

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

JOINT **SPECIAL** MEETING

MINUTES

**MONDAY, FEBRUARY 2, 2009
5:00 P.M.**

SPECIAL

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

CALL TO ORDER AND ROLL CALL:

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

Absent: None.

Also Present: David Ott, City Manager
Johanna N. Canlas, City Attorney
Angela Ivey, City Clerk
Leticia Fallone, Deputy City Clerk
Wende Protzman, Dir. Admin. Services/Deputy City Mgr
Dennis Coleman, Finance Director
Tina Christiansen, Comm. Dev. Dir.
Mo Sammak, City Engineer

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

FLAG SALUTE:

Laura Peterson led the flag salute.

APPROVAL OF AGENDA:

WORKSHOP:

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

WORKSHOP:

1. City Council Winter 2009 Fiscal Sustainability Workshop. (File 0330-30)
 - a. Discussion of the economic climate and its impact in sustaining City services.
 - b. Review proposals for budget reductions and revenue enhancement and provide direction to explore preferred option(s).

David Ott, City Manager, introduced the item and presented a powerpoint highlighting the current economic issues on a global, national, state and local level. He reviewed areas of vulnerability for municipalities, reviewed the cuts for Fiscal Year 2008-09, and the proposed cuts for Fiscal Year 2009-10 to attempt to meet the projected budget deficit.

Department heads presented a powerpoint and reviewed their proposed budget cuts to meet the proposed goal.

Council and Staff discussion ensued regarding concerns if live and archived broadcasting of meetings were eliminated, reduction of training and conferences in certain departments, and any potential reduction in services.

Captain Fowler, San Diego County Sheriff's Department, reviewed their departments cuts including some hiring freezes and internal material cuts.

Council and City Manager discussion ensued regarding any potential for reduction in costs by negotiating a five year contract for law enforcement in working with other cities and that some discussions had taken place among 9 contract cities regarding the formula utilized.

Council and Staff discussed the reductions in consultants across some sections of engineering, that the projected savings on Redflex was due to processing fees as less tickets are written and that the contract was up next year and would require renegotiation, considering transitioning to an electronic newsletter in place of the current paper newsletter one to reduce costs, and careful consideration regarding the cut of the Community Grant program.

Council and City Manager discussed how the designated and undesignated reserves calculations were derived.

Mayor Nichols recessed the meeting at 7:05 p.m. for a break and reconvened the meeting at 7:15 p.m.

David Ott, City Manager, continued the presentation of the powerpoint reviewing the options for revenue enhancement.

Council discussion ensued regarding short-term vacation rentals, prior actions implementing seven nights, and the potential for reducing the nights from seven to three nights.

Council and Staff discussed the previous vote to increase the Fire Benefit fee which did not pass and that it was a special tax.

Council reviewed the 3rd quarter revenues and said that the 4th quarter numbers would not be available until April.

Councilmember Heebner stated that she was interested in information and analysis on the business tax, vacation rental changes, the process for mail-in ballots v. regular poll ballots, and that she did not think it was a good time for an increase in sales tax or fire benefit fee.

Councilmember Kellejian said that he would like to review some information on the Fire Benefit fee and said that there were 63% voting in favor even though it did not pass, that there was an effort from the City stand-point and that he thought it would pass the next time it was presented. He said that short-term rental fees could be implemented and that input could be obtained from COOSSA (Condominium Organization of South Sierra Ave.). He stated that Solana Beach was the only city without a business tax and that he would be interested in more information on it including what neighboring cities were doing. He said that there was too much going on at the state level to consider sales tax even though the south county had moved in that direction, that it would be painful to lose the TV broadcasting but that decision had been made in the past and everything had to be considered, and that there were alternatives.

Councilmember Roberts said that the City got started early in addressing financial concerns, that he did not think the City could wait to act but should not panic, and that the City needed to be sure to involve the public through the process. He said that cuts were made wisely, that the City needed to work with sister cities regarding law enforcement to see if any savings could be obtained, that there no mention of eliminating manager's car allowances and instead having them turn in mileage, that the City's streets were getting worse and that he did not want them to deteriorate further, whether there were additional options, that the City needed to manage the public's expectations of service, that he could not support the cut to the River Valley and would have trouble cutting Fiesta del Sol, that he would be willing to cut out the Community Grant Program on a temporary basis, that he thought the City needed to ensure staffing of the front desk on a full time basis, that he did not support the reduction of Granicus services for webcasting, that the City could save on the Shorelines Newsletter for some time, and that he received free items at CERT that he would have paid for. He stated that he would support two revenue enhancements

including the Business Tax and Fire Benefit fee.

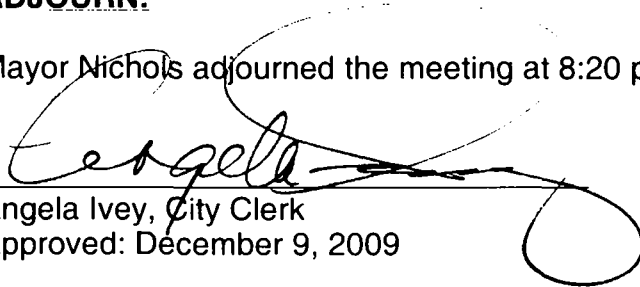
Mayor Nichols stated that he felt strongly about maintaining TV broadcasting, that funding for park and special events were tough decisions, to modify the Shorelines Newsletter for a time, whether a portion of the Arts Alive could be recouped by MAP (Master Arts Program), whether the afterschool counseling at La Colonia could be done by volunteers, and that some CIP projects could be put on hold. He said that the Fire Benefit fee made sense and he was interested in pursuing it, and that he was interested in information on sales tax and why other cities had recently implemented it.

Deputy Mayor Campbell said the City needed to factor in whether there was continued fire service subsidy with Del Mar as well as the IT arrangement, that funds needed to be invested in maintenance of infrastructure, and that all CIP projects should be put on hold unless dedicated funds were available from other sources. He said that he was willing to look at vacation rentals, that he was not supportive of a sales or utility tax, that the Fire Benefit fee was viable, that the business tax hit close to home since he was a small business owner and he had concerns about basing it on gross since all businesses had different profit margins.

David Ott, City Manager, said he had general direction and thanked Council for the discussion and that he would return at another meeting with additional information.

ADJOURN:

Mayor Nichols adjourned the meeting at 8:20 p.m.


Angela Ivey, City Clerk
Approved: December 9, 2009