

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

JOINT **SPECIAL** MEETING

MINUTES

**TUESDAY, MAY 5, 2009
5:00 P.M.**

CITY COUNCIL CHAMBERS
635 S. HIGHWAY 101
SOLANA BEACH, CALIFORNIA
and
TELECONFERENCE LOCATION (Councilmember Roberts)
4300 Wilson Blvd., Suite 250
Arlington, Virginia

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

CALL TO ORDER AND ROLL CALL:

Mayor Nichols called the meeting to order at 5:02 p.m.

Present: Nichols, Campbell, Heebner, Kellejian, and Roberts.
Absent: None.
Also Present: David Ott, City Manager
Johanna N. Canlas, City Attorney
Angela Ivey, City Clerk
Wende Protzman, Dir. Admin. Services/Deputy City Mgr
Dennis Coleman, Finance Director
Tina Christiansen, Comm. Dev. Dir.
Mo Sammak, City Engineer

Councilmember Roberts and Tina Christiansen, Community Development Director, participated via teleconference.

FLAG SALUTE:

Laura Peterson led the flag salute.

APPROVAL OF AGENDA:

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

C. STAFF REPORTS:

Submit speaker slips to the City Clerk

C1. City of Solana Beach Proposed General Operating and Capital Improvement Budget for Fiscal Years 2009-2010. (0330-30)

Recommendation: That the City Council

1. Review Fiscal Years 2009-2010 Operating and Capital Improvement Budget for the City of Solana Beach, Solana Beach Redevelopment Agency and the Solana Beach Public Financing Authority.
2. Provide direction as appropriate.

David Ott, City Manager, continued the PowerPoint from the April 29, 2009 Council meeting. He stated that the requested revisions to the budget had been made and that various questions had already been addressed in individual meetings with Councilmembers.

David Ott, City Manager, reviewed the general fund operating budget. He stated that there was a request to increase the funds to the Friends of the Library, that there was a proposal to reduce the hours at La Colonia Park and Fletcher Cove Community Center to save on staffing costs, and that since the last Council meeting there had been a total \$239,698 net changes to the general fund. He stated that some potential solutions to the general fund deficits included making the Local Coastal Plan a two year process to spread out costs, moving the South Granados Storm Drain project to a future budget, and to postpone replacing the HVAC at City Hall. He stated that additional solutions included adopting a deficit general fund budget and reducing or eliminating certain CIP projects.

Dennis Coleman, Finance Director, distributed worksheets to Council to assist in making determinations to the budget.

Council and Staff discussion ensued regarding the roof repair to the Marine Safety building that could be postponed for a couple years if needed, that the \$30,000 that was allocated for the City-wide speed survey was not needed, that

the funds for the annual pavement management program were moved from the general fund to the Transnet account, that funds for the La Colonia project would come from the Redevelopment Agency budget, and that the funds required for the HVAC replacement project could be used from the facilities maintenance budget.

Council and Staff discussion continued regarding repairs needed to the Granados storm drain due to damage in 2005, that the alternative solution to repair the pipes would cost less than the original proposed solution, that the City should acquire the easement from the property owner that claimed damages in 2005 and run the storm drain through their property for a faster and easier solution, that the project should be delayed until there was more information on proposed solutions to repairing the storm drain, that the project needed to be monitored so it could be reviewed at a later time, that a line item should be created for major storm drain improvement projects rather than having line items for specific projects, and that there should be funds set aside annually for maintenance projects.

Council and Staff discussion continued regarding various uses for Transnet funds, that Transnet funds could be used for street improvements on S. Cedros, that funds needed to be transferred out of the general fund into the workers compensation fund, that the San Dieguito JPA funds should be increased to \$4,100, that the funding to the Friends of the Library should be increased to total \$10,000, that the hours should not be reduced at La Colonia Community Park, whether to increase the funding for the Fiesta Del Sol, whether to increase the funding to Community Grant Program by \$10,000, and to add the funding back for the Neuter Scooter to provide services twice a year.

Council and Staff discussion continued regarding whether to transfer \$50,000 from the general fund to the Capital Improvement Project (CIP) fund for street improvements, regarding the conditions of the City streets, regarding what portion of Transnet funds could be used for street maintenance, whether the City would receive payments from the State for Prop 42, that there was a separate operating fund for pot hole repairs, and that the CIP budget provided additional funds for major street maintenance such as slurry seals.

C2. Consideration of Revenue Enhancement Actions.

Recommendation: That the City Council

1. Review and discuss revenue enhancement options.
2. Provide direction, as necessary, regarding preferred option(s).

David Ott, City Manager, continued the Powerpoint addressing long term revenue concerns, that there was a state ballot that was considering borrowing funds from cities, and that funding of capital improvement projects and the ability to maintain service levels was a long term concern. He reviewed revenue enhancements including growing the RDA, the Highway 101 revitalization, that the City submitted an application for funding from the "transportation bill," that the City would have five years to utilize the funds, that there had been no cuts to services, that there were several revenue enhancements considered in the past such as a utility tax, sales tax, and short term vacation rental, that Condominium Organization of S. Sierra Association (COOSSA) did not support going from a seven to three night stay, that other considered revenue enhancements included the Fire Benefit fee and the business tax, that there were various forms of a business tax, and that the current fire benefit fees only supported 14% of the Fire Department budget.

Council and Staff discussion ensued regarding that the fire benefit fee increase would have to be placed on a ballot, that it was a special tax, that the Council could call a special election, and that there were designated dates for an all-mail ballot to occur.

David Ott, City Manager, reviewed the various formulas that could be used for the business tax.

Council and Staff discussion ensued regarding how much revenue would be generated by the various business tax formulas, how businesses in the City would be impacted, formulas that other cities were using, what formulas would be the most simplistic and equitable for businesses, that Council wanted an analysis on formulas that other cities were using and a comparison based on the options the City was considering, that the tax would be applied to non-retail businesses, whether it was equitable to charge by gross revenue, whether the tax would be applied to home based businesses, and that the business tax could be effective January 2010 if it was placed on an August mail ballot.

David Ott, City Manager, said he would bring back additional information about the business tax to the Council at the May 13th Council meeting.

Mayor Nichols recessed the meeting for a break at 6:50 p.m.

Mayor Nichols reconvened the meeting at 7:00 p.m.

C3. City of Solana Beach Workplan. (File 0410-80)

Recommendation: That the City Council

1. Adopt the City of Solana Beach and Solana Beach

Redevelopment Agency Fiscal Year 2009/10 Workplan.

David Ott, City Manager, reviewed the Workplan PowerPoint. He stated that the General Plan was forecasted to be completed in three years, that Land Use Element would be reviewed first, that the Local Coastal Plan/Land Use Plan was a priority under the Community Character section of the Workplan, that the Army Corps of Engineers project was scheduled for completion in 2010 and scheduled for approval in 2011, and that the View Assessment ordinance review was in progress. He reviewed other community character projects such as the Fletcher Cove Community Center, Fletcher Cove Lifeguard Station, La Colonia Park Improvements, I-5 Lomas Santa Fe Interchange, the I-5 Widening project, and the Del Mar Shores Stairway project.

Council and Staff discussion ensued regarding the I-5 Interchange and that the language in the Workplan should be modified to state that there were still unresolved issues with CalTrans.

Council and Staff discussion ensued on identifying pocket parks in the City and developing a funding mechanism for purchasing parks.

David Ott, City Manager, reviewed organizational effectiveness, that the City had completed one year of performance measurements, that the website was being overhauled, that various companies would host the City website if the City was providing e-commerce over the web, and that the company would take certain portions of the fees to cover costs of paying for the website re-design.

David Ott, City Manager, reviewed environmental sustainability, provided an update of the Solar Financing Program, the Eden Gardens Pump Station, the Solana Beach Pump Station, the City Hall HVAC replacement, and the economic development section of the Workplan which included the Train Station Project, and the Distillery Lot Feasibility Study.

C1. City of Solana Beach Proposed General Operating and Capital Improvement Budget for Fiscal Years 2009-2010. (0330-30)

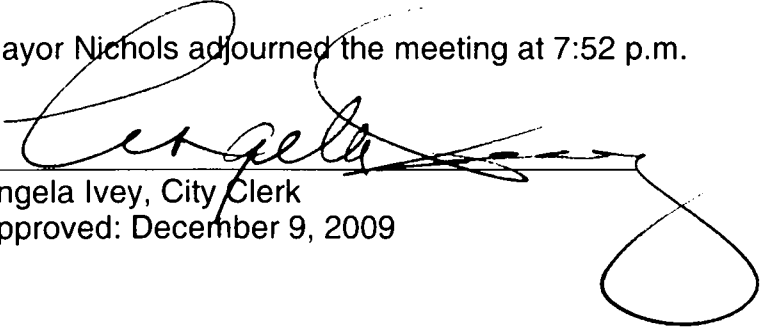
Recommendation: That the City Council

Council and Staff discussion ensued regarding the amount of funding that was available for projects, that funding for the Fiesta Del Sol could be taken from the Transient Occupancy Tax (TOT) fund rather than the General fund, whether funding could be increased to \$10,000, that the funding paid for City services and public safety fees, that the City billed the Chamber for any additional services, that the Chamber paid for private security, whether additional funding was justified for the event, that funding should not be increased due to past issues with the event, that additional funding should be withheld until the Chamber

demonstrated improvements on the event, that funds had not been decreased for the Visitors Center, that reducing funding to the visitors center should also be reviewed, that all funds should be held until there was further review of the Visitors Center, that the City Manager would further analyze the issues that were taking place with the center, and that there was consensus to maintain funding for Fiesta Del Sol at \$7,000.

ADJOURN:

Mayor Nichols adjourned the meeting at 7:52 p.m.



Angela Ivey, City Clerk
Approved: December 9, 2009