



# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT  
AGENCY, PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY

## AGENDA

### Joint SPECIAL Meeting

Wednesday, May 6, 2020 \* 4:00 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California

This meeting will be conducted in accordance with Governor Newsom's

Executive Order N-29-20 related to the COVID-19 virus.

#### PUBLIC MEETING ACCESS

##### Live Broadcast on Local Government Channel, Live web-streaming, and Archived videos online.

The Regular Meetings of the City Council are scheduled for the 2nd and 4th Wednesdays and are broadcast live on Cox Communications-Channel 19, Spectrum(Time Warner)-Channel 24, and AT&T Universe Channel 99. The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City's [Public Meetings](#) webpage.

#### MEETING LOCATION WILL NOT BE OPEN TO THE PUBLIC.

Due to the Executive Order to stay home, in person participation at City Council meetings will not be allowed at this time. In accordance with the Executive Order to stay home, there will be no members of the public in attendance at Council Meetings. Alternatives to in-person attendance for viewing and participating in City Council meetings are being provided under Public Participation.

#### AGENDA MATERIALS

A full City Council agenda packet including relative supporting documentation is posted online [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org) Closed Session Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings.

#### PUBLIC PARTICIPATION

\* Written correspondence regarding an agenda item at an open session meeting should be submitted to the City Clerk's Office at [EMAILGRP-CityClerksOfc@cosb.org](mailto:EMAILGRP-CityClerksOfc@cosb.org). Correspondence received after the official posting of the agenda, but before 12:00 p.m. on meeting day, will be distributed to Council and made available to the public online among with the agenda posting. The designated location for viewing public documents is the City's website [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org)

#### SPECIAL ASSISTANCE NEEDED - AMERICAN DISABILITIES ACT TITLE 2

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office (858) 720-2400 [EMAILGRP-CityClerksOfc@cosb.org](mailto:EMAILGRP-CityClerksOfc@cosb.org) at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the Council Chambers.

#### CITY COUNCILMEMBERS

Jewel Edson, **Mayor**

Judy Hegenauer, **Deputy Mayor**

Kristi Becker, **Councilmember**

Kelly Harless, **Councilmember**

David A. Zito, **Councilmember**

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

## **CALL TO ORDER AND ROLL CALL:**

## **CLOSED SESSION REPORT:**

## **FLAG SALUTE:**

## **APPROVAL OF AGENDA:**

## **ORAL COMMUNICATIONS:**

*Written correspondence may be submitted for Oral Communications. See Public Participation on the front page for information on how to submit public comment.*

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business but not appearing on today's agenda. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment submittals. Council may refer items to the City Manager for placement on a future agenda.

## **COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.*

## **A. CONSENT CALENDAR:** (Action Items) (A.1. - A.3.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting written correspondence City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

### **A.1. Minutes of the City Council.** (File 0300-30)

Recommendation: That the City Council

1. Approve the Minutes of the City Council Meetings held December 5, 2018, December 17, 2018, May 22, 2019, September 16, 2019, November 13, 2019 and November 20, 2019.

### **[Item A.1. Report \(click here\)](#)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

### **A.2. Emergency Paid Sick Leave Due to Coronavirus.** (File 0520-00)

Recommendation: That the City Council

1. Approve **Resolution 2020-046** adopting the side letter agreements with Solana Beach Fire Association (SBFA), Marine Safety Employee Group and the Public Works employees.

### **[Item A.2. Report \(click here\)](#)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**A.3. Continuing the Proclamation of Existence of a Local Emergency Related to COVID-19.** (File 0240-00)

Recommendation: That the City Council

1. Consider adoption of **Resolution 2020-056** to continue the Proclamation of the Existence of a Local Emergency related to COVID-19.

[Item A.3. Report \(click here\)](#)

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**C. STAFF REPORTS: (C.1. – C.2.)**

**C.1. Chandler Asset Management Quarterly Update.** (File 0350-44)

Recommendation: That the City Council

1. Accept and file the Chandler Asset Quarterly Investment Report for the quarter ended March 31, 2020.

[Item C.1. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**C.2. COVID-19 Budget and Work Plan Discussion.** (File 0330-30)

Recommendation: That the City Council

1. Receive this report and provide direction as necessary to Staff.

[Item C.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**WORK PLAN COMMENTS:**

*Adopted June 12, 2019*

**COMPENSATION & REIMBURSEMENT DISCLOSURE:**

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency "City" at the next regular meeting of the legislative body.

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

- a. City Selection Committee (meets twice a year) Primary-Edson, Alternate-Zito
- b. County Service Area 17: Primary- Harless, Alternate-Edson
- c. Escondido Creek Watershed Authority: Becker /Staff (no alternate).
- d. League of Ca. Cities' San Diego County Executive Committee: Primary-Becker, Alternate- Harless and any subcommittees.
- e. League of Ca. Cities' Local Legislative Committee: Primary-Harless, Alternate-Becker

- f. League of Ca. Cities' Coastal Cities Issues Group (CCIG): Primary-Becker, Alternate-Harless
- g. North County Dispatch JPA: Primary-Harless, Alternate-Becker
- h. North County Transit District: Primary-Edson, Alternate-Becker
- i. Regional Solid Waste Association (RSWA): Primary-Hegenauer, Alternate-Becker
- j. SANDAG: Primary-Zito, 1<sup>st</sup> Alternate-Edson, 2<sup>nd</sup> Alternate-Becker, and any subcommittees.
- k. SANDAG Shoreline Preservation Committee: Primary-Hegenauer, Alternate-Zito
- l. San Dieguito River Valley JPA: Primary-Hegenauer, Alternate-Zito
- m. San Elijo JPA: Primary-Zito, Primary-Becker, Alternate-City Manager
- n. 22<sup>nd</sup> Agricultural District Association Community Relations Committee: Primary-Edson, Primary-Harless

**STANDING COMMITTEES: (All Primary Members) (Permanent Committees)**

- a. Business Liaison Committee – Zito, Edson.
- b. Fire Dept. Management Governance & Organizational Evaluation – Harless, Hegenauer
- c. Highway 101 / Cedros Ave. Development Committee – Edson, Becker
- d. Parks and Recreation Committee – Zito, Harless
- e. Public Arts Committee – Edson, Hegenauer
- f. School Relations Committee – Hegenauer, Harless
- g. Solana Beach-Del Mar Relations Committee – Zito, Edson

**ADJOURN:**

***Next Regularly Scheduled Meeting is May 13, 2020***

*Always refer the City's website Event Calendar for Special Meetings or an updated schedule.*

*Or Contact City Hall 858-720-2400*

[www.cityofsolanabeach.org](http://www.cityofsolanabeach.org)

**AFFIDAVIT OF POSTING**

STATE OF CALIFORNIA }  
 COUNTY OF SAN DIEGO } §  
 CITY OF SOLANA BEACH }

I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the May 6, 2020 Council Meeting was called by City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, and the Housing Authority of the City of Solana Beach, California, was provided and posted on April 30, 2020 at 5:40 p.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 4:00 p.m., May 6, 2020, in the Council Chambers, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk \* City of Solana Beach, CA

**CITIZEN CITY COMMISSION AND COMMITTEE MEETINGS:**

***Regularly Scheduled, or Special Meetings that have been announced, are posted on each Citizen Commission's Agenda webpage. See the [Citizen Commission's Agenda webpages](#) or the City's Events Calendar for updates.***

- **Budget & Finance Commission**
- **Climate Action Commission**
- **Parks & Recreation Commission**
- **Public Arts Commission**
- **View Assessment Commission**

# ITEM A.1.

## Minutes of the City Council

December 5, 2018	Closed Session Special Mtg
December 17, 2018	Closed Session Special Mtg
May 22, 2019	Special Mtg – Work Plan/Budget
September 16, 2019	Special Mtg
November 13, 2019	Closed Session Regular Mtg
November 20, 2019	Regular Mtg

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

Joint Meeting - Closed Session

Wednesday, December 5, 2018 \* 5:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Lesla Heebner, Councilmember

Peter Zahn, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 5:00 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesla Heebner, Peter Zahn  
Absent: None  
Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney

### PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY):

*Report to Council Chambers and submit speaker slips to the City Clerk  
before the meeting recesses to closed session.*

### CLOSED SESSION:

#### 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(d)(2)  
Two (2) Potential case(s).

**Action:** No reportable action.

### ADJOURN:

Mayor Zito adjourned the meeting at 6:00 p.m.

Angela Ivey, City Clerk

Approved: \_\_\_\_\_

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## MINUTES

Joint SPECIAL Meeting

Wednesday, December 5, 2018 \* 6:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The [video](#) recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Lesia Heebner, Councilmember

Peter Zahn, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Deputy Mayor Zito called the meeting to order at 6:10 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesia Heebner, Peter Zahn

Absent: None

Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney  
Angela Ivey, City Clerk,  
Dan King, Assistant City Manager  
Mo Sammak, City Engineer/Public Works Dir.  
Marie Berkuti, Finance Manager  
Joe Lim, Community Development Dir.

CLOSED SESSION REPORT: None

FLAG SALUTE:

APPROVAL OF AGENDA:

**Motion:** Moved by Councilmember Zahn and second by Deputy Mayor Edson to approve.  
**Approved 5/0.** Motion carried unanimously.

ORAL COMMUNICATIONS: None

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action

shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

**COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.*

**A. CONSENT CALENDAR:** (Action Items) (A.1.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

**A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the City Council Meetings held July 10, 2018, July 11, 2018, and September 26, 2018.

Approved Minutes [http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B\\_BASIC](http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B_BASIC)

**Motion:** Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. **Approved 5/0.** Motion carried unanimously.

**B. PUBLIC HEARINGS:** (B.1. – B.2.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

**B.2. Public Hearing: Fiscal Year 2019-2020 Community Development Block Grant Funds – ADA Pedestrian Ramp Improvements.** (File 0390-32)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the public hearing, Report Council disclosures, Receive public testimony, Close the public hearing.
2. Adopt **Resolution 2018-149:**
  - a. Finding that the funding request and project implementation are exempt from the California Environmental Quality Act pursuant to the State CEQA Guidelines.
  - b. Approving the list of public street ADA ramp locations.



- c. Requesting FY 2019-20 Community Development Block Grant Funds for ADA pedestrian ramp improvements at various public street intersections listed in Attachment 1, Exhibit
- d. Finding that all of FY 2019-20 CDBG funds, presently estimated at a total of \$70,000, are designated to be used for ADA pedestrian ramp improvements.
- e. Authorizing the City Manager to execute the County contract for management and implementation of the CDBG program.

[Item B.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Mayor Zito opened the public hearing.

Greg Wade, City Manager, introduced the item.

**Motion:** Moved by Councilmember Heebner and second by Councilmember Zahn to close the public hearing. **Approved 5/0.** Motion carried unanimously.

**Motion:** Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. **Approved 5/0.** Motion carried unanimously.

**B.1. Public Hearing: Consideration of a Final Environmental Impact Report (FEIR), Development Review Permit (DRP), Structure Development Permit (SDP), Vesting Tentative Parcel Map (VTPM), and an Affordable Housing Agreement to redevelop an existing 13.4 acre site, consisting of the demolition of 198 residential units and construction of a 260 residential unit project, that includes 32 senior affordable units, 10,287 square feet of clubhouse/leasing office space, 261,266 square feet of landscaped area, 65,434 square feet of open space, and 525 on-site parking spaces located at 661-781 South Nardo Drive and 821 Stevens Avenue in the High Density Residential (HR) Zone. (File 0600-40)**

The proposed Project meets the minimum objective requirements under the SBMC, can be found to be consistent with the General Plan and the LCP (Local Coastal Plan) LUP (Land Use Plan), and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP (Development Review Permit), SDP (Structure Development Permit) and VTPM (Vested Tentative Parcel Map). Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the public hearing, Report Council disclosures, Receive public testimony, Close the public hearing.
2. Consider certification of the FEIR and adoption of **Resolution 2018-131**
3. If the City Council certifies the FEIR and makes the requisite Findings of Fact and approves the project or an alternative, adopt **Resolution 2018-132** conditionally approving a DRP, SDP and VTPM, for the Solana Highlands project, consider approval of the fee waiver, density bonus and development standards waivers, for a residential community and affordable senior housing project, at 661-781 South Nardo Drive and 821 Stevens Avenue, Solana Beach.

[Item B.1. Report \(click here\)](#)

[Item B.1. Updated Report #1 \(Updated 12-5 at 510pm\)](#)

[Item B.1. Supplemental Items \(Updated 12-5 at 510pm\)](#)

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Mayor Zito introduced the item and explained that the project was a DRP and SDP for a large project that had gone through the view assessment process resulting in a recommendation that it go to Council as well as a few claimants appealing some view assessment commission decisions.

Mayor Zito opened the public hearing.

Council Disclosures.

Councilmember Zahn disclosed that he serves on the Board of Advisors of the Zahn Innovation Platform at San Diego State University with Mike Neil, president and CEO of H.G. Fenton, who is the Applicant for this project. He said that when this project came before Council in 2015 he sought an opinion from the Fair Political Practices Commission (FPPC) regarding participation on this project. He stated that the FPPC legal counsel provided an advice letter finding that his service on the advisory board with Mr. Neil was not a financial interest in the project and did not constitute a conflict of interest under FPPC regulations; therefore, he was qualified to participate on hearing the project. He said that he agreed that he could be fair and impartial in discussing the project and that a copy of the advice letter was on file with the City Clerk.

All Councilmembers disclosed their familiarity with the project and site.

Greg Wade, City Manager, introduced the item and presented a PowerPoint (on file) reviewing each of the Claimants viewing areas.

John LaRaia and David Gatzke, H.G. Fenton, Applicant, presented a PowerPoint, reviewing the modifications made due to Claimants concerns of view impairment including lowering the pads certain buildings, removal of building 3, shifted certain buildings, removal of units, relocation of units, reduced some two-story units to one-story, changes to roof structures to reduce height, providing privacy screening with landscaping,

Dr. Michael Nunn spoke about the changes, the encroaching buildings, all the vegetation that would be removed for driveways, had a panoramic view that would have rooftops and buildings, and that he said he was asked if he was a claimant and said yes when he submitted a speaker slip and did not expect to be speaking at this time.

John Wilson (VAC claimant) presented a PowerPoint (on file) reviewing the projects effect on the community, his primary viewing area was from his courtyard and office, the green space in his view corridor would be removed, the Applicant had lowered the heights and addressed some traffic calming needs, his willingness to give up half of his view, the proposal would remove more than 50% of his view, his request for another 18 inches as requested before, and a request of a vegetation plan to protect the modified views for the life of the project.

Dana Flach (VAC claimant) spoke about her concerns of the new proposal including her loss of privacy, no communication had been initiated by Fenton to discuss any issues regarding her claim since 2015, reduce the 10,000 sq. ft. leasing center, remove part of building 15 looking down on her bedroom window, to leave the Acacia tree next to her since its removal would expose only buildings in her view area and cause noise and pollution, and her support for other concerns of traffic, density and mass.

Greg Wade, City Manager, continued the PowerPoint (on file) reviewing the affordable housing and senior affordable housing, an agreement of limiting rentals to lower incomes and an annual third party income and rent certification submitted to the City, the density bonus regulations and waivers, the development standards waiver requests, fee waivers which were analyzed by the City's consultant, the development review findings, landscaping conceptual plan, the Environmental Impact Report findings that there were no significant unavoidable impacts identified, the offsite improvements for pedestrian and vehicular safety surrounding the site, traffic calming measures, and public art program options.

John LaRaia and David Gatzke, H.G. Fenton, Applicant, presented a PowerPoint, reviewing the project modifications and stated that it was a new residential community that would house approximately 4% of the Solana Beach population, the benefits of revitalizing Solana Highlands, the history of work on the project and the overall concerns that were regarding height, their mitigation efforts, addressing parking and traffic issues, improving walkability and bike-ability, use of reclaimed water, energy efficiency, landscape buffers, solar infrastructure, electrical vehicle charging stations, and various other benefits to the project and the surrounding area.

Mayor Zito adjourned the meeting at 8:15 p.m. for a break and reconvened at 8:25 p.m. community and that the changes to the project since 2015 were reasonable and beneficial.

David Logn spoke about working on Stevens Ave., the huge problem with affordable housing in North County, and the project answering the affordable housing needs of the City.

David Long said he works in the real estate business on Stephens, supports the project, said we have a shortage of affordable housing especially along the north coast of San Diego, that the project meets this need.

Casey Gaunt spoke about support for the project, concerns about the current traffic and parking on Nardo, the proposed onsite parking and traffic calming measures would be safer for the community, that he had recently retired from H.G. Fenton who cared about the communities that they invest in, and that he supported the revitalization of the project.

Thomas Kaiser (time donated by Mark Wells) spoke about talking to many long-time residents of Solana Beach, residents having challenged the County regarding the development of the current apartments which resulted in the granting of an open space easement in exchange for the right to develop in 1970, the easement clearly being intended for open space and that Solana Beach took custody of it at the City's incorporation, Council having full authority over the easement, the EIR (Environmental Impact Report) not addressing the abandonment of the open space easement, the project having been improved, abandonment of the open space easement was bad, the improvement and benefit

of the site begin redeveloped, reducing bulk and mass, revisiting the \$500,000 fee waiver, different parts of the property being purchased at different times and for different amounts which may affect the fee, the Applicant's history of charging for parking, and not allowing monetization of parking on public streets for the Applicant's benefit.

John Wilson (time donated by Linda Williams) spoke about finding an explanation of the 57% increase in open space, finding out where the exact space was located, support for revitalization, and the project still being too big.

Cathy Tyre spoke about the project being too large for the City, the project exacerbating the existing traffic congestion, the Housing Element identifying sites for 280 low income units which was higher than the 150 required units, waivers could not be provided for so many affordable housing units, the structure being placed on the slope on Bay Meadows Way, decreasing the number of units, noise, traffic, and overcrowding, and urged Council to maintain the feel of current neighborhoods and maintain current views.

Silvia Stephens spoke about being one of the original view claimants three years ago, H. G. Fenton had made improvements, concern about the increase of 62 units that would have an impact on the environment and traffic, the size of the buildings were out of character with the feel of the small Solana Beach community, the nuisance of ongoing construction, workloads being shortened to five days a week and completing the project in two years, paying for the dirt cleanup on the properties resulting from construction dust, mature trees being added in place for those that were removed, reconsidering the scale and size of the project, and considering how the project would affect the community.

Mitch Williams (time donated) spoke about the project being too large and dense for the area, the noise, privacy, and traffic and safety issues in the area, the open space easement should be recognized and protected, limiting construction hours, restricting construction on Saturdays, and remodeling the current project rather than creating a new development.

Erin McKinley spoke about the project being 600 ft. from her home, the project being a benefit to the community, it being unrealistic to patch and paint a nearly 50 year old structure for the amount of wear and tear to service thousands of people in the future, Fenton following State density bonus laws in building affordable housing, the project providing the City a future stable supply of rentable housing, the Applicant's improvements on Nardo by reducing the number of entrances and exits, curb roll-outs and a crosswalk, Fenton could actualize the necessary affordable housing units required by state mandates, and encouraging Council to approve project.

Joe Kuviallo (time donated by Emily Bierman) spoke about being President of Turfwood Homeowners Association, the new proposal was a preferred design to the 2015 project, concerns about traffic calming measures also needed at the entrance to Turfwood, residents parking on Nardo if ample parking was not provided or garages were used for storage instead of parking, developing the project in a single-phase, the current landscape still required more work to protect privacy, screen for privacy, and look natural, decreasing total units to mitigate some of the issues, Council making a decision for residents to gain a quality of life and others to lose some quality of life, the size of buildings 15 and 16 were still especially imposing reaching so closely to the 25-foot buffer, and requesting that Council

reject the project until key changes were made that were acceptable to the community.

Susan Munkin spoke about the major current traffic issues at Fresca St. and Fresca Ct. which was a turnaround for many travelers, there not being enough parking for the units, lack of monitoring of how many people live in each unit which increases parking when it might be as many as 10 different individuals per individual unit, to limit the number of people per unit, limit parking to the garages, and all other parking to be onsite.

Tom Golich (time donated by Mike Kimberland) spoke on behalf of Saint James Parish and Academy where he served as the Parish Finance Council Chair, a portion of the project encroaching onto the school campus and parish directly west of the project, the EIR's Volume 1 Oct 2018 was not in agreement with the City's findings, not being compliant with CEQA, impact of construction noise and pollution on the children and teachers during school and the parishioners during morning prayer, the economic impact could be significant due to children leaving school while residents were relocating, requesting that the EIR not be certified, that the DRP, SDP and VTPM not be approved until further analysis be performed and additional communications be held between City Staff and the developer, and the letter he submitted to Council for the record.

Linda Brewbaker spoke about being one of the original claimants in 2015, not receiving any communications about new remodeled project, the project being too large and not fitting in with the community, concerns about construction noise, the current traffic problems would only get worse, the Applicant charging for parking would only cause residents to park on the surrounding neighborhood streets, the proposal would set a precedent for the community, the number of waivers being granted would inspire other apartment communities to do the same type of expansion, her request that Council consider the precedent setting that could not be

Colin Kenny spoke about living on Brookdale Place for six years, support for the project, the 50-year-old building's mold problems and other issues, and approving the update of this property.

Alan Jones spoke about being a San Marcos resident, and a principal in a landscape resource company, the landscape plan showed removal of mature trees and replacing them for a 2 to 1 ratio, shrubbery screening, and Fenton's good plan for landscaping of this project.

Stacie Greene spoke about living in Solana Beach with her family but that her daughter had to move away because Solana Beach was not affordable, the high rental prices would prevent people from staying in the area and cause multiple people to live in one unit, and she appreciated the developer's ongoing efforts to make this project a good and affordable project for Solana Beach residents.

Colin Parent said he was the Executive Director and General Counsel at Circulate San Diego that operated a region-wide program called Mobility Certification, the program certifies good projects that would contribute to healthy, safe, and affordable transit systems, and he was supportive of the project and its additional resources in the region for needed housing.

Fernando Landa spoke about growing up in Solana Beach and moving away due to the lack of affordable housing options. He said that project's focus on environmental quality for the

City included electric vehicle charging stations, solar, 6.5 acres of landscaping or open space, greenhouse gas emission reductions, reclaimed water, storm water protection for the oceans, energy efficiency, and new construction insulation.

Ginger Hitzke spoke about being an affordable housing developer, her serving as a Board member for Circulate San Diego and San Diego Housing Federation, encouraging Council to approve the project, the recently passed California Housing Bills that addressed the housing affordability crisis, and the bills holding local jurisdictions accountable to meet their housing requirements.

Gary Lynes cited a slide of the Staff PowerPoint (on file), and spoke about the proposed project site plans, living on Bay Meadows Way, his main concerns were that it was a 31% increase in density that would impact the City, the development would be clear-cutting all vegetation including trees on the property that were over 50 years old, and the multiple requests for waivers to existing City codes that would set a precedent for future developments. He spoke about the building proximity to the south side of the property along Bay Meadows Way, existing trees being replaced with buildings and balconies, the lack of enough parking for tenants and guests, the excessive six day work construction schedule, increase in traffic, and the project not being consistent with Solana Beach's mission statement and land use policy.

Dr. Michael Nunn spoke about his concern that the project would be affordable to some and not to others, its displacement of the existing residents of the area, seniors and low-income residents would probably not be able to afford the new apartments, and his support for a remodel rather than a rebuild.

Dana Flach spoke about living on Bay Meadows Way near the project, the project having a negative effect on the community if approved as proposed, the units would not be affordable to the residents currently living there, reducing the size of the units, reducing the leasing building size, and the need for more compromise.

June Gottleib spoke about the existing traffic on Via de la Valle and Stevens would be the only entrance and exit ways for the complex, the increase in traffic, and remodeling the existing project to maintain affordability.

Sherry Lions spoke about living on Bay Meadows Way, being one of the original view claimants in 2015, appreciation of the redesign of the height, her concern about the proximity of the apartments in relation to the surrounding homes, the high number of units planned that would result in a loss of privacy, eliminating Buildings 24, 14, 23 and the L part of Building 16 to make more setback of Buildings 15 and 16, reducing the removal of foliage and landscaping, eliminating the potential instability of the sandstone bluff, and designing improvements that would not negatively impact the surrounding neighborhoods.

Jack Gallagher said he was an architect with Dahlin Group on S. Cedros, and spoke about his support of the project, his advocating for mitigating the housing crisis, the design adding beauty to the neighborhood, and the applicant had reached a reasonable compromise.

Bill Canepa spoke about appreciating Solana Beach protecting the character of the

taken back.

Dusty Sorenson spoke about her family and neighborhood being impacted by the project, there only being one ingress/egress from her home which was already a traffic problem with the current apartments, the additional 62 units proposed would equate to at least 124 more cars along Nardo and Stevens Ave., that 233 of the 525 parking spaces were revenue generating garages and 22 are revenue generating covered parking spots, the resulting 255 spots not rented would put 255 cars back on the neighborhood streets, no guarantee that rented garages would be used for cars and not storage, the need to increase the number of free and available parking spaces on site to reduce the impact on the surrounding community, and that City Staff address the active open space easement and how it will be negotiated.

Eric Bruvold San Diego North Economic Development Council (SDNEDC), spoke about employers being challenged with recruiting and retaining employees due to the difficult housing market, Solana Beach and surrounding cities' statistics of jobs vs. housing, employees having to drive further with a lack of affordable housing, this opportunity to add 62 units, and the need to create more housing units due to the economic growth.

Dan Dragland spoke about having lived at Solana Highlands in the past, it exposed to him to his current home at Turfwood, H.G. Fenton being a business and interest in making money which was appropriate, the need for reason and compromise for the number of units and its effect on the community.

Laura Hartnack spoke about Solana Beach homeowners' investments, the revamp of Skyline and the associated construction being a much needed improvement of a local school which revitalized Lomas Santa Fe, living down the street from this project, the project updates would revitalize the neighborhood and improve everyone's real estate value, the improvements for the traffic issues in this area, the City's need to approve good projects.

Paula Warren spoke about how the project may affect the quality of education, the concerns about the project's size, pollution, and traffic.

Nancy Stern spoke about working out of her home as a consultant in a quiet community, concerns for the current parties at Solana Highlands and the way the noise flows into the neighborhoods, concerns with the project's traffic and noise, and support for a smaller footprint project.

Barb Kautz, Goldbarb Lipman, General Counsel, stated this project had over 15% affordable housing which entitled it to a density bonus, the density bonus statute does not give the city any discretion to reduce the density that the developer is entitled to, a separate statute does not allow a city to discriminate against low and moderate income housing so the City cannot reduce the amount of affordable housing in order to reduce the density bonus, the City's own inclusionary ordinance requires 15% affordable housing, state laws requires that a City needs to grant enough waivers of development standards to allow that density to occur on the site, the public's concerns are understandable about the waivers but the laws are intended to restrict the City's ability to reduce density.

Council, Staff, and Consultants discussed the open space easement document brought forth, the City Attorney stating it was not recommending that the city abandon the easement and that the city's own zoning standards be applied to the proposed project.

Matt Valerio, Dudek, City Consultant, spoke about earlier comments made regarding air quality and that said they followed specific guidance of the San Diego Air Pollution Control District as it related to the thresholds for a health risk analysis, identifying a significant noise impact for construction and operation and providing detailed mitigation measures to reduce that threshold, identifying the school as a sensitivity receptor but that residences would have a greater sensitivity receptor since they included the most sensitive members of the public such as pregnant women through midlife who lived in their homes the most impacted to exposure to air contaminants.

Council, Staff, Consultants, and Applicant discussed the Applicant agreeing to additional conditions of approval, concerns about charging for parking, electric vehicle charging stations, construction management, environmental concerns such as asbestos, also discussed setbacks on the property, the use of reclaimed water, the landscape plan, what the market rate will be for the units, and what specific fees would be waived if approved, and requesting a continuance to return to Council with modifications.

**Motion:** Moved by Councilmember Heebner and second by Councilmember Zahn to continue the public hearing to a date certain of December 17, 2018 at 5:00 p.m. **Approved 5/0. Motion carried unanimously.**

**ADJOURN:**

Mayor Zito adjourned the meeting at 9:45 a.m.

Angela Ivey, City Clerk

Approved: \_\_\_\_\_



# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

Joint Meeting - Closed Session  
Monday, December 17, 2018 \* 4:40 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Lesa Heebner, Councilmember

Peter Zahn, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 4:40 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesa Heebner, Peter Zahn  
Absent: None  
Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney

### PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY):

*Report to Council Chambers and submit speaker slips to the City Clerk  
before the meeting recesses to closed session.*

### CLOSED SESSION:

#### 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(d)(2)  
One (1) Potential case(s).

*This item was adjourned from December 12, 2018*

#### 2. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION

Pursuant to Government Code Section 54956.9(d)(4)  
One (1) Potential case(s).

**Action:** No reportable action.

### ADJOURN:

Mayor Zito adjourned the meeting at 5:00 p.m.

Megan Bavin, Deputy City Clerk

Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

Joint SPECIAL Meeting

Wednesday, December 17, 2018 \* 5:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The [video](#) recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
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### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Lesa Heebner, Councilmember

Peter Zahn, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 5:08 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Lesa Heebner

Absent: Peter Zahn

Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney  
Megan Bavin, Deputy City Clerk  
Dan King, Assistant City Manager  
Mo Sammak, City Engineer/Public Works Dir.  
Marie Berkuti, Finance Manager  
Joseph Lim, Community Development Dir.

CLOSED SESSION REPORT: None

FLAG SALUTE:

### APPROVAL OF AGENDA:

**Motion:** Moved by Councilmember Heebner and second by Deputy Mayor Edson to approve. **Approved 4/0/1** (Absent: Zahn). **Motion Carried.**

ORAL COMMUNICATIONS: None

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:

## **B. PUBLIC HEARINGS:** (B.1.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

### **B.1. Public Hearing Continued: Consideration of Resolution Nos. 2018-131 and 2018-132 Certifying the Final Environmental Impact Report and Approving an Application for a Development Review Permit, Structure Development Permit, Vesting Tentative Parcel Map, Affordable Housing Plan, Density Bonus and Waiver of Development Standards, and Fee Waiver for Solana Highlands, a 260-unit residential community including affordable senior housing at 661 - 781 South Nardo Drive and 821 Stevens Avenue (Case # 17-14-29 Applicant: H.G. Fenton).** (File 0600-40)

The proposed Project meets the minimum objective requirements under the SBMC, can be found to be consistent with the General Plan and the LCP LUP, and may be found, as conditioned, to meet the discretionary findings required as discussed in this and the original staff report to approve a DRP, SDP, VTPM, Affordable Housing Plan, Density Bonus and Waiver of Development Standards, and Fee Waiver. Therefore, Staff recommends that the City Council:

1. Conduct the continued Public Hearing: Report Council disclosures, Receive public testimony, Close the public hearing.
2. Consider certification of the FEIR and adoption of **Resolution 2018-131**.
3. If the City Council certifies the FEIR and makes the requisite Findings of Fact and approves the project or an alternative, adopt **Resolution 2018-132** conditionally approving a DRP, SDP and VTPM, Affordable Housing Plan, Density Bonus and Waiver of Development Standards, and Fee Waiver for the Solana Highlands project, consider approval of the fee waiver, density bonus and development standards waivers, for a residential community and affordable senior housing project, at 661-781 South Nardo Drive and 821 Stevens Avenue, Solana Beach.

[Item B.1. Report \(click here\)](#)

[Item B.1. Supplemental Docs \(updated 12-17 at 4:15pm\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

*This item was continued from the December 5, 2018 Meeting.*

Council Disclosures.

Greg Wade, City Manager, introduced the item and presented a PowerPoint (on file).

Ron Blackburn spoke about the existing project appearing dated, the new project plan being an improvement, and that he supported the project.

Adrienne Davenport spoke about living across the street from the project, the blind spots and traffic on South Nardo, cars parked abutting or blocking her driveway, dangerous conditions on Nardo, expanding the proposed traffic calming measures immediately, increasing no-parking areas, and requiring tenant parking to be included in rent to reduce tenants parking on the street.

Mary Hobson spoke about the project having a huge impact on the neighborhood, opposition to the project, concerns about residents parking on Nardo, requiring the project to be implemented in a quick single phase, restricting demolition on Saturdays, and requiring construction be done with adequate safety measures.

Manny Aguilar spoke about supporting the project, addressing affordable housing for the general population, having safety requirements in place, and parking being limited to the property and not on the public street.

Maggie Rintala spoke about traffic and parking concerns, construction and landscaping being constructed in one phase, and the City maintaining fiscal responsibility with the project.

Shawna McGarry spoke about sustainable development in the City, traffic calming measures, and support for the project to provide more housing units in the City.

Cindi Clemons said that neighbors had asked the developer to provide enough parking for tenants and visitors, that converting the 88 unreserved tenant spaces to reserved spaces would not leave enough unreserved parking spaces for tenants and visitors, and that the project should be conditioned to provide the 88 unreserved tenant spaces.

Mitch Williams (time donated by Linda Williams) spoke about many neighbors opposing the project, noise concerns during construction, higher perimeter barriers being installed, tall and mature trees being planted on the south side to mitigate construction noise and dust.

Thomas Kaiser (time donated by Dusty Sorenson) spoke about the open space easement not being addressed in the EIR and that a public hearing should be held for an amendment of the open space easement.

John Wilson (time donated by Nori Nowbahari and Susan Monken) spoke about recent tree trimming of 75% of the vegetation opening the view to the story poles for buildings 12 and 13, parking and traffic on Nardo, opposition to the applicant converting unreserved spaces to reserved spaces, opposing any monetization for parking, and that some traffic calming needed to be implemented to control and improve visibility.

Cathy Tyre spoke about the project being conducted in one phase, restricting Saturday demolition, adding a landscape buffer, parking concerns, and consideration of a three-way stop sign at Fresca and South Nardo.

Linda Brubaker spoke about prohibiting the monetization of parking, noise concerns during construction, and requiring a single-phase construction.

Joe CuvIELLO spoke about traffic issues, a one-phase project, no demolition on Saturdays, opposing the conversion of the 88 parking spaces to reserved spaces, and that if the \$500,000 fee was waived that Council review it at a later time and not make it a condition of this particular approval.

Stacie Greene spoke about the 7:00 a.m. construction start time being changed for this project, and that the trees that would block noise and lights on Stevens were removed without any notice.

June Gottlieb (time donated by Michael Nuun) spoke for her daughter, Dana Flach, about how building 15 would impact her daughter's home if the Acacia tree near her house was removed, the project size being too large in mass and bulk, and concerns about noise, pollution and traffic congestion impacts.

Dan Dragland spoke about parking and traffic issues on Nardo and that it was imperative that Council consider the traffic issues.

John LaRaia, H.G. Fenton, Applicant, (rebuttal time) spoke about the steps he took to reduce the view impairment for Mr. Wilson's property site including lowering the pads across the project site, removal of building 3, lowering the pads on building 12 and 13, shifting buildings 4 and 5 to the east, shifting building 12 to the west to open the view corridor, reducing the height of building 12 to a single-story and reducing the height of the flags by 6 ft., reducing the pitch of the roof on building 13 to reduce building height, and opening up the view corridor to maintain a view of the sky, hillside, and lagoon.

Staff and Council discussed the open space easement, codes requirements for parking and proximity to driveways, street parking, the fee waiver, a rent survey and rent pricing, affordable housing, access to the bio-retention basin and height of the retaining wall surrounding it, removing fencing planned for a park area, and certifying the height of all buildings and structures shown on the plan.

Council and Applicant discussed the senior affordable housing residents and their guests' access to the pool and club house, the time and phasing of the project, noise from the project construction, restricting Saturday rough grading and demolition, dangerous traffic conditions on S. Nardo, traffic calming measures, adding the landscaping and a temporary water line on the southern border of the property prior to the completion of construction, completing the project in one phase, and enhancing notification to a larger area of the community beyond the required 300 ft.

**Motion:** Moved by Councilmember Heebner and second by Councilmember Hegenauer to close the Public Hearing. **Approved 4/0/1** (Absent: Zahn).

Council discussed primary view areas, view impacts, vegetation height limits, and limiting additional heights of buildings.

**MOTION:** Moved by Deputy Mayor Edson and second by Councilmember Heebner to uphold the VAC recommendation to deny the Weber appeal request. **Approved 4/0/1** (Absent: Zahn). **Motion Carried.**

**MOTION:** Moved by Councilmember Heebner and second by Mayor Edson Zito to uphold the VAC recommendation to deny the Flach appeal request. **Approved 4/0/1** (Absent: Zahn). **Motion Carried.**

**MOTION:** Moved by Councilmember Heebner and second to Councilmember Hegenauer to overturn the VAC recommendation as it applied to the Wilson's appeal with the following conditions: limit vegetation height to the top of the story pole flags, lower the height of Building 13 by 6", and prohibit additional height on the southern side of building 13. **Approved 4/0/1** (Absent: Zahn). **Motion Carried.**

Mayor Zito adjourned the meeting for a break at 8:25 p.m. and reconvened at 8:35 p.m.

Council discussed the removal of fencing around the fence-park area, restricting parking for street sweeping, requiring pre-wiring of all garages on-site for electrical vehicle charging, no demolition or rough grading on Saturdays and Sundays, notification of noise abatement for 500 ft. around the project, and that Electric Vehicle (EV) parking be subject to the same overnight parking relaxation of conditions as other onsite parking.

**MOTION:** Moved by Councilmember Heebner and second by Councilmember Hegenauer to approve Resolution 2018-131 approved the EIR and implementing construction in one phase. **Approved 4/0/1** (Absent: Zahn). **Motion Carried.**

**MOTION:** Moved by Mayor Zito and second by Councilmember Heebner to approve Resolution 2018-132 with the following conditions: remove fencing around the fence-park area, adopt conditions for SDP approval as stated above on the Wilson's appeal, require pre-wiring of all garages including attachment 6 by reference outlining the charging station locations, no demolition or rough-grading on Saturdays and Sundays, notification of noise abatement for 500 ft. around the project, project will be constructed in one phase as outlined in the EIR, and Electric Vehicle (EV) parking subject to the same overnight parking relaxation of conditions as other onsite parking. **Approved 4/0/1** (Absent: Zahn). **Motion Carried.**

**COMPENSATION & REIMBURSEMENT DISCLOSURE:** None

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

**STANDING COMMITTEES: (All Primary Members) (*Permanent Committees*)**

**ADJOURN:**

Mayor Zito adjourned the meeting at 8:04 p.m.

Megan Bavin, Deputy City Clerk

Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

### Joint SPECIAL Meeting

Wednesday, May 22, 2019 \* 5:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The [video](#) recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
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#### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Kristi Becker, Councilmember

Kelly Harless, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

#### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 5:13 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Kristi Becker, Kelly Harless

Absent: None

Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney  
Megan Bavin, Deputy City Clerk  
Dan King, Assistant City Manager  
Mo Sammak, City Engineer/Public Works Dir.  
Marie Berkuti, Finance Manager  
Joseph Lim, Community Development Dir.

#### FLAG SALUTE:

#### APPROVAL OF AGENDA:

**Motion:** Moved by Deputy Mayor Edson and seconded by Councilmember Hegenauer to approve. **Approved 5/0.** Motion carried unanimously.

**CLOSED SESSION REPORT:** None

#### **PROCLAMATIONS/CERTIFICATES:** *Ceremonial*

Public Works Month

Mayor Zito presented the proclamation to Mo Sammak and the Public Works Department and proclaimed May 19 through May 25 as Public Works Week in Solana Beach.



**D. STAFF REPORTS:** (D.1. - D.2.)

*Submit speaker slips to the City Clerk.*

**D.2. Council Revisions to Draft Fiscal Year 2019/2020 Work Plan.** (File 0410-08)

Recommendation: That the City Council

1. Review and discuss the modifications to the draft Fiscal Year 2019/2020 Work Plan and direct Staff to return to Council with the final Fiscal Year 2019/2020 Work Plan for approval with the Budget in June 2019.

[Item D.2. Report \(click here\)](#)

[Item D.2. Supplemental Docs \(Updated 5-22 at 12pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Dan King, Assistant City Manager, presented a PowerPoint (on file).

Johnathon and Rebecca Collopy spoke about the growing kindness movement and the City of Solana Beach becoming a City of Kindness, the Mayor signing the Mayor's Pledge, adopting a resolution, starting to recognize citizens, businesses and groups that perform acts of kindness in the community, and adding a webpage to the City website showing that it is a City of Kindness and well as a resource landing page, and a kindness counter.

Council and Staff discussion.

**PROCLAMATIONS/CERTIFICATES:** *Ceremonial*

National Gun Violence Prevention Day

Mayor Zito issued a proclamation declaring June 7, 2019, the first Friday in June, as the fifth national Gun Violence Awareness day.

**D.1. Proposed Fiscal Years (FY) 2019/20 and 2020/21 Budget.** (File 0330-30)

Recommendation: That the City Council

1. Review the FY 2019/20 and FY 2020/21 Proposed Budgets and provide Staff with direction to formulate the budgets for adoption on June 12, 2019.

[Item D.1. Report \(click here\)](#)

[Item D.1. Updated Report #1 \(Updated 5-22 at 5pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item

Marie Berkuti, Finance Manager, presented a PowerPoint (on file)

Council and Staff discussion.

**ADJOURN:**

Mayor Zito adjourned the meeting at 7:56 p.m.

Megan Bavin, Deputy City Clerk

Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

Joint REGULAR Meeting

Wednesday, September 16, 2019 \* 6:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The [video](#) recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Kristi Becker, Councilmember

Kelly Harless, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 6:02 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Kristi Becker, Kelly Harless

Absent: None

Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney  
Megan Bavin, Deputy City Clerk,  
Dan King, Assistant City Manager  
Mo Sammak, City Engineer/Public Works Dir.  
Marie Berkuti, Finance Manager  
Joseph Lim, Community Development Dir.

### FLAG SALUTE:

### APPROVAL OF AGENDA:

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Hegenauer to approve. **Approved 5/0.** Motion carried unanimously.

### PROCLAMATIONS/CERTIFICATES: *Ceremonial*

Bocce Ball  
Mayor Zito proclaimed September 29<sup>th</sup> Bocce Ball Day.

**ORAL COMMUNICATIONS: None**

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

**COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.*

**A. CONSENT CALENDAR:** (Action Items) (A.1.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

**A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the City Council Meetings held April 24, 2019 and May 8, 2019.

Approved Minutes [http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B\\_BASIC](http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B_BASIC)

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Harless to approve. **Approved 5/0.** Motion carried unanimously.

**C. STAFF REPORTS:** (C.1.)

*Submit speaker slips to the City Clerk.*

**C.1. Solana Energy Alliance (SEA) Activities and Operations Annual Report.**  
(File 1010-40)

Recommendation: That the City Council

1. Initiate negotiations with the cities of Carlsbad and Del Mar and other potential partners to prepare a Community Choice Aggregation Joint Powers Agreement.
2. Return to the City Council for the necessary and timely approvals needed to establish and convene a Community Choice Aggregation Joint Powers Authority Board of Directors in time to approve and submit a revised Community Choice Aggregation Implementation Plan to the California Public Utilities Commission by December 31, 2019 in order to launch a Community Choice Aggregation JPA in 2021.
3. Consider restructuring SEA to align goals with the future CCA JPA (50% RPS and 2% generation rate reduction).

[Item C.1. Report \(click here\)](#)

Greg Wade, City Manager, introduced the item and presented a PowerPoint (on file).

Jeff Fuller, The Energy Authority (TEA) continued the PowerPoint (on file) reviewing the financial outlook.

Ty Tosdal, SEA regulatory attorney, continued the PowerPoint (on file) reviewing the regulatory update.

Dan King, Assistant City Manager, continued the PowerPoint (on file) comparing the two JPA options, the City of San Diego JPA option, and the North County Cities JPA.

Greg Wade summarized that now is the time for Council to look at JPA options, initiated negotiations with both JPAs.

Council, Staff and consultants discussed SDG&E's portfolio management issues in regards to exit fees, alternative rate discounts regarding the amount of carbon-free energy, the status of the central buyer concept, JPA comparisons in terms of revenue, the North County Cities JPA could have excess revenue going back to the individual cities.

Cori Schumacher, City of Carlsbad Councilmember, spoke about Solana Beach's leadership in the CCA, the prospect of additional revenues going back to the cities, and the goal of working toward 100 percent renewable energy.

Lane Sharman spoke about maintaining the 50 percent renewable and 75 percent carbon-free energy by joining a JPA, would hate to see Solana Beach regress to 50/50, the difference between renewable and carbon-free, and supported Solana Beach leading the County in emission-free value in its energy content.

Council, Staff, and Consultants discussed the market-driven rate and forecasts, renewable portfolio prices in 2021 if half or three quarters of residents went to the San Diego County JPA or other JPAs, each city in the North County JPA would have a vote versus the weighted vote for the entire agency proposed with the City of San Diego JPA, and the goal towards carbon-free as much as possible.

**Motion:** Moved by Councilmember Becker and second by Councilmember Hegenauer to 1) Initiate negotiations with the cities of Carlsbad and Del Mar and other potential partners to prepare a Community Choice Aggregation Joint Powers Agreement and 2) Return to the City Council for the necessary and timely approvals needed to establish and convene a Community Choice Aggregation Joint Powers Authority Board of Directors in time to approve and submit a revised Community Choice Aggregation Implementation Plan to the California Public Utilities Commission by December 31, 2019 in order to launch a Community Choice Aggregation JPA in 2021. **Approved 5/0.** Motion carried unanimously.

## **COMPENSATION & REIMBURSEMENT DISCLOSURE:**

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency "City" at the next regular meeting of the legislative body.

Deputy Mayor Edson attended the Rail~volution Conference in Vancouver on behalf of NCTD and costs were paid by NCTD.

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (Outside agencies, appointed by this Council)**

**STANDING COMMITTEES: (All Primary Members) (*Permanent Committees*)**

**ADJOURN:**

Mayor Zito adjourned the meeting at 7: 25 p.m.

Megan Bavin, Deputy City Clerk

Approved: \_\_\_\_\_

CITY OF SOLANA BEACH  
SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



# AGENDA

**Joint Meeting - Closed Session**  
**Wednesday, November 13, 2019 \* 5:00 p.m.**

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.

**CITY COUNCILMEMBERS**

**David A. Zito, Mayor**

**Jewel Edson, Deputy Mayor**

**Judy Hegenauer, Councilmember**

**Kristi Becker, Councilmember**

**Kelly Harless, Councilmember**

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

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**CALL TO ORDER AND ROLL CALL:**

Mayor Zito called the meeting to order at 5:03 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Kristi Becker, Kelly Harless  
Absent: None  
Also Present: Gregory Wade, City Manager  
Johanna Canlas, City Attorney

**PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY):** None

*Report to Council Chambers and submit speaker slips to the City Clerk before the meeting recesses to closed session.*

**CLOSED SESSION:**

- 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**  
Pursuant to Government Code Section 54956.9(d)(2)  
Two (2) Potential case(s).
- 2. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION**  
Pursuant to Government Code Section 54956.9(d)(4)  
One (1) Potential case(s).
- 3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9(d)(1)  
Virginia Grigg v. City of Solana Beach (Case 37-2019-00049359-CU-PO-NC)

**NO REPORTABLE ACTION**

**ADJOURN:**

Mayor Zito adjourned the meeting at 6:00 p.m.

Angela Ivey, City Clerk

Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## AGENDA

Joint Meeting - Closed Session

Wednesday, November 13, 2019 \* 5:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.

### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Kristi Becker, Councilmember

Kelly Harless, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 5:03 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Kristi Becker, Kelly Harless  
Absent: None  
Also Present: Gregory Wade, City Manager  
Johanna Canlas, City Attorney

PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY): None

### CLOSED SESSION:

- 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**  
Pursuant to Government Code Section 54956.9(d)(2)  
Two (2) Potential case(s).
- 2. CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION**  
Pursuant to Government Code Section 54956.9(d)(4)  
One (1) Potential case(s).
- 3. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
Pursuant to Government Code Section 54956.9(d)(1)  
Virginia Grigg v. City of Solana Beach (Case 37-2019-00049359-CU-PO-NC)

**NO REPORTABLE ACTION**

### ADJOURN:

Mayor Zito adjourned the meeting at 6:00 p.m.

Megan Bavin, Deputy City Clerk

Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

### Joint REGULAR Meeting

Wednesday, November 13, 2019 \* 6:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The [video](#) recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

#### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Kristi Becker, Councilmember

Kelly Harless, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

#### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 6:08 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Kristi Becker, Kelly Harless

Absent: None

Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney  
Angela Ivey, City Clerk,  
Dan King, Assistant City Manager  
Mo Sammak, City Engineer/Public Works Dir.  
Marie Berkuti, Finance Manager  
Joseph Lim, Community Development Dir.

CLOSED SESSION REPORT: None

FLAG SALUTE:

APPROVAL OF AGENDA:

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

PROCLAMATIONS/CERTIFICATES: *Ceremonial*

Workplace Gender Equity Day



Maria McEneaney spoke about the Commission on the Status of Women and Girls, that the commission represents the cities in the county and advises the Board of Supervisors on the status of women and girls and their needs, and the main issues of concern right now was violence against women, human trafficking and homeless.

Mayor Zito presented a Proclamation for Workplace Gender Equity Day to the Kim Center for its efforts to make San Diego Country a national first model of success for workplace gender equity.

**PRESENTATIONS:** Ceremonial items that do not contain in-depth discussion and no action/direction.

International Kindness Pledge

Mayor Zito made a short introduction and signed the Mayor's Pledge designating the City as a City of Kindness.

Jonathon Collopy spoke about businesses in the City posting flyers the share about World Kindness Day, information posted on the City's website, cited some various efforts by the school districts and Harbaugh Foundation, and reminding everyone to take the opportunity to be kind.

**ORAL COMMUNICATIONS:**

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

Kathleen Lippitt, health practitioner, submitted a handout (on file) spoke about the higher rate of Marijuana usage, preventing teen use of Marijuana, retail stores in the City, storefronts profiting off young people, marijuana businesses advertising to young people on social media, and a study regarding teens who follow marijuana retailers on social media being more likely to use it.

**COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.*

**A. CONSENT CALENDAR:** (Action Items) (A.1. - A.4.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

**A.1. Register Of Demands.** (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for October 05 – October 25, 2019.

[Item A.1. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

**A.2. General Fund Adopted Budget for Fiscal Year 2019-2020 Changes.** (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2019-2020 General Fund Adopted Budget.

[Item A.2. Report \(click here\)](#)

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**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

**A.3. Community Development Agreements** (File 0600-40)

Recommendation: That the City Council

1. Adopt **Resolution 2019-143** authorizing the City Manager to execute a Professional Services Agreement with Hogan Law APC.
2. Adopt **Resolution 2019-144** authorizing the City Manager to execute Professional Services Agreements with Helix Environmental Planning, Inc., Harris & Associates, Inc., Michael Baker International, Inc., The Altum Group, and ESA.

[Item A.3. Report \(click here\)](#)

[Item A.3. Updated Report #1 \(updated 11-13 at 5pm\)](#)

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**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

**A.4. Master Art Policy Compliance – 330 South Cedros Revised Public Art Proposal.**

(File 0600-40)

*This item was pulled from the agenda.*

**B. PUBLIC HEARINGS:** (B.1. – B.5.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

**B.1. Schedule of Fees Update** (File 0390-23)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing; Report Council Disclosures; Receive Public Testimony; Close the Public Hearing.
2. Consider adoption of **Resolution 2019-149** updating the Schedule of Fees effective January 1, 2020.

[Item B.1. Report \(click here\)](#)

[Item B.1. Updated Report #1 & #2 \(Reso Exhibit and Attachment 2\)](#)

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Greg Wade, City Manager, introduced the item.

Mayor Zito opened the public hearing.

Marie Berkuti, Finance Director, presented a PowerPoint (on file).

Council and Staff discussed e-check capability with TRAKiT in the future, current fees going through December, new fees being instituted in January, the facility rental fee being optional if users have their own insurance, the valuation table being set at 2009, and that the bands, in Attachment B, were increased at 2.5%.

**Motion:** Moved by Councilmember Becker and second by Deputy Mayor Edson to close the public hearing. **Approved 5/0.** Motion carried unanimously.

**Motion:** Moved by Councilmember Harless and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

**B.2. Community Development Block Grant Funds – ADA Pedestrian Ramp Improvements Fiscal Year 2020-2021** (File 0390-32)

The proposed project meets the minimum objective requirements under the SBMC, may be found to be consistent with the General Plan and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP and administratively issue a SDP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Adopt **Resolution 2019-146:**
  - a. Finding that the funding request and project implementation are exempt from the California Environmental Quality Act pursuant to the State CEQA Guidelines.
  - b. Approving the list of public street ADA ramp locations.
  - c. Requesting FY 2020-21 Community Development Block Grant Funds for ADA pedestrian ramp improvements at various public street intersections.
  - d. Finding that all of FY 2020-21 CDBG funds, presently estimated at a total of \$44,520, are designated to be used for ADA pedestrian ramp improvements.

- e. Authorizing the City Manager to execute the County contract for management and implementation of the CDBG program.

[Item B.2. Report \(click here\)](#)

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Greg Wade, City Manager, introduced the item.

Mayor Zito opened the public hearing.

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Hegenauer to close the public hearing. **Approved 5/0.** Motion carried unanimously.

Council and Staff discussed combining multiple the anticipated funding, seeking other funds for the improvements, and that the City had targeted the locations at which funds would be used for ADA Ramps.

**Motion:** Moved by Councilmember Harless and second by Deputy Mayor Edson to approve. **Approved 5/0.** Motion carried unanimously.

**B.3. Introduce (1<sup>st</sup> Reading) Ordinance 507 - Floodplain Overlay Zone** (File 0610-10)

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. If the Council could make the findings as required under SMBC section 17.76.070, introduce **Ordinance 507** to amend the Solana Beach Floodplain Overlay Zone (Sections 17.80.020, 17.80.090, 17.80.110, 17.80.120, 17.80.140, 17.80.150 and 17.80.200) of the SBMC.

[Item B.3. Report \(click here\)](#)

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Greg Wade, City Manager, introduced the item.

Council and Staff discussed that the Eden Gardens Substation Pump Station was in the floodplain zone, it was upgraded a couple of years ago, and that it was equipped to handle a one-hundred year flood.

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Hegenauer to approve. **Approved 5/0.** Motion carried unanimously.

**B.4. Public Hearing: 710 W. Solana Circle, Applicant: Hoverman, Case 17-18-29.**  
(File 0600-40)

The proposed project meets the minimum objective requirements under the Park Del Mar Development regulations and the underlying SBMC, could be found to be consistent with the General Plan and could be found, as conditioned, to meet the

discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2019-147** conditionally approving a DRP to allow for the construction of a new 1,997 square foot one-story, single-family residence and garage at 710 West Solana Circle.

[Item B.4. Report \(click here\)](#)

[Item B.4. Supplemental Document\(s\) – Updated 11-12-19 \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Joe Lim, Community Development Director, presented a PowerPoint (on file).

Deputy Mayor Edson recused herself due to conflicts of property within the 500 ft. radius.

Mayor Zito opened the public hearing.

Council disclosures.

Greg Fine, Architect, spoke about the structure being under 16 ft. at approximately 14 ft. high, efforts to establish and maintain the setbacks on the north side of the property at 12 ft., the plant heights would be no higher than 24 inches and the retaining wall would be no taller than 24 inches, the neighbor's views, and their work with surrounding neighbors to make the project compatible with the neighborhood.

Council and Architect discussed the low voltage lighting to be installed on the exterior door on the northern side, homeowner being in agreement if solar was conditioned, considering installing EV charging in the garage, other energy saving additions in the home, the framing of the pad which would stay inside the envelope, confirming that the frame was in conformance with the plans, and the homeowners agreeing to a formal condition of approval.

Tom McGreal spoke about several conditions of the Park Del Mar HOA approval relating to the northern boundary including the landscaping was not specified in the plans or the City's documentation, requesting that Council include the terms of the HOA approval into the development permit so there would be consistency between the two, and believed the Architect was in agreement with the height limitation on the landscaping and fencing.

Council and Staff discussed conditioning the solar requirement and a survey after framing, low voltage lighting, and enforcing the HOA Rules.

**Motion:** Moved by Councilmember Harless and second by Councilmember Hegenauer to close the public hearing. **Approved 4/0/1 (Recused: Edson).** Motion carried.

**Motion:** Moved by Councilmember Becker and second by Councilmember Hegenauer to approve with the following conditions: that the vegetation along the northern wall not exceed 24 inches in height, the fence along the northern boundary will not exceed 42 inches in height, that solar panels will be required and that a survey will be done on the final framing. **Approved 4/1/1 (Noes: Zito, Recused: Edson).** Motion carried.

**B.5. Public Hearing: Mixed Use Development at the Northwest Corner of South Highway 101 and Dahlia Drive, Applicant: Zephyr Partners, Case 17-14-08.**

(File 0600-40)

The proposed DRP condition amendments meet the minimum objective requirements under the SBMC and may be found consistent with the Highway 101 Specific Plan and General Plan. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Receive Public Testimony, Close the Public Hearing.
2. If the City Council makes the requisite findings to approve the request for a SUB/DRP/SDP/CSP Modification, adopt **Resolution 2019-139** to revise specific conditions of approval in Resolution No. 2018-099 as well as modifications to the Mixed Use Development at the Northwest Corner of S. Highway 101 and Dahlia Drive, Solana Beach.

[Item B.5. Report \(click here\)](#)

[Item B.5. Updated Reports \(updated 11-13 at 5pm\)](#)

[Item B.5. Supplemental Docs \(updated 11-13 at 5pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Corey Andrews, Principal Planner, presented a PowerPoint (on file).

Greg Wade, City Manager, stated that Staff prepared additional conditions of approval and some modifications to the building site including landscaping surrounding the right-of-way, types of restaurants, parking garage, vehicle charging stations, and the SCoup (Sand Compatibility and Opportunistic Use Program) permit.

Mayor Zito opened the public hearing and called for Council disclosures.

Council and Staff discussed waiving the SDP if no condition of view impairment existed because of a height change of the front building, that solar panels were are not a requirement in the conditions of approval but were contemplated in the EIR to mitigate for GHG (Green House Gas), Applicant signed a GHG (Green House Gas) reduction the SCoup Program and its impact, due to the content of "fines" in the sandy material, the agreement recommended that it be placed into the nearshore so it could settled by wave action on the beach, that Staff could come up with a timeline for trucking the material to the beach, and that the removal of the mezzanine would create more room for solar panels to cover an expanded second floor but would not create view impairment.

Ryan Herrell, Applicant, Zephyr, presented a PowerPoint (on file) and spoke about the challenges with a new architect, the restaurant square footage being reduced but the actual usable interior and exterior space of the restaurant stayed the same, the Coastal Commission review of the plans and issuance of a permit, the relocation of the residential garage access on S. Sierra to the north where the office building had a ramp, increase of the landscape width throughout the space, the better design and accomplishment of many of the community's goals, requesting reconsideration of Condition 8.a. and b. which is to make the pathway wider for an increase in the landscape buffer around the perimeter of the building, the restaurant height was reduced to slope up towards Highway 101, the awning on the south retail building was removed, the size of the plants were reduced with the same amount of trees and planters, private unit walkways were removed, all residents and guests will park in the subterranean garage, reconsidering the condition for residential parking where the code requires two spaces per two bedroom unit, and to consider increasing the dedicated office space parking from 21 to 29 spaces.

Council, Staff, and Applicant discussed the Solana 101 sign, the lower roof height of 17.5 ft. and heightened pitch and 30 inches lower at another portion, the common area between the office building and apartment building, the greenhouse gas mitigation duration being limited to 30 years, signage for EV parking spaces to be distributed for restaurant, retail and residential spaces.

Gary Martin spoke about concerns that the project created on-street parking problems by not providing as many opportunities to park inside the project garage, that empty EV spaces at other shopping centers push non-EV drivers to park on the street, the significant shortage of current street parking for the condominiums and visitors to the beach.

Council and Staff discussed the 30-year limit for GHG mitigation duration, which would be a standard for the general life of the project that it was used during the EIR review, and the GHG actually came from the mixed-land use of the project.

Mayor Zito recessed the meeting at 9:12 p.m. and reconvened at 9:21 p.m.

Council, Staff, and Applicant discussed that there was no plan for parking garage sensors that would indicate the availability of spots in the garage, parking signage and other parking issues, the reduction of the small walking pathway from 8 ft. to 6 ft., the deletion of a restaurant and retail would impact the community as well as reduce sales tax, that clarity was needed to show that the modified structures would not impact views, reduction of the size of the courtyard, flexibility to the number of spaces applied to each tenant, EV charging in commercial spaces, reduction in affordable housing, no gathering space, the door locations remaining on the units on Dahlia, work on SCOUP, the removal of walkways, the northern half of the project was massive and out of scale, opening up the patios off of the offices as part of the open space and not for private areas for offices.

**Motion:** Moved by Councilmember Harless and second by Councilmember Hegenauer to close the public hearing. **Approved 5/0.** Motion carried.

**Motion:** Moved by Councilmember Harless and second by Councilmember Becker to approve the amended DRP conditions of approval as outlined and defer signage for CAV and EV parking until the applicant and staff can come with the final proposal, changing the language of the Greenhouse gas mitigation to extend for the life of the project. **Approved 5/0.** Motion carried unanimously.

**C. STAFF REPORTS:** (C.1. - C.3.)

*Submit speaker slips to the City Clerk.*

**Motion:** Moved by Councilmember Becker and second by Deputy Mayor Edson to move up the item. **Approved 5/0.** Motion carried.

**C.3. Clean Energy Alliance (CEA) Upfront Costs.** (File 1010-46)

Recommendation: That the City Council

1. Adopt **Resolution 2019-150:**
  - a. Authorizing the City to provide \$150,000 for the City's equal share in upfront costs to develop CEA for FY 2019/2020.
  - b. Authorizing the City Manager to negotiate a no-interest Cost Reimbursement for Member Agency Support Agreement with CEA.

[Item C.3. Report \(click here\)](#)

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Greg Wade, City Manager, introduced the item.

Dan King, Assistant City Manager, presented a PowerPoint (on file).

Council and Staff discussed that the funds would be paid from the general fund, that there was no appropriation or expenditure for the item on the balance sheet because the City was expected to be reimbursed from the JPA, it would be shown as a receivable from other governments, and that the City was confident that the money would be returned in less than 36 months.

**Motion:** Moved by Councilmember Becker and second by Deputy Mayor Edson to approve. **Approved 5/0.** Motion carried unanimously.

**C.1. Proposed Netly Cabinet Locations for Fiber Optic Network in Public Right of Way** (File 1000-10-05)

Recommendation: That the City Council

1. Receive report and provide direction as necessary for the proposed Netly cabinet locations and possible wrapping design options.

[Item C.1. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*



Greg Wade, City Manager, introduced the item.

Mo Sammak, Director of Engineering and Public Works, presented a PowerPoint (on file).

Council, Staff, and Netly Representatives discussed that the artistic cabinet wraps were the last part of the installation and could be picked out at any time, installation of the fibers would take one to two months, the cabinet locations, that in the future each provider would have to be treated the same so another applicant would sign an agreement, Netly would place the fibers and allows other users to use it so the cable and fiber cabinets should be done once, the wraps were not difficult to replace and were an expense, the cabinets would need to be accessed regularly by providers, that the PUC (Public Utilities Commission) has granted Netly access to the right-of-way.

Council discussed the process for picking artistic cabinet wraps, options for notifying the neighborhoods and homeowners to let them pick preferred wrap options in their area.

Council provided direction to Staff regarding using cabinet 1 as a test to have staff work with the property owner regarding location and options for the wrap design.

**C.2. Adopt (2<sup>nd</sup> Reading) Ordinance 506 – Building and Fire Code Updates**  
(File 0250-70)

Recommendation: That the City Council

1. Adopt **Ordinance 506** (2<sup>nd</sup> Reading) amending Title 15 of the Solana Beach Municipal Code.

[Item C.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

**ADJOURN:**

Mayor Zito adjourned the meeting at 11:06 p.m.

Megan Bavin, Deputy City Clerk

Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

### Joint SPECIAL Meeting

Wednesday, November 20, 2019 \* 6:00 p.m.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- City Council meetings are video recorded and archived as a permanent record. The [video](#) recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#)

#### CITY COUNCILMEMBERS

David A. Zito, Mayor

Jewel Edson, Deputy Mayor

Judy Hegenauer, Councilmember

Kristi Becker, Councilmember

Kelly Harless, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

#### CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 6:03 p.m.

Present: David A. Zito, Jewel Edson, Judy Hegenauer, Kristi Becker, Kelly Harless

Absent: None

Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney  
Megan Bavin, Deputy City Clerk,  
Dan King, Assistant City Manager  
Mo Sammak, City Engineer/Public Works Dir.  
Marie Berkuti, Finance Manager  
Joseph Lim, Community Development Dir.

#### CLOSED SESSION REPORT: None

#### FLAG SALUTE:

#### APPROVAL OF AGENDA:

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Harless to approve. **Approved 5/0.** Motion carried unanimously.

#### PROCLAMATIONS/CERTIFICATES: *Ceremonial*

None at the posting of this agenda

**PRESENTATIONS:** Ceremonial items that do not contain in-depth discussion and no action/direction.

## Coastal Frontiers Beach Survey

Greg Hearon, Coastal Frontiers, presented a PowerPoint (on file) regarding the state of the City's beaches and the Shoreline Monitoring Program which consists of beach profile surveys, bluff database work and some UAV or drone based surveys that were conducted in the City.

### **ORAL COMMUNICATIONS:**

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

Tracy Richmond spoke on behalf of the Parks & Recreation Commission regarding the upcoming holiday tree lighting event on Sunday, December 8, 2019.

### **COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

*An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.*

### **A. CONSENT CALENDAR:** (Action Items) (A.1. - A.3.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

#### **A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the City Council Meetings held September 25, 2019 and October 09, 2019.

Approved Minutes [http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B\\_BASIC](http://www.ci.solana-beach.ca.us/index.asp?SEC=F0F1200D-21C6-4A88-8AE1-0BC07C1A81A7&Type=B_BASIC)

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

#### **A.2. Register Of Demands.** (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for October 26 – November 08, 2019.

#### **Item A.2. Report (click here)**

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**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

### **A.3. General Fund Adopted Budget for Fiscal Year 2019-2020 Changes.** (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2019-2020 General Fund Adopted Budget.

#### [Item A.3. Report \(click here\)](#)

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**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

### **B. PUBLIC HEARINGS:** (B.1. – B.2.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

### **B.1. Regional Transportation Improvement Program Amendment** (File 0840-30)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing; Report Council Disclosures; Receive Public Testimony; Close the Public Hearing.
2. Adopt **Resolution 2019-151** approving an amendment to the SANDAG 2018 Regional Transportation Improvement Program (RTIP) list of projects for Fiscal Years 2019 through 2023, to increase *TransNet* funding for the Pavement Resurfacing Project.

#### [Item B.1. Report \(click here\)](#)

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Greg Wade, City Manager, introduced the item.

Mayor Zito opened the Public Hearing.

Council disclosures.

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Hegenauer to close the public hearing. **Approved 5/0.** Motion carried unanimously.

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve. **Approved 5/0.** Motion carried unanimously.

**B.2. Public Hearing: 127-129 North Granados Avenue, Applicant: Granados Avenue Partners, Case 17-17-47.** (File 0600-40)

The proposed project meets the minimum objective requirements under the SBMC, could be found to be consistent with the General Plan and could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP, a SUB and administratively issue a SDP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Sections 15303 of the State CEQA Guidelines;
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2019-109** conditionally approving a DRP, a SDP, and a Minor SUB for condominium purposes, to consolidate two existing legal lots into one legal lot of 14,381 square feet, demolish the existing structures onsite, construct four detached single-family condominium dwelling units, each consisting of two stories with an attached two-car garage and associated site improvements on property on the 127-129 North Granados Avenue, Solana Beach.

[Item B.2. Report \(click here\)](#)

[Item B.2. Updated Report #1 \(Updated 11-20 at 2:40pm\)](#)

[Item B.2. Supplemental Docs \(Updated 11-20 at 5:20pm\)](#)

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Greg Wade, City Manager, introduced the item.

Corey Andrews, Principal Planner, presented a PowerPoint (on file).

Mayor Zito opened the Public Hearing.

Council disclosures.

Council and Staff discussed that the property would be using the tiered floor area ratio of the scaled residential overlay zone, pre-wiring for 15% of the roof area would be dedicated to PV, undergrounding of utilities for individual units, one extra guest parking space would be included but was not required, the rock wall, the fencing and wall heights in the side, rear and front yards, and the concrete pathways for units 1 and 2 extending off of the property line.

Alex Stone, Architect, presented a PowerPoint (on file) and spoke about building a 4-unit building, contributing to the moderate income level homes for the City's housing goals based on square footage and location, additional parking, meeting with neighbors on site to discuss their concerns, redesigning to address privacy and views, installing solar and EV charging in each garage, and including additional energy efficient features that would minimize the impact on the environment.

Council, Staff, and Applicant discussed reducing the driveway space, the guest parking space on the south side of driveway, constraints regarding the fire hydrant and fire hose, restricting roof decks, the HOA managing garden, rain barrels, solar, community areas, permeable pavers to decrease runoff, wood fence, reducing tree heights in the front moving the trash walls to a less noticeable area, the landscaping plan returning to Council, that moderate range pricing would be less than \$2,600 a month, and locked gates to the trash facility.

Jeff Drawdy spoke about his opposition to the proposed project due to its size and mass, four detached units being placed on a sloped 1/3 acre lot, it's incompatibility with other multi-units on the same street, the elevated topography causing the two lower units to tower over all of the homes below, and suggested the project be limited to two units.

Benedict Gross spoke about the lot being too down sloping and looking directly into the backyards of the units below, the architects having reached out to neighbors, and his opposition due to the slope of the lot.

Toni Ramos spoke about drainage issues due to the hardscape of the driveway sloping down, existing septic tanks overflow issues, the maintenance of the spaces between the two fences at her property, and the main concerns being water issues and drainage.

Gary Martin (time donated by Jane Morton) spoke about support for the one-story level project, a potential precedent, opposing parking spaces in the front yard setback, lack of articulation on the large flat exterior walls, the front yard patio area with parking not being consistent with the neighborhood, and the front yard being consumed with hardscape rather than landscaping.

Jeff Goedhuys spoke about his privacy being compromised by the project, the project being too large, not enough shared space, potential problems with drainage, opposition to the project, and scaling back the project to three units.

Alex Stone, Applicant, said that there was only one fence on the rear of the property and a retaining wall for a bio-retention area, the fence was 3 ft. high dividing the common space, and that the area could be landscaped and attractive railing added.

Council and Staff discussed how the detention basin design would alleviate some of the existing drainage and runoff problems and whether it would actually eliminate them.

Brian Ardolino, Pasco Laret Suiter and Associates (PLSA), spoke about their calculations to quantify how drainage was managed, establishing a hydrograph that modeled the storms in the pre-existing and post-fall conditions, and adding a buffer to retain volume in both conditions.

Greg Wade, City Manager, said that the storm water requirements would ensure that the project would not exacerbate a problem that already existed.

Raul Ramos spoke about the drainage concerns and that 80% of water would be lost with the addition of the proposed hardscape.

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Hegenauer to continue the item to a future agenda. **Approved 4/1** (Noes: Becker). Motion carried.

**C. STAFF REPORTS:** (C.1. - C.3.)  
*Submit speaker slips to the City Clerk.*

**C.1. Marine Safety Center – Preliminary Design Options** (File 0730-30)

Recommendation: That the City Council

1. Receive the report and provide input and direction on the design options for improvements to the Marine Safety Center.

[Item C.1. Report \(click here\)](#)

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Greg Wade, City Manager, introduced the item and presented a PowerPoint (on file).

Wayne Holtan and Jon Dominy, Domusstudio Architecture, presented a PowerPoint (on file)

Council, Staff, and Consultant discussed sensitivity to bluff detention devices, the approximate 15% grade percentage in option C, safety concerns of lifeguard vehicles and pedestrians using the same area, the cost perspective between the different options, that option C was more expensive, option C having more public benefit, and that all three options were relatively the same in the set-back from the bluff.

Danny Oliver, state certified geologist, spoke about not compromising bluff stability, mitigation measures for safety, and the public benefit.

Jim Jaffee (time donated by Kristin Brinner) spoke about this location being one place that the City could control whether or not there was a seawall, it being the only natural bluff fully controlled by the City, ensuring that direction complied with the LUP, the set-back and erosion over 75 years, and the workshop discussion regarding recessing the project into the south bluff as a potential buffer to avoid using or needing any kind of armor.

Jason Shook, Marine Safety Captain, and Marine Safety Staff spoke about operational concerns with some of the designs, Staff's constant preventative contacts with the general public regarding bluff proximity, concerns with options B and C regarding the undergrounding cave-like set-up to manage moisture and mold in order to keep equipment dry, the day-to-day operations, and that option A directed the public where to go while Staff had a good view of the beach with open space and no blind spots.

Council discussed that the input of the lifeguards was important, that the safest option was needed, the inclination to go with option A, having the lifeguards work with the architects and designers, maintaining as much of the view as possible, keeping the scale and bulk down, and meeting the lifeguards' basic needs.

## **C.2. Policy for Installation of Speed Cushions.** (File 0860-50)

Recommendation: That the City Council

1. Consider and provide feedback on the proposed Council Policy under which the Council would consider the installation of speed cushions in residential neighborhoods within the City.
2. Consider adoption of **Resolution 2019-107** approving Council Policy XX (to be determined) for installation of speed cushions in eligible residential neighborhoods within the City.

[Item C.2. Report \(click here\)](#)

[Item C.2. Supplemental Docs \(Updated 11-20 at 5pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Mo Sammak, City Engineer, presented a PowerPoint (on file).

Council and Staff discussed that the policy was specific to speed cushion design and effectuating it as a potential traffic calming measure, allowing requests to come forward on a case by case basis as it would be specific to a neighborhood, the average cost of the speed cushions were \$5,000 per location, the 100% buy-in to the speed cushion would only apply to the immediate neighbor or the person whose curb it fronted or the right-of-way adjacent to their property, that 67% of the neighbors would need to sign a petition, that speed cushions did not accommodate the wheelbase of a delivery truck, and funding options,

Sam Kernick spoke about supporting the speed cushions, the near accidents due to speed, many children on Nardo, being a deterrent effect to remind people about pedestrians and parked cars, and that a serious accident or fatality would occur if speeding on South Nardo and in the surrounding area was not addressed.

Gary Martin spoke and said that the policy was more user friendly and that 67% vote should be property owners and not tenants.

**Motion:** Moved by Councilmember Harless and second by Councilmember Becker to approve the item with language modifications to the policy. **Approved 5/0.** Motion carried unanimously.

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Becker to approve continuing to the next item, since it was past 10:30 a.m. **Approved 5/0.** Motion carried unanimously.

## **C.3. Master Art Policy Compliance – 330 South Cedros Revised Public Art Proposal.**

(File 0600-40)

Recommendation: That the City Council



1. Adopt **Resolution 2019-148** approving the proposed art as the fulfillment of the Master Art Policy (MAP) and authorize staff to refund the \$14,250.77 Public Art Fee (PAF) for the private development project once the art has been installed and the final occupancy for the project have been granted.

[Item C.3. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Dan King, Assistant City Manager, presented a PowerPoint (on file).

Council and Staff discussed that the project applicant contacted the City back in October which started the process of going back to the Public Arts Commission to review, a policy that clearly states that the piece should be accepted before it is installed, the community weigh-in, whether the developer should get a refund on the fee since they did not follow the process, that they had only received approval for a mural and the 330 sign, that the sign hasn't been installed yet so in that regard they are compliant, and that they were proposing five different art pieces.

**Motion:** Moved by Deputy Mayor Edson and second by Councilmember Harless to approve accepting the public art proposal to be incorporated into the project at 330 South Cedros Avenue and authorizing staff to refund one fifth of the public art fee. **Approved 3/2. (Noes: Becker, Zito)** Motion carried.

**WORK PLAN COMMENTS: None**

*Adopted June 12, 2019*

**COMPENSATION & REIMBURSEMENT DISCLOSURE: None**

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency "City" at the next regular meeting of the legislative body.

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

**STANDING COMMITTEES: (All Primary Members) (Permanent Committees)**

**ADJOURN:**

Mayor Zito adjourned the meeting at 10:57 p.m.

Megan Bavin, Deputy City Clerk

Approved: \_\_\_\_\_



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 6, 2020  
**ORIGINATING DEPT:** Human Resources Department  
**SUBJECT:** **Council Consideration of Resolution 2020-046 to Ratify Side Letters for Emergency Paid Sick Leave Due to the Novel Coronavirus between the City and The Solana Beach Fire Association, The Marine Safety Employee Group and the Public Works Employees**

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## **BACKGROUND:**

In response to the Coronavirus (COVID-19) pandemic, on March 18, 2020, President Donald J. Trump signed into law the Families First Coronavirus Response Act (FFCRA), which includes the Emergency Paid Sick Leave (E-PSL) and the Emergency Family and Medical Leave Act (E-FMLA).

The FFCRA authorizes public agencies to exclude “emergency responders” from the E-PSL and the E-FMLA, and from receiving the leave benefits provided under those acts. (H.R. 6201, §§ 3105, 5102.)

The Department of Labor (DOL) subsequently issued temporary regulations defining the terms “emergency responder” as used in the FFCRA.

According to the DOL, “emergency responder” means any employee “*necessary for the provision of transport, care, healthcare, comfort and nutrition of such patients, or others needed for the response to COVID-19. This includes but is not limited to military or national guard, law enforcement officers, correctional institution personnel, fire fighters, emergency medical services personnel, physicians, nurses, public health personnel, emergency medical technicians, paramedics, emergency management personnel, 911 operators, child welfare workers and service providers, public works personnel, and persons with skills or training in operating specialized equipment or other skills needed to provide aid in a declared emergency, as well as individuals who work for such facilities employing these individuals and whose work is necessary to maintain the operation of the facility. This also includes any individual whom the highest official of a State or territory, including the District of Columbia, determines is an emergency responder necessary for that State’s or territory’s or the District of Columbia’s response to COVID-19.*” (29 C.F.R 826.30(c)(2).)

COUNCIL ACTION:

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The City has identified the following job classifications whose services are necessary in order for the City to provide emergency services and in order to respond to the COVID-19 emergency. The City deems the following job classifications as "Emergency Responders":

- | <b>Fire</b>  | <b>Marine Safety</b>   | <b>Public Works</b>  |
|--|--|--|
| <ul style="list-style-type: none"><li>• Fire Chief</li><li>• Fire Battalion Chief</li><li>• Deputy Fire Chief</li><li>• Fire Captain</li><li>• Fire Engineer</li><li>• Firefighter/Paramedic</li></ul> | <ul style="list-style-type: none"><li>• Captain</li><li>• Lieutenant</li><li>• Sergeant</li><li>• All Lifeguards</li></ul> | <ul style="list-style-type: none"><li>• Public Works Operations Manager</li><li>• Lead Maintenance Worker</li><li>• Maintenance Worker II</li><li>• Maintenance Worker I</li></ul> |

Consistent with the FFCRA, and applicable regulations, the City's designation of these job classifications as "Emergency Responders" excludes employees in these job classifications from the E-PSL and the E-FMLA, and from receiving the leave benefits provided under the E-PSL and the E-FMLA.

Since the City is committed to providing and maintaining a safe workplace that promotes a healthy environment for all of its employees, the City has reached a temporary agreement in the form of a side letter with the Solana Beach Firefighters Association (SBFA) and the Marine Safety Employee group with E-PSL hours to be used for qualifying reasons related to COVID-19.

The City also reached a temporary agreement in the form of a side letter with the Public Works employees to provide leave benefits to those employees under the provisions of the FFCRA.

This item is before Council to consider approving Resolution 2020-046 (Attachment 1) to approve the side letter agreements with SBFA, Marine Safety Employee Group and the Public Works employees.

**DISCUSSION:**

The City is committed to providing and maintaining a safe workplace that promotes a healthy environment for all of its employees. In order to provide a comparable benefit for the City's emergency responders, the City met with the SBFA and the Marine Safety Employee Group to discuss alternative benefits to the FFCRA.

As a result, a temporary agreement in the form of a side letter was reached with SBFA to allow for 120-hours of E-PSL for qualifying reasons related to COVID-19 (Attachment 2). The City also reached a temporary agreement in the form of a side letter with the Marine Safety Employee Group to allow for 80-hours of E-PSL for qualifying reasons related to COVID-19 (Attachment 3).

Corresponding E-PSL Policies (Attachment 4) were also created for each employee group in order to establish guidelines and to provide information for use of the E-PSL hours.

The City also met with the Public Works Employees and reached a temporary agreement in the form of a side letter (Attachment 5) to provide leave benefits under the provisions of the FFCRA. Public Works employees will receive E-PSL and E-FMLA benefits.

It is understood by the employee groups that this leave is intended to be a safety net in case of any COVID-19 related issues, but the hope is that employees will not have to use any during this pandemic. These additional hours will not extend past December 31, 2020. The effective date of all mentioned side letters is from April 1, 2020 through December 31, 2020.

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA

**FISCAL IMPACT:**

The fiscal impact of the side letter agreements with SBFA, Marine Safety Employee Group and the Public Works employees is unknown at this time. Any leave for "emergency responders" is normally backfilled by another emergency responder who is paid overtime.

The benefits and related costs under the FFCRA for employees not considered "emergency responders" is also unknown at this time. Although these employees are not normally backfilled by other employees who are then paid overtime, the cost for the FFCRA will be an additional cost born by the City.

These benefits are subject to CalPERS. They are not vested benefits for employees past the expected end date of December 31, 2020 or if an employee leaves the City before December 31, 2020.

**WORK PLAN:**

N/A

**OPTIONS:**

- Approve Staff recommendation.
- Deny Staff recommendation.
- Provide Staff alternative direction.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council approve Resolution 2020-046 adopting the side letter agreements with SBFA, Marine Safety Employee Group and the Public Works employees.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager

Attachments:

1. Resolution 2020-046
2. SBFA Side Letter
3. Marine Safety Side Letter
4. Corresponding Emergency Paid Sick Leave Policies (#38 and #39)
5. Public Works Employees' Side Letter

**RESOLUTION NO. 2020-046**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING THE SIDELETTERS BETWEEN THE CITY AND THE SOLANA BEACH FIRE ASSOCIATION, MARINE SAFETY EMPLOYEE GROUP AND SOLANA BEACH EMPLOYEES' ASSOCIATION –MISCELLANEOUS UNIT (PUBLIC WORKS EMPLOYEES ONLY), EFFECTIVE APRIL 1, 2020 TO DECEMBER 31, 2020.**

**WHEREAS**, Employer-Employee Relations for the City of Solana Beach (hereinafter, "City") are governed by California Government Code section 3500 through 3511, known as the Meyers-Milias-Brown Act, and

**WHEREAS**, the Solana Beach Fire Association (SBFA) is the recognized bargaining unit for the Fire employees of the City of Solana Beach; and

**WHEREAS**, the Solana Beach Marine Safety Employee Group (SBMS) is the recognized bargaining unit for the Marine Safety employees of the City of Solana Beach; and

**WHEREAS**, the Solana Beach Employees' Association – Miscellaneous Unit (SBEA-MISC) is the recognized bargaining unit for the Miscellaneous Public Works employees of the City of Solana Beach; and

**WHEREAS**, the City and SBFA, SBMS and SBEA-MISC (Public Works) met and conferred in good faith regarding Emergency Paid Sick Leave (E-PSL) due to the current Novel Coronavirus (COVID-19) Pandemic; and

**WHEREAS**, the parties agree to the terms reflected in their respective Sideletter Agreements for use of the E-PSL; and

**WHEREAS**, the attached Side Letter Agreements have been ratified and approved by the membership of SBFA, SBMS and SBEA-MISC (Public Works); and

**WHEREAS**, the City Council has considered the City Manager's recommendations and is prepared to approve the Sideletter Agreements effective from April 1, 2020 through December 31, 2020, for employees represented by the above mentioned groups.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.
2. The attached Sideletter Agreements between the City and employees represented by SBFA, SBMS and SBEA-MISC (Public Works Employees) is hereby approved.

**PASSED AND ADOPTED** this 6<sup>th</sup> day of May, 2020 at a special meeting of the City Council of the City of Solana Beach, California, by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSENT: Councilmembers –  
ABSTAIN: Councilmembers –

\_\_\_\_\_  
JEWEL EDSON, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

**Side Letter Between the  
City of Solana Beach  
And the Solana Beach Firefighters Association Local 3779  
To Address the Locally Declared Emergency Related to Coronavirus Disease 2019  
(COVID-19)**

This Side Letter (Temporary Agreement) between the City of Solana Beach (the “City”) and the Solana Beach Firefighters Association Local 3779 (“Association”), (collectively “Parties”) is entered into with respect to the following:

**WHEREAS**, the Parties are currently signatories to a Memorandum of Understanding (MOU) with a term that expires on June 30, 2022;

**WHEREAS**, on February 11, 2020, the World Health Organization announced that the Coronavirus Disease 2019 (COVID-19), that is causing worldwide uncertainty, with unprecedented health and safety measures being taken by world leaders, which has resulted in a practical halt to nearly all daily life activities;

**WHEREAS**, COVID-19 appears to be highly contagious, and has sickened thousands of people and resulted in thousands of deaths worldwide;

**WHEREAS**, members of the Association are essential first responders, who are required to work in the environment, and respond to people in need, many of whom may be contagious and could expose Association members to illness or death;

**WHEREAS**, to protect the City’s first responders and Association members, and to insure they are able to perform their job functions without fear or hesitation, the Parties have reached the following Temporary Agreement:

1. This Temporary Agreement is incorporated into terms and conditions of the Association’s members’ employment beginning on April 1, 2020 through December 31, 2020.
2. The City agrees to provide members of the Association with up to 120 hours of emergency paid sick leave in lieu of all leave provided under the Families First Coronavirus Response Act (FFCRA) - H.R. 6201 (Act) and to the extent no other federal or state law is enacted providing them comparable benefits.
3. In its sole discretion, the City reserves the right to exclude the members of the Association from the leave benefits provided for under this Temporary Agreement for operational reasons.



4. The emergency paid sick leave hours may be taken for any of the reasons set forth below and will be paid at two-thirds (2/3) of the members' base hourly rate:
  - a. An Association member is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
  - b. An Association member has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
  - c. An Association member is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
  - d. An Association member is caring for an individual subject to an order to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider);
  - e. An Association member is caring for a son or daughter (under 18 years of age) whose school or childcare provider is closed or unavailable for reasons related to COVID-19; or
  - f. An Association member is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.
5. An Association member may choose to supplement the compensation they receive while on leave pursuant to this Temporary Agreement with their earned or accrued leaves in order to achieve 100% of their base hourly pay.
6. Leave taken pursuant to this Temporary Agreement, shall not count as hours worked for the purposes of calculating overtime for any Association member.
7. In order to take leave pursuant to this Temporary Agreement, Association members will be required to complete and submit an appropriate Leave Request Form attached to this Temporary Agreement.
8. Association members are required to obtain management approval prior to taking leave under this Temporary Agreement.
9. The members of the Association understand that leave hours granted under this Temporary Agreement have no cash value and cannot be cashed out.
10. The members of the Association understand that all leave hours granted under this Temporary Agreement will expire on December 31, 2020.

Side Letter between the City of Solana Beach and  
Solana Beach Firefighter Association Local 3779

11. During the duration of the "Local Proclamation of the COVID-19 Emergency", which may expire prior to December 31, 2020 the City agrees to provide remote electronic mail access to Fire Captains.
12. The City will draft a policy to provide further guidance on the implementation of this Temporary Agreement.

\_\_\_\_\_  
Gregory Wade  
City Manager



\_\_\_\_\_  
Solana Beach Fire Association

\_\_\_\_\_  
Date

4.22.2020

\_\_\_\_\_  
Date

## EMERGENCY PAID SICK LEAVE REQUEST FORM

I, \_\_\_\_\_, certify that I am unable to work (or telework) for one of the following reasons:

1. \_\_\_\_\_ I am subject to a Federal, State, or local quarantine or isolation order related to COVID-19.

Name of the government entity that issued the Quarantine or Isolation Order:

\_\_\_\_\_

2. \_\_\_\_\_ I have been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

Name of the health care provider that advised to self-quarantine:

\_\_\_\_\_

3. \_\_\_\_\_ I am experiencing symptoms of COVID-19 (e.g., fever [defined as 100.4° F [37.8° C] or greater using an oral thermometer], coughing, and/or shortness of breath) and seeking a medical diagnosis.

4. \_\_\_\_\_ I am caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

Relationship to individual: \_\_\_\_\_

Name of the government entity that issued the Quarantine or Isolation Order:

\_\_\_\_\_

Name of the health care provider that advised to self-quarantine:

\_\_\_\_\_

5. \_\_\_\_\_ I am caring for my child whose school or place of care has been closed, or whose childcare provider is unavailable, due to COVID-19 precautions.

Name of son or daughter: \_\_\_\_\_

Name of school, place of care, or childcare provider that is closed/unavailable due to COVID-19:

\_\_\_\_\_

6. \_\_\_\_\_ I am experiencing another substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Contact Human Resources: If the circumstances of the leave and/or your intended return to work date changes, please email [psammak@cosb.org](mailto:psammak@cosb.org)

**EMPLOYEE ACKNOWLEDGEMENT FOR EMERGENCY PAID SICK LEAVE**

*I attest under penalty of perjury, this emergency paid sick leave request, to the best of my knowledge and understanding is true, correct and complete. I understand the City of Solana Beach reserves the right to request supporting documentation for any requested leave. I further acknowledge that I am required to provide requested supporting documentation within the specified time frame to be eligible for the requested benefit.*

*I understand that if my circumstances change, I must immediately inform my supervisor and the Human Resources Department, and I may be directed to report back to work (or telework).*

\_\_\_\_\_

Employee Signature

\_\_\_\_\_

Date

**Side Letter Between the  
City of Solana Beach  
And the Solana Beach Marine Safety Employee Group  
To Address the Locally Declared Emergency Related to Coronavirus Disease 2019  
(COVID-19)**

This Side Letter (Temporary Agreement) between the City of Solana Beach (the “City”) and the Solana Beach Marine Safety Employee Group Members (“Members”), (collectively “Parties”) is entered into with respect to the following:

**WHEREAS**, the Parties are currently signatories to a Memorandum of Understanding (MOU) with a term that expires on June 30, 2020;

**WHEREAS**, on February 11, 2020, the World Health Organization announced that the Coronavirus Disease 2019 (COVID-19), that is causing worldwide uncertainty, with unprecedented health and safety measures being taken by world leaders, which has resulted in a practical halt to nearly all daily life activities;

**WHEREAS**, COVID-19 appears to be highly contagious, and has sickened thousands of people and resulted in thousands of deaths worldwide;

**WHEREAS**, members of the Marine Safety Employee Group are essential first responders, who are required to work in the environment, and respond to people in need, many of whom may be contagious and could expose members to illness or death;

**WHEREAS**, to protect the City’s first responders and members of the Marine Safety Employee Group, and to insure they are able to perform their job functions without fear or hesitation, the Parties have reached the following Temporary Agreement:

1. This Temporary Agreement is incorporated into terms and conditions of the Marine Safety Employee Group’s Members’ employment beginning on April 1, 2020 through December 31, 2020.
2. The City agrees to provide Members with up to two weeks (80 hours) of emergency paid sick leave in lieu of all leave provided under the Families First Coronavirus Response Act - H.R. 6201 (Act) and to the extent no other federal or state law is enacted providing them comparable benefits.
3. In its sole discretion, the City reserves the right to exclude the Members from the leave the benefits provided for under this Temporary Agreement for operational reasons.
4. The emergency paid sick leave hours may be taken for any of the reasons set forth below and will be paid at two-thirds (2/3) of the members’ base hourly rate:

- a. A Member is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
  - b. A Member has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
  - c. A Member is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
  - d. A Member is caring for an individual subject to an order to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider);
  - e. A Member is caring for a son or daughter (under 18 years of age) whose school or childcare provider is closed or unavailable for reasons related to COVID-19; or
  - f. A Member is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.
5. A Member may choose to supplement the compensation they receive while on leave pursuant to this Temporary Agreement with their earned or accrued leaves in order to achieve 100% of their base hourly pay.
  6. Leave taken pursuant to this Temporary Agreement, shall not count as hours worked for the purposes of calculating overtime for any Member.
  7. In order to take leave pursuant to this Temporary Agreement, Members will be required to complete and submit an appropriate Leave Request Form attached to this Temporary Agreement.
  8. Members are required to obtain management approval prior to taking leave under this Temporary Agreement.
  9. Members understand that leave hours granted under this Temporary Agreement have no cash value and cannot be cashed out.
  10. Members understand that all leave hours granted under this Temporary Agreement will expire on December 31, 2020 and may not be carried over into the following year.
  11. The City will draft a policy to provide further guidance on the implementation of this Temporary Agreement.

Side Letter between the City of Solana Beach and  
Solana Beach Marine Safety Employee Group

\_\_\_\_\_  
Gregory Wade  
City Manager

  
\_\_\_\_\_  
Solana Beach Marine Safety Employee Group

\_\_\_\_\_  
Date

4/19/20  
\_\_\_\_\_  
Date

<p style="text-align: center;"><b>CITY OF SOLANA BEACH ADMINISTRATIVE POLICY</b></p>	<p><b>Policy No. 38</b></p> <p><b>Effective Date: April 1, 2020</b> <b>Expiration Date: December 31, 2020</b></p>
<p><b>Subject:</b></p> <p style="text-align: center;"><b>SOLANA BEACH FIRE ASSOCIATION EMERGENCY PAID SICK LEAVE DURING THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC</b></p>	<p><b>Approved By:</b></p> <p style="text-align: center;"><b>CITY MANAGER</b></p>

**POLICY STATEMENT**

The City of Solana Beach is committed to providing and maintaining a safe workplace that promotes a healthy environment to its employees and the community. The purpose of this policy is to establish guidelines and provide information for emergency paid sick leave for use during the COVID-19 pandemic.

**ELIGIBILITY**

This Policy applies to the members of the Solana Beach Firefighters’ Association (SBFA) Local 3779.

**POLICY**

The City will provide SBFA members up to 120 hours (5 shifts) of emergency paid sick leave (E-PSL) for reasons related to COVID-19, as outlined in this policy, to the extent no other federal or state law is enacted providing them comparable benefits. SBFA members are not otherwise entitled to leave under the Families First Coronavirus Response Act (FFCRA) – HR 6201.

This policy is effective on April 1, 2020 and will continue through December 31, 2020, on which date all leave under this policy will expire.

**QUALIFYING REASONS FOR EMERGENCY PAID SICK LEAVE**

SBFA members may qualify for E-PSL if they are unable to work (or unable to telework) because:

1. SBFA member is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;



2. SBFA member has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;
3. SBFA member is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
4. SBFA member is caring for an individual subject to an order to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider);
5. SBFA member is caring for a son or daughter (under 18 years of age) whose school or childcare provider is closed or unavailable for reasons related to COVID-19; or
6. SBFA member is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.

## **DEFINITIONS**

- **“Child Care Provider”** means a provider who receives compensation for providing childcare services on a regular basis. The term includes a center-based childcare provider, a group home childcare provider, a family childcare provider, or other provider of childcare services for compensation that is licensed, regulated, or registered under State law; and satisfies the State and local requirements. However, the eligible childcare provider *need not be compensated or licensed* if he or she is a family member or friend, such as a neighbor, who regularly cares for the Employee’s child.
- **“Son or Daughter”** means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis*, who is under 18 years of age; or 18 years of age or older who is incapable of self-care because of a mental or physical disability. (29 U.S.C. 2611; 29 CFR 826.10(a).)
- **“Subject to a Quarantine or Isolation Order”** means a quarantine or isolation order includes quarantine, isolation, containment, shelter-in-place, or stay-at-home orders issued by any Federal, State, or local government authority that cause the Employee to be unable to work even though his or her Employer has work that the Employee could perform but for the order. This also includes when a Federal, State, or local government authority has advised categories of citizens (*e.g.*, of certain age ranges or of certain medical conditions) to shelter in place, stay at home, isolate, or quarantine, causing those categories of Employees to be unable to work even though their Employers have work for them.

- **“Individual”** as listed under Qualifying Reasons (4) above means an employee’s immediate family member, a person who regularly resides in the employee’s home, or a similar person with whom the employee has a relationship that creates an expectation that the employee would care for the person if he or she were quarantined or self-quarantined. “Individual” does not include persons with whom the Employee has no personal relationship.

### **EMERGENCY PAID SICK LEAVE PAY**

1. SBFA members taking E-PSL for the qualifying reasons listed above shall be paid at two-thirds of their base hourly rate.
2. Leave hours taken under E-PSL for any of the reasons set forth in this policy do not count as hours worked for the purposes of calculating overtime for any SBFA member.

### **USE OF EARNED AND ACCRUED LEAVES**

SBFA members may choose to supplement the compensation they receive while on E-PSL with their earned or accrued leaves in order to achieve 100% of their base hourly pay, which they would normally receive for working their regularly scheduled hours.

Hours used from the SBFA members’ earned or accrued leave banks will count toward hours worked per terms of the current SBFA Memorandum of Understanding.

### **INTERMITTENT LEAVE**

Intermittent leave is not available under the E-PSL.

### **REQUEST TO USE EMERGENCY PAID SICK LEAVE**

SBFA members are required to obtain management approval prior to taking leave.

SBFA members must provide written notice of the need to use E-PSL in writing, and obtain approval for their E-PSL.

If a SBFA member fails to provide proper notice, the City will provide the member notice of the failure and provide the member with an opportunity to provide the required documentation, described below, prior to denying the member’s request for leave

## **CERTIFICATION/DOCUMENTATION REQUIREMENTS**

SBFA members using E-PSL must complete and submit the Emergency Paid Sick Leave Request Form attached to this Policy (Exhibit A), along with the following information prior to taking E-PSL:

1. Employee's name;
2. Date(s) for which leave is requested;
3. Qualifying reason for the leave; and
4. Oral or written statement that the Employee is unable to work because of the qualified reason for leave.

In addition, based on the qualifying reason for use of E-PSL, the SBFA member is required to provide to the City documentation in support of his/her request for E-PSL as follows:

1. To take E-PSL because the SBFA member is subject to a Federal, State, or local quarantine or isolation order related to COVID-19, the member must provide the name of the government entity that issued the Quarantine or Isolation Order.
2. To take E-PSL because the SBFA member has been advised by a health care provider to self-quarantine due to concerns related to COVID-19, the member must provide the name of the health care provider who advised the member to self-quarantine due to concerns related to COVID-19.
3. To take E-PSL because the SBFA member is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or been advised by a health care provider to self-quarantine due to concerns related to COVID-19 order, the member must provide either:
  - (a) The name of the government entity that issued the Quarantine or Isolation Order to which the individual being care for is subject; or
  - (b) The name of the health care provider who advised the individual being cared for to self-quarantine due to concerns related to COVID-19.
4. A SBFA member requesting E-PSL because the member is caring for a son or daughter of such member if the school or place of care of the son or daughter has been closed, or the childcare provider of such son or daughter is unavailable, due to COVID-19 precautions must complete and submit the **Emergency Paid Sick Leave Request Form** attached to this Policy (Exhibit A), and must provide:

- (a) The name of the son or daughter being cared for;
- (b) The name of the school, place of care, or childcare provider that has closed or become unavailable; and
- (c) A representation that no other suitable person will be caring for the son or daughter during the period for which the member takes E-PSL.

### **MANAGEMENT RIGHTS**

In its sole discretion, the City reserves the right to exclude SBFA members from the E-PSL benefits for operational reasons.

### **RESTORATION TO PRIOR POSITION**

A member who uses E-PSL is entitled to reinstatement to their prior position unless the position held by the member does not exist due to economic conditions or other changes in operating conditions caused by a public health emergency during the period of leave such that the member would not otherwise have been employed at the time of reinstatement.

### **SEPARATION FROM EMPLOYMENT**

Unused E-PSL is not available for cash out upon termination, resignation, retirement, or other separation from employment.

**SOLANA BEACH FIRE ASSOCIATION  
EMERGENCY PAID SICK LEAVE DURING THE NOVEL  
CORONAVIRUS (COVID-19) PANDEMIC  
ACKNOWLEDGEMENT FORM  
Policy # 38**

I have received, read and understand the provisions of the attached EMERGENCY PAID SICK LEAVE **DURING THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC..**

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**SBFA MEMBER (PRINT NAME)**

**Signature**

**Date**

## EXHIBIT A EMERGENCY PAID SICK LEAVE REQUEST FORM

I, \_\_\_\_\_, certify that I am unable to work (or telework) for one of the following reasons:

1. \_\_\_\_\_ I am subject to a Federal, State, or local quarantine or isolation order related to COVID-19.

Name of the government entity that issued the Quarantine or Isolation Order:

\_\_\_\_\_

2. \_\_\_\_\_ I have been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

Name of the health care provider that advised to self-quarantine:

\_\_\_\_\_

3. \_\_\_\_\_ I am experiencing symptoms of COVID-19 (e.g., fever [defined as 100.4° F [37.8° C] or greater using an oral thermometer], coughing, and/or shortness of breath) and seeking a medical diagnosis.

4. \_\_\_\_\_ I am caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

Relationship to individual: \_\_\_\_\_

Name of the government entity that issued the Quarantine or Isolation Order:

\_\_\_\_\_

Name of the health care provider that advised to self-quarantine:

\_\_\_\_\_

5. \_\_\_\_\_ I am caring for my child whose school or place of care has been closed, or whose childcare provider is unavailable, due to COVID-19 precautions.

Name of son or daughter: \_\_\_\_\_

Name of school, place of care, or childcare provider that is closed/unavailable due to COVID-19:

\_\_\_\_\_

6. \_\_\_\_\_ I am experiencing another substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Contact Human Resources: If the circumstances of the leave and/or your intended return to work date changes, please email [psammak@cosb.org](mailto:psammak@cosb.org)

**LEAVE REQUEST DATES**

**FROM:** \_\_\_\_\_ **TO:** \_\_\_\_\_

**NUMBER OF SHIFTS:** \_\_\_\_\_

Department Head Approval: \_\_\_\_\_ Date: \_\_\_\_\_

HR Approval: \_\_\_\_\_ Date: \_\_\_\_\_

**EMPLOYEE ACKNOWLEDGEMENT FOR EMERGENCY PAID SICK LEAVE**

*I attest under penalty of perjury, this emergency paid sick leave request, to the best of my knowledge and understanding is true, correct and complete. I understand the City of Solana Beach reserves the right to request supporting documentation for any requested leave. I further acknowledge that I am required to provide requested supporting documentation within the specified time frame to be eligible for the requested benefit.*

*I understand that if my circumstances change, I must immediately inform my supervisor and the Human Resources Department, and I may be directed to report back to work (or telework).*

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

<p style="text-align: center;"><b>CITY OF SOLANA BEACH ADMINISTRATIVE POLICY</b></p>	<p><b>Policy No. 39</b></p> <p><b>Effective Date: April 1, 2020</b> <b>Expiration Date: December 31, 2020</b></p>
<p><b>Subject:</b></p> <p style="text-align: center;"><b>SOLANA BEACH MARINE SAFETY EMPLOYEE GROUP EMERGENCY PAID SICK LEAVE DURING THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC</b></p>	<p><b>Approved By:</b></p> <p style="text-align: center;"><b>CITY MANAGER</b></p>

**POLICY STATEMENT**

The City of Solana Beach is committed to providing and maintaining a safe workplace that promotes a healthy environment to its employees and the community. The purpose of this policy is to establish guidelines and provide information for emergency paid sick leave for use during the COVID-19 pandemic.

**ELIGIBILITY**

This Policy applies to the members of the Solana Beach Marine Safety Employee Group.

**POLICY**

The City will provide Marine Safety members up to 80 hours (2-weeks) of emergency paid sick leave (E-PSL) for reasons related to COVID-19, as outlined in this policy, to the extent no other federal or state law is enacted providing them comparable benefits. Marine Safety members are not entitled to leave under the Families First Coronavirus Response Act (FFCRA) – HR 6201.

This policy is effective on April 1, 2020 and will continue through December 31, 2020, on which date all leave under this policy will expire.

**QUALIFYING REASONS FOR EMERGENCY PAID SICK LEAVE**

Marine Safety members may qualify for E-PSL if they are unable to work (or unable to telework) because:

1. The Marine Safety member is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. The Marine Safety member has been advised by a health care provider to self-



quarantine due to concerns related to COVID-19;

3. The Marine Safety member is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
4. The Marine Safety member is caring for an individual subject to an order to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider);
5. The Marine Safety member is caring for a son or daughter (under 18 years of age) whose school or childcare provider is closed or unavailable for reasons related to COVID-19; or
6. The Marine Safety member is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services, in consultation with the Secretaries of Labor and Treasury.

## **DEFINITIONS**

- **“Child Care Provider”** means a provider who receives compensation for providing childcare services on a regular basis. The term includes a center-based childcare provider, a group home childcare provider, a family childcare provider, or other provider of childcare services for compensation that is licensed, regulated, or registered under State law; and satisfies the State and local requirements. However, the eligible childcare provider *need not be compensated or licensed* if he or she is a family member or friend, such as a neighbor, who regularly cares for the Employee’s child.
- **“Son or Daughter”** means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing *in loco parentis*, who is under 18 years of age; or 18 years of age or older who is incapable of self-care because of a mental or physical disability. (29 U.S.C. 2611; 29 CFR 826.10(a).)
- **“Subject to a Quarantine or Isolation Order”** means a quarantine or isolation order includes quarantine, isolation, containment, shelter-in-place, or stay-at-home orders issued by any Federal, State, or local government authority that cause the Employee to be unable to work even though his or her Employer has work that the Employee could perform but for the order. This also includes when a Federal, State, or local government authority has advised categories of citizens (e.g., of certain age ranges or of certain medical conditions) to shelter in place, stay at home, isolate, or quarantine, causing those categories of Employees to be unable to work even though their Employers have work for them.

- **“Individual”** as listed under Qualifying Reasons (4) above means an employee’s immediate family member, a person who regularly resides in the employee’s home, or a similar person with whom the employee has a relationship that creates an expectation that the employee would care for the person if he or she were quarantined or self-quarantined. “Individual” does not include persons with whom the Employee has no personal relationship.

### **EMERGENCY PAID SICK LEAVE PAY**

1. Marine Safety members taking E-PSL for the qualifying reasons listed above shall be paid at two-thirds of their base hourly rate.
2. Leave hours taken under E-PSL for any of the reasons set forth in this policy do not count as hours worked for the purposes of calculating overtime for any Marine Safety member.

### **USE OF EARNED AND ACCRUED LEAVES**

Marine Safety members may choose to supplement the compensation they receive while on E-PSL with their earned or accrued leaves in order to achieve 100% of their base hourly pay, which they would normally receive for working their regularly scheduled hours.

Hours used from the member’s earned or accrued leave banks will count toward hours worked per terms of the current Marine Safety Employee Groups Memorandum of Understanding.

### **INTERMITTENT LEAVE**

Intermittent leave is not available under the E-PSL.

### **REQUEST TO USE EMERGENCY PAID SICK LEAVE**

Marine Safety members are required to obtain management approval prior to taking leave.

Marine Safety members must provide notice of the need to use E-PSL in writing, and obtain approval for their E-PSL.

If a Marine Safety member fails to provide proper notice, the City will provide the member notice of the failure and provide the member with an opportunity to provide the required documentation, described below, prior to denying the member’s request for leave.

## **CERTIFICATION/DOCUMENTATION REQUIREMENTS**

Marine Safety members using E-PSL must complete and submit the Emergency Paid Sick Leave Request Form attached to this Policy (Exhibit A), along with the following information prior to taking E-PSL:

1. Employee's name;
2. Date(s) for which leave is requested;
3. Qualifying reason for the leave; and
4. Oral or written statement that the Employee is unable to work because of the qualified reason for leave.

In addition, based on the qualifying reason for use of E-PSL, the Marine Safety member is required to provide to the City documentation in support of his/her request for E-PSL as follows:

1. To take E-PSL because the Marine Safety member is subject to a Federal, State, or local quarantine or isolation order related to COVID-19, the member must provide the name of the government entity that issued the Quarantine or Isolation Order.
2. To take E-PSL because the Marine Safety member has been advised by a health care provider to self-quarantine due to concerns related to COVID-19, the member must provide the name of the health care provider who advised the member to self-quarantine due to concerns related to COVID-19.
3. To take E-PSL because the Marine Safety member is caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or been advised by a health care provider to self-quarantine due to concerns related to COVID-19 order, the member must provide either:
  - (a) The name of the government entity that issued the Quarantine or Isolation Order to which the individual being care for is subject; or
  - (b) The name of the health care provider who advised the individual being cared for to self-quarantine due to concerns related to COVID-19.
4. A Marine Safety member requesting E-PSL because the member is caring for a son or daughter of such member if the school or place of care of the son or daughter has been closed, or the childcare provider of such son or daughter is unavailable, due to COVID-19 precautions must complete and submit the Emergency Paid Sick Leave Request Form attached to this Policy (Exhibit A), and must provide:

- (a) The name of the son or daughter being cared for;
- (b) The name of the school, place of care, or childcare provider that has closed or become unavailable; and
- (c) A representation that no other suitable person will be caring for the son or daughter during the period for which the member takes E-PSL.

### **MANAGEMENT RIGHTS**

In its sole discretion, the City reserves the right to exclude Marine Safety members from the E-PSL benefits provided for operational reasons.

### **RESTORATION TO PRIOR POSITION**

A member who uses E-PSL is entitled to reinstatement to their prior position unless the position held by the member does not exist due to economic conditions or other changes in operating conditions caused by a public health emergency during the period of leave such that the member would not otherwise have been employed at the time of reinstatement.

### **SEPARATION FROM EMPLOYMENT**

Unused E-PSL is not available for cash out upon termination, resignation, retirement, or other separation from employment.

**SOLANA BEACH MARINE SAFETY EMPLOYEE GROUP  
EMERGENCY PAID SICK LEAVE DURING THE NOVEL  
CORONAVIRUS (COVID-19) PANDEMIC  
ACKNOWLEDGEMENT FORM  
Policy # 39**

I have received, read and understand the provisions of the attached EMERGENCY PAID SICK LEAVE **DURING THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC..**

---

**MARINE SAFETY GROUP MEMBER**

**(PRINT NAME)**

**Signature**

**Date**

## EXHIBIT A EMERGENCY PAID SICK LEAVE REQUEST FORM

I, \_\_\_\_\_, certify that I am unable to work (or telework) for one of the following reasons:

1. \_\_\_\_\_ I am subject to a Federal, State, or local quarantine or isolation order related to COVID-19.

Name of the government entity that issued the Quarantine or Isolation Order:

\_\_\_\_\_

2. \_\_\_\_\_ I have been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

Name of the health care provider that advised to self-quarantine:

\_\_\_\_\_

3. \_\_\_\_\_ I am experiencing symptoms of COVID-19 (e.g., fever [defined as 100.4° F [37.8° C] or greater using an oral thermometer], coughing, and/or shortness of breath) and seeking a medical diagnosis.

4. \_\_\_\_\_ I am caring for an individual who is subject to a Federal, State, or local quarantine or isolation order related to COVID-19 or who has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.

Relationship to individual: \_\_\_\_\_

Name of the government entity that issued the Quarantine or Isolation Order:

\_\_\_\_\_

Name of the health care provider that advised to self-quarantine:

\_\_\_\_\_

5. \_\_\_\_\_ I am caring for my child whose school or place of care has been closed, or whose childcare provider is unavailable, due to COVID-19 precautions.

Name of son or daughter: \_\_\_\_\_

Name of school, place of care, or childcare provider that is closed/unavailable due to COVID-19:

\_\_\_\_\_

6. \_\_\_\_\_ I am experiencing another substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Contact Human Resources: If the circumstances of the leave and/or your intended return to work date changes, please email [psammak@cosb.org](mailto:psammak@cosb.org)

**LEAVE REQUEST DATES**

FROM: \_\_\_\_\_ TO: \_\_\_\_\_

NUMBER OF SHIFTS: \_\_\_\_\_

Department Head Approval: \_\_\_\_\_ Date: \_\_\_\_\_

HR Approval: \_\_\_\_\_ Date: \_\_\_\_\_

**EMPLOYEE ACKNOWLEDGEMENT FOR EMERGENCY PAID SICK LEAVE**

*I attest under penalty of perjury, this emergency paid sick leave request, to the best of my knowledge and understanding is true, correct and complete. I understand the City of Solana Beach reserves the right to request supporting documentation for any requested leave. I further acknowledge that I am required to provide requested supporting documentation within the specified time frame to be eligible for the requested benefit.*

*I understand that if my circumstances change, I must immediately inform my supervisor and the Human Resources Department, and I may be directed to report back to work (or telework).*

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**Side Letter Between the  
City of Solana Beach And  
The Solana Beach Miscellaneous Employee Group  
Public Works Employees ONLY**

**To Address the Locally Declared Emergency Related to Coronavirus Disease 2019  
(COVID-19)**

This Side Letter (Agreement) between the City of Solana Beach (the “City”) and the Solana Beach Miscellaneous Employee Group – Public Works Members (“PW Employees”), (collectively “Parties”) is entered into with respect to the following:

**WHEREAS**, the Parties are currently signatories to a Memorandum of Understanding (MOU) with a term that expires on June 30, 2020;

**WHEREAS**, on February 11, 2020, the World Health Organization announced that the Coronavirus Disease 2019 (COVID-19), that is causing worldwide uncertainty, with unprecedented health and safety measures being taken by world leaders, which has resulted in a practical halt to nearly all daily life activities;

**WHEREAS**, COVID-19 appears to be highly contagious, and has sickened thousands of people and resulted in thousands of deaths worldwide;

**WHEREAS**, Department of Labor has characterized Public Works employees as essential first responders, who are required to work in the environment, and respond to people in need, many of whom may be contagious and could expose members to illness or death;

**WHEREAS**, to protect the City’s PW Employees, and to insure they are able to perform their job functions without fear or hesitation, the Parties have reached the following Temporary Agreement:

1. This Temporary Agreement is incorporated into terms and conditions of the PW Employees’ employment beginning on April 1, 2020 through December 31, 2020.
2. The City agrees to provide PW Employees with the expanded Family Medical Leave (“Expanded FMLA”) and up to two weeks (80 hours) of Emergency Paid Sick Leave under the Families First Coronavirus Response Act - H.R. 6201 (Act), to the extent no other federal or state law is enacted providing them comparable benefits.
3. In its sole discretion, the City reserves the right to exclude PW Employees from the leave benefits provided for under the Act for operational reasons.
4. In order to take leave under Expanded FMLA and/or the Emergency Paid Sick Leave, PW Employees will be required to complete and submit an appropriate Leave Request Form(s) attached to this Temporary Agreement.



Side Letter between the City of Solana Beach and  
Solana Beach Miscellaneous Employee Group – PW Employees ONLY

5. PW Employees are required to obtain management approval prior to taking leave under the Act.
6. PW Employees understand that leave hours granted under this Temporary Agreement have no cash value and cannot be cashed out.
7. PW Employees understand that all leave hours granted under this Temporary Agreement will expire on December 31, 2020 and may not be carried over into the following year.

\_\_\_\_\_  
Gregory Wade  
City Manager

4-1-2020  
Date

  
\_\_\_\_\_  
Solana Beach Miscellaneous Employee Group  
Public Works Employees ONLY

4-1-2020  
Date



# STAFF REPORT

## CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 6, 2020  
**ORIGINATING DEPT:** City Manager Department/City Attorney's Office  
**SUBJECT:** **Council Consideration of Resolution 2020-056 Continuing the Proclamation of Existence of a Local Emergency Related to COVID-19**

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### **BACKGROUND:**

On March 11, 2020, the World Health Organization (WHO) declared COVID-19, the illness caused by the novel coronavirus, a pandemic, pointing at that time to over 118,000 cases of COVID-19 in over 110 countries and territories around the world and the sustained risk of further global spread. This was preceded by declarations of emergency by both the County of San Diego and State of California on February 14, 2020, and March 4, 2020, respectively, followed by a federal emergency declaration on March 13, 2020, as a result of the threat posed by COVID-19.

On March 16, 2020, as a result of the rapid spread of this illness throughout the country and the region, the City Manager, acting as the Director of Emergency Services, took action under SBMC Section 2.28.060(A)(1) to proclaim the existence of local emergency conditions within the City of Solana Beach. The Council ratified that proclamation on March 19, 2020. State law provides that a local emergency be reviewed at least once every sixty (60) days.

This item is before the City Council to consider adoption of Resolution 2020-056 (Attachment 1) continuing the Proclamation of the Existence of a Local Emergency related to COVID-19.

### **DISCUSSION:**

As of April 28, 2020, the County of San Diego reports 3,314 San Diego County residents have tested positive or are presumptive positive for COVID-19 of which six (6)

COUNCIL ACTION:

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cases are within the City of Solana Beach and 113 deaths in the County; and the number is expected to continue to increase. Preparing for, responding to, mitigating, and recovering from the spread of COVID-19 requires the City to divert resources from normal day-to-day operations; alter regular day-to-day operations; and the City will continue to need the ability to take all necessary actions to comply with all County, State, and Federal orders as applicable.

The response to COVID-19 has and will continue to impose extraordinary requirements on and expenses to the City which will be beyond the control of the City of Solana Beach and the conditions related to the COVID-19 outbreak warrant and necessitate the continuation of a local emergency in Solana Beach.

**CEQA COMPLIANCE STATEMENT:**

The proposed City Council action does not constitute a “project” under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA.

**FISCAL IMPACT:**

There is no fiscal impact related to the adoption of this Resolution.

**WORKPLAN:**

N/A

**OPTIONS:**

- Adopt Resolution 2020-056;
- Do not adopt Resolution 2020-056;
- Provide direction / feedback.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council consider adoption of Resolution 2020-056 to continue the Proclamation of the Existence of a Local Emergency related to COVID-19.

**CITY MANAGER’S RECOMMENDATION:**

Approve Department Recommendation.



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Gregory Wade, City Manager/Director of Emergency Services

1. Resolution 2020-056

## RESOLUTION 2020-056

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, CONTINUING THE PROCLAIMED STATE OF ONGOING LOCAL EMERGENCY RELATED TO COVID-19

**WHEREAS**, section 2.28.060(A)(1) of the Solana Beach Municipal Code empowers the Director of Emergency Services/City Manager to proclaim the existence or threatened existence of a local emergency when said City is affected or likely to be affected by a public calamity and the City Council is not in session and requires that the City Council shall take action to ratify the proclamation within seven days thereafter; and

**WHEREAS**, such proclamation entitles the Director of Emergency Services, and the emergency organization of this City, to all the powers, functions, and duties prescribed by state law, ordinances, and resolutions of this jurisdiction and by the Operational Area Emergency Plan during the existence of said Local Emergency; and

**WHEREAS**, a novel coronavirus, COVID-19, causes infectious disease and was first detected in China and which has now been detected in more than 100 locations internationally, including in the United States; and

**WHEREAS**, as of February 14, 2020, the County of San Diego declared the existence of a county-wide local emergency within the unincorporated and incorporated areas of San Diego County; and

**WHEREAS**, Governor Gavin Newsom proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19 on March 4, 2020; and

**WHEREAS**, the World Health Organization (WHO) on March 11, 2020 declared COVID-19 a pandemic, pointing to the over 118,000 cases of the coronavirus illness in over 110 countries and territories around the world and the sustained risk of further global spread, and

**WHEREAS**, a federal emergency was issued on March 13, 2020 as a result of the rise in COVID-19 cases; and

**WHEREAS**, the County of San Diego Health Officer has since amended several times the March 13, 2020 Order of the Health Officer and Emergency regulations; and

**WHEREAS**, the City Manager acting as the Director of Emergency Services did proclaim the existence of a local emergency conditions within the City of Solana Beach on March 16, 2020; and

**WHEREAS**, on March 19, 2020, the City Council ratified and confirmed the Proclamation of Existence of a Local Emergency Related to COVID-19 as issued by the Director of Emergency Services/City Manager; and

**WHEREAS**, as of April 26, 2020, the County of San Diego reports 3,141 San Diego County residents have tested positive or are presumptive positive for COVID-19 of which six (6) cases are within the City of Solana Beach and 113 deaths in the County; and the number is expected to increase; and

**WHEREAS**, pursuant to Health and Safety Code sections 101040, 120175, and 120175.5(b), the Health Officer of San Diego County issued the Order of the Health Officer and Emergency Regulations (“County Order”) requiring all government entities in San Diego County to take any and all necessary measures with the government entity’s control to ensure compliance with the County Order; and

**WHEREAS**, COVID-19 therefore has and will continue to cause conditions of peril to the health, safety, and welfare of persons and property in the City; and

**WHEREAS**, preparing for, responding to, mitigating, and recovering from the spread of COVID-19 requires the City to divert resources from normal day-to-day operations; alter regular day-to-day operations; and the City will continue to need the ability to take all necessary actions to comply with all County, State, and Federal orders as applicable; and

**WHEREAS**, the response to COVID-19 has and will continue to impose extraordinary requirements on and expenses to the City which will be beyond the control of the City of Solana Beach; and

**WHEREAS**, the City Council hereby finds that the above described conditions related to the COVID-19 outbreak do warrant and necessitate the continuation of a local emergency in Solana Beach.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Solana Beach that:

1. The above-listed findings are true and correct.
2. The local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Solana Beach.
3. The rules and regulations issued by the Director of Emergency Services reasonably related to the protection of life and property as related to the COVID-19 emergency are confirmed.

**BE IT FURTHER RESOLVED** that during the existence of said local emergency the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law, ordinances, resolutions, policies, orders, and approved plans of the City of Solana Beach in order to mitigate the effects of this local emergency, including the receipt, processing, and coordination of all inquiries and requirements necessary to obtain available state and federal assistance.

**PASSED, ADOPTED AND APPROVED** by the City Council of the City of Solana Beach at a special meeting this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

\_\_\_\_\_  
JEWEL EDSON, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 6, 2020  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** **Chandler Asset Management Quarterly Update**

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## **BACKGROUND:**

A Cash and Investment Report (Report) is prepared each quarter for City Council (Council) review and acceptance. Included with each Report is a separate Quarterly Investment Report prepared by Chandler Asset Management (Chandler).

This item is before Council to receive a Quarterly Investment Report presentation from Chandler for the quarter ended March 31, 2020.

## **DISCUSSION:**

The majority of City of Solana Beach's funds are invested with Chandler, Public Agency Retirement Services (PARS), and Local Agency Investment Fund (LAIF) and included as part of the Report prepared each quarter for Council review and acceptance. The Report is currently being prepared by Staff but the separate Quarterly Investment Report prepared by Chandler for the quarter ended March 31, 2020 is available for review and discussion and will be presented to Council by Genny Lynkiewicz, Portfolio Manager at Chandler.

## **CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA

## **FISCAL IMPACT:**

None

CITY COUNCIL ACTION:

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**WORK PLAN:**

N/A

**OPTIONS:**

- Receive report
- Provide direction

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council accepts and files the attached Chandler Asset Quarterly Investment Report for the quarter ended March 31, 2020.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager

Attachments:

1. Chandler Asset Quarterly Investment Report- March 31, 2020



# City of Solana Beach

*Period Ending March 31, 2020*

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | [www.chandlerasset.com](http://www.chandlerasset.com)

ATTACHMENT 1

<b>SECTION 1</b>	<b>Economic Update</b>
<b>SECTION 2</b>	<b>Account Profile</b>
<b>SECTION 3</b>	<b>Portfolio Holdings</b>
<b>SECTION 4</b>	<b>Transactions</b>

# Section 1 | Economic Update

## Economic Update

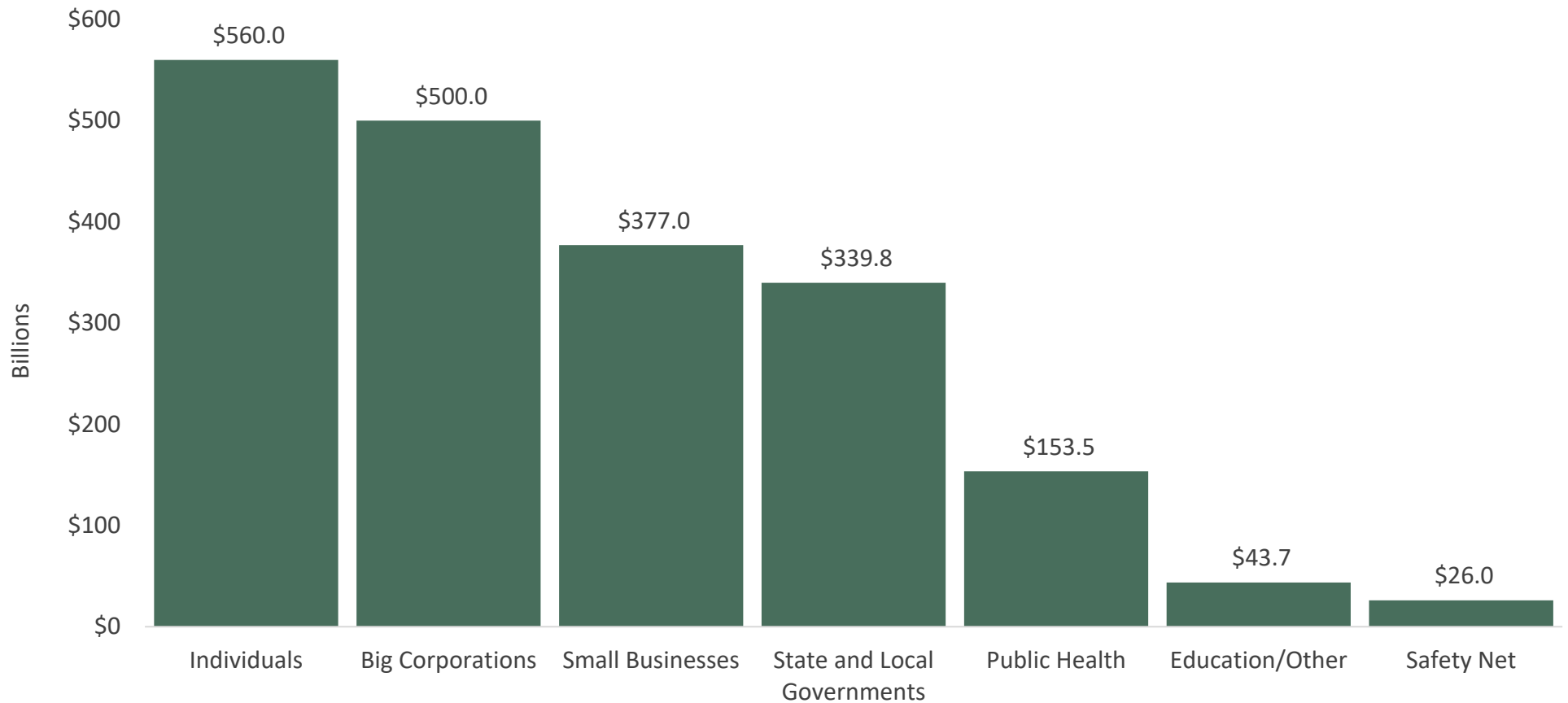
- Financial markets have experienced significant turbulence, driven by a high level of uncertainty about the impact of the COVID-19 pandemic on the global economy. US Treasury yields have declined, amid a global flight to quality. At the end of the first quarter, the yield on 2-year Treasuries was down 132 basis points year-to-date, and the yield on 10-year Treasuries was down nearly 125 basis points. The S&P 500 index declined 20.0% in the first quarter. There are still many unknowns about the coronavirus including how widespread it will become, how long it will take to contain the virus, and the actual impact on economic activity. We believe containment efforts and supply chain disruptions will cause a sharp increase in unemployment and a swift and deep contraction in economic activity. Financial markets will likely remain volatile over the near term but we believe that large-scale global monetary and fiscal stimulus programs will help mitigate the longer-term impact of the pandemic. Notably, President Trump approved a \$2 trillion economic relief package on March 27, the largest fiscal stimulus package in US history.
- The Fed has taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and said it will purchase Treasury and agency mortgage-backed securities in any amount needed to support smooth market functioning. Policymakers have established several facilities to help support the flow of credit to businesses and state and local governments including the Commercial Paper Funding Facility, Main Street Lending Facility, Money Market Mutual Fund Liquidity Facility, Municipal Liquidity Facility, Paycheck Protection Program Liquidity Facility, Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, and Term Asset-Backed Securities Loan Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Fed Chair Powell has indicated that the Fed will continue to act “forcefully, proactively, and aggressively” until the economy is solidly on a road to recovery.
- The slope of the Treasury yield curve steepened in March, though rates across the curve declined meaningfully. At March month-end, the yield on 10-year Treasuries was down 48 basis points to 0.67% while the yield on 2-year Treasuries was down 67 basis points to 0.25%. The yield on 3-month T-bills declined 121 basis points in March. The movement in yields has been driven by fears about the coronavirus and its potential impact on global economic growth and inflation expectations, as well as the cumulative 150 basis point cut to the fed funds target rate in March.

# Unprecedented Fed Intervention

Fed Action	Details
<b>Rate Cuts</b>	<ul style="list-style-type: none"> <li>• Cut fed funds target rate by 1.50% to 0.00-0.25%</li> <li>• Discount window rate lowered to 0.25%</li> <li>• Fractional reserve requirement 0%</li> <li>• Interest on Excess Reserves cut to 0.10%</li> </ul>
<b>TSY/Agency MBS Purchases</b>	<ul style="list-style-type: none"> <li>• \$500 billion+ TSY and \$200 billion+ AGY MBS</li> </ul>
<b>Repo Operations</b>	<ul style="list-style-type: none"> <li>• \$1.5 trillion+ short-term repo facilities to provide liquidity</li> </ul>
<b>Commercial Paper Funding Facility (CPFF)</b>	<ul style="list-style-type: none"> <li>• Purchases of Tier 1 CP*</li> </ul>
<b>Primary Dealer Credit Facility (PDCF)</b>	<ul style="list-style-type: none"> <li>• Loans to Primary Dealers up to 3 months</li> </ul>
<b>Money Market Mutual Fund Liquidity Facility (MMLF)</b>	<ul style="list-style-type: none"> <li>• Liquidity to MMFs in form of loans to banks to purchase assets from MMFs</li> </ul>
<b>FX Swap Lines</b>	<ul style="list-style-type: none"> <li>• Temporary lending to boost circulation of dollars worldwide</li> </ul>
<b>Primary Market Corporate Credit Facility (PMCCF)</b>	<ul style="list-style-type: none"> <li>• Purchases of investment grade corporate debt directly from issuers**</li> </ul>
<b>Secondary Market Corporate Credit Facility (SMCCF)</b>	<ul style="list-style-type: none"> <li>• Purchases of investment grade debt and ETFs (IG and HY) in the secondary market</li> </ul>
<b>Term ABS Loan Facility (TALF)</b>	<ul style="list-style-type: none"> <li>• Loans to investors to buy highest-rated ABS, CMBS and CLOs to support consumer and business credit</li> </ul>
<b>Municipal Liquidity Facility</b>	<ul style="list-style-type: none"> <li>• Up to \$500 billion in lending to states and municipalities via debt security purchases from states, large counties, and cities</li> </ul>
<b>Main Street Lending Program</b>	<ul style="list-style-type: none"> <li>• Up to \$600 billion in loan purchases from small- and mid-sized businesses</li> </ul>
<b>Paycheck Protection Program Liquidity Facility (PPP)</b>	<ul style="list-style-type: none"> <li>• Liquidity to participating financial institutions through term financing backed by PPP loans to small businesses</li> </ul>

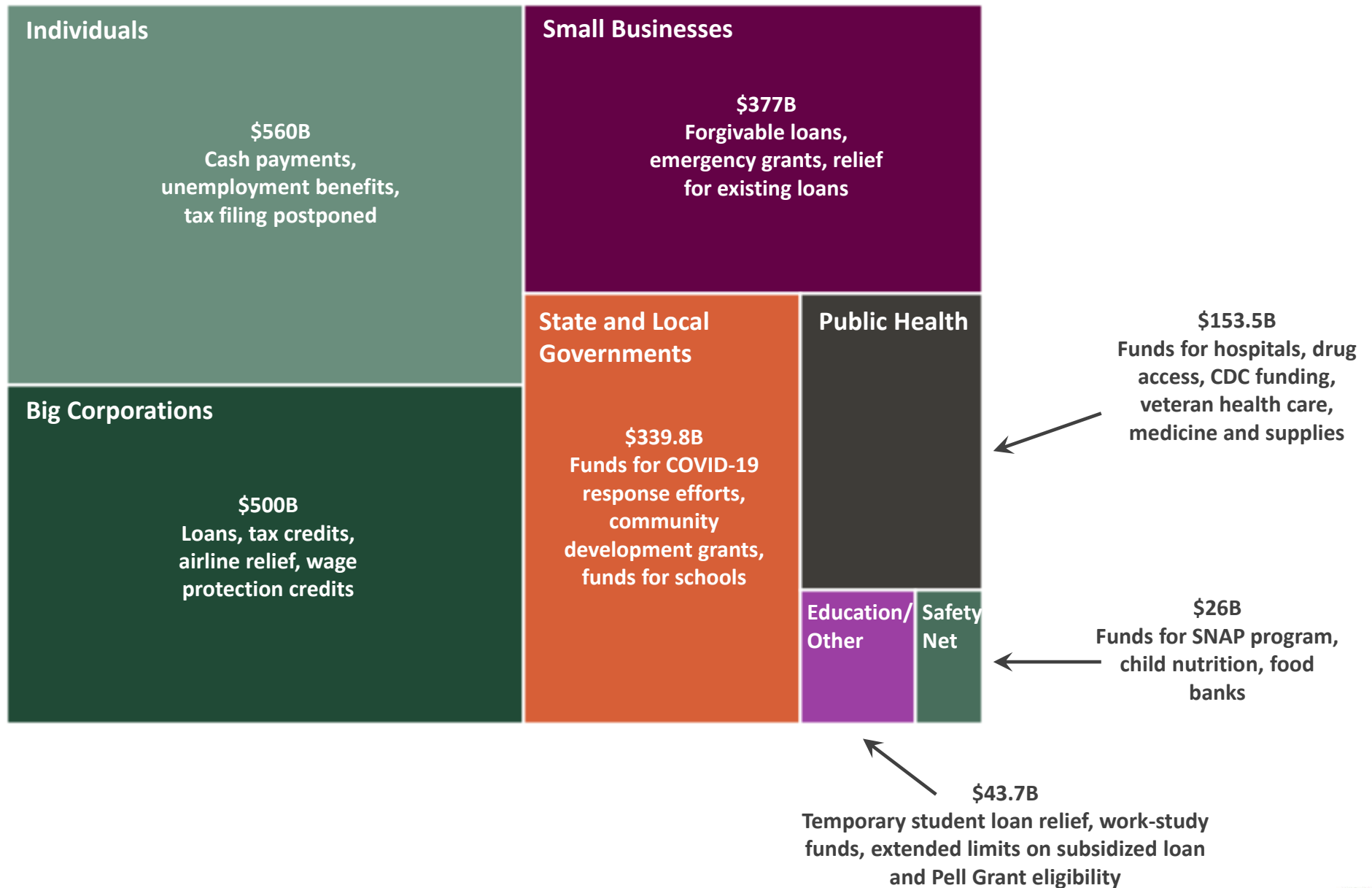
\*CP issuers that were Tier 1 as of March 17, 2020 and were subsequently downgraded to no lower than Tier 2 may be eligible on a one-time basis. \*\*Issuers that were rated at least Baa3/BBB- as of March 22, 2020 and were subsequently downgraded to no lower than Ba3/BB- may be eligible.

## \$2 Trillion CARES Act



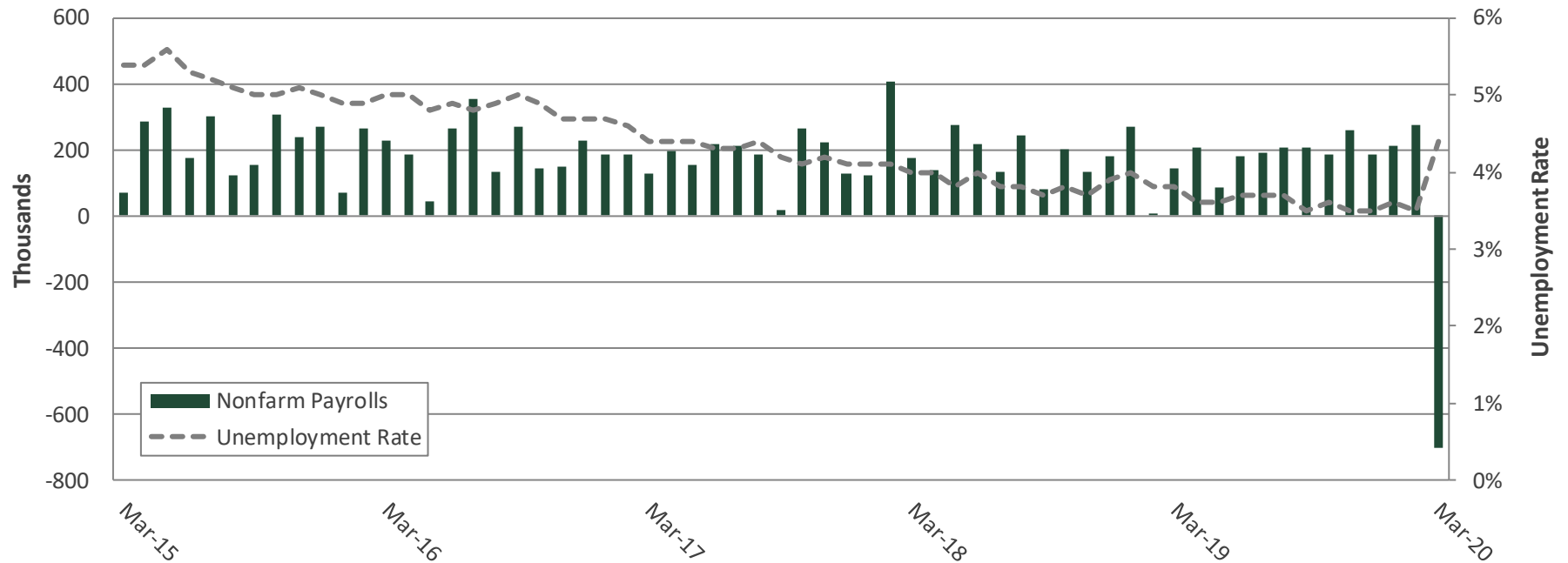
Stimulus includes direct cash payments to individuals, unemployment assistance, refundable tax credits to large corporations, airline relief, small business emergency grants, forgivable loans, direct aid and funding for local governments, funding for hospitals, and grants for child nutrition and food stamps, among other initiatives.

# \$2 Trillion CARES Act



# Employment

Change in Nonfarm Payrolls and Unemployment Rate  
March 2015 - March 2020



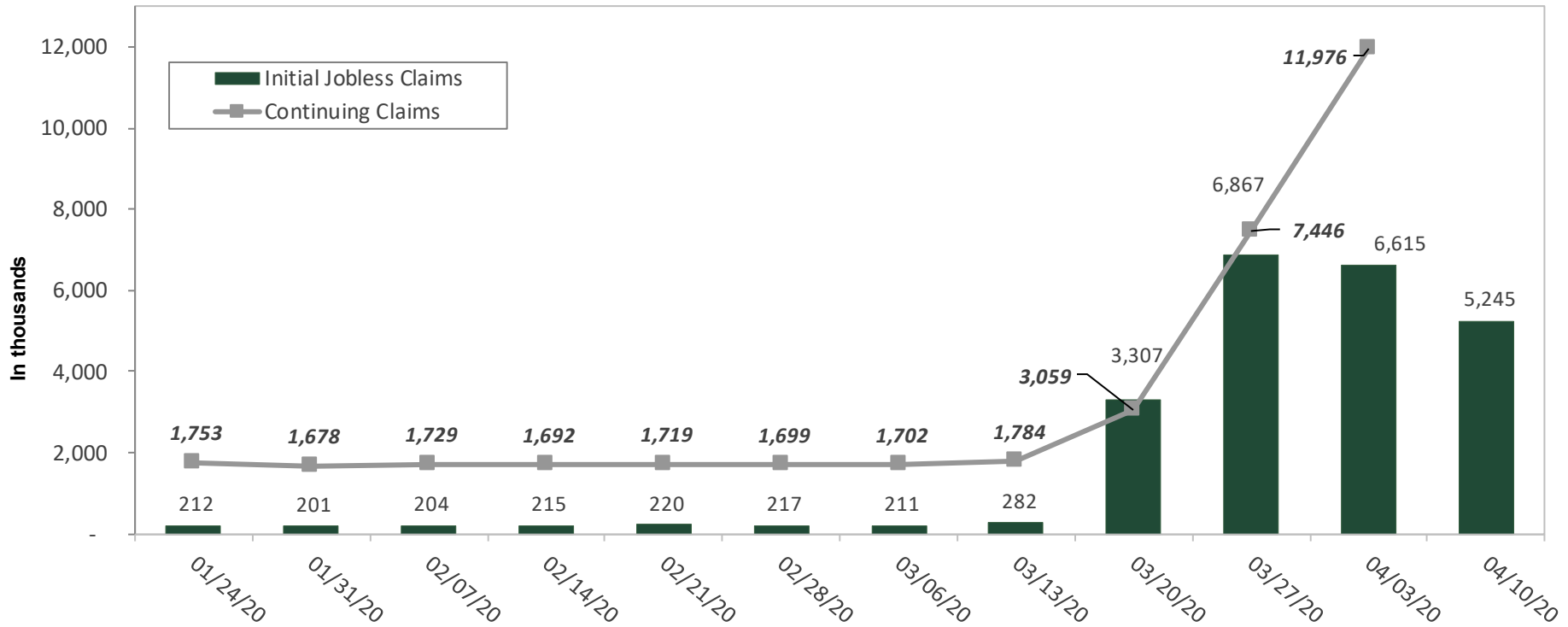
Source: US Department of Labor

U.S. nonfarm payrolls declined by 701,000 in March. Employment in leisure and hospitality was particularly weak with payrolls down 459,000. The U-3 unemployment rate increased to 4.4% in March from 3.5% in February, and the participation rate declined to 62.7% from 63.4%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, increased to 8.7% from 7.0%. Wages rose 0.4% in March and were up 3.1% on year-over-year basis. The average workweek declined to 34.2 hours from 34.4 hours. Notably, the establishment survey of payrolls and the household survey of unemployment were collected in the first half of March, which predates many of the business and school closures related to the pandemic.



# Initial Claims for Unemployment

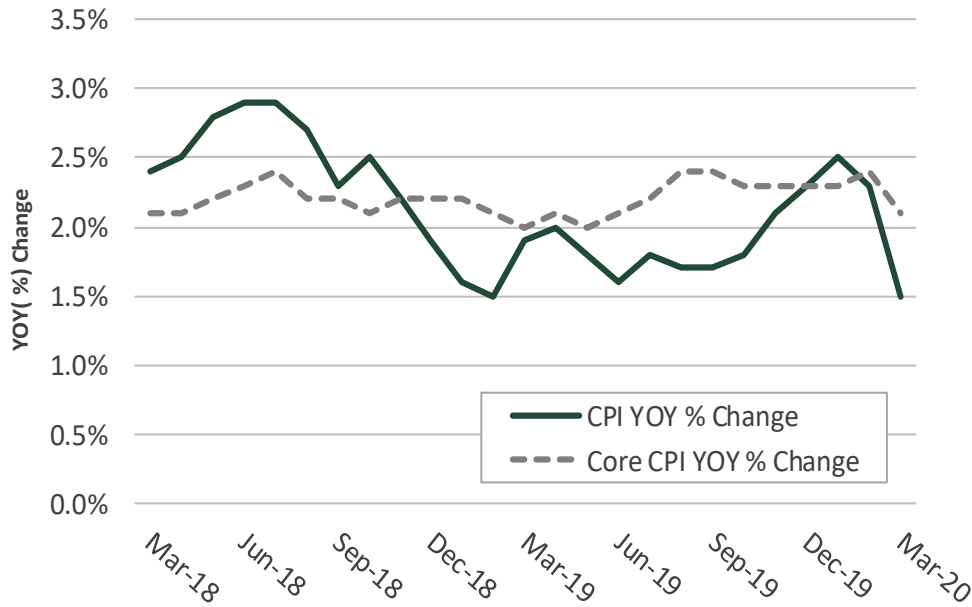
## Initial Claims For Unemployment January 24, 2020 - April 10, 2020



More than 5.2 million people filed an initial claim for unemployment in the April 11 week, following more than 6.6 million in the prior week and nearly 6.9 million claims two weeks prior. So far, roughly 22 million people have filed an initial claim for unemployment since the stay-at-home orders began in mid-March.

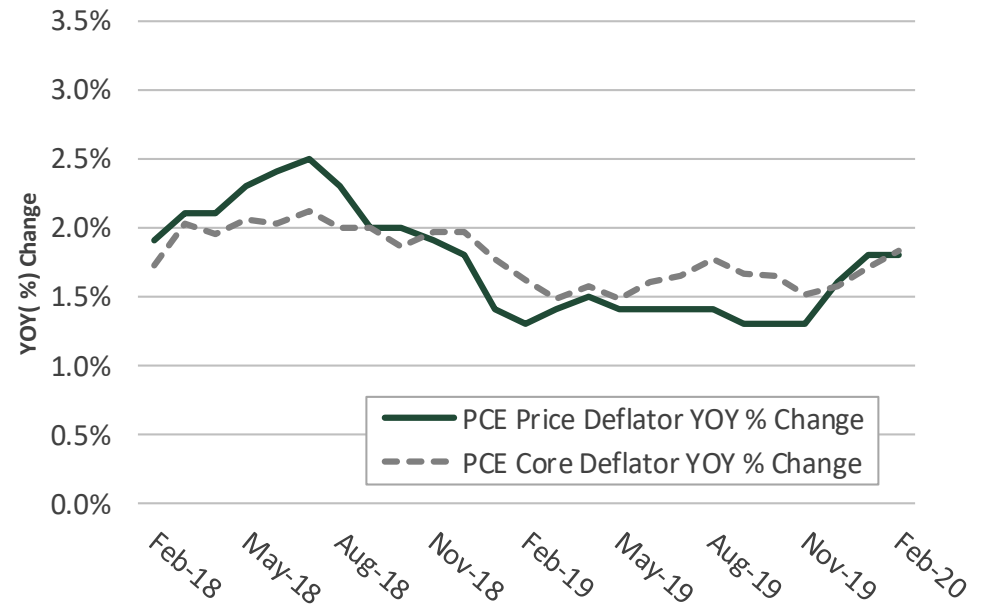
# Inflation

### Consumer Price Index (CPI)



Source: US Department of Labor

### Personal Consumption Expenditures (PCE)

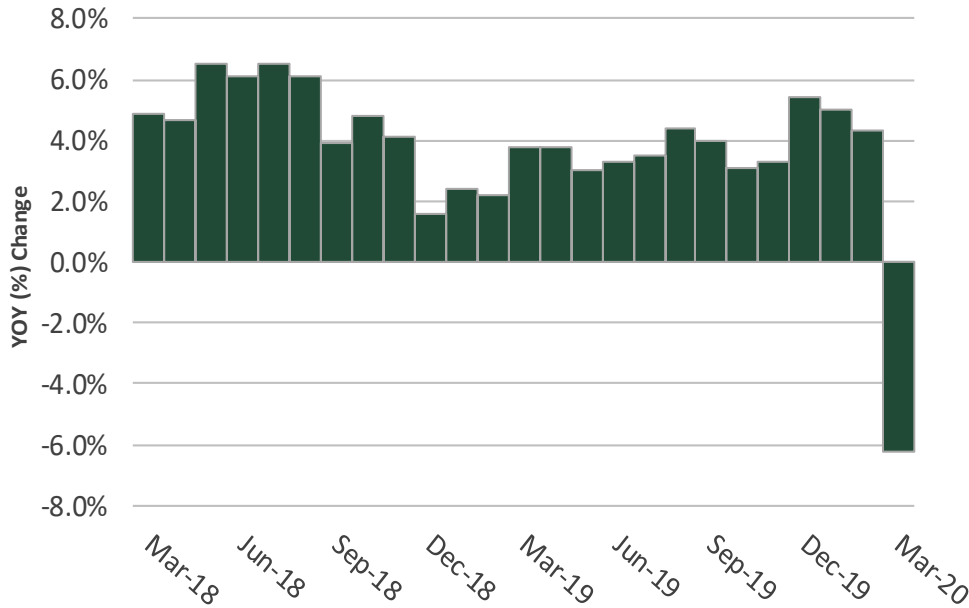


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 1.5% year-over-year in March, down from 2.3% in February. Core CPI (CPI less food and energy) was up 2.1% year-over-year in March, down from 2.4% in February. The CPI data for March indicates that the initial net effect of the pandemic has been deflationary. The Personal Consumption Expenditures (PCE) index was up 1.8% year-over-year in February, unchanged from 1.8% year-over-year in January. Core PCE, which is the Fed's primary inflation gauge, was up 1.8% year-over-year in February versus 1.7% year-over-year in January. Core PCE was trending below the Fed's 2.0% inflation target before the COVID-19 pandemic.

# Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

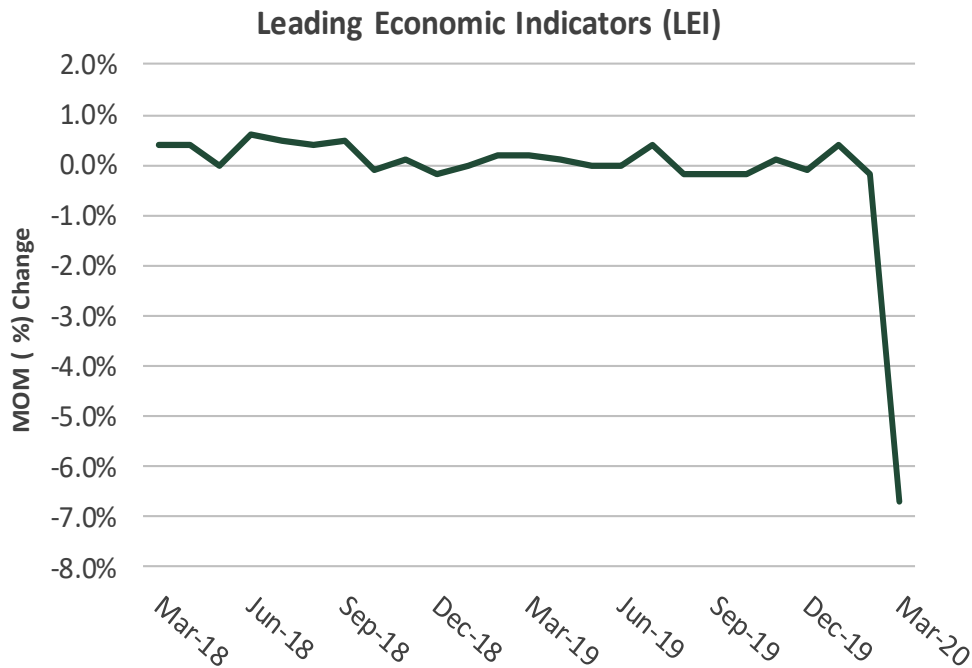
Consumer Confidence



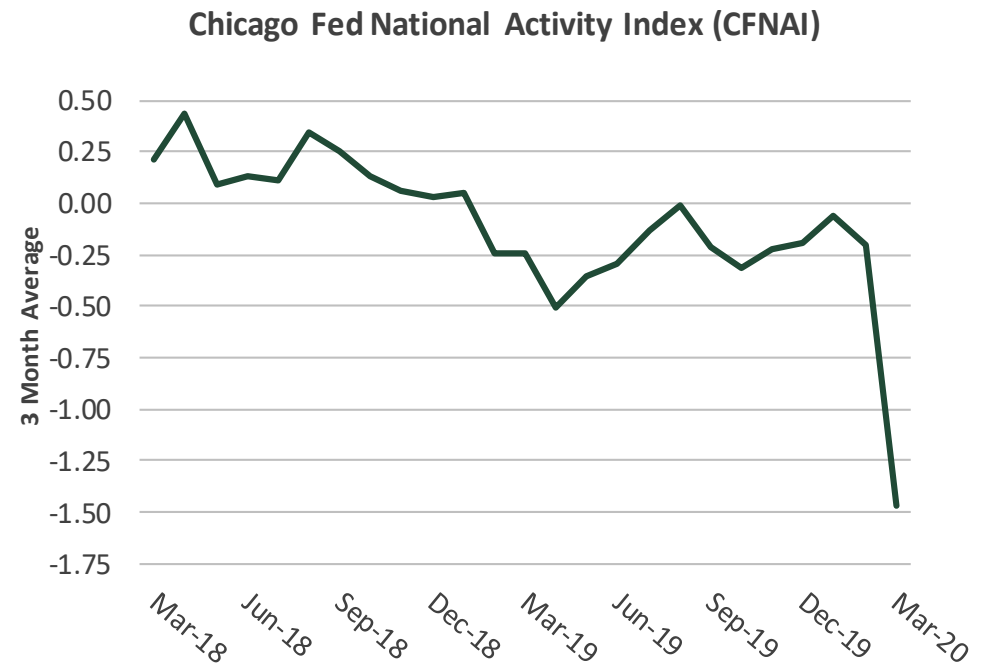
Source: The Conference Board

On a year-over-year basis, retail sales fell 6.2% in March versus an increase of 4.3% in February. On a month-over-month basis, retail sales plunged 8.7% in March, the worst monthly decline on record. Vehicle, gasoline, restaurant, and clothing sales were particularly weak in the month. On a control group basis, retail sales rose 1.9% in March (which was better than expected), helped by a surge in consumer stockpiling. The Consumer Confidence Index remained fairly strong in March but declined to 120.0 from 132.6 in February. The cut-off date for the survey was March 19. Confidence was high going into the pandemic, but we expect to see a meaningful decline in the coming months.

# Economic Activity



Source: The Conference Board

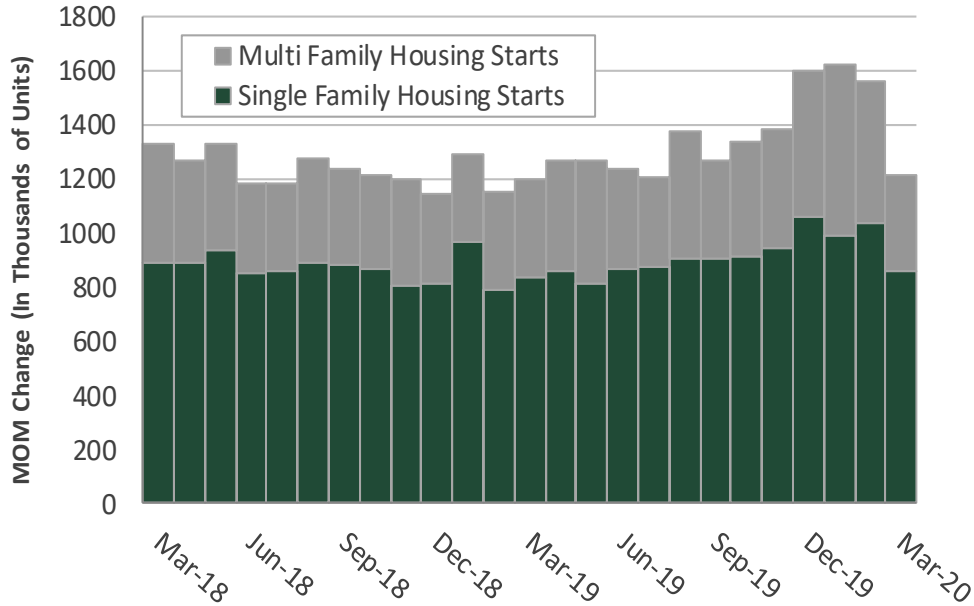


Source: Federal Reserve Bank of Chicago

The Conference Board’s Leading Economic Index (LEI) fell 6.7% in March, the largest monthly decline in its 60-year history. On a year-over-year basis, the LEI was down 6.6% in March reflecting broad-based deterioration. According to the Conference Board, the LEI suggests that the US economy is facing a “very deep” contraction. The Chicago Fed National Activity Index (CFNAI) declined to -4.19 in March from 0.06 in February. On a 3-month moving average basis, the CFNAI declined to -1.47 in March from -0.20 in February.

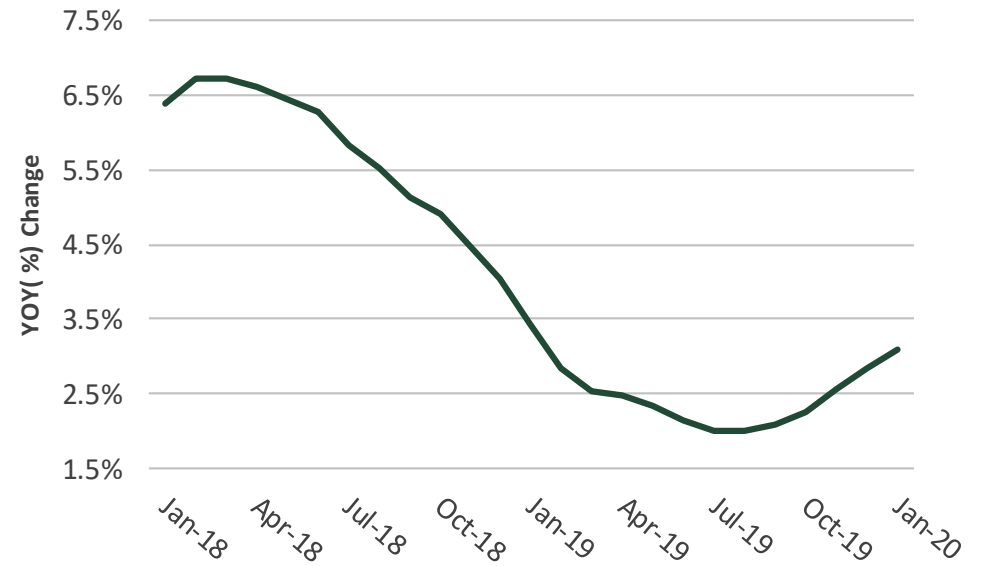
# Housing

### Housing Starts



Source: US Department of Commerce

### S&P/Case-Shiller 20 City Composite Home Price Index

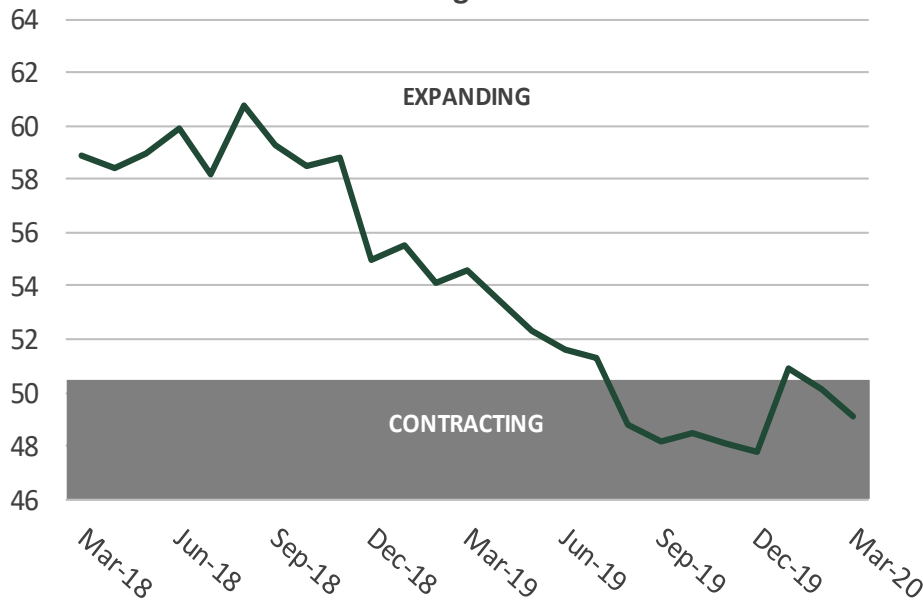


Source: S&P

Housing starts declined 22.3% in March to an annual pace of 1.216 million, although the pace was 1.4% higher on a year-over-year basis. On a month-over-month basis, single family starts fell 17.5% to an annualized rate of 856,000, while multi-family starts declined 31.7% to an annualized rate of 360,000. Low mortgage rates and a strong labor market were fueling housing activity heading into the COVID-19 crisis. Although the month-over-month declines in activity were significant in March, housing starts are generally on pace with the year-ago rate. According to the Case-Shiller 20-City home price index, home prices were up 3.1% year-over-year in January, versus up 2.9% year-over-year in December, which suggests that pricing in the sector was gaining momentum prior to the pandemic.

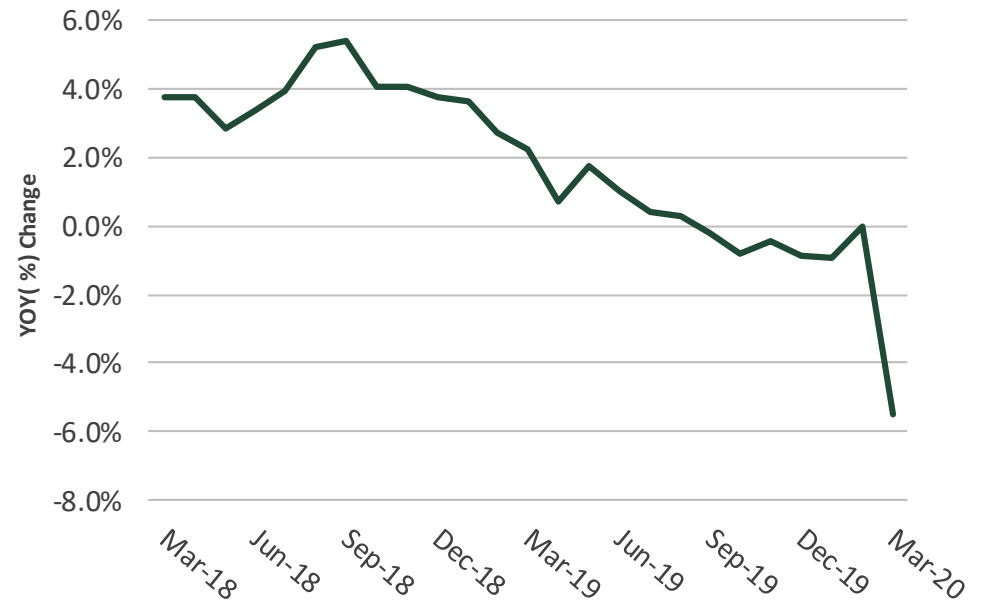
# Manufacturing

**Institute of Supply Management Purchasing Manager Index**



Source: Institute for Supply Management

**Industrial Production**



Source: Federal Reserve

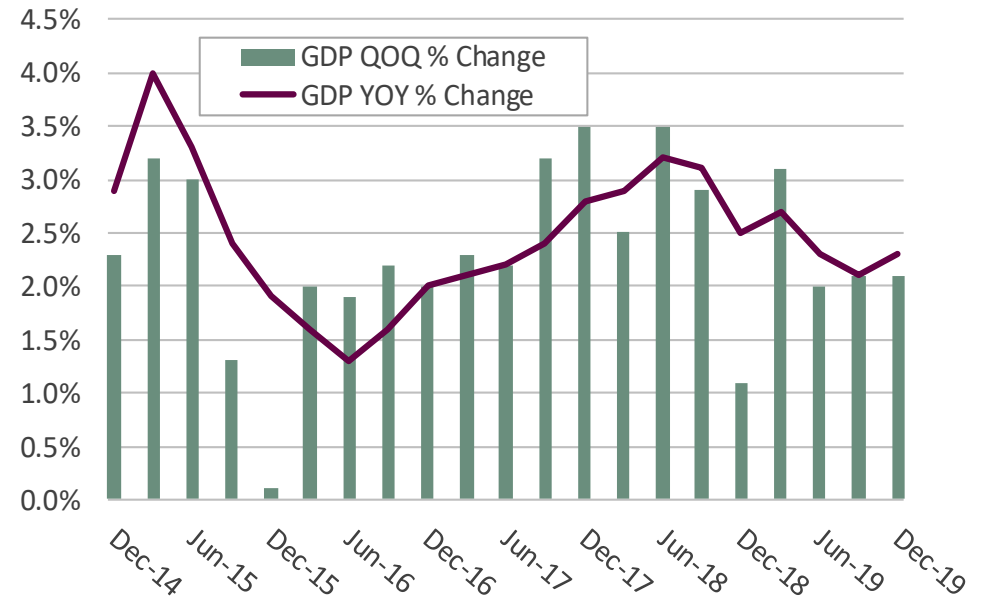
The Institute for Supply Management (ISM) manufacturing index decreased to 49.1 in March from 50.1 in February. The sub-50.0 reading suggests that the manufacturing sector is in contraction but it was stronger than the consensus estimate of 44.0. The Industrial Production index was down 5.5% year-over-year in March, versus up 0.02% in February. On a month-over-month basis, the Industrial Production index fell 5.4% in March (the worst monthly decline since 1946), following a 0.5% increase in February. Capacity Utilization dropped to 72.7% in March from 77.0% in February, well below the long-run average of 79.8%.

# Gross Domestic Product (GDP)

Components of GDP	3/19	6/19	9/19	12/19
Personal Consumption Expenditures	0.8%	3.0%	2.1%	1.2%
Gross Private Domestic Investment	1.1%	-1.2%	-0.2%	-1.1%
Net Exports and Imports	0.7%	-0.7%	-0.1%	1.5%
Federal Government Expenditures	0.1%	0.5%	0.2%	0.2%
State and Local (Consumption and Gross Investment)	0.4%	0.3%	0.1%	0.2%
<b>Total</b>	<b>3.1%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.1%</b>

Source: US Department of Commerce

## Gross Domestic Product (GDP)

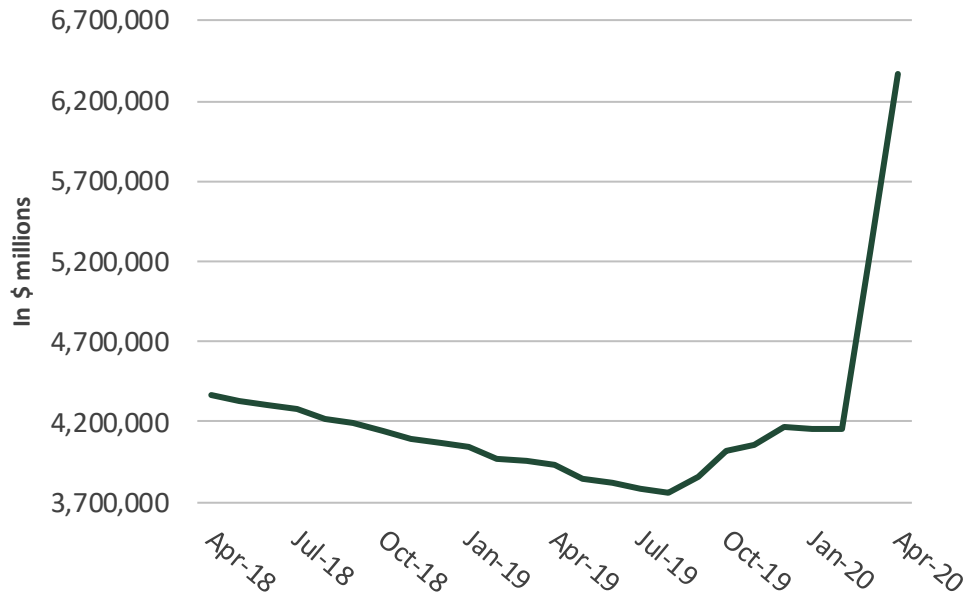


Source: US Department of Commerce

Fourth quarter 2019 GDP grew at a 2.1% annualized rate, in line with expectations. This follows growth of 2.1% in the third quarter, 2.0% in the second quarter, and 3.1% in the first quarter. Overall, GDP grew 2.3% in 2019, down from 2.9% in 2018. Fourth quarter growth was fueled by net exports and consumer spending which contributed 1.5% and 1.2% to GDP in the quarter, respectively, while gross private domestic investment was a drag on the economy. We believe the economy was expanding at a moderate pace at the beginning of this year but containment efforts related to the COVID-19 pandemic have almost certainly resulted in a steep contraction in US economic activity beginning in early March.

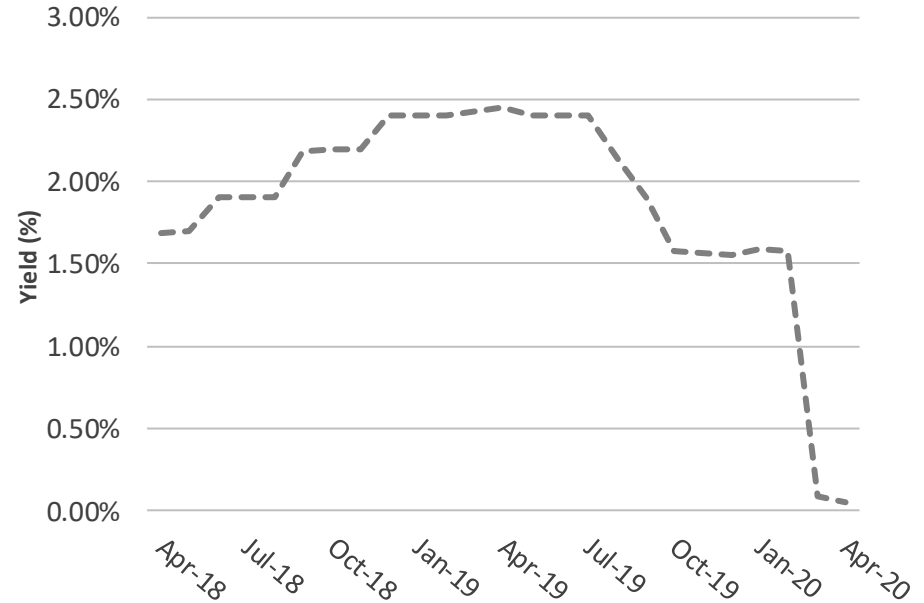
# Federal Reserve

### Federal Reserve Balance Sheet Assets



Source: Federal Reserve

### Effective Federal Funds Rate



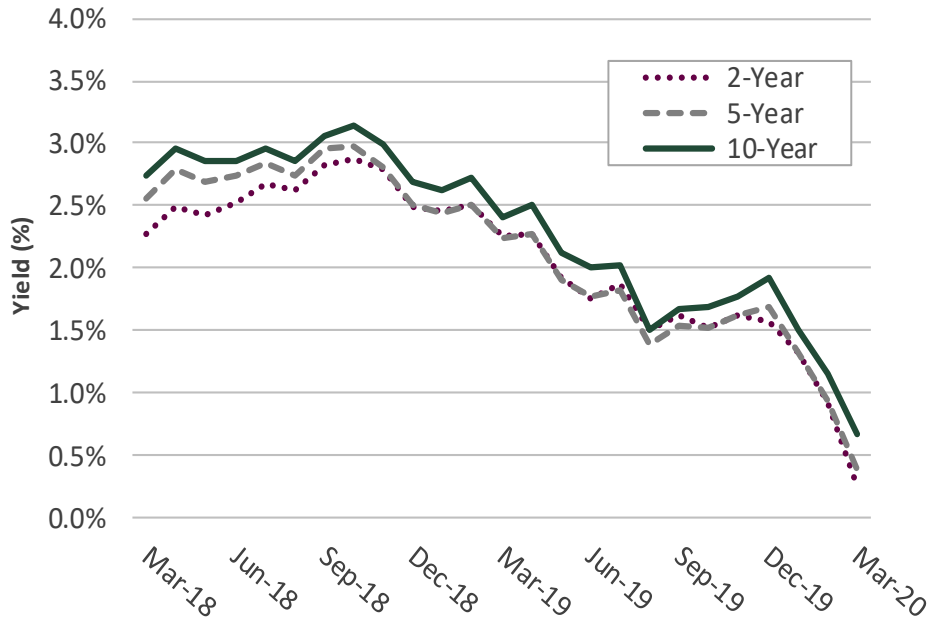
Source: Bloomberg

The Fed has taken a wide range of aggressive actions this month to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and said it will purchase Treasury and agency mortgage-backed securities in any amount needed to support smooth market functioning. Policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility in order to provide liquidity to the commercial paper, money markets, and the municipal bond markets. The Fed has established the Primary Market Corporate Credit Facility and Secondary Market Corporate Credit Facility to support the corporate bond market. The Term Asset-Backed Securities Loan Facility has been established to enable the issuance of asset-backed securities backed by student loans, auto loans, credit card loans, and loans guaranteed by the Small Business Administration. The Fed has established the Paycheck Protection Program Liquidity Facility and Fed's Main Street Lending Facility which will support the flow of credit to businesses. The Fed established the Municipal Liquidity Facility to purchase short-term debt directly from US states, counties, and cities. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions.



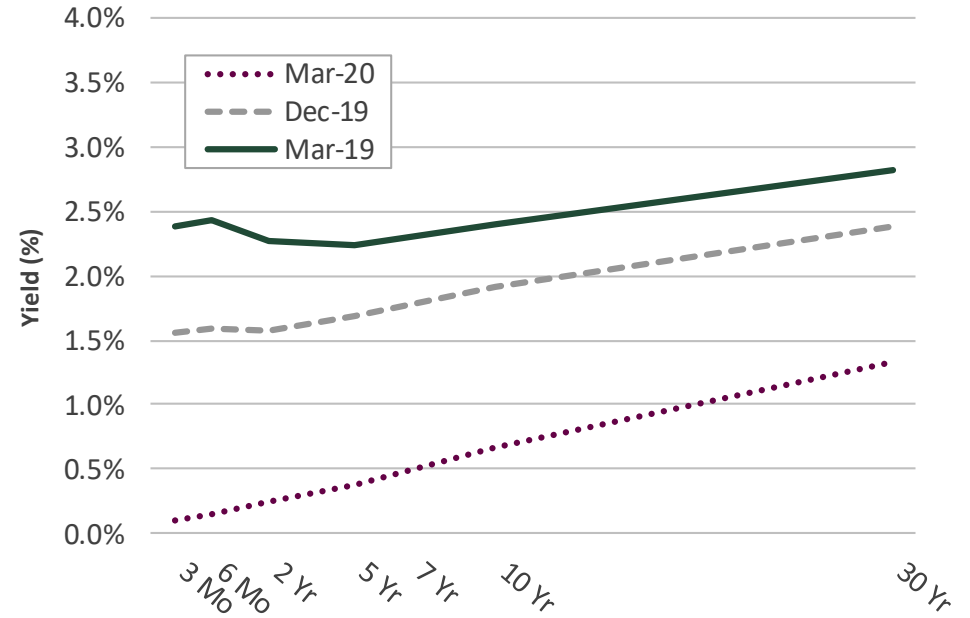
# Bond Yields

### US Treasury Note Yields



Source: Bloomberg

### US Treasury Yield Curve



Source: Bloomberg

At March month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 232 basis points, the 2-year Treasury yield was down 202 basis points, and the 10-Year Treasury yield was down 174 basis points, year-over-year. Much of the spread movement was in the month of March, with the Fed cutting rates by a total of 150 basis points and concerns about a global recession and a flight to safe-haven assets driving down yields across the curve.



## Section 2 | Account Profile

## **Investment Objectives**

The investment objectives for the City of Solana Beach, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs, and a market rate of return consistent with the investment program.

## **Chandler Asset Management Performance Objective**

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

## **Strategy**

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

## City of Solana Beach

Assets managed by Chandler Asset Management are in full compliance with state law and the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	25% per agency issuer	Complies
Municipal Securities	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer	Complies
Supranationals	"AA" rated or higher by a NRSRO; 30% max; 10% max per issuer; U.S. dollar denominated; Issued by: IBRD, IFC, IADB	Complies
Corporate Medium Term Notes	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
FDIC insured Time Deposits/ Certificates of Deposit	Amount per institution limited to the max covered under FDIC; 20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Collateralized Time Deposits/ Certificates of Deposit	20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Negotiable Certificates of Deposit	No rating required if amount of the NCD is covered by FDIC insured limit; If above FDIC insured limit, requires "A-1" rated or higher by a NRSRO or "A" rated long term issuer by a NRSRO; 30% maximum (inclusive of CDARS); 5% max per issuer	Complies
Banker's Acceptances	"A-1" or higher short-term rating by a NRSRO; or "A" or higher long-term by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" or higher short term rating by a NRSRO; "A" rated long term issuer by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer is a corporation organized and operating in U.S. with assets in excess of \$500 million; 10% max of the issuer's outstanding commercial paper	Complies
Asset-Backed Securities/ Mortgage-Backed Securities	"AA" or higher by a NRSRO; "A" rated issuer rating or higher by a NRSRO; 20% maximum; 5% max per Asset-backed or Commercial Mortgage security issuer; There is no issuer limitation on any Mortgage security where the issuer is the U.S. Treasury or a Federal City/GSE.	Complies
Mutual Funds and Money Market Mutual Funds	Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience greater than 5 years; 20% maximum combined in Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund; 20% max per Money Market Mutual Fund	Complies
Prohibited Securities	Futures and Options; Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities; Margin; Reverse Repurchase Agreements; Securities lending; Foreign currency denominated; Purchases of securities issued by fossil fuel companies that directly source the majority of their revenue from oil, gas, and or coal production.	Complies
Repurchase Agreements	1 year max maturity; collateralized 102% of market value; Not used by investment adviser	Complies
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	Complies
Investment Trust of California (CALTRUST)	Pursuant to CGC; Not used by investment adviser	Complies
Callable Securities	20% maximum (does not include "make whole call" securities)	Complies
Max per Issuer	No more than 5% in any single issuer, except US Gov, Agencies, Supranationals, Money Market Mutual Funds, LAIF, LGIP, or where otherwise specified in the investment policy	Complies
Maximum Maturity	5 years	Complies

# Portfolio Characteristics

As of March 31, 2020

## City of Solana Beach

	3/31/2020		12/31/2019
	Benchmark*	Portfolio	Portfolio
<b>Average Maturity (yrs)</b>	1.84	1.84	1.98
<b>Average Modified Duration</b>	1.80	1.71	1.84
<b>Average Purchase Yield</b>	n/a	2.09%	2.19%
<b>Average Market Yield</b>	0.21%	0.82%	1.70%
<b>Average Quality**</b>	AAA	AA+/Aa1	AA+/Aa1
<b>Total Market Value</b>		29,618,450	29,026,994

\*ICE BAML 1-3 Yr US Treasury/Agency Index

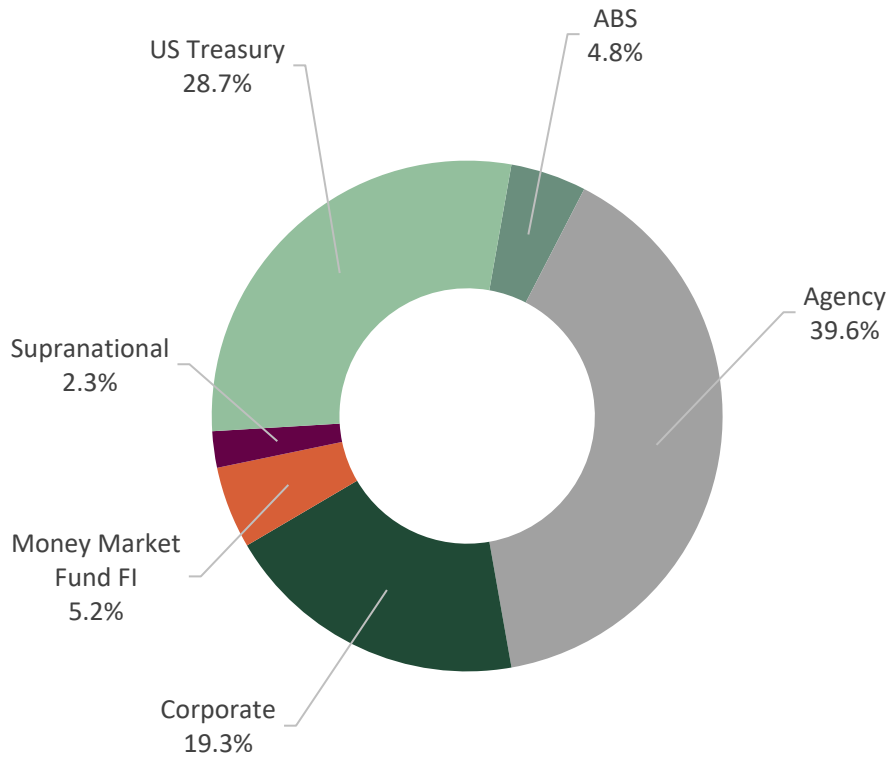
\*\*Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

# Sector Distribution

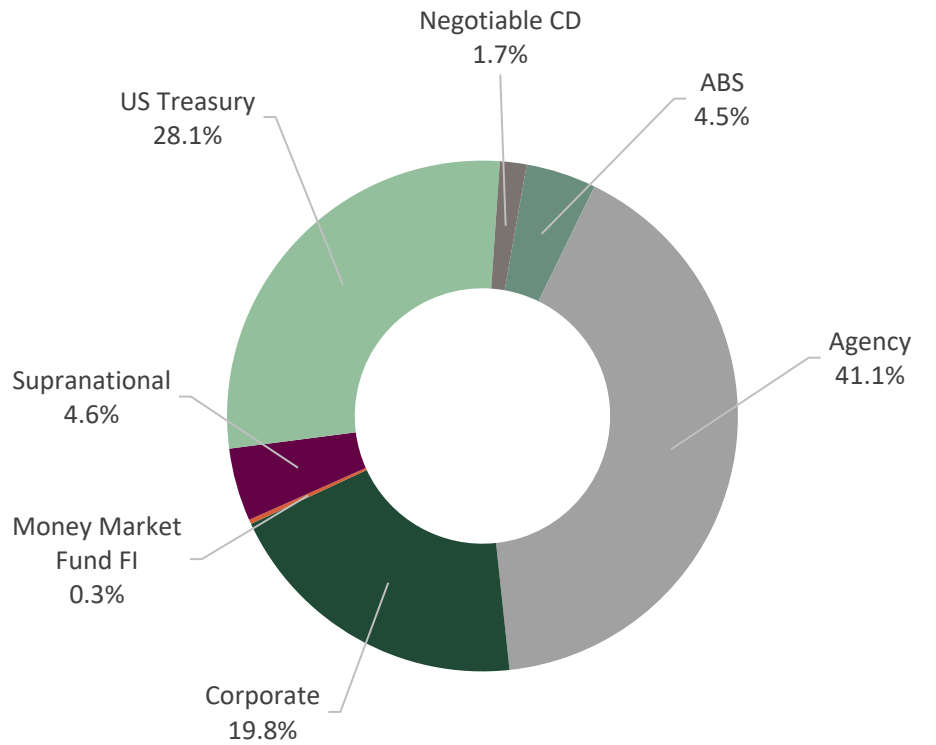
As of March 31, 2020

## City of Solana Beach

March 31, 2020



December 31, 2019



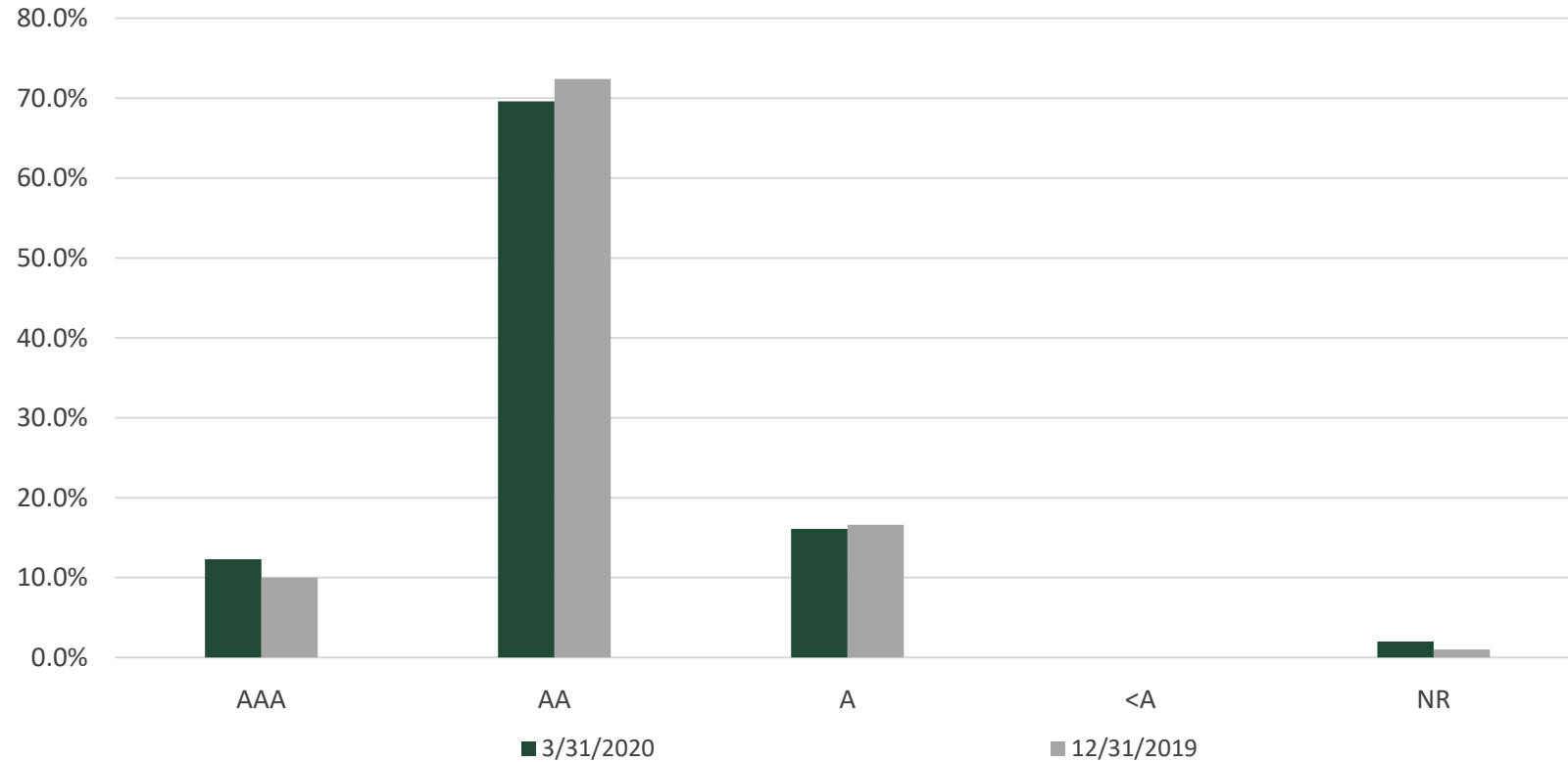
## City of Solana Beach – Account #10471

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	28.74%
Federal Farm Credit Bank	Agency	14.10%
Federal Home Loan Bank	Agency	13.53%
Federal National Mortgage Association	Agency	9.78%
First American Govt Oblig Fund	Money Market Fund FI	5.21%
Federal Home Loan Mortgage Corp	Agency	2.21%
Honda ABS	ABS	1.73%
Costco Wholesale Corporation	Corporate	1.72%
Paccar Financial	Corporate	1.68%
Inter-American Dev Bank	Supranational	1.63%
PNC Financial Services Group	Corporate	1.53%
Home Depot	Corporate	1.44%
United Parcel Service	Corporate	1.38%
Oracle Corp	Corporate	1.37%
State Street Bank	Corporate	1.36%
Praxair	Corporate	1.35%
John Deere ABS	ABS	1.31%
Berkshire Hathaway	Corporate	1.24%
Deere & Company	Corporate	1.20%
Bank of New York	Corporate	1.19%
Toyota Motor Corp	Corporate	1.02%
Toyota ABS	ABS	1.02%
Apple Inc	Corporate	0.91%
Nissan ABS	ABS	0.75%
International Finance Corp	Supranational	0.70%
HSBC Holdings PLC	Corporate	0.67%
Honda Motor Corporation	Corporate	0.67%
Charles Schwab Corp/The	Corporate	0.55%
<b>TOTAL</b>		<b>100.00%</b>

# Quality Distribution

As of March 31, 2020

**City of Solana Beach**  
**March 31, 2020 vs. December 31, 2019**



	AAA	AA	A	<A	NR
03/31/20	12.3%	69.6%	16.1%	0.0%	2.0%
12/31/19	10.0%	72.4%	16.6%	0.0%	1.0%

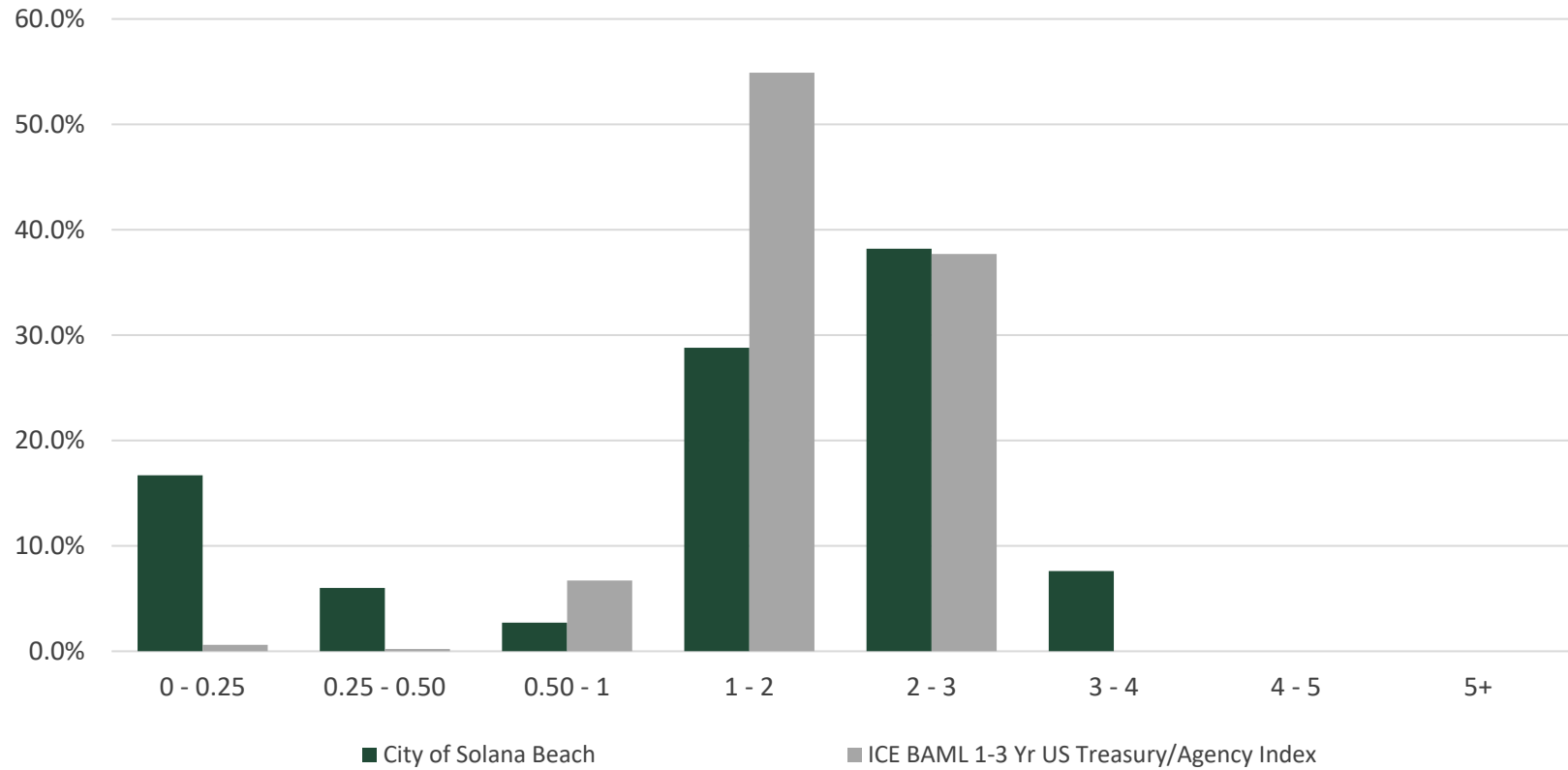
Source: S&P Ratings



# Duration Distribution

As of March 31, 2020

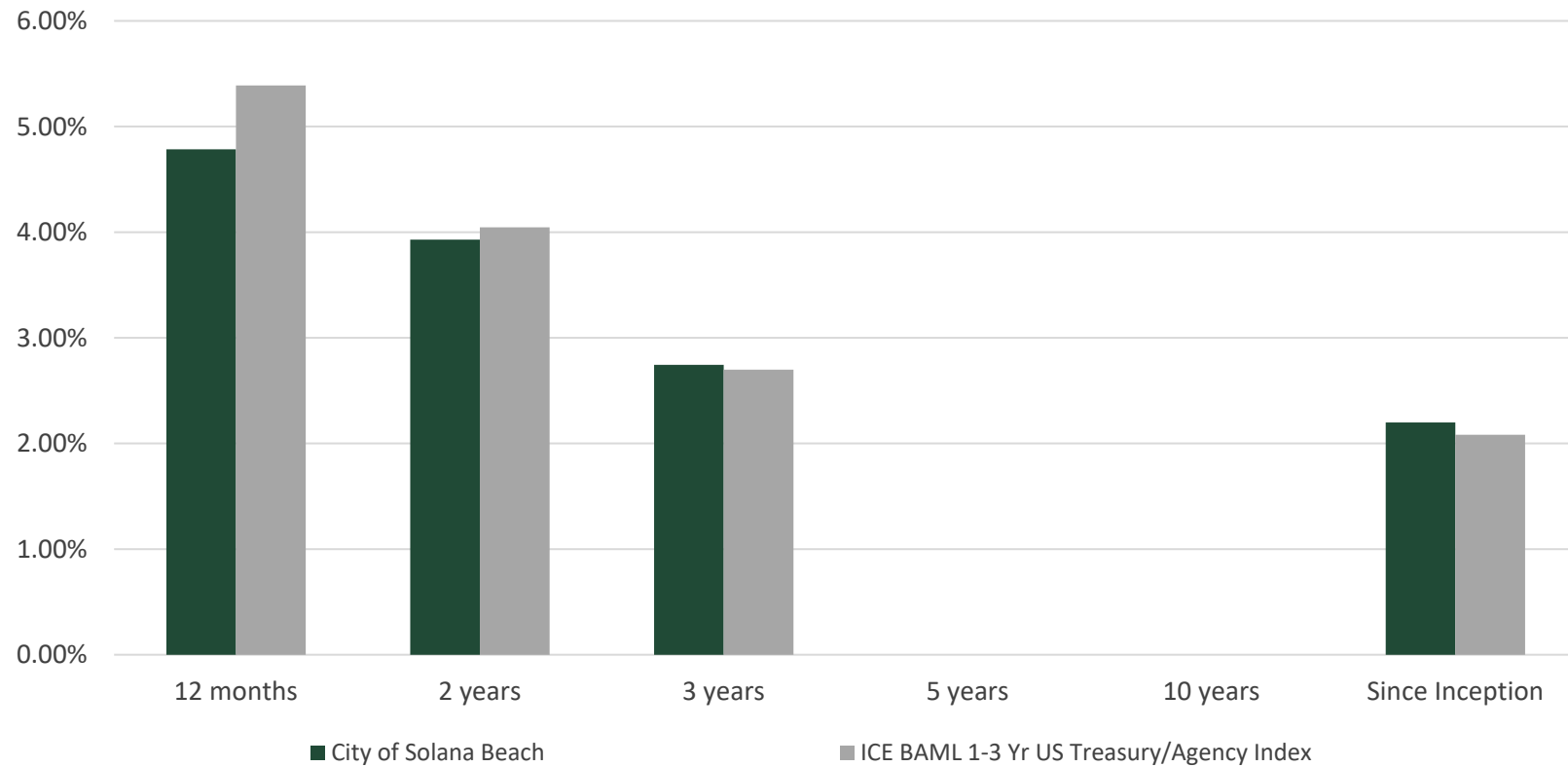
**City of Solana Beach**  
**Portfolio Compared to the Benchmark as of March 31, 2020**



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	16.7%	6.0%	2.7%	28.8%	38.2%	7.6%	0.0%	0.0%
Benchmark*	0.6%	0.2%	6.7%	54.9%	37.7%	0.0%	0.0%	0.0%

\*ICE BAML 1-3 Yr US Treasury/Agency Index

## City of Solana Beach Total Rate of Return Annualized Since Inception 03/31/2016



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of Solana Beach	2.06%	4.78%	3.93%	2.74%	N/A	N/A	2.20%
ICE BAML 1-3 Yr US Treasury/Agency Index	2.78%	5.39%	4.05%	2.70%	N/A	N/A	2.08%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

# Investment Comparison

As of March 31, 2020

## City of Solana Beach

	LAIF EARNINGS ESTIMATE*	GROSS INCOME EARNED CHANDLER-MANAGED PORTFOLIO	INCOME EARNED CHANDLER-MANAGED PORTFOLIO**
<b>Apr 2016 - Dec 2016</b>	\$113,770	\$185,849	\$169,455
<b>2017</b>	\$327,563	\$439,162	\$410,891
<b>2018</b>	\$628,152	\$553,633	\$524,542
<b>2019</b>	\$716,012	\$600,606	\$573,809
<b>Jan 2020</b>	\$49,264	\$47,393	\$48,299
<b>Feb 2020</b>	\$44,979	\$50,006	\$46,067
<b>Mar 2020</b>	\$45,516	\$50,432	\$47,939
<b>Total:</b>	<b>\$1,925,256</b>	<b>\$1,927,081</b>	<b>\$1,821,002</b>

\*LAIF earnings estimate calculated using daily yield

\*\*Income earned net of Chandler fees



## Section 3 | Portfolio Holdings

# Holdings Report

As of March 31, 2020

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.750% Due 09/20/2021	167,871.85	02/19/2019 2.77%	167,861.03 167,861.03	99.76 3.47%	167,467.21 166.71	0.57% (393.82)	NR / AAA AAA	1.47 0.34
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.830% Due 10/15/2021	120,663.20	02/05/2019 2.85%	120,652.24 120,652.24	100.13 2.41%	120,815.59 151.77	0.41% 163.35	Aaa / AAA NR	1.54 0.29
47789JAB2	John Deere Owner Trust 2019-A A2 2.850% Due 12/15/2021	115,152.21	03/05/2019 2.87%	115,146.96 115,146.96	100.26 1.93%	115,457.34 145.86	0.39% 310.38	Aaa / NR AAA	1.71 0.28
89238KAD4	Toyota Auto Receivables Trust 2017-D A3 1.930% Due 01/18/2022	180,289.79	10/17/2019 1.97%	180,247.54 180,247.54	99.96 2.03%	180,225.95 125.65	0.61% (21.59)	Aaa / AAA NR	1.80 0.43
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.010% Due 05/18/2022	127,970.56	05/22/2018 3.03%	127,967.77 127,967.77	100.59 2.11%	128,719.95 139.10	0.44% 752.18	NR / AAA AAA	2.13 0.64
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	120,000.00	07/16/2019 2.23%	119,974.52 119,974.52	100.82 1.74%	120,980.64 117.87	0.41% 1,006.12	Aaa / NR AAA	3.71 1.69
43813RAC1	Honda Auto Receivables 2020-1 A3 1.610% Due 04/22/2024	215,000.00	02/19/2020 1.62%	214,957.86 214,957.86	100.14 1.56%	215,291.76 96.15	0.73% 333.90	Aaa / NR AAA	4.06 2.41
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	220,000.00	10/16/2019 1.94%	219,988.38 219,988.38	100.99 1.49%	222,169.20 188.71	0.75% 2,180.82	Aaa / AAA NR	4.29 2.18
47789KAC7	John Deere Owner Trust 2020-A A3 1.100% Due 08/15/2024	155,000.00	03/04/2020 1.11%	154,990.53 154,990.53	98.17 1.87%	152,160.40 94.72	0.51% (2,830.13)	Aaa / NR AAA	4.38 2.39
<b>TOTAL ABS</b>		<b>1,421,947.61</b>	<b>2.18%</b>	<b>1,421,786.83</b>	<b>2.03%</b>	<b>1,423,288.04</b> <b>1,226.54</b>	<b>4.81%</b> <b>1,501.21</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.93</b> <b>1.30</b>
<b>Agency</b>									
3133EHFL2	FFCB Note 1.550% Due 04/13/2020	650,000.00	04/13/2017 1.51%	650,708.50 650,708.50	100.04 0.28%	650,274.30 4,701.67	2.21% (434.20)	Aaa / AA+ AAA	0.04 0.03
3137EAEF2	FHLMC Note 1.375% Due 04/20/2020	650,000.00	04/19/2017 1.48%	647,926.50 647,926.50	100.05 0.47%	650,309.40 3,997.05	2.21% 2,382.90	Aaa / AA+ AAA	0.05 0.05
3135G0U35	FNMA Note 2.750% Due 06/22/2021	700,000.00	06/28/2018 2.68%	701,295.00 701,295.00	102.88 0.39%	720,141.80 5,293.75	2.45% 18,846.80	Aaa / AA+ AAA	1.23 1.20
313383ZU8	FHLB Note 3.000% Due 09/10/2021	600,000.00	11/28/2018 2.95%	600,750.00 600,750.00	103.79 0.36%	622,764.60 1,050.00	2.11% 22,014.60	Aaa / AA+ NR	1.45 1.42
3133EJT74	FFCB Note 3.050% Due 11/15/2021	600,000.00	12/11/2018 2.87%	602,994.00 602,994.00	104.20 0.45%	625,178.40 6,913.33	2.13% 22,184.40	Aaa / AA+ AAA	1.63 1.58
3135G0S38	FNMA Note 2.000% Due 01/05/2022	650,000.00	Various 2.04%	649,156.00 649,156.00	102.87 0.37%	668,624.45 3,105.55	2.27% 19,468.45	Aaa / AA+ AAA	1.77 1.73

# Holdings Report

As of March 31, 2020

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3133EKBV7	FFCB Note 2.550% Due 03/01/2022	600,000.00	02/28/2019 2.57%	599,718.00 599,718.00	104.00 0.45%	623,982.60 1,275.00	2.11% 24,264.60	Aaa / AA+ AAA	1.92 1.88
3135G0V59	FNMA Note 2.250% Due 04/12/2022	360,000.00	04/11/2019 2.36%	358,819.20 358,819.20	103.68 0.43%	373,239.72 3,802.50	1.27% 14,420.52	Aaa / AA+ AAA	2.03 1.97
313379Q69	FHLB Note 2.125% Due 06/10/2022	700,000.00	06/06/2018 2.81%	681,828.70 681,828.70	103.84 0.36%	726,903.80 4,586.46	2.47% 45,075.10	Aaa / AA+ AAA	2.19 2.14
3135G0W33	FNMA Note 1.375% Due 09/06/2022	580,000.00	09/05/2019 1.49%	577,981.60 577,981.60	102.41 0.38%	593,978.58 553.82	2.01% 15,996.98	Aaa / AA+ AAA	2.44 2.39
313380GJ0	FHLB Note 2.000% Due 09/09/2022	600,000.00	11/28/2018 3.02%	578,358.00 578,358.00	103.58 0.52%	621,484.80 733.33	2.10% 43,126.80	Aaa / AA+ NR	2.44 2.38
3133EKY91	FFCB Note 1.375% Due 10/11/2022	500,000.00	10/08/2019 1.46%	498,715.00 498,715.00	101.18 0.90%	505,916.00 3,246.53	1.72% 7,201.00	Aaa / AA+ AAA	2.53 2.47
3130AFE78	FHLB Note 3.000% Due 12/09/2022	600,000.00	12/20/2018 2.77%	605,208.00 605,208.00	106.63 0.51%	639,771.00 5,600.00	2.18% 34,563.00	Aaa / AA+ AAA	2.69 2.58
3135G0T94	FNMA Note 2.375% Due 01/19/2023	500,000.00	10/04/2018 3.10%	485,610.00 485,610.00	105.39 0.44%	526,949.00 2,375.00	1.79% 41,339.00	Aaa / AA+ AAA	2.81 2.71
3133EKUA2	FFCB Note 1.850% Due 02/01/2023	600,000.00	07/23/2019 1.86%	599,850.00 599,850.00	102.98 0.78%	617,905.20 1,850.00	2.09% 18,055.20	Aaa / AA+ AAA	2.84 2.76
3133ELNW0	FFCB Note 1.450% Due 02/21/2023	600,000.00	02/14/2020 1.45%	599,988.00 599,988.00	101.96 0.76%	611,784.60 966.67	2.07% 11,796.60	Aaa / AA+ AAA	2.90 2.83
3130ADRG9	FHLB Note 2.750% Due 03/10/2023	600,000.00	01/18/2019 2.75%	600,072.00 600,072.00	106.67 0.47%	639,993.60 962.50	2.16% 39,921.60	Aaa / AA+ NR	2.94 2.84
3133834G3	FHLB Note 2.125% Due 06/09/2023	700,000.00	06/10/2019 2.00%	703,318.00 703,318.00	105.54 0.38%	738,772.30 4,627.78	2.51% 35,454.30	Aaa / AA+ NR	3.19 3.08
3133EKS7	FFCB Note 1.770% Due 06/26/2023	500,000.00	06/21/2019 1.89%	497,675.00 497,675.00	103.81 0.58%	519,030.50 2,335.42	1.76% 21,355.50	Aaa / AA+ AAA	3.24 3.14
<b>TOTAL Agency</b>		<b>11,290,000.00</b>	<b>2.27%</b>	<b>11,239,971.50</b>	<b>0.48%</b>	<b>11,677,004.65</b>	<b>39.62%</b>	<b>Aaa / AA+</b>	<b>2.10</b>
						<b>57,976.36</b>	<b>437,033.15</b>	<b>Aaa</b>	<b>2.04</b>
<b>Corporate</b>									
89236TDU6	Toyota Motor Credit Corp Note 1.950% Due 04/17/2020	150,000.00	04/24/2017 1.91%	150,154.50 150,154.50	99.98 2.42%	149,967.15 1,332.50	0.51% (187.35)	A1 / AA- A+	0.05 0.04
69353REP9	PNC Bank Callable Note Cont 5/2/2020 2.300% Due 06/01/2020	450,000.00	06/07/2017 2.03%	453,442.50 453,442.50	100.01 2.16%	450,022.50 3,450.00	1.53% (3,420.00)	A2 / A A+	0.17 0.09
437076BQ4	Home Depot Note 1.800% Due 06/05/2020	425,000.00	05/24/2017 1.82%	424,753.50 424,753.50	99.94 2.14%	424,736.50 2,465.00	1.44% (17.00)	A2 / A A	0.18 0.18

# Holdings Report

As of March 31, 2020

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
40428HPV8	HSBC USA Inc Note 2.750% Due 08/07/2020	200,000.00	05/18/2017 2.16%	203,620.00 203,620.00	99.53 4.10%	199,054.80 825.00	0.67% (4,565.20)	A2 / A A+	0.35 0.35
857477AS2	State Street Bank Note 2.550% Due 08/18/2020	400,000.00	Various 2.52%	401,010.00 401,010.00	100.16 2.11%	400,648.00 1,218.34	1.36% (362.00)	A1 / A AA-	0.38 0.38
02665WAZ4	American Honda Finance Note 2.450% Due 09/24/2020	200,000.00	02/07/2017 2.16%	201,980.00 201,980.00	99.30 3.92%	198,609.40 95.28	0.67% (3,370.60)	A3 / A NR	0.48 0.47
74005PBP8	Praxair Note 2.250% Due 09/24/2020	400,000.00	04/25/2017 1.98%	403,524.00 403,524.00	99.94 2.39%	399,740.00 175.00	1.35% (3,784.00)	A2 / A NR	0.48 0.48
22160KAJ4	Costco Wholesale Corp Callable Note Cont 4/18/2021 2.150% Due 05/18/2021	500,000.00	Various 2.05%	501,777.00 501,777.00	100.84 1.33%	504,208.00 3,971.53	1.72% 2,431.00	Aa3 / A+ NR	1.13 1.03
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.250% Due 05/21/2021	160,000.00	05/17/2018 3.25%	159,995.20 159,995.20	100.75 2.52%	161,198.56 1,877.78	0.55% 1,203.36	A2 / A A	1.14 1.02
69371RP42	Paccar Financial Corp Note 3.150% Due 08/09/2021	500,000.00	08/06/2018 3.16%	499,845.00 499,845.00	98.86 4.02%	494,284.50 2,275.00	1.68% (5,560.50)	A1 / A+ NR	1.36 1.31
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	250,000.00	10/12/2017 2.11%	248,072.50 248,072.50	100.29 1.68%	250,736.75 211.11	0.85% 2,664.25	A3 / A+ A-	1.46 1.35
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	150,000.00	04/18/2018 3.10%	147,382.50 147,382.50	100.52 2.30%	150,772.80 866.67	0.51% 3,390.30	A1 / AA- A+	1.78 1.72
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.500% Due 05/15/2022	150,000.00	06/13/2018 3.21%	146,086.50 146,086.50	101.71 1.60%	152,568.60 1,416.67	0.52% 6,482.10	A3 / A+ A-	2.12 1.89
084664BT7	Berkshire Hathaway Note 3.000% Due 05/15/2022	350,000.00	12/11/2018 3.31%	346,510.50 346,510.50	103.87 1.15%	363,554.45 3,966.67	1.24% 17,043.95	Aa2 / AA A+	2.12 2.04
911312BC9	UPS Callable Note Cont 4/16/2022 2.350% Due 05/16/2022	400,000.00	04/10/2018 2.99%	390,204.00 390,204.00	101.24 1.73%	404,940.00 3,525.00	1.38% 14,736.00	A2 / A NR	2.13 1.97
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	350,000.00	10/29/2019 1.96%	357,889.00 357,889.00	101.11 2.28%	353,870.65 2,231.25	1.20% (4,018.35)	A2 / A A	2.77 2.64
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	256,000.00	05/02/2019 2.75%	252,605.44 252,605.44	104.26 1.00%	266,892.80 2,525.87	0.91% 14,287.36	Aa1 / AA+ NR	3.09 2.96
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023	350,000.00	09/12/2019 2.15%	350,616.00 350,616.00	100.45 2.05%	351,558.20 962.50	1.19% 942.20	A1 / A AA-	3.38 3.08
<b>TOTAL Corporate</b>		<b>5,641,000.00</b>	<b>2.44%</b>	<b>5,639,468.14</b>	<b>2.22%</b>	<b>5,677,363.66</b>	<b>19.28%</b>	<b>A1 / A+</b>	<b>1.35</b>
				<b>5,639,468.14</b>	<b>2.22%</b>	<b>33,391.17</b>	<b>37,895.52</b>	<b>A+</b>	<b>1.27</b>

# Holdings Report

As of March 31, 2020

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>Money Market Fund FI</b>									
31846V203	First American Govt Obligation Fund Class Y	1,543,006.95	Various 0.12%	1,543,006.95 1,543,006.95	1.00 0.12%	1,543,006.95 0.00	5.21% 0.00	Aaa / AAA AAA	0.00 0.00
<b>TOTAL Money Market Fund FI</b>		<b>1,543,006.95</b>	<b>0.12%</b>	<b>1,543,006.95</b>	<b>0.12%</b>	<b>1,543,006.95</b> <b>0.00</b>	<b>5.21%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>Supranational</b>									
4581X0CX4	Inter-American Dev Bank Note 1.625% Due 05/12/2020	480,000.00	04/05/2017 1.70%	478,862.40 478,862.40	100.16 0.26%	480,747.84 3,011.67	1.63% 1,885.44	Aaa / AAA AAA	0.12 0.11
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	205,000.00	01/18/2018 2.35%	204,397.30 204,397.30	101.40 0.53%	207,872.05 845.63	0.70% 3,474.75	Aaa / AAA NR	0.82 0.81
<b>TOTAL Supranational</b>		<b>685,000.00</b>	<b>1.90%</b>	<b>683,259.70</b>	<b>0.34%</b>	<b>688,619.89</b> <b>3,857.30</b>	<b>2.34%</b> <b>5,360.19</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>0.33</b> <b>0.32</b>
<b>US Treasury</b>									
912796TQ2	US Treasury Bill 1.492% Due 04/09/2020	575,000.00	02/27/2020 1.52%	574,022.82 574,809.33	99.97 1.52%	574,809.33 0.00	1.94% 0.00	P-1 / A-1+ F-1+	0.02 0.02
912828M98	US Treasury Note 1.625% Due 11/30/2020	450,000.00	03/08/2017 1.90%	445,606.98 445,606.98	101.03 0.08%	454,640.40 2,457.48	1.54% 9,033.42	Aaa / AA+ AAA	0.67 0.66
912828T34	US Treasury Note 1.125% Due 09/30/2021	600,000.00	08/14/2017 1.67%	586,923.89 586,923.89	101.38 0.21%	608,250.00 18.44	2.05% 21,326.11	Aaa / AA+ AAA	1.50 1.49
912828U81	US Treasury Note 2.000% Due 12/31/2021	700,000.00	01/30/2018 2.41%	689,226.56 689,226.56	103.11 0.22%	721,765.80 3,538.46	2.45% 32,539.24	Aaa / AA+ AAA	1.75 1.72
912828H86	US Treasury Note 1.500% Due 01/31/2022	550,000.00	08/15/2017 1.77%	543,578.01 543,578.01	102.32 0.23%	562,761.65 1,382.55	1.90% 19,183.64	Aaa / AA+ AAA	1.84 1.81
912828W55	US Treasury Note 1.875% Due 02/28/2022	700,000.00	Various 2.03%	695,585.94 695,585.94	103.17 0.21%	722,203.30 1,141.30	2.44% 26,617.36	Aaa / AA+ AAA	1.92 1.89
912828XW5	US Treasury Note 1.750% Due 06/30/2022	700,000.00	Various 2.56%	677,368.48 677,368.48	103.44 0.22%	724,062.50 3,096.15	2.46% 46,694.02	Aaa / AA+ AAA	2.25 2.21
912828P4	US Treasury Note 1.875% Due 07/31/2022	600,000.00	12/16/2019 1.67%	603,187.50 603,187.50	103.82 0.23%	622,945.20 1,885.30	2.11% 19,757.70	Aaa / AA+ AAA	2.33 2.29
912828YA2	US Treasury Note 1.500% Due 08/15/2022	600,000.00	12/31/2019 1.59%	598,593.75 598,593.75	103.00 0.23%	617,976.60 1,137.36	2.09% 19,382.85	Aaa / AA+ AAA	2.38 2.34
912828L24	US Treasury Note 1.875% Due 08/31/2022	600,000.00	04/08/2019 2.30%	591,632.81 591,632.81	103.92 0.25%	623,508.00 978.26	2.11% 31,875.19	Aaa / AA+ AAA	2.42 2.37



# Holdings Report

As of March 31, 2020

## City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828M80	US Treasury Note 2.000% Due 11/30/2022	600,000.00	11/27/2019 1.61%	606,843.75 606,843.75	104.57 0.28%	627,398.40 4,032.79	2.13% 20,554.65	Aaa / AA+ AAA	2.67 2.59
9128284D9	US Treasury Note 2.500% Due 03/31/2023	500,000.00	02/21/2019 2.51%	499,707.03 499,707.03	106.60 0.29%	532,988.50 34.15	1.80% 33,281.47	Aaa / AA+ AAA	3.00 2.91
912828R28	US Treasury Note 1.625% Due 04/30/2023	450,000.00	12/04/2019 1.60%	450,404.30 450,404.30	104.08 0.29%	468,369.00 3,073.66	1.59% 17,964.70	Aaa / AA+ AAA	3.08 3.00
912828R69	US Treasury Note 1.625% Due 05/31/2023	600,000.00	04/11/2019 2.30%	584,062.50 584,062.50	104.16 0.30%	624,984.60 3,276.64	2.12% 40,922.10	Aaa / AA+ AAA	3.17 3.08
<b>TOTAL US Treasury</b>		<b>8,225,000.00</b>	<b>1.98%</b>	<b>8,146,744.32</b> <b>8,147,530.83</b>	<b>0.32%</b>	<b>8,486,663.28</b> <b>26,052.54</b>	<b>28.74%</b> <b>339,132.45</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.08</b> <b>2.04</b>
<b>TOTAL PORTFOLIO</b>		<b>28,805,954.56</b>	<b>2.10%</b>	<b>28,674,237.44</b> <b>28,675,023.95</b>	<b>0.82%</b>	<b>29,495,946.47</b> <b>122,503.91</b>	<b>100.00%</b> <b>820,922.52</b>	<b>Aa1 / AA+</b> <b>Aaa</b>	<b>1.84</b> <b>1.71</b>
<b>TOTAL MARKET VALUE PLUS ACCRUALS</b>						<b>29,618,450.38</b>			



## Section 4 | Transactions

# Transaction Ledger

As of March 31, 2020

## City of Solana Beach - Account #10471

December 31, 2019 through March 31, 2020

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	02/21/2020	3133ELNW0	600,000.00	FFCB Note 1.45% Due: 02/21/2023	99.998	1.45%	599,988.00	0.00	599,988.00	0.00
Purchase	02/26/2020	43813RAC1	215,000.00	Honda Auto Receivables 2020-1 A3 1.61% Due: 04/22/2024	99.980	1.62%	214,957.86	0.00	214,957.86	0.00
Purchase	02/28/2020	912796TQ2	575,000.00	US Treasury Bill 1.492% Due: 04/09/2020	99.830	1.52%	574,022.82	0.00	574,022.82	0.00
Purchase	03/11/2020	47789KAC7	155,000.00	John Deere Owner Trust 2020-A A3 1.1% Due: 08/15/2024	99.994	1.11%	154,990.53	0.00	154,990.53	0.00
<b>Subtotal</b>			<b>1,545,000.00</b>				<b>1,543,959.21</b>	<b>0.00</b>	<b>1,543,959.21</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>1,545,000.00</b>				<b>1,543,959.21</b>	<b>0.00</b>	<b>1,543,959.21</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Maturity	01/31/2020	912828H52	450,000.00	US Treasury Note 1.25% Due: 01/31/2020	100.000		450,000.00	0.00	450,000.00	-581.58
Maturity	02/07/2020	3136FTB73	650,000.00	FNMA Callable Note 1X 2/7/2014 2% Due: 02/07/2020	100.000		650,000.00	0.00	650,000.00	-8,365.50
Maturity	03/06/2020	3135G0UU5	280,000.00	FNMA Callable Note 1X 3/6/2014 1.75% Due: 03/06/2020	100.000		280,000.00	0.00	280,000.00	-4,376.40
Maturity	03/18/2020	3133714H6	100,000.00	FHLB Note 3% Due: 03/18/2020	100.000		100,000.00	0.00	100,000.00	-6,253.00
Maturity	03/23/2020	65558TFW0	480,000.00	Nordea Bank ABP New York Yankee CD 2.64% Due: 03/23/2020	100.000		480,000.00	12,953.60	492,953.60	0.00
Maturity	03/30/2020	459058FA6	650,000.00	Intl. Bank Recon & Development Note 1.375% Due: 03/30/2020	100.000		650,000.00	0.00	650,000.00	4,940.00
<b>Subtotal</b>			<b>2,610,000.00</b>				<b>2,610,000.00</b>	<b>12,953.60</b>	<b>2,622,953.60</b>	<b>-14,636.48</b>
<b>TOTAL DISPOSITIONS</b>			<b>2,610,000.00</b>				<b>2,610,000.00</b>	<b>12,953.60</b>	<b>2,622,953.60</b>	<b>-14,636.48</b>

# Important Disclosures

*As of March 31, 2020*

2020 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE permits use of the ICE indices and related data on an "as is" basis; ICE, its affiliates and their respective third party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE data, its affiliates or their respective third party providers guarantee the quality, adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and licensee's use it at licensee's own risk. ICE data, its affiliates and their respective third party do not sponsor, endorse, or recommend chandler asset management, or any of its products or services.

This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

## **ICE BAML 1-3 Yr US Treasury/Agency Index**

*The ICE BAML 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G1A0. Please visit [www.mlindex.ml.com](http://www.mlindex.ml.com) for more information)*



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** May 6, 2020  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** **COVID-19 Budget and Work Plan Discussion**

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## **BACKGROUND:**

A City Council (Council) Workshop was initially planned for March 18, 2020 to discuss the City of Solana Beach's (City) Work Plan for FY 2020/21. The Workshop was cancelled when the City Manager, acting as the Director of Emergency Services, issued a Proclamation of the Existence of a Local Emergency within the City on Monday, March 16, 2020 and City Hall was closed as of March 17, 2020 in response to the COVID-19 pandemic. Additionally, a statewide Stay At Home order went into effect on Thursday, March 19, 2020, and is in place until further notice. This order requires everyone to stay home except to carry out essential needs including shopping for food, caring for a relative or friend, obtaining necessary health care, or going to an essential job.

As part of the Work Plan discussion, Staff normally provides proposals and anticipated budgets for the City's Capital Improvement Program (CIP) projects for the following fiscal year. On April 8, 2020, Staff presented to the City Council an initial economic analysis of the impacts of COVID-19 to the City's General Fund revenue budgets for FY 2019/20 and FY 2020/21.

The purpose of this Staff Report is to provide an update on the impacts of COVID-19 to the City's General Fund revenue and expenditure budgets and proposed updates and impacts to the CIP project schedule and budget for FY 2019/20 and FY 2020/21 (Budgets) for City Council discussion and direction.

## **DISCUSSION:**

### **BUDGET IMPACTS**

#### **Revenues**

Staff continues to conduct analyses on the City's General Fund revenue sources to provide an ongoing picture of the impacts of COVID-19 to the City's revenue stream. Since the initial presentation to Council on April 8, 2020 for the FY 2019/20 and FY

COUNCIL ACTION:

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2020/21 revenue budgets, the following updates have been made.

**Sales Tax**

For FY 2020/21, the City’s sales tax consultant, Hinderliter, de Llamas & Associates (HdL) projects that sales tax revenue will decrease an additional \$50,000 as compared to their initial analysis that reported a projected decrease of \$56,800. This updated amount was based on an HdL analysis that restaurants-hotels and general-consumer-goods retailers will be more negatively impacted for a longer period of time and slower to come back than initially anticipated.

A summary of the amended impact to the City’s projected receipts as compared to the Budgets is shown in the following table:

	FY2020				FY2021			
	AMENDED BUDGET	ADJ	PROJECTED	% Reduct	ADOPTED BUDGET	ADJ	PROJECTED	% Reduct
Sales and Use Tax	\$ 3,259,200	\$ (116,000)	\$ 3,143,200	-3.6%	\$ 3,308,700	\$ (106,800)	\$ 3,201,900	-3.2%

Still not accounted for is the proposed sales tax relief of up to \$50,000 for small businesses proposed by Governor Newsom on April 2<sup>nd</sup>. Staff is currently working with HdL to assess this additional impact should it come to fruition.

**Business Registration and Short Term Vacation Rental (STVR) Permits**

As discussed during the April 22<sup>nd</sup> Council Meeting, Renewals for Business Registration and STVR permits, which is included in the Other Special Permit revenue category of the General Fund Budget, have not yet been sent. Also at the April 22<sup>nd</sup> Council meeting, Staff was directed to forgo collection of business certificate renewal fees for 2020 and to charge STVR renewal fees for 2020 using the 2018 Fee Schedule. Based on this Council direction, the expected reduction in Business Registration revenue will be an additional \$40,000 for FY 2019/20 as compared to the initial reduction presented to Council on April 8, 2020 of \$50,000 for a total reduction of \$90,000. The expected reduction in STVR permit fees will be an additional \$4,000 for FY 2019/20 as compared to the initial reduction presented to Council on April 8, 2020 of \$3,000 for a total reduction of \$7,000.

A summary of the amended impact to the City’s projected receipts as compared to the Budgets is shown in the following table:

	FY2020				FY2021			
	AMENDED BUDGET	ADJ	PROJECTED	% Reduct	ADOPTED BUDGET	ADJ	PROJECTED	% Reduct
Business Registration	\$ 145,000	\$ (90,000)	\$ 55,000	-62%	\$ 148,700	\$ (30,000)	\$ 118,700	-20%
Other Special Permits	27,000	(7,000)	20,000	-26%	27,000	(2,000)	25,000	-7%
Total Business/STVR Registration	\$ 172,000	\$ (97,000)	\$ 75,000	-56%	\$ 175,700	\$ (32,000)	\$ 143,700	-18%

## Expenditures

An initial review of General Fund expenditures has been done for FY 2019/20 and the following savings have been identified across all departments:

Salaries and Benefits	\$	55,000
Materials, Supplies, Services		300,000
<b>Total</b>	<b>\$</b>	<b>355,000</b>

The Professional Services expenditure category is the majority of the identified \$300,000 savings in Materials, Supplies and Services. Staff is continuing to work with departments to determine if additional savings are available for FY 2019/20.

## General Fund Summary

The General Fund Budgets for FY 2019/20 and FY 2020/21 have been adjusted to reflect the most recent updates to impacts of the COVID-19 pandemic and are summarized in the following table with a comparison to the FY 2019/20 Amended Budget and the FY 2020/21 Adopted Budget:

	<b>General Fund Summary*</b>						
	<b>Amended for Economic Conditions - 05/06/20</b>						
	<b>FY2020 to FY2021</b>						
	<b>FY2020</b>				<b>FY2021</b>		
	<u>Adopted</u>	<u>Amended</u>	<u>Adjustments</u>	<u>Projected</u>	<u>Adopted</u>	<u>Adjustments</u>	<u>Proposed</u>
Revenues	\$ 19,357,000	\$ 20,013,100	(834,900)	\$ 19,178,200	\$ 19,827,600	(818,000)	\$ 19,009,600
Salaries & Benefits	8,555,800	8,675,800	(55,000)	8,620,800	8,830,800	-	8,830,800
Materials, Supplies, Services	8,554,100	8,936,800	(412,400)	8,524,400	8,759,600	(96,500)	8,663,100
Internal Service	<u>2,031,600</u>	<u>2,031,600</u>	-	<u>2,031,600</u>	<u>2,012,100</u>	-	<u>2,012,100</u>
Total Expenditures	<u>19,141,500</u>	<u>19,644,200</u>	<u>(467,400)</u>	<u>19,176,800</u>	<u>19,602,500</u>	<u>(96,500)</u>	<u>19,506,000</u>
Revenues Over/(Under) Expenditures	<u>215,500</u>	<u>368,900</u>	<u>(367,500)</u>	<u>\$ 1,400</u>	<u>225,100</u>	<u>(721,500)</u>	<u>\$ (496,400)</u>
Transfers Out							
Debt Service	<u>(151,100)</u>	<u>(151,100)</u>		<u>(151,100)</u>	<u>(151,100)</u>		<u>(151,100)</u>
Total Transfers Out	<u>(151,100)</u>	<u>(151,100)</u>		<u>(151,100)</u>	<u>(151,100)</u>		<u>(151,100)</u>
Net Projected Surplus (Deficit)	<u>\$ 64,400</u>	<u>\$ 217,800</u>	<u>(367,500)</u>	<u>\$ (149,700)</u>	<u>\$ 74,000</u>	<u>\$ (721,500)</u>	<u>\$ (647,500)</u>
Beginning FB 07/01	9,867,226	9,867,226		9,867,226	9,717,526		9,717,526
Ending FB 06/30	<u>9,931,626</u>	<u>10,085,026</u>	<u>(367,500)</u>	<u>9,717,526</u>	<u>9,791,526</u>	<u>(721,500)</u>	<u>9,070,026</u>

\* Does not include internal service funds (Risk Management, Workers Compensation, Asset Replacement, Facilities Replacement funds, Real Property Acquisition, Other Post Employment Benefits (OPEB), and Pension Stabilization funds),

As noted above, prior to the onset of the COVID-19 outbreak, the FY 2019/20 General Fund amended surplus was anticipated to be \$217,800. Our current analysis shows the impact will reduce this surplus by \$367,500 to a \$149,700 projected deficit. Similarly, for FY 2020/21, the anticipated surplus of \$74,000 will be reduced by \$721,500 to a projected \$647,500 budget deficit. This initial analysis reflects a potential \$1,089,000 reduction to our General Fund budget for the remainder of this fiscal year and the next.



Due to the rapidly evolving nature of the economic impacts due to COVID-19, Staff will continue to gather information and provide analysis on how these impacts will affect the City's budget and financial outlook.

## WORK PLAN

### Financial and Human Resources Software

The City's current financial and human resources softwares, FinancePLUS and CommunityPLUS (FinancePLUS), has an end of life effective June 30, 2021. On June 30, 2021, Central Square who is the software vendor for the programs, will no longer provide technical or functional support. Staff learned of this situation last summer when processing a new five-year maintenance agreement and being told that the agreement could only be extended to June 30, 2021.

Staff evaluated whether to upgrade to the next version of FinancePLUS or purchase a new software system. The current program has limitations that Staff is looking to resolve in the next version of a financial and human resources software:

- Human resources requires a multitude of manual processes and use of paper forms for its processes including adding new employees, payroll rate and deduction changes, and communications with employees;
- Payroll processes requires paper timesheets, manual signatures by employee and supervisor, manual inputting of employee time, and no linkage between payroll deductions and payments to vendors;
- Purchasing requires paper purchase requisitions with manual approvals, manual input of purchase requisitions and checking of available budget, no linkage between the purchasing system and budget adjustment system;
- Budget requires multiple spreadsheets when developing the budget, and the budget module is not linked with the fund accounting module;
- Accounts receivable is done with spreadsheets;
- Cashiering system is not integrated with general ledger;
- General, revenue and expenditure ledgers do not allow drilldown to underlying detail information including budget details.
- Lack of integrations between the modules or the ability to attach scanned documents to human resource records, accounts payable, journal entries and purchase orders.

The above listing is just a few of the identified limitations of FinancePLUS.

Since the upgraded FinancePLUS program would still require Staff to process most functions on a manual basis, Staff looked at other alternatives. Other jurisdictions who have evaluated their current processes using FinancePLUS, and conducted an in-depth evaluation of their needs, chose Tyler Munis including the cities of Coronado and Palm Springs. Other local cities who use Tyler Munis include Encinitas, Poway, Chula Vista, Vista and San Marcos. Staff spoke to finance department staff at Coronado and

Encinitas who are very satisfied with the functionality of the programs and the support received from Tyler.

After reviewing proposals from Tyler Munis for both an on-premise and cloud based solution (SaaS), Staff will be recommending to Council to move to the Tyler Munis using SaaS, or on the cloud.

Below is a summary of the estimated 10-year cost for implementing the Tyler Munis financial and HR software. Tyler has provided a five-year fixed cost for the annual maintenance with a 5% increase in Year 6 and then fixed for the next five years.

The costs assume an accelerated 14-month implementation schedule given that the City will lose support for our current financial and human resources programs as of June 30, 2021. The Tyler implementation, work split and project management will be 100% remote so no travel costs were included.

Software	\$ 183,950	Implementation costs for software
Tyler Services		
50/50 Work Split	119,000	Work split is normally a 30 (Tyler)/70 (client) split. Normal implementation would be 24 months. Due to accelerated schedule of 14 months, Tyler was asked to provide a 50/50 split.
Project Management	21,120	Manage implementation of Tyler software
Koa Consulting		
Project Manager	190,400	Project manager for 14 months (3.5 days twice a month and as needed during off weeks)
Configure Data for Conversion	39,000	Configuration for data conversion normally done by client's IT Dept. Since City does not have that resource available, need to hire consultant to provide services
Travel	10,000	As needed travel - majority of services to be provided remotely
Quatred Fixed Asset Program	13,724	Fixed asset/inventory program to meet auditor's requirements
Software Implementation	\$ 577,194	
Annual Maintenance		
Yrs 1 through 5 - 5 yrs x \$81,475/yr	407,375	software maintained cost for current Financial/HR software = \$30K per year
Yrs 6 through 10 - 5 yrs x \$85,549/yr	427,745	
Total Maintenance - 10 years	\$ 835,120	
Expected 10 year cost	<u>\$ 1,412,314</u>	

Staff has identified approximately \$500,000 in non-General Fund revenue sources to pay for the estimated software implementation cost of \$577,194. The City's annual budget currently includes approximately \$30,000 in maintenance costs for its FinancePLUS software and an additional \$52,000 would need to be appropriated in future annual budgets to cover the increased annual maintenance for Tyler Munis.

Staff will be coming to Council at its May 13, 2020 meeting with the proposal for the purchasing the Tyler Munis software.

Website

In the Information Systems budget for FY 2019/20, there is \$50,000 for the development of a new City website. An internal team of key department Staff members was put together to research other website designs, assess functionality needs and explore necessary upgrades to provide a more functional, accessible and aesthetically pleasing website. Staff developed a Request for Proposals (RFP) and was just about to release it when the emergency Proclamation was declared due to COVID-19. Staff believed it was in the best interest to hold off on releasing the RFP due to the uncertain economic impacts this pandemic could cause. In an abundance of caution, Staff felt it prudent to hold off on all non-essential projects until a better understanding of the economic impacts of the pandemic were known. Staff is seeking Council direction on either delaying or proceeding with this effort.

Capital Improvement Projects (CIP)

Staff has reviewed the FY 2019/20 and 2020/21 CIP Adopted Budgets and provided proposed updates as detailed in the CIP Appropriations by Fund Source report (Attachment 1).

Some CIP projects are ongoing annual projects such as the Shoreline Management/LCP, ADA Transition Plan, Storm Drain Improvements, Sand Replenishment, and the Sanitary Sewer Pipeline Rehabilitation projects. Staff made few or no recommended updates for these projects.

The Annual Pavement Management Program project is an annual CIP project and Staff is proposing to reduce the FY 2020/21 Adopted Budget amount of \$900,000 to \$325,000, a reduction of \$575,000 as shown in the following table:

	FY2020			FY2021			FY2022
	Adopted	Actual	Under (Over) Budget	Adopted	Proposed Amended	Under (Over) Budget	Proposed
Gas Tax	\$ 170,000	\$ 84,450	\$ 85,550	\$ 200,000	\$ 72,300	\$ 127,700	\$ 170,000
TransNet	150,000	140,000	10,000	400,000	144,400	255,600	100,000
SB1	200,000	199,918	82	300,000	108,300	191,700	250,000
Total	\$ 520,000	\$ 424,368	\$ 95,632	\$ 900,000	\$ 325,000	\$ 575,000	\$ 520,000

It is expected that the three funding sources that support this CIP project – Gas Tax, TransNet, and SB1 – will decrease in FY 2020/21. The City has already been notified that its TransNet revenue will decrease in FY 2020/21 to approximately \$86,000 and projected revenue amounts for Gas Tax and SB1 are expected to be released in mid-May from the State of California. Since the exact amounts are not known at this time, Staff has reduced the amount budgeted for the FY 2020/21 Annual Pavement Management Program project in anticipation that SB1 and Gas Tax will be reduced due to impacts from COVID-19. If funding comes in higher or lower than shown above, the

budget amount for the FY 2020/21 Annual Pavement Management Program can be adjusted accordingly.

Staff is proposing moving four CIP projects related to park improvements from FY 2019/20 or FY 2020/21 to later fiscal years as shown in the following table:

<b>Park Projects</b>							
	FY2020			FY2021			FY2022
	Adopted	Actual	Under (Over) Budget	Adopted	Proposed Amended	Under (Over) Budget	Proposed
City CIP							
Fletcher Cove Tot Lot Repairs	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 185,000	\$ (185,000)	\$ -
La Colonia Master Plan Update	20,000	-	20,000	-	-	-	20,000
LCC Tot Lot Project	20,000	-	20,000	40,000	20,000	20,000	40,000
TOT Sand Replenishment							
Fletcher Cove Access Ramp	150,000	-	150,000	-	150,000	(150,000)	-
Unfunded							
LCC Tot Lot Project (State Grant)	80,000	-	80,000	360,000	80,000	280,000	360,000
	<b>\$ 310,000</b>	<b>\$ -</b>	<b>\$ 310,000</b>	<b>\$ 400,000</b>	<b>\$ 435,000</b>	<b>\$ (35,000)</b>	<b>\$ 420,000</b>

The LCC Tot Lot project was to be funded by a State of California Proposition 68 – State Parks Grant totaling \$440,000 with a City match of \$60,000. The grant award has been delayed into the next fiscal years. Again, Staff is seeking Council direction on these proposed CIP project delays.

The La Colonia Park Master Plan was approved in 2008. Since the City’s purchase of the vacant immediately north of the Skate Park, there has been discussion of reviewing the Master Plan to determine how to incorporate the new lot into the existing park. The upgrade to the La Colonia Park Tot Lot would reconstruct the Tot Lot to be consistent with the La Colonia Park Master Plan. This CIP project would include the playground equipment, rubber playground surface and associated drainage improvements.

The design for the Fletcher Cove Access Ramp project is essentially complete. Staff has been delaying construction of the project until the SCOUP programs for Solana 101 and Solana Highlands projects are completed so that the truck traffic would not damage the new ramp.

The Fletcher Cove Tot Lot project, which would replace the rubber matting and some of the perimeter landscaping with rubberized “mulch”, was publicly advertised for construction bids. No bids were received. Additionally, revised estimates place the cost for this CIP project at more than double the budgeted amount. Furthermore, the play equipment has suffered significant deterioration from the coastal environment and is nearing the end of its useful life. As such, any future repair project should include possible replacement of the play equipment.

Staff is proposing upgrading the deferred maintenance projects for City Hall and the Fire Station and moving three other CIP projects related to facilities from FY 2019/20 or FY 2020/21 to later fiscal years as shown in the table on the following page:

**Facility Projects**

	FY2020			FY2021			FY2022
	Adopted	Actual	Under (Over)	Adopted	Proposed	Under (Over)	Proposed
			Budget		Amended	Budget	
City CIP							
City Hall Deferred Maintenance	\$ 45,000	\$ 17,500	\$ 27,500	\$ -	\$ 90,000	\$ (90,000)	\$ -
Fire Station Deferred Maintenance	15,000	-	15,000	-	55,000	(55,000)	-
City Hall Elevator Upgrade	20,000	-	20,000	40,000	20,000	20,000	40,000
Fire Station Generator	25,000	20,000	5,000	70,000	70,000	-	-
TOT Sand Replenishment							
Marine Safety Building	-	-	-	450,000	-	450,000	450,000
	\$ 105,000	\$ 37,500	\$ 67,500	\$ 560,000	\$ 235,000	\$ 325,000	\$ 490,000

The City Hall and Fire Station Deferred Maintenance projects costs have increased to allow for repairs to both facilities from previously unidentified water damage. Since there was not an urgency to repair the elevator, this CIP project has been moved to the next fiscal year. It could be delayed another year and still be in compliance with applicable regulations.

Design of the Marine Safety Center has moved to FY 2021/22. Without an identified funding source for construction, final design and submittal for a California Coastal Commission Coastal Development Permit can be delayed without negatively impacting the construction schedule. Staff is also seeking Council direction on proceeding with the design phase of this project.

Staff is also proposing upgrading the Traffic Signal Master Plan project and moving two other CIP projects related to Streets from FY 2019/20 or FY 2020/21 to later fiscal years as shown in the following table:

**Street Projects**

	FY2020			FY2021			FY2022
	Adopted	Actual	Under (Over)	Adopted	Proposed	Under (Over)	Proposed
			Budget		Amended	Budget	
Gas Tax							
Misc Traffic Calming Projects	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ (50,000)	\$ -
Traffic Signal Master Plan	25,000	-	25,000	-	45,000	(45,000)	-
Santa Helena Neighborhood Trail	-	-	-	300,000	100,000	200,000	200,000
Glencrest Sidewalk Installation	-	-	-	-	25,000	(25,000)	175,000
	\$ 75,000	\$ -	\$ 75,000	\$ 300,000	\$ 220,000	\$ 80,000	\$ 375,000

Staff is looking for direction from Council regarding the proposed updates to the CIP project schedule.

**CEQA COMPLIANCE STATEMENT:**

Analysis of these budget impacts and the Work Plan is not a project as defined by CEQA.

**FISCAL IMPACT:**

Current estimates are that the COVID-19 pandemic will result in an overall reduction to the General Fund Budget over the remainder of this and the next fiscal years of \$1,089,000. Staff is continuing to evaluate these and other possible budget impacts including reductions in Gas Tax, Transnet, SB1 Funding, and possible additional retail sales tax reduction as proposed by Governor Newsom.

If Council approves the updates to the CIP schedule and budgets for FY 2019/20 and FY 2021/22 as outlined by Staff, the following changes by fund would be appropriated with total savings of \$1,367,832 for FY 2019/20 and \$795,000 for FY 2020/21 as shown in the following table on the following table and on Attachment 1:

Project Appropriations By Funding Source (Cost Estimate)							
Funding Source & Project Title	FY2020			FY2021			FY2022
	Adopted	Actual	Under (Over) Budget	Adopted	Proposed Amended	Under (Over) Budget	Proposed
<b>Total City CIP / General Fund</b>	748,400	224,500	523,900	543,400	933,400	(390,000)	428,400
<b>Total Gas Tax</b>	245,000	84,450	160,550	500,000	292,300	207,700	545,000
<b>Total TransNet II</b>	150,000	140,000	10,000	400,000	144,400	255,600	100,000
<b>Total SB1</b>	200,000	199,918	82	300,000	108,300	191,700	250,000
<b>Total Sand Replenishment</b>	400,300	167,000	233,300	600,300	300,300	300,000	450,000
<b>Total Sanitation</b>	500,000	140,000	360,000	500,000	550,000	(50,000)	500,000
<b>Total Unfunded</b>	80,000	-	80,000	360,000	80,000	280,000	360,000
<b>Total Project Appropriations</b>	<b>2,323,700</b>	<b>955,868</b>	<b>1,367,832</b>	<b>3,203,700</b>	<b>2,408,700</b>	<b>795,000</b>	<b>2,633,400</b>

**WORK PLAN:**

N/A

**OPTIONS:**

- Receive the report.
- Do not accept the report

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council receive this report and provide direction as necessary to Staff.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager

Attachment 1. CIP Appropriations by Fund Source

Project Appropriations By Funding Source (Cost Estimate)								
Project Number	Funding Source & Project Title	FY2020			FY2021			FY2022
		Adopted	Actual	Under (Over) Budget	Adopted	Proposed Amended	Under (Over) Budget	Proposed
<b>459 City CIP / General Fund</b>								
CIP - 01	9905.02	20,000	7,000	13,000	20,000	-	20,000	TBD
CIP - 02	9903.20	63,400	-	63,400	63,400	63,400	-	63,400
CIP - 06	9441.06	40,000	-	40,000	-	185,000	(185,000)	-
CIP - 07	9462.04	10,000	10,000	-	-	-	-	-
CIP - 08	9407.20	45,000	17,500	27,500	-	90,000	(90,000)	-
CIP - 12	9955.20	50,000	44,000	6,000	50,000	75,000	(25,000)	5,000
CIP - 15	9456.20	250,000	31,000	219,000	300,000	300,000	-	300,000
CIP - 16	9395.20	15,000	-	15,000	-	55,000	(55,000)	-
CIP - 17	9438.12	20,000	-	20,000	-	-	-	20,000
CIP - 18	9438.11	20,000	-	20,000	40,000	20,000	20,000	40,000
CIP - 21	9450.00	15,000	15,000	-	-	-	-	-
CIP - 22	9905.03	100,000	80,000	20,000	-	-	-	-
CIP - 23	9408.00	75,000	-	75,000	-	75,000	(75,000)	-
CIP - 24	9397.00	25,000	20,000	5,000	70,000	70,000	-	-
<b>Total City CIP / General Fund</b>		<b>748,400</b>	<b>224,500</b>	<b>523,900</b>	<b>543,400</b>	<b>933,400</b>	<b>(390,000)</b>	<b>428,400</b>
<b>202 Gas Tax</b>								
CIP - 05	9321.04	50,000	-	50,000	-	50,000	(50,000)	-
CIP - 13	9362.20	170,000	84,450	85,550	200,000	72,300	127,700	170,000
CIP - 19	9330.00	25,000	-	25,000	-	45,000	(45,000)	-
CIP - 20	9525.00	-	-	-	300,000	100,000	200,000	200,000
CIP - 25	XXXX.XX	-	-	-	-	25,000	(25,000)	175,000
<b>Total Gas Tax</b>		<b>245,000</b>	<b>84,450</b>	<b>160,550</b>	<b>500,000</b>	<b>292,300</b>	<b>207,700</b>	<b>545,000</b>
<b>228 Transnet II</b>								
CIP - 13	9362.20	150,000	140,000	10,000	400,000	144,400	255,600	100,000
<b>Total TransNet II</b>		<b>150,000</b>	<b>140,000</b>	<b>10,000</b>	<b>400,000</b>	<b>144,400</b>	<b>255,600</b>	<b>100,000</b>
<b>247 SB1</b>								
CIP - 13	9362.20	200,000	199,918	82	300,000	108,300	191,700	250,000
<b>Total SB1</b>		<b>200,000</b>	<b>199,918</b>	<b>82</b>	<b>300,000</b>	<b>108,300</b>	<b>191,700</b>	<b>250,000</b>
<b>450 TOT Sand Replenishment</b>								
CIP - 03	9925.00	100,000	42,000	58,000	-	-	-	-
CIP - 04	9926.20	150,300	125,000	25,300	150,300	150,300	-	-
CIP - 10	9441.07	150,000	-	150,000	-	150,000	(150,000)	-
CIP - 11	9449.02	-	-	-	450,000	-	450,000	450,000
<b>Total Sand Replenishment</b>		<b>400,300</b>	<b>167,000</b>	<b>233,300</b>	<b>600,300</b>	<b>300,300</b>	<b>300,000</b>	<b>450,000</b>
<b>509 Sanitation</b>								
CIP - 14	9856.20	500,000	140,000	360,000	500,000	550,000	(50,000)	500,000
<b>Total Sanitation</b>		<b>500,000</b>	<b>140,000</b>	<b>360,000</b>	<b>500,000</b>	<b>550,000</b>	<b>(50,000)</b>	<b>500,000</b>
<b>Unfunded</b>								
CIP - 09	9382.XX	-	-	-	-	-	-	-
CIP - 11	9449.02	-	-	-	-	-	-	-
CIP - 18	9438.11	80,000	-	80,000	360,000	80,000	280,000	360,000
<b>Total Unfunded</b>		<b>80,000</b>	<b>-</b>	<b>80,000</b>	<b>360,000</b>	<b>80,000</b>	<b>280,000</b>	<b>360,000</b>
<b>Total Project Appropriations</b>		<b>2,323,700</b>	<b>955,868</b>	<b>1,367,832</b>	<b>3,203,700</b>	<b>2,408,700</b>	<b>795,000</b>	<b>2,633,400</b>
<b>FY2020 PROJECT COMPLETED</b>								
<b>FY2020 PROJECT SAVINGS</b>								