

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

JOINT **SPECIAL** MEETING

MINUTES

5:00 P.M.

Wednesday, August 24, 2011

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:

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

Absent: None.

Also Present: David Ott, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk
Wende Protzman, Dir. Admin. Serv./Deputy City Mgr
Mo Sammak, City Engineer/Public Works Dir.

CLOSED SESSION REPORT: (when applicable)

Johanna Canlas, City Attorney, stated there was no reportable action.

FLAG SALUTE:

David Ott, City Manager, led the flag salute.

APPROVAL OF AGENDA:

MOTION: Moved by Campbell and seconded by Nichols. **Motion carried unanimously.**

COMMUNITY ANNOUNCEMENTS:

COMMENTARY:

NOTE: The City Council shall not begin a new agenda item after 10:30 p.m. unless approved by a unanimous vote of all members present. (SBMC 2.04.070)

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 designees 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. Adoption of Fiscal Year 2011/2012 Budget. (File 0330-10)

Recommendation: That the City Council

1. Adopt Resolution 2011-099 adopting the Proposed Fiscal Year 2011/2012 Budget and including \$124,100 in General Fund cost savings as recommended by Staff.

David Ott, City Manager, introduced the item, presented a powerpoint (on file) reviewing the \$700,000 deficit and stated that he had met with all Directors and had come to final recommendations, which included having the Deputy City Manager fill in for the currently vacant Community Development Director position, recently retired, to not refill the position of the Finance Director, who recently resigned, and have the Finance Manager assume most of these duties, increase the finance administrative assistant position to full time, to reduce the funding for the General Plan for this year, to use Transnet Funds for the ADA project, to reorganize the Administrative Assistant position of the Public Safety Dept. by re-classing it to part time from full time. He stated that the current full time employee status had been the same or less since 2003, that there was not any additional room to cut operating budgets within departments.

Mayor Heebner opened the public hearing.

Greg Wright, Solana Beach Firefighter Association, presented a powerpoint (on file) reviewing what potential reductions that were reviewed, the impacts to potential reductions in staffing, the results of down staffing, a graph of the cardiac arrests addressed by the local department, the facts of local statistics, overtime and workers compensation costs, proposed operations budget reductions, that interest in giving up up things rather than reducing staff, that they had issues with the City Manager/Fire Chief agreement, and that no one had asked them how the new Fire Management Services Cooperative was working out.

Mark Muir, Fire Chief, stated that it was a difficult task to review potential cuts, that meetings took place in July among Sr. Management Staff and Firefighters to address how to achieve \$150,000 in savings including savings in overtime, that overtime reduction included down-staffing the truck on days that one of the 3 personnel calls in sick or takes vacation reducing the manpower from 3 to 2, and that the management team reached consensus following a long process. He had Staff address issues mentioned by Mr. Wright's presentation.

Darren Warren, Operations Chief, stated that there was not one meeting with Firefighters but a series of meetings, that the reduction of staffing mentioned was inconsistent with the final plan and the only final reduction would be 30% at any given time, that there would not be any brown outs, 70% of the time there would be no change at all, when the shortage occurred about 30% of the time, based on trends, there would be 2 Staff on a truck with cross engine coverage as needed, that two pieces of apparatus would still be sent, that a majority of responses could be handled with 2 people, and on the occasion when an additional person was needed the Captain always had the ability to request additional help from North County Dispatch. He said that it was their intent to have 4 people on each incident, that additional meetings had allowed them to prepare to ensure that ideal and required trainings were met, that it was unclear as to the demand of neighboring cities, and that when additional staffing was required that it would be pulled from neighboring cities, which was a low frequency occurrence.

Mark Muir stated that they had recently received their ISO (Insurance Service Organization) rates and that Solana Beach had moved from a #4 to a #3, which was good, that the rating occurred every 3-5 yrs, that some programs had been instituted to improve those numbers even more, and that they did not anticipate any significant impact by the truck staffing modifications.

Scott Henry, Administrative Chief, said that it was not an exact science to figure out what the affect would be, that the primary issue was the response, that he had contacted the agency to request some insight into how the truck staffing modification might affect the rating and that it was stated that it was unlikely to drive the number down, and that the only way to be sure was to do a study.

Mark Muir reviewed various agreements regarding mutual aid and that they did not believe that this change would affect any of them and other various comparisons mentioned in their powerpoint regarding service,

Dismas Ableman, Support Services Chief, addressed the comparisons by the Association between Workers Compensation claims and the wellness program. He said that the City became self insured in 2005, that it did have high Workers Compensation claims in the Fire Department, that they had facilities in which to work out, that some wellness programs were done away with, however, there were high claims before 2009 and reducing the wellness program, and that there was not a spike in Workers Compensation claims due to the reduction in the wellness program.

Scott Henry said that collective meetings with all Firefighters reviewing line items in the Fire department budget to look for savings resulted in alternative sources, never elimination, of maintenance of equipment, and that vehicle maintenance was never touched.

Mark Muir stated that the City could leave the Fire Management Agreement at any time since it required a 90 day notice.

Tom Gallop, Sr. Management Analyst, said that one piece missing from the Association's analysis was the revenue received by the City for the Deputy Chief position of approximately \$170,000 year, which reduced the cost to the City, that a 2 Chief model was presented for a cost that was too low than the actual cost of a Fire Chief in the current market.

David Ott, City Manager, said that the potential increases mentioned in the presentation were already included in the MOUs.

Mark Muir stated that they carefully reviewed the scenario presented by the Association to see how it could work and that they could not make it cost efficient.

Councilmember Nichols said that he had never heard before from the Union regarding their unhappiness with the agency.

Mark Muir said that this was the first they had heard of it, that they had heard the opposite and in fact heard of ideas to move to a Joint Power Authority model, that the Firefighters had been very participatory in providing some of the cuts, and that he had a sense that they were happy with the program.

Mayor Heebner said that they were addressing the presentation by the Firefighter Association and the allegations, even though it was not what was being

recommended.

Mary Sommercamp stated that she was concerned about the proposed operating budget, specifically the Fire Department and Public Safety, that the presentation made by the Fire Department raised questions about the consolidation agreement and the true savings, that there were concerns about cuts already made in training, and that there was no mention of the use of reserve funds.

Councilmember Roberts confirmed with the speaker that she was a member of C.E.R.T.

David Ott, City Manager, said that there was an exhaustive study among all cities in order to make these decision and that all services could be reviewed, that the City had already used reserves of around \$600,000, and that serious budget reductions had to be considered in addition in order to not exhaust reserves over time.

Liz Truxaw said that the outcome of having the proper number of people on an engine was experienced by her when her son had a cardiac arrest on the grounds of school, that he was alive today because of the Fire Department, and that the survival rate in Solana Beach was higher than the national average, which was less than 10%.

David Ott, City Manager, responded stating that he had been a Firefighter and experienced the privilege of saving lives, that Council tasked him with addressing budget deficit issues in the least impactful way while still providing the best level of service, and that the last thing he would do is cut Public Safety.

Mike Benedict said that the Fire Department saved his daughter at age 16 in 2009 when she was hit in front of Roberto's, that responders saved her life, that he had gratitude for the responders, and that they had their act together.

Ashley Benedict said that she was opposed to the thought of cutting jobs at the Fire Department, that she was alive today because of them, that the surgeon said that she was alive because of the rapid response, and that it would be ashamed to cut anything that they needed.

Macon Lane said that she was a Red Cross instructor and a community member, that any cut in response time would be a detriment, and that she hoped there was a way to be sure the public was safe and keep response times quick.

Brett Potter, Firefighter, stated that two people per truck was not adequate, that he had a heart attack 2 months ago and did not have typical symptoms, that he would have had 2 people show up to help him, and that the experience was life changing, and that he loved being a Firefighter, and that he did not want to see

the City run 2 people on a truck.

Michael Mejia stated that if the City did not have the manpower that all the trucks in the world would not be acceptable, that it would be gambling to reduce staffing, and that if anyone died that it would be on "you."

Vicki Cypherd said that she was a resident, that everyone appreciated the Fire Department, that the City had to face realities, what was being proposed with the emergency response practices was reasonable and would not happen all the time, that the City would have the same service, that the City was lucky to have David Ott with his fire background since he understood how the department worked, she trust his recommendations, that she was angry about the article in the North County Times and did not appreciate anonymous complaints, that it was focused to destroy Mr. Ott's reputation, that it suggested that Mr. Ott aimed to spike his own pension, she did not think he had ever done anything underhanded, that his pension arrangements were reasonable and transparent, and that reasonable budget cuts had to be made by everyone.

Darren Warren said that he wanted to make sure it was understood that he did not think that 2 people were ideal, that a system had been worked out that when a truck was down to 2 people that a second responder would be sent, either an ambulance or a second engine with 3 people.

Lorn Cannon, Firefighter, said that they had not been asked in two years about the current management services cooperative efforts, that it was intimidating to stand up in front of their bosses, that an estimated savings of \$35,000 was not worth the risk, and that there was no planned emergency.

David Ott, City Manager, stated that the average overtime cost of a Solana Beach Firefighter was \$800-900 per shift and that there were over 400 overtime shifts last year.

Gary Martin stated that he had read the Firefighters information and reviewed their website, that from a citizen's perspective he did not appreciate the scare tactic or the misinformation, that it seemed like a lot of overtime and cost to the City, and that it he did not appreciate going after Council or the City Manager.

David Ott, City Manager, said that he was given a task with specific directions which was a correct one, since the City had a significant deficit, that he worked for the entire community, that he had always look for the least negative impact to the community, that if there were layoffs which were a permanent reduction there would be a greater impact to the community.

Pat Gianetto stated that he was a Captain at the City of Del Mar and he said they

made their decision on the number of people that were going to show up, that he would have made his decision differently everyday if there was a reduction in the model, and that this would be affecting other cities and agencies.

Mark Muir said that they had to advocate for many people including Firefighters, Council, and residents, and his own core values, and that he was here to provide facts.

MOTION: Moved by Roberts and seconded by Kellejian to close the public hearing. **Motion carried unanimously.**

Councilmember Roberts said that only 18 employees in the City had a built in gym to exercise in, that the campaign going on by the Association has brought up some facts that should be reviewed in the future but the misinformation is not appreciated, that overtime was \$380,000 of the budget, that it is expected to be over \$400,000 this year, that Council asked the City Manager to look at this, that there had been major cuts in all other areas, that there had a misuse of the C.E.R.T. list having been politicized, that the allegations against the City Manager who was a former Fire Chief and experienced, that the ISO rating of 1-10 has improved from a 4 to 3 which is higher than several others in the area, and that he hoped the community understood that the Council was totally committed to Public Safety, that he supported Staff recommendation, and that he wanted the misinformation was stopped.

Deputy Mayor Kellejian stated that everyone was experiencing economical times like none before, that he and Councilmember Roberts served on the Fire Management Board, that this Fire Department had saved his house due to a problem with a heater, that he greatly appreciated Public Safety in this City, and that none of this Council would jeopardize it.

Councilmember Nichols said that he appreciated David Ott, City Manager, and felt that he had the integrity required to make the recommendations, that he had taken on a tough task and that he had taken a lot of heat for it and that he was sorry for it, that all departments had cuts, that there were no cuts to the Fire Department Staff this year, that overtime was an issue and would continue to be an issue, that the Fiscal Sustainability Ad Hoc should continue to look at this.

Councilmember Campbell stated that he would make a motion to approve the recommendation and that he would direct the Fiscal Sustainability Ad Hoc to work with David Ott, City Manager, to explore other alternatives.

Mayor Heebner said that wanted to read some remarks from the Council in response to the article in the Coast News. She said that she appreciated the Firefighters and also had benefited from their services. She said that the campaign that went around was troubling as well as the remarks regarding the

integrity of the City Manager.

The remarks stated that accusations by Solana Beach Firefighters Association that David Ott endangered public safety and that he spiked his own retirement, by an anonymous retired Solana Beach employee, were in the paper this past week and that they were mistruths. She said that last year the City cut over \$1 million to address a budget deficit, that Solana Beach was one of the first in the region to institute full pension reform throughout the organization for an increased savings, which required new labor agreements, which was imposed on the firefighters, and were voluntary by all other employee groups, where all City Employees would pay their full employee share of their pension cost, and that firefighters and lifeguards were given a 2% pay raise while they would assume their share immediately.

She continued stating that the current budget deficit was \$700,000—\$800,000. with nearly half of that amount, \$380,000, attributed to overtime pay to firefighters, that this had been a growing concern over a few years, that City Manager Ott was given direction by the Council to provide to ways to reduce the deficit through reducing firefighter overtime as well as other actions, that h was eminently qualified to make these recommendations because he had served as the City's and other cities' Fire Chief and knew Fire operations, standards and procedures, that his reputation in the region for his expertise is unsurpassed, that the least disruptive option was was presented, which would entail removing one firefighter from one of the two trucks if and when one firefighter only took leave, resulting in approximately \$150,000 from overtime costs. She continued stating that the other cities it he agency each have one truck as compared to Solana Beach having two trucks, that the alternative plan would provide overage engines to be called as backup on the days that only two personnel service a truck, that alternative ideas were reviewed but did not provide savings, that the Solana Beach Firefighters Association put out a hit piece even though they knew that proposals included many other cuts and that the proposal was not to reduce staffing or cut personnel. She read that perhaps the Association hoped to remove the City Manager and gain a more sympathetic ear to suggest pay raises and possibly a reversal on pension reform, who might not be not be as responsible to the overall community and our current and future fiscal health and would increase pay or pensions to these individual firefighters despite budget problems. She said that the second claim regarding a conspiracy theory that named a group of "good of boys" intent on spiking David Ott's retirement pay 8 years in the future was preposterous, that having worked most of his life in public service, he was entitled to it just like anyone who had paid into and reached the age of retirement, that he had retired and was hired back by the City as interim City Manager to work at an hourly rate of \$78/hour, without benefits, saving the City \$84,000 per year. She continued to review his many accomplishments to date

for the City, and said that to assert that he had done anything but the right thing for Solana Beach was slander, that claims by employees showed their self interest and not that of the community and public safety, and finally that Council appreciated firefighters very much, and that these decisions were ultimately the Council's and not the City Manager's, and that no one would ever do anything that would harm public safety.

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

C. STAFF REPORTS: (C.1.)

Submit speaker slips to the City Clerk

C.1. Introduce (1st Reading) Ordinance 432 Regarding Participation in the Alternative Voluntary Redevelopment Program, Subject to Certain Conditions and Reservations and Adopt List of Enforceable Obligations of the Agency. (File 0115-20)

Recommendation: That the City Council

1. Adopt Resolution RDA-049 listing ALL enforceable obligations of the Agency.
2. Introduce Ordinance 432 to participate in the Alternative Voluntary Redevelopment Program, subject to certain conditions and reservations.

David Ott, City Manager, introduced the item.

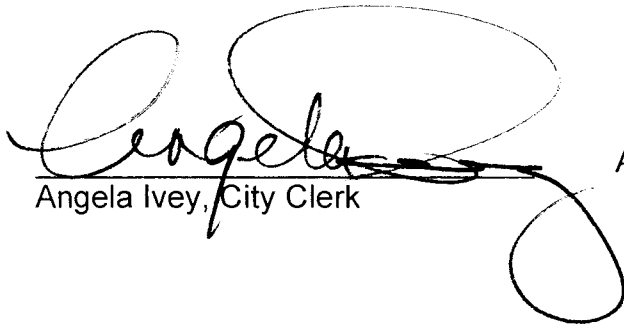
Johanna Canlas, City Attorney, presented a powerpoint (on file) reviewing redevelopment legislation.

Council and Staff discussed that this was a preemptive move that the City had to take to protect the community, that it could have mega financial consequences and created severe financial hardship, and that if the RDA was gone that all projects including La Colonia and the Train Station would not be funded with tax increments.

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

ADJOURN:

Mayor Heebner adjourned the meeting at 7:20 p.m.

A handwritten signature in black ink, appearing to read "Angela", with a large, looping flourish extending to the right and ending in a circular shape.

Angela Ivey, City Clerk

Approved: January 25, 2012