California

ITEM NO. 3

CITY OF OCEANSIDE

MAYOR AND COUNCIL WORKSHOP

JANUARY 23, 2013

ADJOURNED MEETING 2:00 PM COUNCIL CHAMBERS

NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL

2:00 PM - OCEANSIDE CITY COUNCIL - WORKSHOP

Mayor
Jim Wood

Deputy Mayor
Jack Feller

Councilmembers
Jerry Kern
Esther Sanchez
Gary Felien

City Clerk
Zack Beck

Treasurer
Gary Ernst

City Manager
Peter Weiss

City Attorney
John Mullen

The adjourned meeting of the Oceanside City Council was called to order at 2:02 PM, Wednesday, January 23, 2013. The Pledge of Allegiance was led by Gary Ernst.

2:00 PM - ROLL CALL

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

WORKSHOP ITEMS:

2. **Public Communications on City Council Matters (Off-Agenda Items)**

ENRIQUE REYNA, 1386 Ridgemont Court, came to talk about jobs. This is a major issue everywhere, but especially locally. There is major construction occurring in Oceanside. He heard that the City is having issues at the pier with the contractor paying lower standards and bringing employees from out of state. The money is not staying local. What can the Council do to make sure our residents have some sort of recourse to get these good paying jobs?

BRIAN McAVINUE, North County Resident, has seen this City change quite a bit. He's been on a lot of the construction projects in this area. He would like to see wages stay standard. We are hearing that on the project next to the pier, they are paying substandard wages. Unfortunately, he's seen out-of-state contractors coming to the site. That's not good for our area or the people of this community. There are a lot of people out of work because of the economy. The development of Oceanside is a

good thing and hopefully it will continue, along with paying wages that are the standard in this County.

ORLANDO CHAVEZ, 905 Seagaze #B, is currently out of work. He is just as skilled as the people working at the pier project. He wonders why he can't be working there. He and his family live here. Why bring other workers from out of state when he's just as skilled? He needs a job.

COUNCILMEMBER SANCHEZ has received a briefing for the boutique hotel being built, and there are up to 80 workers, skilled labor that are working here from Arizona. These are subwages, and that's why they are coming from Arizona. We're losing in two ways. Our citizens are not getting the jobs, and our money is getting exported to a different state. This is critical to our City, and we need to look at this and act.

1. **FY 2013-14 Strategic Plan and Budget Prioritization**

PETER WEISS, City Manager, stated as part of last year's budget process, the Council directed staff to move forward with looking at updating the City's Strategic Plan and identifying budget priorities that the community would be interested in pursuing. As a result of that, we came back to Council with a recommendation to host a series of meetings. Council then directed that the number of those meetings be increased to six. The City contracted with Mike Letcher, who facilitated the meetings and is going to walk us through the outline of what happened and where we are in regards to actions that the Council has taken over the last few years relating to the budget.

Since there are community members here, he would recommend that, after Mr. Letcher goes through the community process and the results of that and prior to Council affirming or providing direction on their Strategic Plan and budget priorities, they take community input. That way anyone in the community who may not have had an opportunity to participate would be able to provide information that Council might then use to add or modify some of the Strategic Plan objectives and budget priorities. Mr. Letcher will finish up by going through the actual Strategic Plan objectives and your budget priorities. As we move forward with developing the fiscal year 2013-14 budget, if there is capacity and there are items you'd like to see included in there, we will start building the budget around those items.

MIKE LETCHER, The Mercer Group, stated we started a process of community meetings in October and November. There was a series of six community meetings held. Prior to those community meetings, he met with the Mayor and Council to get input from them. That will be reflected throughout the comments.

One of the things that is unequivocal is that we have come through one of the deepest recessions in this country's history, besides the great recession. Starting in 1948 through all recorded recessions to now, this was the worst recession this country had. One of the things that the International City Manager's Association and the Innovation Group did was ask what cities have done that have been able to work their way out of the recession. What are the benchmarks they have used? They came up with a couple of things:

- Avoid adding excessive fixed expenses. Don't add more staff; try to reduce your fixed expenses; and focus on core services ;
- Diversify revenue sources;
- Insure long-term financial planning and implement patient and financial policies;
- Manage revenues as carefully as expenditures;
- Encourage investment innovation long-term;
- Maintain adequate reserves;
- Communicate with stakeholders; and
- Examine and improve organizational design and process

What has Oceanside done during this time? As a former City Manager and Finance Director, he has been absolutely impressed, not only with your financial and reserve policies, but with the way that this staff and Council, especially, in this community, have been reactive to this recession. You've implemented a two-tier pension plan, capped the City's healthcare costs, consolidated duplicate functions, reduced energy consumption, consolidated purchasing for supplies, increased the life cycle of vehicles, reduced the City fleet size, analyzed all budget reports, reduced travel and training, had no cost of living increase for 3 years for staff and reduced hours of operation for library, parks and recreation services.

Today we are going to be looking at what the key issues are from the community meetings that you need to incorporate as part of your Strategic Plan and objectives. What are the priorities from those meetings that you need to put into your budget?

As the governing board of this community, Council is responsible. Your budget is over $300,000,000 and you have a population of 170,000. You have a total assessed valuation in this community of billions of dollars. This is a major operation. There were about 84 citizens who took the time to bring their suggestions to the meetings from a strategic objective and from the budget. Those are the items that Council is going to act on today.

We're addressing issues that have come out of the community to make this community more financially sustainable. Will they make the community more economically viable and improve the quality of life? Those are the questions that Council needs to ask themselves as they deliberate on these items. The most important thing is translating those to outcomes. What specific directions will Council give staff, strategically and as part of the budget, so staff can start their work.

There are two areas we're looking at. The first is on the strategic planning side. There were a number of issues under the Strategic Plan: your vision, mission, core values and citywide goals. All of those seemed to be reaffirmed as part of these community meetings. You also had great results from the community meetings regarding new objectives that we're going to ask Council to include in that Strategic Plan today. Council needs to decide on amending strategies under each one of your goals and those objectives that came directly from the community.

On the budget priority side, there were certain issues. It was very clear that the balanced budget, without the use of reserves, is important. You need to maintain core services. The City reserves are very healthy now. Council needs to maintain their excellent financial policies and future pension health costs. They need to look at the results from community meetings. The outcomes of those things will be to: 1) develop a budget with no use of reserves and if possible without impacting core services; 2) develop strategic plans to address future pension and medical costs; and 3) decide on the community input in that area.

Public input

KIM FONTES, 605 Leonard Avenue, stated it's one thing to read about the dissention between our Councilmembers in the newspaper, it's another thing to have to witness it. She asked Council if we could start getting along and doing what the City needs. She's lived here 23 years, and it's always been a contentious Council.

She's sure that the members did a great job trying to get community input, but she is concerned that in a City of 170,000 residents, we only had 84 that showed up. We need to try to make deeper connections within the community. She will help any way she can to make that come together.

DIANE NYGAARD, 5020 Nighthawk Way, thought we would actually have the dollar figures that we normally have at budget workshops. Realistically, when we look

at how much money we have this year and thinking about what we can do, there is an extremely long list of things that came out of the community workshops. Clearly, we would like to see everything on the list moved forward. We know that can't happen, so the important thing is to figure out how we come up with a balance. What she heard at the workshop and from talking to people in the community, we need to protect emergency reserves. It sounds like we have come a ways towards doing that. We need to make sure we have adequate reserves for emergencies. We need to deal with our future obligations, unfunded issues like pension funds. That was a promise to our employees, and we need to make sure that can be covered in the future. We need to look at restoring critical services, like library hours, which were drastically impacted. We need to look at balancing those things and be realistic about what dollars we have to put into immediate services and come up with a plan for that.

While we're doing that, we've got to look at increasing our revenues and impact fees. It's been 18 years since our park impact fees have been adjusted. Adjusting the park impact fees was part of the critical and balanced financing plan for El Corazon. El Corazon is something everyone wants, but how are we going to pay for it. One way is adjusting those impact fees. The current park impact fees o not account for the park at El Corazon. It's been over 4 years since the consultant study was done to update those fees, and that study is still sitting on a shelf. It's time to bring it out and deal with some of these revenue enhancing things that will pay for the critical things this community wants.

We need to keep reducing our expenses. On the budget summary list from several of the workshops, you can see it repeated that one of the things that galls people is that we are paying for 5 full-time Council Aides. If we had addressed that 5 years ago, we would have saved $2,500,000 for this community. It's time to look at that issue.

JOE CACCIOLA, Owner/Operator of Sea Star Charters, 3685 Harbor Drive, is a 41 year resident of Oceanside. He's been in business in the harbor since 1974. His focus today is on the budget and City revenues and how to increase them. His perspective comes from the harbor. A number of business owners and harbor users have asked him to take a leadership role in bringing to Council's attention certain issues relevant to the way the City conducts business in the harbor and to offer specific recommendations for improvements. There is a key element missing from the Strategic Plan on the budget update as it appears before Council today. The harbor is one of the City's most valued assets. It should and can be a significant source of revenue for the City, especially when the City is seeking to balance its budget without cutting vital services. It is our collective opinion that the City is not currently realizing its full potential from certain harbor businesses for a number of reasons.

There is a lack of parity among harbor businesses, resulting in unfair competition and thus artificial elimination of much-needed growth. In some individual cases, there are overly generous lease terms. There is a lack of oversight that has allowed some leaseholders to operate at marginal to sub-marginal levels, resulting in a significant loss of income to the City and a marked decline in visitor service. Because harbor visitors are not receiving the level of service that they desire, they are exporting their discretionary spending to Dana Point, Mission Bay and San Diego. This needs to change.

He has prepared a detailed corrective report that he would like to share with all Councilmembers on an individual basis in the near future.

JIMMY KNOTT, 127 Sherri Lane, had a handout of some ideas. One is to make all departments enterprise operations that are self-supporting, including administration. Each department needs to be responsible for their own department. Next is to use the commission system as oversight of each enterprise operation and have the Chairs report to Council on a regular basis. Alternatively, you can enable a citizen's panel to review each department and report back to Council. Each community in our City has wise

citizens who can guide our various plans and special projects. Don't purposely overwhelm staff and claim they need outside help, then privatize their implementation.

Staff, in order to reduce their work and threats to their positions, have agendas. They commonly reduce the value of other options on some proposals due to work pressure and outside political pressure. Staff needs to have the threat removed in order to make better decisions and referrals. We have a propensity to contract out to consultants when we have expert citizens who might volunteer if asked. Many times commissions need to appoint ad hoc committees to review specific needs, but staff demands to be there. Due to this, Chairs are hesitant to appoint these ad hoc working committees. There is no necessity for this. There are alternatives to staff needing to control all working committees.

Regarding the kitchen at El Corazon, this Council needs to gets behind the public funding drive and urge donations from every sector. He will commit to allowing Council and staff to cut off his hair and beard if this fund-raising challenge is met to fully equip that kitchen.

CRYSTAL CRAWFORD, 11199 Sorrento Valley Road, San Diego, referenced one of Council's objectives under Priorities and Sustainable Growth, which is how to develop plans to promote alternative energy use, including energy efficiency and potential loan programs. Last June, Council considered and sent a letter to the County encouraging the creation of a clean energy San Diego program.

She is here on behalf of Ygreen Energy Fund, who is looking to partner with Oceanside, other cities and the County to create a clean energy San Diego program, which is a program that funds energy efficiency, water conservation and renewable energy programs. She thanked Council for taking a position last June in support of a program of this nature. However, we haven't made any progress with the County to date. A number of cities in North County, in addition to Oceanside, are interested in going forward with forming a Joint Powers Authority (JPA) that would allow for the creation of a clean energy district and make this funding tool available to residents within the cities that are participating.

She encouraged Council to direct staff to work with Ygreen and other cities to form a JPA and get a district up and running as quickly as possible. With cooperation, it is possible to have a district up and running within the next 6-9 months. We could be funding projects in the region and putting people to work. It creates jobs. Making this program available in the City would create 1,400 new jobs over the course of the next 5 years, assuming a very conservative retrofit rate of 3.5 of every 100 properties in the region. It creates economic activity and helps the City meet its target for reduced greenhouse gas emissions. It's a triple win. Ygreen works with local governments to set up these programs at no cost to the City. We reimburse the cities for any attorney and staff time required to set up the program.

MAYOR WOOD stated the North County Mayors met for lunch today and all 5 of them agreed to this and want to support it.

COUNCILMEMBER SANCHEZ stated we had initially talked about having the County take the lead on this and the cities could follow, but the County has been very slow. It's been a year since we first talked about this. What can the cities do to get this going forward regardless of what's going on with the County?

MS. CRAWFORD responded we haven't made any progress to date with the County. Another way to do this is for the cities to join together. You have the authority to form your own JPA. It just takes 2 cities. She's happy to have the 5 North County cities that have been trying to work together for some time on the Highway 78 corridor and a number of initiatives. You can join together to form your own authority and then the County could opt into that JPA. She's looking for a way to get this going so she's looking for other options.

COUNCILMEMBER SANCHEZ asked if there are 2 cities in mind to take the lead on this. Can we be one of those cities?

MS. CRAWFORD responded yes. We can do this in a number of ways. We've got precedent. On some of these big initiatives there will be multiple cities, but then it could be that the managers and attorneys would want to take the lead. Ygreen is open to setting this up however the cities want to do it. We take our direction from local government because we partner with them. Ygreen will provide the documentation and support. We have programs that are up and running in other cities and counties. We will work with the cities through the managers and mayors in whatever fashion they choose.

COUNCILMEMBER SANCHEZ stated in essence we would need to direct our City Manager to pursue this clean energy finance JPA.

MAYOR WOOD stated at the meeting today with the Mayors, all of them were going to go back to the City Managers and say we're all in favor and go for it.

COUNCILMEMBER KERN asked why the County is dragging its feet. It seems like the County is the best vehicle to do this. It sounds like the County isn't thrilled about this so we're going to have to take it on ourselves.

MS. CRAWFORD responded a couple of years ago we opted into the California First program. The County's position is that the California First program was being revived, so they wanted to see if the new California First program, which is commercial only, would be successful before they pursued other options. She doesn't personally agree with that, but that's the rationale that we were given when we met with them last year. We are hoping to renew discussions with them, but it's been over a year since that meeting with the County. Every day that we delay is time that people could be working and building projects. It's to the City's advantage that we pursue a JPA and the creation of a district.

COUNCILMEMBER KERN asked the Mayor if coming out of this workshop we're looking for motions and votes or direction to staff.

MAYOR WOOD responded at the end there might be a motion, but on this we're looking for direction, since the Mayors of North County have already agreed to take this to their City Managers.

LINDA WALSHAW, 151 Robby Lane, thanked the Mercer Group for their report. They did exactly what they promised. They accurately included the comments of the people who participated. They listened to and valued citizen participation. We seem to have a problem with that with this Council. Time after time we see citizens speak about issues they are concerned with in their neighborhoods and communities, and they are ignored.

A common theme in this report is that the different groups want the Council to stop spending money on outside consulting fees. They also mentioned that they don't want to go ahead with the Melrose project. They don't want their paramedics, firefighters and libraries outsourced. There are a number of issues in here that we need to work on. One is that they want their senior commission and community participation restored. That's something that we can work together to do.

She urged Council to read what the public said. They don't want a toxic dump at Gregory Canyon, the Melrose extension or the Rancho del Oro interchange.

DONNA McGINTY, 2506 Mesa Drive, likens a lot of these requests for attention to that of a spoiled child at Christmas. There are some very serious financial issues to be tended to in this community, like every other community in the County and State,

and a lot of the issues listed in these wish lists are silly. Right now they need to do the best things they can with what they have. There are a lot of silly demands being made, and she will be on the side of conservative and good sense to eliminate any possible unnecessary expense until things are healthy and can be managed well. Staff in this City who manage the money are some of the finest staff any city could have. If the public knew staff, they might eliminate some of the foolishness from their wish list, knowing that things are being handled as best as possible by the very qualified people we have to do that work.

One of the best money-saving mechanisms we have is to put our projects out to fair bid processes as a charter city. Let the owners of the construction companies submit their competitive bidding in good spirit for the workers they have that need jobs. There are a lot of people without work. Let the people who can bring it in on time and on target to the standards expected for public work do the job.

UNIDENTIFIED MALE stated anyone who wants to work has the right to work. We're all in the same boat. It's managers, owners and developers that are only seeking profit who are putting the employee at risk. We don't want to accuse anybody of anything, but all of the issues are going to come to light. This is a community issue, and we all stick together.

Public input concluded

MR. LETCHER stated Strategic Plans help to manage the horizon because there are so many things coming at all of you every day. If you don't have a plan, something that says these are clear objectives that we want to reach, then you can't manage the horizon. This is a great opportunity for Council to see what the public in this community wants and confirm you want to add them to your Strategic Plan. Once those items are added to the Plan, staff will publish it, and the Plan will be put on the internet as part of the public record.

From his discussions with each Councilmember, it doesn't seem like there is much need to amend the Mission Statement, Vision Statement and Core Values. The public appeared to be generally in agreement with these, which isn't surprising. These are usually items that were very well thought through when they were developed and global enough to encompass a lot. Our direction is to affirm these items.

MAYOR WOOD clarified that we can move ahead assuming things are affirmed unless we hear somebody object.

MR. LETCHER continued, stating the first focus area we're going to look at is the City services area. In this area there were a number of points that the community wanted to bring forward for Council's consideration. One was to keep public safety at its current levels. Another was to maintain the harbor and beaches at the current level. Also, maintain and add library hours and technology and enhance litter abatement and Code enforcement.

MAYOR WOOD thinks that, in looking at these, we know the harbor is one of our top priorities, and public safety always is. We were going to look at outsourcing and cutting hours at the library, and that's something staff will have to give us more information on. Regarding litter abatement and Code enforcement, that's something that we're lacking because of cut-backs.

COUNCILMEMBER FELIEN gets a lot of public feedback on graffiti. We want the City to jump right on that and generally the public has been very complimentary to the staff in terms of their response times and turnaround. He considers this to be more of an issue than litter.

The other issue is maintaining public safety at current levels. The challenge we have as a City is that, to maintain the same level of staffing, our pension costs go up by

an incremental amount every year, as do our healthcare costs. Fortunately it seems like our revenues are perking up slightly and maybe we can stay ahead of the curve. It's important this issue be addressed in the standard of what we're expecting to do as far as keeping public safety at current levels.

MAYOR WOOD believes this is the public stating what their priorities are. As long as he's been here, public safety has always been in the top 3.

COUNCILMEMBER SANCHEZ continues to be approached about traffic calming. Since elimination of the program, she's had several neighborhoods contact her about traffic calming programs and what can be done to make that happen. It's relevant to public safety issues because we're talking about speeding and kids playing in the streets. By itself it has been something critical. We have an active community member who has a business in Oceanside and wanted to put some money into the traffic calming project because of the accidents that have happened in his neighborhood. She tried working something out with staff, and she couldn't get anything out of them because it was completely closed. We are willing to raise money for this, but she couldn't even get an engineering study out so we can know what we need to do as a community to make sure our kids are safe. She would like to add traffic calming to this.

Another concern of residents is the water bill and our future in terms of water. That is a priority for City services. We, as the agency providing water, need to insure that we do everything possible to have our own independent source of water. We need to pursue our desalination project and continue to focus on our groundwater. We also need to insure the protection of our water from the San Luis Rey River. That is critical. Seniors have told her sometimes it's a choice between paying their water bill and eating one less meal a day.

CITY MANAGER WEISS stated if you want to restore the traffic calming program, unless there is an objection, we can put that in as one of Council's priorities or objectives. He would then also recommend you add that to your budget priorities because there would be a cost involved with that.

COUNCILMEMBER SANCHEZ thinks the community is willing to do whatever it can to try to make it affordable for the City and community. There will some communities that won't be able to raise the money. We don't even know how much it would cost to slow down Loretta Street off Highway 76, but we need to find that out.

MAYOR WOOD agrees. We can make recommendations at the end from us, with all of the input from the public. We'll have to decide. He looked at enhanced litter abatement and Code Enforcement. That is one of the areas that has been cut back the most. We were also looking at hiring a Code Enforcement Officer to handle barking dog complaints. We've cut Code Enforcement back so much that they're a little far down the list.

CITY MANAGER WEISS stated part of this is to look at whether we fundamentally change how we are going to do our budget for this next fiscal year. If these are your priorities and if there are available funds, then these are the priorities that staff would dedicate resources to versus anything that may not be on the list.

MAYOR WOOD thinks the budget priorities are toward the end.

COUNCILMEMBER SANCHEZ also wants to maintain our youth and senior services. There are a lot of seniors that are very concerned about maintaining those services at El Corazon and the other senior center.

COUNCILMEMBER KERN stated when we start talking priorities, we have to number those. If you look through the public comments, the public safety issue always came up and we talked about that as a number one priority. To them, that's

maintaining a police and fire service that they feel meets the public's needs. We only have a finite amount of money so there are going to be trade-offs. If we put in traffic calming, does that mean we don't have the money for a police officer or fireman that year? That's going to be in the budget workshop. Right now, we're in a strategic planning mode. This is not how we're going to spend our money; it's how we're going to prioritize going forward into the budget workshop. Coming out of this, we need to give direction to the City Manager as to what we really want to do.

He'd rather have another Code Enforcement Officer than a Police Officer. The complaints we get are about graffiti and Code violations. He would like those addressed more. Obviously, we need police and fire protection.

There was an article in the *Los Angeles Times* today about the value of libraries. It's different than what we think. Young people are really going to the libraries for books and not for technology. In some communities that have a lot of economically challenged people, the technology is more important because they don't have the ability to use technology at home. That's something we're going to have to weigh for our community. His priorities would be public safety number one, Code Enforcement number two and libraries number three.

MR. LETCHER clarified that the Strategic Plan says here are our strategic priorities. As Councilmember Sanchez mentioned, traffic calming is a priority that she would like add to this list. Ultimately, all of your priorities have to come down to how much money is available. The workshops that staff will start in February will help you do that, but right now what we need to know is what's on the list. When it comes down to the amount of resources you have, Council will have to start asking what are the first things first. That will come later when you have an opportunity to look not only at how your revenues are shaping up this year, but also over the next five years. Council can then figure out what priorities you can afford to do this year. If you can't get all of them this year, then next year if the economy improves they are still on the radar screen to approve. Without having it in the Plan, it doesn't even have the opportunity to be considered.

COUNCILMEMBER FELIEN has also received a lot of feedback regarding traffic calming, and he would want that on the radar screen.

DEPUTY MAYOR FELLER stated the priority of City services is what City government should be doing. There are "nice to haves" and the priorities. Under public safety you could have a subheading for traffic calming. Regarding maintaining and adding library services, for this year we should and need to be wise about maintaining current levels. We need to not jump back into spending when we don't know where we're headed.

The report mentioned differentiating between tagging, which is destructive, and graffiti, which could potentially be art. He disagrees. If it's somebody's personal property they can put graffiti on it. Graffiti should be a high priority. The report also mentions maintaining our harbor and beaches at current levels. We just dumped $600,000 into sand replenishment, and 50% of that sand is gone. Retaining the sand should be a high priority. There are possibilities for us getting on a pilot program for groins or wet sand retention as opposed to sand replenishment every year.

MR. LETCHER stated the next strategic priority is sustainable growth. The three points that came out of the community meetings were: 1) use of more recycled water, 2) build and maintain infrastructure, and 3) support growth and encourage sustainable growth.

MAYOR WOOD thinks we all might have issues or points on any one of these three. Recycled water is the number one priority in Southern California right now. It's not just the water, but how we get it and the cost of it. We've increased over 100% in costs on water and sewer water since 2006. We're one of the few cities that's trying to

do water for ourselves from our river and the aquifers underground. Part of that might be reclaimed/recycled water. We're going to work toward that. The public is telling us they want us to maintain infrastructure, support growth and encourage sustainable growth.

COUNCILMEMBER SANCHEZ wants to make sure we're talking about Smart Growth and jobs. We need to start focusing on job creation because we have the lowest job-to-resident ratio in the County. We've already flipped a lot of our commercial land to residential, and we only have a few valuable pieces left along Oceanside Boulevard. We need to move forward on our plans for Oceanside Boulevard in terms of bringing businesses to Oceanside. Coast Highway and Oceanside Boulevard are the key places. We have others inland that are critical as well, because it's important to try to lower the travel time for our residents to their jobs.

Our biggest challenge has been maintaining businesses and jobs on Oceanside Boulevard and Coast Highway. It needs to be Smart Growth and not out too far east where there are no services and it would be unreasonable to try and put those services in.

MAYOR WOOD stated Smart Growth is also coming out of SANDAG. It's an important factor.

CITY MANAGER WEISS stated one of Council's current objectives within this priority is to develop plans for Smart Growth along transportation corridors. The community validated that. The three that you're seeing here are ones that the community wanted added to your existing list.

DEPUTY MAYOR FELLER stated you're talking about not just water growth, but every kind of infrastructure that we provide. You can't do any of it without it being sustainable.

MR. LETCHER responded that's correct. Under Economic Vitality we have as goals to revitalize the downtown and beach areas, create partnerships with business and other entities, attract and maintain businesses, maintain Farmer's Market, pursue agri-tourism, and examine revenue options. An existing priority under this area is the job ratio in the community. That had some discussion at the workshops, but it wasn't consistent. It's already a City priority.

Regarding revitalizing downtown and beach areas, **MAYOR WOOD** thinks it is important to downtown tourism. We had goals where Coast Highway, the downtown walkable community and the infrastructure of the beach and bathrooms have always been a priority. He can see money diverted to this particular priority that everybody wants. Partnerships with businesses is an important issue. The Farmer's Market has been a blue ribbon. It has changed our image a lot. We need to be able to double the size of that market.

DEPUTY MAYOR FELLER asked what the intention is regarding agri-tourism. He's seen how the wineries in Temecula attract a great number of people. Is it a priority for us to have businesses like that in our agricultural area? If it is, then we need to look at whether that area can be put on septic tanks and issues like that.

COUNCILMEMBER KERN thinks it's something that we want but we aren't sure how to get there. If we look long-term, the farming practices now in Morro Hills are very water-intensive. If we convert to wineries, they will use a lot less water than the current agriculture out there. People have to realize these wineries are industrial buildings. They aren't just quaint chateaus. It would be tough to figure out if the infrastructure supports industrial buildings in that agricultural zone. He doesn't think they will fit on septic. There are some questions there.

Council has been participating with other cities in the region about a branding effort. We're looking at a brand for North County to bring people in and have them think of it as something separate from San Diego. We're cooperating regionally to bring more jobs to North County and Oceanside.

COUNCILMEMBER SANCHEZ stated agri-tourism is something we are very interested in doing. One farmer is experimenting with not watering at all and just having the natural water for the grapes. Some areas in California are able to do that. In terms of whether or not septic can be sustained, it's really about the planning. It's where you have the infrastructure and everything else. It probably wouldn't require a lot of infrastructure if we went to agri-tourism. That's exciting. We can maintain the quality of life for our residents and continue to have a vibrant mixed economic development base for our City. Agri-tourism is taking off all up and down the State. It has to do with sustainability. It's a connection of being able to have some locally grown foods and insuring that we are able to sustain in a very positive environmental way.

MAYOR WOOD stated water is what's valuable. All of our agriculture out east depend on wells and water coming downstream. We're concerned about that because of the landfill. The cost of water is driving agriculture in a new direction.

COUNCILMEMBER FELIEN would like to make sure we address the beach area and try to convert beach users to beach payers. If you have someone come down and use the free parking and City-provided litter pick-up and lifeguard services and then leave town, we derive no benefit from that. We need to charge for parking, have beach vendors or encourage people to eat at the beach, and get creative in terms of getting more economic benefit out of our beach area.

MR. LETCHER stated the next priority area was quality of life. The community wanted the City to host more community and cultural events, create more transportation options for seniors and reduce pollution in the waterways.

CITY MANAGER WEISS stated whether or not we're doing that, the community sees it as a priority. We are mandated to do things so it's a good one to have on the list. There are things we should be doing and have been doing to reduce that.

MAYOR WOOD thinks we have quite a few community and cultural events. Regarding transportation of seniors, we're one of the few cities who have done a lot for that with taxi service vouchers and transportation volunteers. There could be more, but we do more than most cities. He would like more clarity on what is still needed.

COUNCILMEMBER SANCHEZ thinks we need to make all of our communities livable/walkable communities. We need to have safe routes to school and make our neighborhoods bikable. Riding bikes to school is a challenge, and not many parents want their kids riding to school on our busy, congested roadways. We need separated bike paths or a way of insuring there is a barrier between bicyclists and the cars. We need to slow traffic down everywhere in our City.

MAYOR WOOD gets a lot of phone calls about the school districts dropping bus service, and their kids now have to take public transportation or being driven. We need it to be safer for all of the residents, but especially the kids now that they don't get transportation.

DEPUTY MAYOR FELLER asked how many scooters and mopeds are on the road. Are they the same as motorcycles?

CITY MANAGER WEISS responded that we have not been able to formally address the scooters and moped because there is no ability to do so. We've left it alone.

DEPUTY MAYOR FELLER is curious how skateboards are a transportation mode.

CITY MANAGER WEISS responded we have added it as mode of transportation to find ways of promoting skateboarding. There are almost as many high school kids riding their skateboards to school as there are riding bikes. We're looking for ways to encourage alternate transportation so kids don't have to be in cars going to school.

DEPUTY MAYOR FELLER asked if waterways could include the Loma Alta ditch. Could we clear that and reduce what catches in all the weeds that are in there?

CITY MANAGER WEISS responded it could be.

MR. LETCHER stated the last area under Council's priorities is civic engagement. The community wants to encourage younger citizens into State and local government, create better outreach and information dissemination from the City.

MAYOR WOOD stated a lot of people don't think that the Council listens to them anymore. As for younger citizens participating, he wishes more would. Creative outreach and better information dissemination is the most important one. We only have one newspaper now, and quite a few people have dropped their subscriptions because they aren't happy with it. We also have a weekly paper. There's got to be a better way to disseminate information about what we do. We used to have a magazine that went out, but because of finances we had to drop it. He'd like to see that taken up again. He's gotten a lot of complaints from people saying they can't get the television channel for the Council meetings because they have to get new equipment from Cox. It's free for a year, but they have to do something about it. That's not right. It's important the we listen to people and get City information out to the public.

COUNCILMEMBER KERN stated we do the Citizen's Academy occasionally. We need to see about partnering with the school districts about doing the Citizen's Academy where we go and explain to students. He taught government and required his students to attend Council or school board meetings to see how local government works. We can't dictate the curriculum for the school.

Regarding better outreach and information dissemination, we update our website quite regularly. We need to make people aware of the website and how to access it to find information. Newspapers are going away; they're shrinking in size, content and numbers. In 15 years newspapers probably won't be the way people get their information. We need to think about how we disseminate that information through the new media: Twitter, Facebook, etc. We don't have to rush into it, but we need to think about how we communicate with our citizens about what's happened at the Council meetings. Our agendas and staff reports are online, so the information is there. This needs to stay on the priority list so we can make sure the information gets out to the public.

Regarding how many people showed up at the workshops, 84 out of 180,000 people is not very much. We had six meetings. Some people are busy or just aren't engaged. We varied the days and hours, so we tried to reach out.

As far as listening to the public, there is more public than just those who come to speak at these meetings. He gets 30 to 40 emails a day from different people regarding issues. There is more than one voice that we listen to in the public. Just because we don't agree with what you had to say doesn't mean we're not listening.

COUNCILMEMBER SANCHEZ stated one of the areas that has done very well in terms of partnering with the City and having community and youth involvement is zero waste. One of the schools was able to do 75% recycling. In the beginning it was one or two schools doing it, but now the entire school district is going to be doing zero

waste. That's teaching our kids about what is important. It's like climate change, which is a big challenge for Californians on the coast, but we're not doing anything about it. We have people on our dais who don't believe that climate change is real. Our Water Department has a challenge every year to our kids to write essays or draw pictures about water recycling.

She's heard from our seniors that they really miss the Senior Commission. They'd like to have it back. It was how they got involved with their government and had their voices heard. We also did away with our Youth Commission, which had helped to get our kids interested in local government.

She appreciates the *Coast News*. It's nice to read news about the local community and residents. How do we get community news back into our culture? We're a City of over 170,000, but we're really a City of neighborhoods.

What is being said here about civic engagement is that most people don't think the Council is listening. We've come through a critical time with the past year being so contentious. We need to do something about that. That is a subject matter for another workshop. We had a referendum with over 15,000 signatures but we still spent the money to put vacancy decontrol on the ballot. After the election, it can't be brought up for a year, so people are getting worried that it's going to happen again. Hopefully, we're listening to our community, and it won't happen again. People she talked to were also very upset about stripping our Mayor of his powers. We need to pursue goals where we have consensus on the dais and out in the community. That is our biggest challenge. She hears from other cities and regions about our Council antics, and it's embarrassing. We need to provide a better face for our City and have less of these contentious situations.

DEPUTY MAYOR FELLER stated regarding civic engagement, one of the things that is left out is how the churches interact and meet the needs of the community. They do some tremendous things on behalf of the citizens of Oceanside. That's one of the more important outreaches we can have on behalf of our citizens.

He agrees that 84 people attending the community meetings is not a very good number. He suggested doing a statistical survey to get a couple of thousand cross samples across the City so we can get a feel for how some of these issue work. It's relatively inexpensive to do a simple question and answer. We can pick them randomly off the voter rolls. Most people don't have any idea that 84 people are speaking for them. They are busy with work and their lives. They go on about things knowing that the City is in pretty good hands.

COUNCILMEMBER KERN tends to agree with the Deputy Mayor about the statistical survey. Maybe we can do it next year. That type of system will reach those people who have to work and can't come down here.

CITY MANAGER WEISS suggested if Council wants to do some type of citizen survey, it should be one of your budget priorities because there will be cost involved.

(Recess was held from 3:49 PM to 4:01 PM]

MR. LETCHER stated staff has gone through and amended your strategic priorities under the objectives of the City. Your City Manager and staff have to prepare a fairly significant budget. Your overall budget is about $300,000,000. In order to do that, not only based on the comments from the public but from Council input now, everything on this list has to be tempered with the reality of financial resources. There is not an unlimited amount of resources. If it's not on the list, it can't be considered when the City Manager is considering his recommended budget.

From the community meetings and Council, it was fairly clear that the priority was a balanced budget and no use of the reserves. Also, they want to build reserves if

possible without impacting core services, stop wasting money on Rancho del Oro and Melrose, reduce or eliminate Council Aides, reduce costs of consultants, build the kitchen at El Corazon Senior Center, restore after-school programs, restore library hours and skate parks, provide fireworks by looking at private sponsorship, increase pier maintenance funding, update developer impact fees, enhance the street maintenance program and fill the gaps for local news and information.

We need Council's affirmation on these items or any additional items that you want the City Manager to consider as he and staff move toward preparing the budget. Once the revenues are known and competing priorities, we'll know whether or not there is funding to move ahead on some of these other items.

DEPUTY MAYOR FELLER stated we don't need to add a skate park.

CITY MANAGER WEISS clarified we were doing these workshops in December before Council took action, so you can count the skate park as a success.

COUNCILMEMBER SANCHEZ has suggested going down to 33 hours a week for our Council Aides. It would a reduction in staffing that has occurred Citywide. She doesn't want to eliminate her Council Aide because there's no way she can do her job without one. This is a large city, and we don't have district elections, so our citizens feel that each one of the Councilmembers is their representative. She can't support the elimination of Council Aides.

COUNCILMEMBER KERN doesn't think the public knows the workload that Councilmembers have in a city of this size. Responding to emails and communications from the public is almost a full-time job. We need to relay to the public the workload that we have aside from these meetings. The public wants us responsive to their emails and phone calls, but we need the time and staffing so we can respond to them.

Looking at these priorities, a balanced budget, not touching the reserves and building the reserves are the things we need. The rest of the items are things we want. Fireworks are a want and not a need. He's not in favor of putting that on the budget. If we had extra money, he would be in favor of it or if there's a group out there that would like to sponsor them, that would be fine. But they don't need to be in our budget priorities. He would rather have a Code Enforcement Officer work an extra 5 hours a week than have fireworks. We're going to have to make those kinds of trade-offs when we get into the budget cycle.

COUNCILMEMBER SANCHEZ grew up with fireworks in Oceanside, and it was more of a family event. The bottom line is that, having become a larger city, they have attracted some people from outside, and it was costing us about $250,000 per year. That's money that we don't have anymore. That all has to do with public safety. The last time we had fireworks there was a potentially big fight, and there were too many people. That $250,000 could be the difference in having our swimming pool open or Code Enforcement or something critical to our residents. She can't support fireworks when we have all of these other critical needs.

How far up the pier did we go with new boards?

CITY MANAGER WEISS responded it's an ongoing project. We allocate roughly $100,000 a year. As that money becomes available, we will continue to do more.

In terms of updating developer impact fees, **COUNCILMEMBER SANCHEZ** stated cost-recovery is something we've talked about over and over again. Development should pay for itself. Street maintenance is also something that should be a priority. Last year there was a bus that went into a sink hole. How did that happen?

CITY MANAGER WEISS responded a break in the water line caused the sink hole. It wasn't a street issue; it was the water.

COUNCILMEMBER KERN stated that goes back to the infrastructure issue. We have to maintain infrastructure, and we have to pay for it. We don't necessarily have to increase pier maintenance, but he doesn't want to defer it either. We cannot defer things that we need to do in order to put money someplace else. We need to make sure we give direction to maintain our infrastructure, roads, pier and other things. We're going to pay for it later if we don't. We have some aging infrastructure, especially in the downtown area. We have a wastewater treatment plant that was built in 1949.

COUNCILMEMBER FELIEN asked if we're simply acknowledging the public feedback or are we now picking among the list for ourselves?

MR. LETCHER responded this is a list from the community meetings. What he's asking is to provide direction in terms of approving this list. It's also an opportunity to add items. Fireworks are probably not going to be on the list. This list is all tempered by the ability to pay. This just provides an opportunity for these items to be considered and deliberated on by Council. When you line up your financial resources with your wants, that is when you'll have to determine what you can actually do. If it's not on the list, then it's not going to be considered.

COUNCILMEMBER FELIEN would want the objective of not wasting money on Rancho del Oro and Melrose eliminated. He doesn't believe that reflects the majority of people who want traffic reduced. He does not support eliminating the Council Aides, but we can discuss reducing hours. His Aide is an important part of him being able to effectively do his job and respond to City concerns.

He'd be interested in the feedback from his colleagues on the issue of the kitchen at El Corazon Senior Center. Was El Corazon approved with the idea that we would phase out the other senior center or were there supposed to be 2 senior centers? He wasn't here at the beginning of it, so he'd like to know the history of that.

We've definitely accommodated the skateboarding community with 3 skate parks. He misses fireworks, too, but we can't be the provider of fireworks for all of North County at the beach. If fireworks ever come back, it needs to be at an inland location where it becomes an Oceanside event at much less cost in terms of requiring overtime services from our police and public safety. It has to be factored in with our other budget priorities.

Regarding pier maintenance, there is no issue in terms of maintenance that's needed for the integrity of the pier not getting done. We're just talking mostly about appearance here, right?

CITY MANAGER WEISS responded it's both. We had a study done several years ago that identified some structural deficiencies with the metal bracing. We obtained a grant and then used some Redevelopment money to do the majority of the bracing. What's left now is the decking. The Council has been setting aside approximately $100,000 a year over the last 7 or 8 years for that. Part of the issue is if you go out to the pier you can see incremental improvements with the decking being replaced. The community is looking for us to just get it done.

COUNCILMEMBER FELEIN thinks our pier is integral to our image and part of our attraction as a tourist destination. He would want it maintained at any level needed in order to stay open.

Regarding updating the developer impact fees, don't we go into a process every one or two years under Proposition 218 where we make sure the impact fees match the impacts and that they are supposed to be revenue neutral?

CITY MANAGER WEISS responded the fees that you have raised over the last few years have been our service fees, which are the costs of providing individual services. The only fee that we looked at was our thoroughfare fee. We have not comprehensively looked at all of the impact fees, which include traffic signals, thoroughfare and park fees. We did a study to raise those fees to partially pay for a portion of El Corazon – the community facilities fees. He believes we are looking at some of those fees incrementally over the next year, but we have not planned on doing a wholesale update of those fees. If that's a priority for Council, then it would be a staff-driven issue.

COUNCILMEMBER FELIEN has always supported the private sector, but he's also always said that development has to be self-supporting and not subsidized by the City. He wants to make sure it is self-supporting. If we have a discrepancy, he wants to make sure that gets met.

Street maintenance is top on his list. When he first came onto Council, we had a vote on the issue because we had fallen behind on our SANDAG requirements and were going to ramp up over time. Are we on schedule to be on board for all our SANDAG requirements in order to continue to receive the funding we get there?

CITY MANAGER WEISS responded we are.

DEPUTY MAYOR FELLER asked if we reduce the Council Aides to 33 hours, will they actually be in the office 33 hours. We hear an awful lot from the outside that nobody is ever in the office. A 33-hour job goes to the office and works. Maybe 25 hours is better suited. What does restore after-school mean? Do we do after-school programs now?

CITY MANAGER WEISS responded we sponsored several agencies that provided after-school programs at our recreation centers.

DEPUTY MAYOR FELLER asked if we're already doing that.

CITY MANAGER WEISS responded some of them have been reduced. He doesn't know if they've been eliminated, but we did reduce funding for a number of those agencies.

MARGERY PIERCE, Housing and Neighborhood Service Director, stated we've had to reduce funding for the after-school programs because they were funded with CDBG money, which has been reduced. We also closed 2 of the resource centers that both had after-school programs.

DEPUTY MAYOR FELLER stated maintaining what we have is key for him. Fireworks are a high priority American cultural item, so we should look at that going forward. He's not sure how to fill the need there.

COUNCILMEMBER KERN stated the Rancho del Oro interchange, Melrose extension and senior center kitchen are CIP projects. All of the rest are operational General Fund projects. Are we looking for direction on CIP or just for the General Fund budget?

CITY MANAGER WEISS responded yes. You have community input that says stop work on Rancho del Oro and Melrose. If that's the will of the Council, then that would be done.

COUNCILMEMBER KERN stated we're not going to stop work on those; we're too far down the road. Other than leaving Rancho del Oro in the Circulation Element, we're not doing anything with it, so we need to leave it in the Circulation Element. With the Melrose extension, we're going to do the engineering and then nothing is going to happen for a year on that. Where are we on the senior kitchen in the CIP budget? Is

that something to be put on here to then find grant funding for it?

CITY MANAGER WEISS responded CIP funds are derived from development impact fees. The senior center is not part of any CIP program, so there would not be funds for that at this point. We would have to use either grant money or General Fund money to build the kitchen, which was estimated at about $750,000. The problem was the senior nutrition program that is currently at the Country Club Senior Center could not relocate to the El Corazon Senior Center.

COUNCILMEMBER KERN stated then the kitchen has no benefit because that was the big thing about having the senior nutrition program.

CITY MANAGER WEISS stated a kitchen at El Corazon would be used for weddings, events, etc. You could have a nutrition program, but you could not replace the existing nutrition program currently at the Country Club Senior Center to the El Corazon Senior Center.

COUNCILMEMBER SANCHEZ would be opposed to closing the Country Club Senior Center. It provides a lot of services for seniors on this side of the City. This is a large City.

DEPUTY MAYOR FELLER sent something to the Deputy City Manager about somebody that was willing to work on a magazine for the City at no cost to the City. He doesn't know if that ever happened, but that's a good source of communication for the City and the residents. Restoring after-school programs is not something he's supportive of, or the suggestion to stop wasting money on Rancho del Oro and Melrose. He'd love to have the kitchen at El Corazon. There has to be some way to pay for it, but unfortunately that isn't the case right now.

MAYOR WOOD reminded everyone that this is the public telling Council what they want. We're all in favor of developing a balanced budget. As far as using reserves, we have to use them when we need them. Building reserves is an interesting aspect. Lately, we've lost some people who actually supply services to the people as well as directors. They're nervous about outsourcing and the economy.

Regarding Rancho del Oro and Melrose, we're not going to get either one of those, but we're pumping another $1,400,000 into studying the Melrose extension, which cannot be done unless you have a 4/5 vote to eliminate all the houses. We're spending a lot of money that could be used on other issues. The public is talking again, and no one is listening. Melrose and Rancho del Oro should be removed, but he noticed it was put on the budget to go back to Washington D.C. to get money for Melrose. That will probably cause us problems with all of our funding back in Washington D.C. It will hurt us in the long run.

Regarding eliminating Aides, we've talked about this before. A while back he suggested going back to how it used to be where there was one Aide for the Mayor and another Aide for the rest of the Council to share. Nobody was interested in that. We are busy, and the public needs to try to understand that. If they want immediate responses from Councilmembers or the Mayor, they're going to have to have an Aide.

He agrees with reducing consultants; it's a big cost. He would love to have the kitchen done at the senior center, but it's not on his priority list right now. We have one in town. The after-school programs help everyone. If the money is there it should be used for that and for restoring library hours. He can't support fireworks at this time, but maybe sometime down the road. We had some real crime issues, so it's not a priority for him unless someone else is going to fund it. We need to keep up the pier maintenance and update the developer impact fees. He's in favor of the street maintenance as well. We're doing our best.

Regarding getting information to the public, we have a weekly and a daily newspaper, and they do okay. We could really use Public Information Officer, but it's a cost factor. If we don't hire new people, we need to designate people in each department to handle that.

CITY MANAGER WEISS heard some discussion about eliminating red light cameras and a citizen's survey. He's not sure if Council wants to include those or not at this point.

COUNCILMEMBER KERN responded yes.

DEPUTY MAYOR FELLER would like to eliminate the red light cameras and have the survey done.

CITY MANAGER WEISS stated your action today isn't going eliminate the red light program. It's going to be included as a budget item that staff will be bringing back to Council through that process.

CITY ATTORNEY MULLEN pointed out that if Council did affect a convenience for termination in the next fiscal year, there would be a cost associated with that. There could be a budgetary impact if you did it this year. If you did it in 2015, there would be no cost.

CITY MANAGER WEISS will get that information if that's a priority for Council.

MAYOR WOOD would like to get the Police Department's input on that because it impacts safety, accidents and people's lives.

COUNCILMEMBER SANCHEZ is for elimination of the red light cameras. They haven't worked. We don't have the number of accidents that are required to have them around. The contract anticipated having a significant number of these all over the City, and it's already not paying for itself. She wants to make sure that no more get added and then have it eliminated.

As to the survey, she doesn't know how many times we have surveyed our community, but it seems like we want to keep surveying until we get the answers that the majority would like to hear. It's not going to happen, so that's a waste of valuable dollars. We have these surveys every 2 years when we have elections. We had a huge number of people vote for the Mayor as our City's leader, yet we're ignoring it. A survey is a waste of valuable dollars that could go to a program.

MR. LETCHER stated the only items that you may want to take off the list are fireworks, Melrose, Rancho del Oro, the senior center kitchen and the skate park that you've already done.

CITY MANAGER WEISS stated it would also include reducing or eliminating Aides. He heard at least 3 Councilmembers say they are not in favor of completely eliminating them.

COUNCILMEMBER SANCHEZ thinks we're wasting a lot of money on Rancho del Oro and Melrose. In less than 2 years we're going to have another election and it's going to be over. Not only is it over because we don't have a super majority that wants to forcibly take property away from 14 separate property owners, there is also the question of a 3-acre park. There is a roadway that goes from Highway 78 to Highway 76. We would have to do traffic calming, and it would be extremely expensive. It is not a project that we need. It's $30,000,000. We're already wasting a lot of money on it, and she would keep elimination of that on the list.

MAYOR WOOD would also.

CITY MANAGER WEISS has heard 2 Councilmembers supportive of a survey.

MAYOR WOOD is not supportive of a survey. It's a waste of time. The election accomplished that. Surveys can be manipulated either way.

COUNCILMEMBER FELIEN doesn't want to take it off the list. It may become a priority like traffic calming.

CITY MANAGER WEISS stated with that, given Council's input in regards to the budget priorities, we have tentatively scheduled your first budget workshop for February 20th. We should have the preliminary 5-year forecast available within the next week. As part of that workshop, we'll evaluate all of the priorities that Council has identified and try to assign some costs to them. With that, we would evaluate your overall budget direction and these priorities as they fit within your strategical priorities that you just went through.

MAYOR WOOD added this is the public talking to us. One of the Mayor's priorities is our water. It keeps going up double digits every year. He'd like to see us strive to get self-reliance on the water. We're going back to Washington D.C. to ask about those things.

COUNCILMEMBER KERN thinks it was the Mayor's idea to be 50% water independent by 2030. That was in our last strategic planning session out at the wastewater treatment plant. It is one of our long-term strategic goals that we need to continue with. We're starting to look longer term on how we recycle waste water into the purple piping, etc.

MR. LETCHER stated there is a great group of citizens here and it's a great community with a lot of potential.

ADJOURNMENT

MAYOR WOOD adjourned this meeting at 4:41 PM on Wednesday, January 23, 2013. [The next regular meeting is on Wednesday, January 30, 2013, at 2:00 PM]

ACCEPTED BY COUNCIL:

_____

Zack Beck
City Clerk, City of Oceanside