increases. The funds are retained by the City and used exclusively by the City for streets. It only affects residential housing and excludes low- and moderate-income housing and nursing homes.

A computer graphic showed a comparison of the existing fee program, which is based on vehicle trips versus the pass-thru increase. For single-family homes there would be no increase because the amount we collect based on trip generations is higher than the SANDAG minimum. For condos and apartment buildings, there would be an increase. The new amount is \$2,165 per apartment or condo unit. Adoption of the measure would allow us to pass-thru any regular increase that SANDAG determines is appropriate from the TransNet program.

**CITY MANAGER WEISS** indicated that, in the absence of us collecting the appropriate amount of fees, we are at risk of losing significant TransNet funding.

Public input

**JIMMY KNOTT**, 127 Sherri Lane, lives in a mobile home park, and that wasn't mentioned. Will mobile home parks have the new fees?

**MIKE BULLOCK**, 1800 Bayberry Drive, is the Transportation Chair for the local Sierra Club. The Sierra Club, under the circumstances, supports development fees. However, the Sierra Club believes that free market principals should be applied to reduce congestion. Specifically, when it comes to driving, no one should be forced to pay for something disregarding how much they use it. If you use it more, you pay more; if you use it less, you pay less. Some people can't afford to own a car and some people make it a point to drive as little as possible. The use fees are per trip, but that's an average. The use fees drive up the cost of homeownership and rents. However, this increased cost is irrespective of how much an individual drive. This could be fixed. The cost of the road-building could be unbundled from the cost of the homes and the rent.

Currently, California spends \$4,000,000,000 a year on road maintenance. As a bicyclist, he would like well-maintained roads; we should be spending more. However, the State only gets \$2,000,000,000 a year from all gas taxes. The other money comes from general taxes such as sales tax, property tax and income tax. This can all be fixed by a comprehensive road-use fee that returns money to people to eliminate the inequity. The road use fee must be equitable and environmentally sound. When it comes to equity and the application of free market principals to cure congestion, consult with the Sierra Club. The current system is unsustainable. No one likes congestion or potholes. Progress on this will require a strong desire to solve problems and strong leadership, especially at SANDAG.

**NADINE SCOTT**, 550 Hoover Street, understands the need for this action tonight. Why aren't we changing the single-family amount? That just puts the burden on the rest of the taxpayers to make up the difference if there's no increase. The Nexus Study indicated these fees do not even come close to covering the actual cost. For those concerned about covering the actual costs, this is about 1/10. She realizes you don't want to burden your residents with it, but in the end you're burdening existing taxpayers with the difference.

With no one else wishing to speak. Mayor Wood closed the public hearing.

Regarding the mobile home parks, **MR. KELLISON** stated as a practical matter this would have no effect on them because it's hard to imagine a developer building new mobile home parks, which would owe an impact fee, and it's even harder to imagine a future mobile home park that is not low- to moderate-income housing, which is exempt.

The increases are minimums. Council can determine any fee that's appropriate or higher than the minimum.

**MAYOR WOOD** stated if we don't do this, we lose SANDAG money.

**COUNCILMEMBER KERN** asked, regarding the apartment fee, that's an almost \$600 increase. Why is there no change in the single-family when there's a \$600 increase for an apartment?

**MR. KELLISON** responded in the staff report there is an expanded table that shows our existing method of Thoroughfare Fee determinations based on vehicle trips. SANDAG planners determine that there is an average of 10 vehicle trips generated from each single-family residence, 6 per condo and 4 per apartment. Under our existing fee structure, we charge \$255 for each one of those vehicle trips. Unfortunately, in the TransNet ordinance they took a different approach of a flat per-dwelling-unit approach, which made the fee disproportionately larger for condos and apartments. They did allow a 5-year phase-in period where this fee comes into effect in 2010, they gave the development community 5 years for fees generally to catch-up with that level. Here we are after 2 further years of 2% increases at a per-dwelling-unit fee of \$2,165.

**COUNCILMEMBER KERN** stated this is something that needs to be done. This is a pass-thru from SANDAG and tied to TransNet. He **moved** adoption of **Resolution No. 12-R0626-1**, "...approving the "pass-through" collection of the Regional Transportation Congestion Improvement Plan Fee under its Thoroughfare Impact Fee Program".

**COUNCILMEMBER SANCHEZ** seconded the motion.

**Motion was approved 5-0.**

24. **City Council: (1) Adoption of a resolution certifying the Final Program**

**Environmental Impact Report (PEIR) for the Circulation Element Update Modified 1995 Circulation Element Alternative with a Mitigation Monitoring and Reporting Program (MMRP) and a Statement of Overriding Considerations; (2) adoption of a resolution approving General Plan Amendment (GPA10-00001) for an update to the Circulation Element of the General Plan; and (3) approval of Amendment No. 4 in the amount of \$23,259 to the professional services agreement with IBI Group for the Circulation Element Update, to develop CEQA Findings, the Mitigation, Monitoring and Reporting Program (MMRP), and to revise the Draft Circulation Element document for the Modified 1995 Circulation Element alternative; and authorization for the City Manager to execute the Amendment**

- A) Mayor opens public hearing – hearing was opened.
- B) Mayor requests disclosure of Councilmember and constituent contacts and correspondence – Mayor Wood, Deputy Mayor Feller and Councilmembers Sanchez, Kern and Felien reported contact with staff and public.
- C) City Clerk presents correspondence and/or petitions – one email from Maryann Kavateas, which Council also received.
- D) Testimony, beginning with:

**JOHN AMBERSON**, Transportation Planner, is bringing back to Council the General Plan Amendment for the Circulation Element, as well as the certification of the Programmatic Environmental Impact Report (PEIR).

We initially brought the Circulation Update to the Planning Commission on May 21, 2012. The staff recommendation was to adopt Alternative 1. The Planning Commission, however, forwarded a recommendation to adopt Alternative 2. We then brought the Circulation Element Update to Council on June 6, 2012. The item was continued, and we came back on June 20, 2012, and received direction from Council to develop the CEQA findings and Mitigation Monitoring and Reporting Program for the Modified 1995 Circulation Element alternative. Again, the staff recommendation was for Alternative 1.

There are some key discussion points about the Modified 1995 Circulation Element alternative. It is essentially the identical roadway network for 2030 that's in the current Circulation Element, with a few exceptions. One would be the assumption that Old Ranch Road would not be connected between Guajome Lake and Melrose Drive. It also includes that the Melrose Drive extension south would be 4 lanes and not 6 lanes. We revised the Circulation Update to account for the Modified 1995 Circulation Element alternative, with the CEQA findings and Mitigation Monitoring Reporting Program.

A Local Coastal Plan Amendment wasn't required. We had brought that forward initially to the Planning Commission and Council but realized that wasn't necessary in this case, so we pulled it. We made sure to include the Mission Avenue one-way couplet as well. This was adopted by Council several months ago, and we wanted to make sure that we carried that forward as part of this amendment. That resulted in one less significant roadway impact on Coast Highway when included with the modified 1995 alternative.

Lastly, all of the updated policies and programs are carried forward with this alternative.

#### Public input

**JIMMY KNOTT**, 127 Sherri Lane, stated the Circulation Element is linked to the Land Element and should only be considered when both come forward at the same time.

**HOWARD LA GRANGE**, 2575 Jason Court, is Co-Chair of the Oceanside Bike and Pedestrian Committee. When the Circulation Element came up to Council about a

month ago, the election was not to incorporate the Coast Highway Vision Plan, with the idea that it could be incorporated later on. The Committee would like Council to direct staff to at least evaluate the transportation elements of that plan. Specifically, the bicycle and pedestrian plan of the Coast Highway Vision Plan. Almost every other coastal community at this point has developed a Coast Highway Vision Plan. Del Mar has done a great job with theirs, as has Solana Beach and Leucadia.

The idea is to create an environment that is bicycle and pedestrian friendly. People gravitate toward areas that are aesthetically pleasing, and our Coast Highway now is just a high-speed thoroughfare. He urged Council to at least have staff evaluate the idea of whether or not it's possible to take Coast Highway from 4 to 2 lanes and look at level of service. Now is the time to start this project. We're going to be last, even though our Coast Highway Vision Plan preceded all of the other cities' plans. We need to increase business and slow down traffic in that area.

**MIKE BULLOCK**, 1800 Bayberry Drive, is the Transportation Chair for the local chapter of the Sierra Club. The Circulation Element and its final EIR are unacceptable. The Circulation Element does not support climate stabilization, and destabilization is not explained. CEQA required that negative impacts be explained. Feasible mitigations must be considered. His previous emails to Council include examples of mitigations that would eliminate congestion. The majority rule of this Council believes that adding lanes will cure congestion. However, the Los Angeles experience proves otherwise. The requests contained within the previously mentioned emails include the following:

- Oppose the widening of Interstate 5 (I-5) and State Route 78 (SR-78). The resulting I-5/SR-78 interchange would be larger than the interchange in Sorrento Valley and destroy the livability of south coastal Oceanside. The proposed 12-lane I-5 will put traffic noise all the way down to our beaches, harming tourism and neighborhood livability
- Delete the Melrose Extension and the Rancho del Oro Interchange. The City should not cram projects down the throats of unwilling citizens and neighborhoods. This is big government at its worst.
- Include the Coast Highway Vision Plan.

The region's RTP and this Circulation Element should support planet stabilization. Any Earth science textbook states that atmospheric CO<sub>2</sub> traps heat and we are adding great quantities of CO<sub>2</sub> to the atmosphere. Time is running out. Elections matter. He mentioned candidates endorsed by the Sierra Club. Councilmember Feller once said that references to global warming are ridiculous, and if anything it's global cooling. We cannot afford to have a Councilmember that can't tell the difference between facts and propaganda.

**CHRIS WILSON**, 770 Harbor Cliff Way, agrees that adopting the Circulation Element before there is a Land Use Plan in place is putting the cart before the horse. Land use drives traffic. Common sense should tell you that. You don't decide to put roads in before you decide where people are going to live and where they're going to need to get to. That's what this is doing.

This keeps things on the Circulation Element when there aren't the votes on the Council right now to move forward with. Specifically, the Melrose Extension, which would require taking property by eminent domain. He doesn't see that there are 4 votes on the Council to do that, which is what would be required. It's doesn't make sense to put things on the Circulation Element that are not realistic. He encouraged Council to reject this proposal and adopt something that is actually attainable, or defer action until after the election to see if there will be a change on the Council to get 4 votes.

**NADINE SCOTT**, 550 Hoover Street, thanked staff for all of the time put into this. None of her comments are directed at staff, only the policy makers.

The key assumptions and how they were grouped is wrong. There is no real logic to it. The Planning Commission dug through all of them and came up with a unanimous recommendation for Alternative 2 as the least damaging, most affordable, most reasonable and progressive alternative. Instead, she's sure we'll have the regressive thinking on the Council and stick with the old 1995 alternative, with the minor addition of the couplet on Mission Avenue. The public came forward, discussed it and gave ideas. They were largely ignored. The Planning Commission came forward and gave you their ideas and the rationale behind their decision. Council has ignored it and directed staff to come back with the oldest, most damaging and most financially ridiculous non-feasible alternatives possible.

For Melrose you've taken all \$10,000,000 out of the Thoroughfare Fund so no other neighborhood or area will have anything to ease actual traffic congestion nor future traffic congestion. Melrose will save 2 seconds. Melrose north will devastate our agricultural land, any hint of agri-tourism and revenue production that the conservatives on the Council claim they want but are ignoring.

One of the requirements is that this be feasible when you make these plan changes, and that there be reasonable balancing of relevant economic, social and technological factors. There is no financial study, as the Planning Commission adamantly instructed be done. We all know these cannot be built. We're going to take homes on Melrose and College. Councilmember Feller used to be against that until he moved away from College. Going to 6 lanes will take a lot of people's houses.

We know how the vote is going to go. The taxpayers will be continuously burdened. The previous speakers were right when they said you don't do the Circulation Element without a General Plan Update. None of the other changes suggested would have been good possibilities. It's back to old dinosaur thinking.

**SHIELA KADAH**, 5301 Village Drive, stated this is a waste of millions of dollars. People come to Del Mar because they love it there with the ability to walk and ride bikes. We can make Oceanside better than Del Mar. We need to save the agricultural lands. None of this makes sense for a 2 second savings of time. We have new hotels going in that are going to draw people here. We have a great City with agricultural, horse areas, and beaches. We need the Council to work for the people of Oceanside and not for outsiders. Let's not waste this money.

**MIKE CROGHAN**, 4522 Coronado Drive, stated there is an election for Council seats coming up. We know that there are budget limitations, as well as limitations on people's time, work and energy. The City has the following issues: affordable housing, homelessness, parks and recreation, attracting investment, support for business entrepreneurs, senior citizen support, library, museum, fire, police, opening a roadway to nowhere, forcing people from their homes and paving over an environmentally sensitive area. We have a budget, and it's up to Council to decide the priorities on the budget. Meanwhile, the citizens of Oceanside are watching.

**DANA CORSO**, 5838 Ranchview Road, has been coming to Council for the last 3 years because her neighborhood was directly impacted by the widening of Highway 76. We're still waiting for Jeffries Ranch Road to reopen. She has been to all of the Melrose Extension hearings as well. The entire Planning Commission voted no and said that there are significant impacts that cannot be mitigated. This is a rural area. The Council Chambers were packed with people, and not one of them wanted the Melrose Extension to go through. It is fiscally irresponsible at \$30,000,000, and we're cutting parks, pools and libraries to go forward with this project.

Photographs were shown of students crossing the busy road. Recently one of those students got hit by a car. If the Melrose Extension goes through, we're going to

put another 40,000 cars on this street. There are no crossing guards, and the safety is horrible. The Fire Department has already told us that their response into Jeffries Ranch has slowed. We don't have the money for this project; it's very clear. She has consistently watched Council, and they don't listen to any of the people, neighborhoods or commissioners. Councilmember Kern claims to be all about property rights and yet this will take 14 people's homes by eminent domain. That's forcefully taking their properties. How do you justify that? It contradicts everything you said last year. The voters are smart now and realize that you're only working for the people who support your campaigns. You're supposed to be here representing the people. That's what she'll do if she gets elected to Council.

**MIKE MELLANO**, 462 Wilshire, believes the Melrose Extension should be built all the way to North River Road. There are quite a few people who believe that. We need the Circulation Element, and you shouldn't eliminate the bridge over to North River until you decide what kind of development you're going to allow in South Morro Hills. Right now it's zoned for 2.5-acre lots. That means there will be 1,000 homes up there, and those cars have to go someplace. It's not right to put them all on College Boulevard and North River Road. It would be much better to have the bridge.

**SUZANNA RAY**, 200 North El Camino Real, knows when you are in politics there are 2 things required: vision and a thick skin. There will always be people who will not see your vision. She asked what possible vision will justify the assault the Council majority has put upon the public, staff and the Planning Commission. What vision justifies you voting for this ill-gotten and patched together piece of legislation?

**BARRY LAWRENCE**, 3421 Caseras Drive, speaks out a lot about preserving our neighborhoods. Council needs to listen to people after they're elected, as well as before. It seems that we're not taking any kind of consideration when we do a Circulation Element. What about mass transit, like putting buses in? You should see the neighborhoods around schools when they let out. There are so many cars and it backs up. That's bad planning. Some of the money we spend for traffic might be better spent on school buses. Let's make it safer for kids. We don't have to wait until one dies to know it's not a good idea to have that many kids on the street.

**PAT WALLACE**, 1901 Bush Street, stated it seems that mass transportation is such an obvious thing. Oceanside has the possibility of becoming a city that is known for biking, walking and public transportation. But we keep thinking cars, roads and parking.

**JIM CIANO**, 1618 Trotting Horse Road, opposes the Melrose Extension and echoes what Ms. Corso said about the school kids and traffic on Melrose. The traffic is really bad there in the morning and afternoons. Also, the civil work required for the bridge is going to be extensive and expensive. If we can't afford a right in/right out at Jeffries Ranch Road, we certainly cannot afford all that's going to be needed for this Melrose Extension. The questions asked by speakers were not rhetorical; they demand answers.

**LESLIE BROOKS**, 1524 Belmont Park Road, read a letter from **NANCY BERNARDI**, who could not attend and is opposed to the extension of Melrose.

**MS. BROOKS** added that Jeffries Ranch is an equestrian area with people going down into Guajome Park. If this road goes through, there will be no way to get a horse through there. There are children living on both sides of Melrose and it would be detriment to them. It's not right to take people's property by eminent domain.

**KAREN GREEN**, Sleeping Indian area, is concerned about this process. As a CEQA project, it's a public process that's used for evaluating impacts to communities. This project had a lot of public involvement in the various workshops, which resulted in

the two alternatives. The Planning Commission then commented on it, and she understands that the Council wants to go back and leave the Circulation Element as-is with some minor modifications in terms of traffic calming. Her concern is for the Morro Hills area and the potential bridge over North River Road. That would bring a lot of traffic into an agricultural area. She asked Council to consider this in terms of what the current residents want, not the faceless, nameless future residents. Please consider the input you're getting from the public about their concerns.

Public input concluded

With no one else wishing to speak, Mayor Wood closed the public hearing.

**MR. AMBERSON** stated with respect to the Land Use Element, as part of the Circulation Element Update we did look at all of the existing land uses. We took into consideration all of the zoning amendments that have occurred over the last 10-20 years. Any vision plan or specific plan that comes forward for a corridor study or for Coast Highway, for example, we would include a General Plan Amendment to the Circulation Element as part of that environmental process. He likes to think of the Circulation Element as a living document that could be changed and tweaked as future needs dictate.

There was some concern about College Boulevard being left out of the modified 1995, but it is staff's intention to follow-up as part of a project study report that we did back in 2010 to recapture that hybrid alternative that we recommended as part of Alternative 1, and bring that back as part of the environmental document for the plans that we're doing. We're going to be designing for 6 lanes on College between Avenida La Plata and Olive. The intent is to preserve the 4-lane classification through the neighborhood down to Waring where we'd actually flare-out Waring Drive on the north side of College to have 6 receiving lanes that currently exist south of Waring on College. That's in the works, and we have a few other similar scenarios that we'll bring back to Council at a future update. At this time, we felt it was important to make sure that we included Melrose as 4 lanes and the one-way couplet with this update.

It's important to understand that the Circulation Element doesn't look at freeways. Those are State facilities, so Caltrans is responsible for those. The focus of the Circulation Element is for the local roadways. There tends to be a lot of public interest in the future roadway network, but it's important to understand that the Circulation Element has a whole host of policies and programs that have also been updated that are aimed at reducing congestion, providing pedestrian and bicycle facilities, and other mode choices to the City residents. In addition to that, we've got transportation demand measure programs that we've updated as well. These programs will be identified in developer conference meetings, etc. For new developers that come into the City and build a new project, we'll put that project within the context of the updated policies and programs. The aim is to give our citizens other mode choices, as well as other measures, to reduce their reliance on the single occupant vehicle. Complete Streets is another program that we've embraced. We'll be looking at implementing those philosophies into our new developments as well.

Financially speaking, we do have a Thoroughfare Fee Program that's currently in place. We plan on updating that Thoroughfare Fee Program to account for the streets that haven't been constructed and also exploring other opportunities to fund these projects, possibly in the form of a uniform mitigation fee program for the City. Other financial opportunities will be explored to help fund these. New developments, if they front an area that doesn't have a road slated to be constructed, will be more likely responsible for constructing those new extensions as well. We have a number of financial options to construct these new roadways.

Melrose Extension was originally a 6-lane major arterial. We've downgraded that to 4 lanes. This is the southerly extension between North Santa Fe and Spur Avenue. It improves the fire response time from the existing fire station at Mesa and North Santa Fe. They don't have to go around to get to Jeffries Ranch Road; they can go east on North Santa Fe and turn left on Melrose to get there. It also provides relief for North Santa Fe and College Boulevard. We're looking at these future roadways in the context of a future condition. In the year 2030, our expectation is that we'll have more vehicles on the roadway. It's conservative thinking. We're moving in a direction to minimize those trips through other programs. At this time, it's safe to be conservative and keep this in the plan.

Transit, traffic calming, pedestrian and bicycle master plans and the City's level of service standards for the way roadways operate are all programs and policies that have been updated and will influence how the City and staff conditions new and existing projects to make improvements or develop a new project in town to reduce the number of vehicle trips on the roadway.

**COUNCILMEMBER KERN** took the bicycle tour of Long Beach and saw how they treated the bicycles downtown. That's important to do along Coast Highway.

He **moved** approval of staff's recommendation to [adopt **Resolution No. 12-R0627-1**, "...certifying the Final Program Environmental Impact Report for the General Plan Circulation Element Update" Modified 1995 Circulation Element Alternative with a Mitigation Monitoring and Reporting Program (MMRP) and a Statement of Overriding Considerations; adoption of **Resolution No. 12-R0628-1**, "... approving a General Plan Amendment to update the Circulation Element of the General Plan – Circulation Element Update"; and approval of Amendment No. 4 [**Document No. 12-D0629-1**] in the amount of \$23,259 to the professional services agreement with IBI Group for the Circulation Element Update, to develop CEQA Findings, the Mitigation, Monitoring and Reporting Program (MMRP), and to revise the Draft Circulation Element document for the Modified 1995 Circulation Element alternative; and authorization for the City Manager to execute the Amendment] and direction to staff to initiate the Coast Highway improvements.

**COUNCILMEMBER FELIEN** **seconded** the motion.

**COUNCILMEMBER SANCHEZ** stated at the last hearing she talked about how this Circulation Update doesn't make sense because it is upside down. We should be talking about our land use in our General Plan and not talking about our Circulation Element first. What's before us assumes that we are going to be urbanizing South Morro Hills. That's what this is all about. The Melrose Extension, the bridge, the update of our sewer lines and talking about doing more than we ever have for South Morro Hills. There is no sewer plant out there, and we've never collected fees from developers for sewer water. This has all been agricultural and was when people bought out there. This concerns her. Every single project that the community doesn't want is on here.

When you update a Circulation Element, it should be based on public input, with meetings taking place all over. At the last hearing there was a gentleman from the Pala Street community who didn't know anything about this. It was the first time he had heard about it. Yet there were extensive communications with the community about deleting the Pala Extension based on the project at the outdoor cinemas. She doesn't believe we did an appropriate public process. We short cut it and cheapened our community. In cutting costs, we cut out public process and input. On top of that, we didn't listen to the public input that we received. The public was very clear about what it wanted. It did not want the Rancho del Oro interchange. That's over \$100,000,000 project. It's not even a regional project; it's an Oceanside project. Caltrans does not allow for half interchanges. That was something that we discussed early on in the process of the interchange. It cannot be connected to Carlsbad, and all it's going to do

is ruin the property values and lives of Oceanside residents who bought their homes based on this changed land use. It was commercial, and it made sense to have an interchange when it was commercial. When it changed to residential, it stopped making any sense.

With respect to the bridge, it should not be here. She supports the direction with respect to Coast Highway, but everything else should not go forward. It is putting the cart before the horse.

The one thing that is truly inconsistent and not good policy for us is that we seem to be treating some streets as being livable, for example Coast Highway, but then treating our neighborhood streets as not being livable streets. That is where we should have our bike paths. We should have bike paths everywhere and not just on Coast Highway. Instead you want to create freeways through neighborhoods and then have to react to residents when they say there is speeding and traffic problems in the neighborhoods. We don't need streetlights on Rancho del Oro, and yet we're spending money to put streetlights there that are not necessary. She doesn't believe that our findings are sufficient. These are unmitigatable impacts to our community. Traffic is going to be terrible. We're setting our community up for a lower quality of life. We're cutting out a part that's been there for decades: Guajome Park. We're saying its okay to take part of that park. We're saying its okay to set us up for eminent domain and take the homes of private citizens. This is not a path that we should be considering. We should be considering what is best for Oceanside and the quality of life for our residents. She will be voting against the motion.

**COUNCILMEMBER FELIEN** stated this is a simple vote, and there's a lot of overreaction. What we have before us is simply a way to keep all options on the table for this Council and any future Council. There is nothing in this document that requires any of these projects to be built and isn't forcing any of them to be built in the future. Those are all separate votes that will be taken based on how people feel at the time.

As far as community input, every election that he's run in, he has said he supports the Melrose Extension and the Rancho del Oro Interchange. We're sitting up here, so the public did express their opinion on those issues. There isn't any businessman in the City who is going to say that destroying the Rancho del Oro Interchange improved our ability to attract business to the Ocean Ranch Business Park. It's one of the great travesties that showed that Oceanside was not a reliable business partner for people who want to create jobs and opportunity in our City. Having that destroyed a few years ago really set the City back, and it will be a long time to have that repaired. However, it should be an option on the table so if the opportunity comes to make it go through, we can do it. It's the same with all of the items here. He doesn't know if there will ever be a bridge across the river for Melrose. That will be up to the residents and what the people decide. Future Councils will address that issue.

The point here was to keep all options on the table so that future Councils can decide as options come up, like Coast Highway; we can modify them on a project-by-project basis. That way things move forward. It's a lot easier to take something off in the future than it will be to put it back in once it's removed. Too many demands to remove these projects is short-sighted. We don't know what future citizens will want, and he wants to leave all options on the table for them to consider.

**DEPUTY MAYOR FELLER** asked if we've taken the Marron Road/McMillan project into consideration in this Element.

**MR. AMBERSON** responded we did. We're working with Quarry Creek right now under the assumption that Marron Road would not be connected. We had coordinated with all of the North County cities, Carlsbad, Vista, San Marcos, etc. to make sure that the model network reflected what their current Circulation Element and Land

Use Element plans showed at the time. There was a coordinated effort to make sure the modeling was as tight as it can be with respect to our interjurisdictional neighbors.

**DEPUTY MAYOR FELLER** asked what happens if we close Marron on our end.

**MR. AMBERSON** responded it wouldn't connect to El Camino Real so that's going to put more traffic on College Boulevard. That's part of the challenge that we're faced with right now with Quarry Creek. They've got a whole list of mitigation measures and improvements that we're asking them to do on College to at least enhance the capacity to move traffic through there.

**DEPUTY MAYOR FELLER** stated it's going to be a disaster. By complete streets, you're talking about completing all projects. Can you explain that?

**MR. AMBERSON** responded complete streets is a buzz word that's used to make streets usable by all modes of traffic. If you're driving, walking, bicycling, riding a bus or using the rail station, the complete streets provides facilities to make sure those types of activities and mode choices happen. Traditionally speaking, there are a lot of streets that have a sidewalk right next to the street and there is very little grass parkway. Complete streets looks to provide some kind of separation between the vehicles and the pedestrians and bicyclists.

**DEPUTY MAYOR FELLER** stated the property at Rancho del Oro changed to commercial after three Councilmembers threw away \$1,200,000 on the EIR. It's been explained that we are not taking homes on College, is that correct?

**MR. AMBERSON** responded we're not taking any homes on College.

**DEPUTY MAYOR FELLER** asked how large a piece of Guajome Park is involved for the Melrose Extension.

**MR. AMBERSON** responded it impacted about 3.5 acres of parkland as existing. There's about an acre south of North Santa Fe that was also included in that, and that's not really used by the park. It does have some important habitat there. We're replacing that with 4 acres of parkland that's just to the west side of Melrose and is in the park area, so you are trading more accessible park area.

**DEPUTY MAYOR FELLER** asked if the properties that would be affected are in the County.

**MR. AMBERSON** responded yes.

**DEPUTY MAYOR FELLER** would hope that there are some friendly conversations in 20 years when this is built. He supports open roads. He would love to see Cannon go through from Highway 78 all the way to the coast, which is probably detrimental to the residents of Oceanside because those people out in that area are pretty trapped. Marron to El Camino, Mira Monte that is built and has k-rail across it, Jeffries Ranch Road with a right in/right out, Melrose and the Rancho del Oro Interchange, even if it is a half interchange. If we ask the federal and State governments as a Council and a community for that money, we may not be able to get all of it, but by the time this gets built millions of dollars will be available from TransNet and those types of things. We're pretty hamstrung by the pages of environmental regulations that are put into play. That is literally what's costing millions of dollars. He supports this.

Regarding buses for schools, we don't have control over that. He doesn't know that will ever be under the Council's purview unless we got involved to help the school districts with that bussing program.

He received a letter from Shelby Jacobs who stated he is and always has been a strong advocate for the Melrose Extension as it will ultimately allow alternate access to Jeffries Ranch. They are literally stuck in there when Highway 76 is closed due to accidents.

**COUNCILMEMBER SANCHEZ** wanted to correct something Councilmember Felien said. If it was just to leave our options open, that's a simple statement. If nothing is going to happen and we're going to have no development unless all of the other things are there, then fine. But that's not what's going to happen. Developers rely on the roads that are approved. All of these impacts will happen to neighborhoods and that is what is going to lower our property values and quality of life.

With respect to the Interchange, we've spoken to Caltrans over and over and back in Washington D.C. They will not fund a controversial project. The Interchange is highly controversial. It's not a regional project. It will never get funded, but you'll have development relying on it. She has had dozens of conversations with high level legislators, and they will not fund this. What they will fund are projects that are supported by the community. There are not enough tax dollars in transportation funds to fund every single project there is in the United States. They are not going to fund this one, so that would mean the residents of Oceanside would have to. We would have a tax bill to pay for an over \$100,000,000 project.

**MAYOR WOOD** has discussed this time and again. He agrees with Councilmember Sanchez on all of these issues that she brought up. He can't change anybody's mind. The only way to change it is for the public to change the Council.

He agrees that we need to look at Coast Highway. Traffic engineers and planners want to move traffic faster and not slow it down, but it needs to be looked at.

**Motion was approved 3-2, Wood and Sanchez – no.**

**COUNCILMEMBER SANCHEZ** clarified that she does support the direction with respect to Coast Highway.

**CITY MANAGER WEISS** has heard that there are at least 3 Councilmembers who are supportive of Coast Highway. We would have to come back with a separate item to initiate that process and appropriate the money. We will do that at a future Council meeting.

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

25. **Request by Councilmember Felien to require staff to use all direct and indirect costs, including but not limited to, a reasonable apportionment of the annual increases in the City's long-term unfunded pension liabilities and unfunded retiree healthcare costs as part of all outsourcing evaluations, and direction to staff**

**COUNCILMEMBER FELIEN** stated if we're going to compare costs of doing something within the City compared to outsourcing, we need to have an apples-to-apples comparison. That means we need to include the full retirement costs in comparing bids. Right now, those costs are woefully understated. Currently, our total payment by the City was 29% for the actual cash that we're being billed by CalPERS, as well as paying the pension box. In addition to that, over the past 12 years since the pensions were adjusted, our unfunded liability in terms of the difference between your liability versus your actuarial value of assets, has gone up to \$90,000,000. In addition to that, we have unrecognized stock market losses of \$112,000,000. That's roughly \$203,000,000 of expenses that we've incurred, based on services that we're providing

and that CalPERS hasn't billed us for, but they plan to bill us for in the future. These are real expenses, and they need to be accounted for in how we compare bids. When you look at those expenses and average them out over 10 years, those unfunded liabilities that have been accruing add approximately another 30% to pension expenses. So half of the pension expense isn't being factored into our costs when we're comparing it to outside options. He doesn't claim to know the best way to do that.

He **moved** to instruct staff to return to Council in 60 days with policies to account for all direct and indirect costs, including but not limited to, a reasonable apportionment of the annual increases in the City's long-term unfunded pension liabilities and unfunded retiree healthcare costs as part of all outsourcing evaluations.

**COUNCILMEMBER KERN** seconded the motion.

**CITY MANAGER WEISS** stated that, given the changes made in your recent MOU's, the primary cost on the liability for the healthcare was within the Fire Department, and that will be changing as of January 1<sup>st</sup>.

**TERI FERRO**, Financial Services Director, stated we are in the process of wrapping up the June 30<sup>th</sup> audit. In the CAFR (Comprehensive Annual Financial Report) we provide a lot of the June 30, 2012, liabilities. She asked if it could be sometime in November or December, when we finish that CAFR and have updated information and recommendations for Council.

**COUNCILMEMBER FELIEN's** point is, for example, when we debated the street sweeper issue, we didn't get the full retirement costs of the bill that was incurred because only half of it was charged by CalPERS and the other half was left to compound as part of the pension bubble that continues to grow every year. When we're comparing these bids, we need to include the half that's continuing to expand in a big balloon because those are real costs, and someone is going to come to us and demand payment in the future. When we compare in-house expenses versus an outside bid, we should include all of the retirement costs and not just what CalPERS is billing us for because they aren't billing us for the whole cost. They're allowing the unfunded liabilities to expand, and they've expanded now to the point of \$90,000,000. They also don't include the \$112,000,000 in unrecognized stock market losses that have occurred in our plan. We have \$200,000,000 of built-up liability that's based on retirement expenses that employees have incurred and we haven't been charged and that are not factored in when we compare bids. There needs to be some method to apportion part of this \$90,000,000. We can debate on the stock market losses, but he thinks that should be factored in.

**MS. FERRO** stated having looked at this briefly before tonight's meeting, she agrees that we rely on the numbers that CalPERS gives us. They give us an actuarial report, which is always at least a year behind. There are numerous components. It's not just the market rate; it's based on estimation of how long people are going to live, their health and a lot of criteria. They give us their guess and say how much they think we owe them. If you have 100 employees and they're paying into it and then you reduce your staff and you're down to 90 employees, you still have to pay them. What happens is your per employee rate has gone up because the difference has to be absorbed by the remaining staff members.

**CITY MANAGER WEISS** clarified that the only current outsourcing proposal we're working on is the Harbor. We don't anticipate that process being brought to Council until about February.

**COUNCILMEMBER FELIEN** is happy to allow more time if you're in the middle of projects. If 90 days or the end of the year makes it easier, he'd be okay with that. We've had \$90,000,000 in costs that have built up that someone's going to come

looking for us to pay that we're not accounting for when we look at including the bills we get from CalPERS. They are making a huge bubble to hide what the real costs are. We're smoothing over 15 years, amortizing the losses over another 30 years, and recasting the loan every year as a first-year payment. This is hyper-aggressive accounting that isn't giving a true picture to the taxpayers as far as the risk they're assuming. We need to factor this into the costs when we compare. These are real costs that we can't sweep under the rug when comparing it to private sector costs.

**MS. FERRO** doesn't disagree. It is always her concern about the unfunded liability as well. She used a computer graphic to show a simple comparison between in-house and private sector. If the City were to outsource, the difference by eliminating those employees, and the City has to pick up the difference, now becomes a cost we have to add onto the outsourced side because the City has to still pay that whether the employees are here or not. For example, if you had 5 positions eliminated and that cost of \$1,200 per year had to be picked up by the City, \$1,200 times 5 employees is \$6,000 that has to be factored into the outsourced proposal. Whatever the amount is gets added on to the outsourced side because there is a cost to the City. It's not an additional cost to the in-house side because we're already paying that.

**COUNCILMEMBER FELIEN** stated if every employee left tomorrow, we would still have payments we'd have to make, based on what they incurred in the past. That bubble keeps building every day, but you eliminate bubble-growing in the future. It's the future costs that he wants to factor in that we would save in an outsourcing bid. Incurring this cost even after the employees leave sounds like the definition of a Ponzi scheme. No private sector needs to depend on future customers to pay a past obligation. Hearing that we need future employees to pay for the past ones should scare the taxpayers to death that CalPERS is being run that way.

**MS. FERRO** responded we can do that.

**COUNCILMEMBER SANCHEZ** stated obviously we are addressing our pension issues as is every city and county. Everyone is doing this. She doesn't know if there's anyone else who talks like Councilmember Felien or understands what he's saying. He has a unique way of looking at the world and at finances/numbers that doesn't really compute to general practices. She knows what he's getting at, but this isn't the way to do it. Having a conversation among Council and staff at a workshop might be better. Looking at things that way is not helpful or realistic. If Councilmember Felien really cares to address this, she would hope that he would at least have a conversation that everybody can participate in. This is not one that she can. She doesn't share his views on the world, but she does share his concerns. We need to find some way or place where we can meet in the middle to address these issues, or we're never going to solve this. She can't support this. She supports the thought behind it in terms of trying to resolve the issues, but not the actual action.

**COUNCILMEMBER KERN** agrees that Councilmember Felien has a degree in finance and talks on a little bit different level than we're normally used to. The bottom line is that we're not trying to solve anything here. What Councilmember Felien is asking for is that, when we go forward with these outsourcing or privatization opportunities, we have a full accounting of what the actual costs are to help make those decisions. Earlier tonight Councilmember Feller asked a lot of questions very similar to this to get to a point. Having those numbers in front of us when we make our decisions, is important for all of us. Hopefully we can come back before February with those numbers so we can make a true evaluation of what the savings are or are not. He supports this.

**MAYOR WOOD** is not supporting this. All of this information comes to us every time we get a new item. Speculating what it could be in the future is confusing. He didn't understand a lot of this language either.

**COUNCILMEMBER SANCHEZ** has a degree in urban studies. She took graduate classes at San Diego State in urban planning, including finance, and she has a law degree. This is not lost to her, but this particular view is lost to her.

**ASSISTANT CITY CLERK TROBAUGH** asked for clarification on the motion. When will staff be coming back with this?

**COUNCILMEMBER FELIEN** asked if staff prefers a date or timeframe.

**MS. FERRO** responded 90 days would give us time.

**COUNCILMEMBER FELIEN** amended his motion to bring this back in 90 days.

Public input

**JIMMY KNOTT**, 127 Sherri Lane, stated Council has forgotten the cost of doing this project. You've already done 2 items tonight that you have not costed out. Council has assigned it and not given any cost to the public on the impact of this. This is as important as the information being sought. Council was just considering an item where some of the Councilmembers said they couldn't predict the future, but now you're trying to predict the future with this. CalPERS could also have a good gain that could offset the losses, but we don't know.

Public input concluded

**Motion was approved 3-2**, Wood and Sanchez – no.

**INTRODUCTION AND ADOPTION OF ORDINANCES**

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

26. **City Council: Adoption of an ordinance of the City Council of the City of Oceanside amending Chapter 35 of the Oceanside City Code regarding the regulation of taxicabs** *(introduced on 8/29/12, 4-0 vote, Felien-absent)*

Public input

**JENNY OAKSON**, Owner of Coastal Cab, asked Council to postpone the adoption of this ordinance, rescind your decision and eliminate Article II, Section 35.5(a). That is the article that restricts non-licensed cab companies from drop offs from outside the City limits to inside the City limits more than 5 times in 30 days. For Coastal Cab, on a given Friday night we drop off more than 5 times in one hour in Oceanside. No other city has a restriction like this. It's impossible to enforce and would be a waste of your police resources. She spoke with the San Diego Sheriff's Department, who's in charge of licensing for North County and San Diego County taxi drivers, and their representatives were shocked that you would try to legislate limited drop-offs. All of her drivers, except herself, live in Oceanside and use Oceanside

businesses. She asked Council to remove this drop-off restriction and also consider re-opening this amendment for public hearing.

**CITY ATTORNEY MULLEN** stated Article II, Section 35.5(a) is the section that exempts the requirements of this Code. It provides that the following vehicles are exempt from the terms of 35.4. That's drop-offs.

**MS. OAKSON** stated you can see that 35.5(c) is exemptions.

**MR. MULLEN** responded that's an exemption from the requirements of that Code Section. He will meet with the speaker after Council's vote.

**JOHN AGATEP**, 3133 Jefferson Street, Carlsbad, is the owner of Tri-City Cab. We handle a majority of the 4- and 5-star hotels in Carlsbad. Those hotels expect us to pick up their clients and take them to their destinations. A majority of the time we're taking them to Oceanside and dropping them off. They ask for our card to call and pick them back up and we have to say no because we don't have a license in Oceanside to pick up. If we can't even drop off, that's less revenue for Oceanside. It doesn't make sense to pass this saying we can't take tourists from Carlsbad to Oceanside. Parts of the ordinance need to be revised. When 30% of our calls come from Oceanside, why does his business have to promote another cab company's business by pointing those calls in that direction? Where is the fair competition that Council spoke about earlier? He asked Council to look at this a little bit closer and allow companies to come in without having to be 10 or more cars at minimum. Allow the people to choose the companies they want to pick them up. If there is an issue with too many taxis being downtown, like at the train station, charge an additional fee to hang out there. We just want to provide service to the people who call us.

Public input concluded

After titling of the ordinance, **COUNCILMEMBER SANCHEZ** moved adoption [of **Ordinance No. 12-OR0630-1**, "...amending Chapter 35 of the Oceanside City Code regarding the regulation of taxicabs"]. We had this discussion previously and nothing that has been said has changed her mind. She wants to give high service to our residents, and it makes sense to have at least 10 cabs, with one of those being handicapped-equipped. It's easier to regulate that way.

**DEPUTY MAYOR FELLER** seconded the motion.

**COUNCILMEMBER FELIEN** wanted clarification that the amendment doesn't restrict drop offs for pick-ups outside the City.

**CITY ATTORNEY MULLEN** stated it does if you have more than 5 within a month. If you have less than 5, you're exempt from the requirements to obtain a certificate to be in accordance with this Code section. If you have more than 5 compensated transports within a 30-day period from a point outside the City to a destination within the City, it shall be subject to the terms of Section 35.4, meaning they have to get a certificate and comply with all of the requirements in this Code.

**COUNCILMEMBER FELIEN** asked if that is the 10 cabs. How would you enforce people getting dropped off in the City? Is that provision typical in City ordinances?

**CITY MANAGER WEISS** responded no, it is not typical. From our research, other issues aren't typical like the minimum of 10 cabs, etc. We will have some difficulty enforcing this, but Council's direction was clear that they want an aggressive enforcement campaign. We are meeting with the departments to develop a targeted enforcement campaign to address that, once we put the ordinance into effect.

**COUNCILMEMBER FELIEN** asked if Carlsbad passed a similar ordinance saying you can't drop-off in Carlsbad and we have one saying you can't drop-off in Oceanside and they each have to tell the companies they can't drop off, then how do you get a cab ride?

**CITY MANAGER WEISS** responded Carlsbad is essentially deregulated. They don't have the 10 minimum and allow multiple cab companies, which is what we originally proposed, but the Council decided on a different path. The way this is written is based on Council's direction during that hearing to have the 10 cab minimum, with one handicapped accessible and limit the number of drop-offs in Oceanside.

**COUNCILMEMBER FELIEN** was not here for the second half of that debate and doesn't want to hold this up, but he asked staff to monitor this issue and make sure we're not creating some kind of unsolvable problem where people can't get rides.

**CITY MANAGER WEISS** trusts that once we start the active campaign you will hear from the cab companies.

**Motion was approved 5-0.**

#### **CITY COUNCIL REPORTS**

16. **Mayor Jim Wood**

**MAYOR WOOD** gave a plaque to the First Baptist Church and Pastor Adam Smith for their 125<sup>th</sup> anniversary. We had a groundbreaking on Tuesday for Springfield Suites, which is a Marriot hotel downtown. He attended a Jewish torah.

William Bond passed away the other day. He gave a lot to the community.

17. **Deputy Mayor Jack Feller**

**DEPUTY MAYOR FELLER** announced the First Baptist Church was in the Code Enforcement building originally, and it was great seeing all of their old pictures.

18. **Councilmember Gary Felien**

**COUNCILMEMBER FELEIN** attended the torah celebration at the Chabad Jewish Center. Constitution Day was on the 14<sup>th</sup>. He participated in the groundbreaking of the new downtown hotel.

19. **Councilmember Jerome Kern**

**COUNCILMEMBER KERN** attended the 9/11 Memorial Walk and the Pet Fair at Bark Avenue. He announced the Walk Away from Domestic Violence Event on October 14<sup>th</sup> at 4:00. All proceeds benefit the mothers and children who reside at the Women's Resource facilities.

20. **Councilmember Esther Sanchez**

**COUNCILMEMBER SANCHEZ** attended Noche Mexicana. She acknowledged those who helped and sponsored the event.

#### **ADJOURNMENT**

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

September 19, 2012

Joint Meeting Minutes  
Council, HDB, CDC and OPFA

Oceanside Public Finance Authority at 7:45 PM on September 19, 2012, to a Mayor/Council workshop on Wednesday, September 26, 2012, at 2:00 PM. [The next regular meeting is scheduled for 2:00 PM on Wednesday, October 3, 2012].

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

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Barbara Riegel Wayne  
City Clerk, City of Oceanside

