

**SOLANA BEACH CITY COUNCIL**  
**REDEVELOPMENT AGENCY AND PUBLIC FINANCING AUTHORITY**

JOINT **SPECIAL** MEETING

**MINUTES**

**TUESDAY, MAY 27, 2008**  
**5:00 P.M.**

CITY COUNCIL CHAMBERS  
635 S. HIGHWAY 101,  
SOLANA BEACH, CALIFORNIA

The City Council acts as the City of Solana Beach Redevelopment Agency and the Public Financing Authority.

**CALL TO ORDER AND ROLL CALL:**

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

**Present:** Kellejian, Roberts, Nichols, Campbell, and Heebner.

**Absent:** None.

**Also Present:** David Ott, City Manager  
Johanna Canlas, City Attorney  
Leticia Fallone, Deputy City Clerk  
Tina Christiansen, Comm. Development Director  
Mo Sammak, City Engineer  
Dan Goldberg, Interim City Engineer  
Dennis Coleman, Finance Director  
Wende Protzman, Dir. Admin Serv/Dep. City Mgr.  
Steve Didier, Management Analyst

**FLAG SALUTE:**

Councilmember Nichols led the flag salute.

**APPROVAL OF AGENDA:**

**MOTION:** Moved by Roberts and seconded by Nichols to approve the agenda  
**Motion carried unanimously.**

**STAFF REPORTS: (Item 1-2)**

Submit speaker slips to the City Clerk.

**1. City of Solana Beach Proposed General Operating and Capital Improvement Budget for Fiscal Years 2007-2008 and 2008-2009. (File No. 0330-30).**

Recommendation: Recommendation: That the City Council

A. Review Fiscal Years 2008-2009 and 2009-2010 Operating and Capital Improvement Budget for the City of Solana Beach, Solana Beach Redevelopment Agency and the Solana Beach Public Financing Authority.

B. Provide direction as appropriate.

David Ott, City Manager, stated that tough economic times were affecting the City and entire region. He presented a power point presentation on the draft budget. He stated that the budget process began in February, that each City department prepared preliminary budgets based on an increase from the prior year budget of 1% and 3% and a decrease of 5%. He stated that some areas of the budget could not be cut such as costs for conducting elections and the law enforcement contract.

David Ott, City Manager, stated that revenues were estimated conservatively, that the General Fund was balanced, that there was growth in the Redevelopment Agency (RDA), and that there was one organizational addition in the budget. He stated that the cost driver for the City was public safety, and that the City's top six revenue sources were 1) property taxes, 2) sales taxes, 3) Motor Vehicle in lieu fee, 4) Transient Occupancy Tax, 5) Franchise Fees, and 6) Fire Benefit Fee. He stated that there had been an 81% increase in law enforcement contract fees over the last ten years, that the fire benefit fee had remained consistent over the last ten years, that the actual costs for fire department services had increased over that time, and that there was a growing gap between funds coming in and funds required for the fire department services. He reviewed the five year revenue and expenditure forecast, he stated that there could be a deficit of \$170,000 in fiscal year 2009/10, and he reviewed the projected deficits through fiscal year 2014/2015.

Council discussion ensued on whether or not to fund the asset replacement account and whether these funds should be set aside every year.

David Ott, City Manager, reviewed long term concerns regarding the budget. He

stated that the City was working on ways to increase revenue from local businesses, that the growth of the Redevelopment Agency and the revitalization of Highway 101 were important sources of revenue for the City. He stated that the budget was balanced and that there were concerns about future years if the Nation's economic downturn continued.

Council discussion ensued with Staff on the increase of expenditures from the 2007/08 budget to the 2008/09 budget, whether the increase to the 2008/09 budget was 0.05%, and that an analysis had to be done to ensure that the half percent increase was an accurate figure.

Dennis Coleman, Finance Director, presented a power point presentation on the Capital Improvement Project (CIP) budget. He stated that the CIP Plan was a planning tool for public infrastructure improvements, that the plan assisted in allocating resources and creating an expenditure plan, that the CIP list was developed based on prior Council direction, community input, and carry-over projects from the preceding year. He stated that there were 37 Capital Improvement Projects, that 25 were carry over projects, that there were six new projects, and that there were six annual management projects.

Council discussion ensued with Staff regarding using RDA funds for several of the CIP projects and how much funds could be transferred from the RDA accounts to the CIP projects.

Dennis Coleman, Finance Director, stated that there were several new CIP projects which included the General Plan Update, Plaza Parking Lot Rehabilitation, Fletcher Cove Fencing and Lighting, Marine Safety Building Roof Repair, Recycling/Trash Receptacles, and the Citywide Speed Study Updates.

Council and Staff discussion ensued regarding what types of CIP projects would qualify for ADA funding.

Council and Staff discussion ensued regarding the City Council's budget, whether to cancel the City's membership with the California Cities Contract Association (CCCA), and whether the City was benefiting from the group. Council agreed to cancel its membership with the CCCA group.

Council discussion ensued regarding how much money the City had saved by having a City Manager that also acted as the Fire Chief for the City as well as serving as Fire Chief for the City of Del Mar.

Council discussion ensued with Staff regarding whether to fund the asset replacement fund, whether due to tough economic times to not fund the account this fiscal year and that the City could continue to fund the account at a later date to catch up on the funding.

Council discussion ensued on the economic situation of the State, that this year was the worst budget in the history of the State, that failing to fund the asset replacement account could be good due to the economic situation of the State, that the City could locate funds to continue to fund the account, and whether funds should be allocated to this account.

Council discussion ensued with Staff regarding the Building Services budget, that the City re-evaluated having an in-house building department, that Esgil would be providing services at the City which would improve customer service, and that the City had full cost recovery by having Esgil at the City.

Council discussion ensued regarding various areas of the budget such as repairs for Fletcher Cove, graffiti removal, and professional services for park maintenance.

Gordon Johns stated that it would be more difficult later on to catch up on funding the asset replacement fund, that the City should continue to fund the account this year, that the City should be cautious about what equipment to replace, and that the best budget was one that was closest to reality. He stated that the Budget and Finance Commission had recently received the budget and he was unaware of when the Commission would be providing a comment letter to the Council.

Council discussion ensued regarding the possibility of the risk management fund being over funded and other areas of the budget where the City could deduct funds to assist in funding the asset replacement fund.

Council discussion ensued on the City Wide Speed Survey CIP project, that the City could not change speed limits without first conducting a speed survey, that the Highway 101 lanes should be re-stripped to narrow the lanes, that this should be done prior to conducting the speed survey, and that the lanes on Stevens Ave. should also be narrowed to slow down speeds.

Mayor Kellejian recessed the meeting at 7:24 p.m.

Mayor Kellejian reconvened the meeting at 7:41 p.m.

## **2. City of Solana Beach Workplan.**

Recommendation: Recommendation: That the City Council

- A. Adopt the City of Solana Beach and Solana Beach  
Redevelopment Agency Fiscal Year 2008/09 Workplan.

David Ott, City Manager, stated that Council had reviewed the work plan at the last work plan meeting and that tonight Council could discuss additional comments or deletions they had to the work plan.

Council made comments on the Community Character section of the work plan. They stated that due to budget constraints, ADA improvements should be made at Fletcher Cove Community Center and other renovations could be postponed, that the community could get involved in the project and volunteer time and materials, that there should be changes to the Municipal Code to assist businesses with signage, that the Life Guard station and Fletcher Cove Community Center should be two separate projects, and that there should be a master plan for the Cedros area.

Council and Staff discussion ensued on the communications plan, that the plan had many different aspects to it, and that parts of the plan would be brought to Council in increments.

Council made comments on the environmental sustainability section of the work plan, they stated that plastic bag pick up would begin around the City, they commented on whether the City had the ability to ban or regulate the use of plastic bags in the City, discussed that the City should look at ways with parking to help businesses, and that the train station area should have a master plan.

Council discussion ensued regarding restricting certain types of businesses on Highway 101, whether Staff could report back to Council on the possibility of restricting certain businesses in that area, and that businesses on Highway 101 should be community serving businesses.

**ADJOURN:**

Mayor Kellejian adjourned the meeting at 8:12 p.m.

  
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Leticia Fallon, Deputy City Clerk

12-09-2008  
Approved