

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

JOINT **SPECIAL** MEETING

MINUTES

**WEDNESDAY, JUNE 25, 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 5:02 p.m.

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

Absent: None.

Also Present: David Ott, City Manager
Lisa Foster, Deputy City Attorney
Wende Protzman, Dir. Admin. Ser/Dep. City Mgr
Leticia Fallone, Deputy City Clerk
Dennis Coleman, Finance Director
Tina Christiansen, Comm. Dev. Dir.
Mo Sammak, City Engineer

FLAG SALUTE:

Deputy Mayor Roberts led the flag salute.

APPROVAL OF AGENDA:

MOTION: Moved by Heebner and seconded by Roberts **Motion carried unanimously.**

STAFF REPORTS: (Item 1-2)

Submit speaker slips to the City Clerk.

Budget for Fiscal Year 2008-09. (File 0330-30 / 0115-20)

Recommendation: That the City Council

- A. Adopt Resolution 2008-127 approving the City of Solana Beach Fiscal Year 2008-2009 Operating and Capital Improvement Budget.**

- B. Adopt Resolution RDA 033 approving the Solana Beach Redevelopment Agency Fiscal Year 2008-2009 Budget.**

David Ott, City Manager, stated that Council reviewed and made recommendations for revisions to the preliminary budget at the May 27th Council meeting. He presented a power point presentation on the budget and stated that Council directed several changes at the May 27th meeting, such as, removing \$900 from the Council's budget that was allocated for membership to the California Cities Contract Association Committee and adding additional details to the City Attorney's budget.

David Ott, City Manager, stated that Council could fund the asset replacement fund in the upcoming fiscal year by using any surplus funds from the 2007-08 fiscal year budget and that funds from various reserves could be used if surplus funds were not available in that budget. He stated that other changes were made to the budget per Council's request such as, breaking out the park maintenance expenditures and making formatting changes to the final budget. He stated that the general fund was balanced. He reviewed the general fund revenues and expenditures for the upcoming fiscal year. He stated that organizational changes included an increase for the Administrative Assistant II position in the finance department, and stated that the top six revenue sources for Fiscal Year 2008-09 were 1) property taxes, 2) sales tax, 3) motor vehicle in lieu tax, 4) transient occupancy tax, 5) franchise fees, and 6) the fire benefit fee.

David Ott, City Manager, reviewed expenditures by function. He stated that the public safety budget was the highest expenditure for the City and that there had been an increase of 81% in the last 10 years for the law enforcement contract. He stated that in 1998-99 the fire benefit fee covered 25% of the fire department budget, that today the fire benefit fees only covered 14% of fire department budget, and that the City would be analyzing this fee in the future. He reviewed the general fund reserves balance, he reviewed the five year forecast for fiscal years

2010 through 2014-15. He reviewed the revenue assumptions for fiscal years 2010 – 11 and thereafter for property taxes, Transient Occupancy Tax and Short Term Vacation Rentals, Franchise Fees, Property Tax transfer Fees, Fire Benefit Fee, and Investment Earnings. He reviewed the revenue expenditure assumptions which included, salary and benefit increases, supplies and services increases, workers compensation changes, and asset replacement changes.

David Ott, City Manager, stated that some long term concerns for the budget included California's budget and what the effects would be on the City. He reviewed the long term stability work plan which on the revenue side included the Fire Benefit Fee, the potential growth of the Redevelopment Agency Funding, and the Highway 101 Revitalization. The expenditure side included the Fire Department Service Analysis.

Council discussion ensued with Staff regarding supplemental items on the budget that were distributed after the printing of the agenda. Discussion ensued on concerns regarding funding of the asset replacement fund, whether funds could be taken out of the reserves, and that changes would be needed to Resolution 2008-127 to reflect the transfer to the asset replacement fund.

Dennis Coleman, Finance Director, presented a power point presentation on the Capital Improvement Project (CIP) Budget. He stated that there were no changes made to the CIP budget from the May 27th Council meeting. That this was an informational presentation for the public, that the CIP budget was developed by Council direction, community workshops, work plan workshops, carryover projects from the previous year, and the resources available. He stated that there were 37 CIP projects, that 25 projects were carryover from previous years, that there were 6 new CIP projects proposed for the fiscal year, and that there were six annual management projects for this fiscal year. He stated that the new CIP projects included, General Plan Updates, Plaza Parking Lot Rehabilitation, Fletcher Cove Fencing and Lighting, Marine Safety Building Roof Repair, Recycling/Trash Receptacles, and Citywide Speed Study Updates.

He stated that the annual management projects included ADA projects, the Annual Pavement Program, Pavement Management/Maintenance of Effort, Storm Drain Minor Repairs, Sanitary Sewer Pipeline Replacement, and the Streetlight Master Plan.

Gordon Johns, Budget and Finance Commission member, stated that

the Commission had reviewed the budget, that the Commission had prepared some recommendations for the Council in the form of a memo, and he distributed that memo to the Council. He stated that the Commission was comfortable with the proposed budget, that the discretionary spending was prudent, that given the current economic uncertainty the budget reflected sound fiscal management. He stated that the Commission suggested that revenue generation should be reviewed with emphasis on the Highway 101 Corridor, that Council should continue efforts to be more business friendly, and that the Commission was pleased that the City was prudent compared to other cities.

MOTION: Moved by Heebner and seconded by Campbell to approve both resolutions, Resolution 2008-127 with modifications. **Motion carried unanimously.**

City Council Workplan Fiscal Year 2008-09. (File 0410-08)

Recommendation: That the City Council

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

David Ott, City Manager, stated that the workplan had been reviewed twice by Council. He stated that Council could discuss any recommended changes to the document at this meeting. Council made no recommendations to changes on the document.

MOTION: Moved by Roberts and seconded by Heebner **Motion carried unanimously.**

ADJOURN:

Mayor Kellejian adjourned the meeting at 5:40 p.m.



Leticia Fallone: Deputy City Clerk

Approved: May 27, 2009