

CITY OF SAN CLEMENTE

City Council Minutes

Adjourned Regular Meeting – May 14, 2015

These minutes reflect the order in which items appeared on the meeting agenda and do not necessarily reflect the order in which items were actually considered.

An Adjourned Regular Meeting of the San Clemente City Council was called to order on May 14, 2015 at 4:00 p.m. in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California, by Mayor Hamm.

PRESENT BAKER, BROWN, DONCHAK, WARD, MAYOR HAMM

ABSENT NONE

STAFF PRESENT James Makshanoff, City Manager; Erik Sund, Assistant City Manager; Joanne Baade, City Clerk; Judi Vincent, Finance Manager; Jake Rahn, Financial Services Officer; Brian Brower, Information Services Analyst; Laura Campagnolo, Deputy City Clerk.

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PLEDGE OF ALLEGIANCE

Councilmember Brown led the Pledge of Allegiance.

1. **Presentation of the City's Fiscal Year 2015 Third Quarter Financial Report**

Report from the Assistant City Manager concerning the City's Fiscal Year 2015 Third Quarter Financial Report.

Financial Services Officer Rahn summarized the FY 2015 Third Quarter Financial Report. A hard copy of Mr. Rahn's PowerPoint presentation, entitled "3rd Quarter Report as of March 31, 2015", is on file with the City Clerk.

MOTION BY COUNCILMEMBER BROWN, SECOND BY COUNCILMEMBER DONCHAK, CARRIED 5-0, to receive and file the City's Fiscal Year 2015 Third Quarter Financial Report.

2. City Council Workshop Concerning the Fiscal Year 2016 City Budget

Report from the City Manager concerning the City's proposed budget for Fiscal Year 2016.

City Manager Makshanoff introduced Cecilia Gallardo-Daly, the City's new Community Development Director; narrated Slides 1 through 3 of a PowerPoint presentation entitled "Proposed Budget Workshop Fiscal Year 2016", focusing on key themes and budget focus.

Assistant City Manager Sund continued the PowerPoint, focusing on Budget Highlights (Slides 4 through 6).

Finance Manager Vincent resumed the PowerPoint, by narrating the Budget Overview (Slides 8 through 32) and responded to Council inquiries.

During the course of discussion, individual Councilmember(s) expressed opinions as follows. The below statements do not necessarily reflect Council consensus.

- Noted that the FY 2016 proposed budget includes an estimate of \$825,000 in sales tax revenue for nine months of operation of the Marblehead Coastal development. Requested that Staff remain cognizant of the development's actual opening date and sales tax performance so that the budget estimate can be adjusted if necessary.
- Requested that Staff provide an explanation of the increase between the original FY 2015 General Fund budget of \$52.3 million and the adjusted General Fund budget of \$63.3 million.
- Requested that Staff prepare a chart entitled "Total Pension Position" that reflects San Clemente's pension premiums under CalPERS and Great West for at least five years.
- Requested that in addition to Staff providing figures that compare revenue projections to actual expenditures, that an historical perspective (perhaps since 2005) be provided on major items such as pension performance, sales tax, property tax, etc.
- Requested that Staff engage the RSVPs and Orange County Sheriffs Department in any discussions relating to the RSVP program to help ensure maintenance or enhancement of the quality program.
- Noted that Staff is currently evaluating the possibility of expanding the seasonal ambulance services program to 365 days per year, 12-hours per day (9:00 a.m. to 9:00 p.m.), until freeway construction is completed. Staff will return to Council in Fall 2015 with a possible budget amendment if program expansion is determined to be needed. Council requested that Staff also evaluate response times associated with private ambulances.

- Noted that the outlet mall will generate approximately 2 million visitors annually and requested that Staff continually assess the adequacy of Police Services staffing to ensure public safety.
- Requested that Staff assess the propriety of the Sustainability Reserve (\$10 million) and Emergency Reserve (\$4.8 million). It was noted that Staff will assess the reserve distribution after the La Pata property is leased or sold and return to Council with recommendations. Council questioned whether property assets should be included in the City's Sustainability Reserve. Requested that Staff determine whether the General Plan dictates specific amounts that must be retained in reserves.
- Requested that Staff provide a soft model of the City budget (worst case scenario) in the event the outlet mall fails to open this year.

MEETING RECESSED

Council recessed at 5:25 p.m. and reconvened at 5:50 p.m., with all members present.

Marci Mednick, Chair of the Wellness and Prevention Coalition at San Clemente High School, reviewed the purpose of the Coalition and urged Council to actively support the program.

Valerie Woodstra, PSTA President at San Clemente High School, conveyed her support for the Wellness and Prevention Center at the high school; spoke on challenges facing teens, explained the need for the center, and expressed concern that only one counselor is available to serve 3,200 young people; urged Council to provide \$10,000 in funding for the program.

David Achata, San Clemente, voiced concern with substance abuse at San Clemente High School, and conveyed support for the Wellness and Prevention Center to provide mentoring services for youth.

Dr. Lorry Leigh Belhumeur, CEO of Western Youth Services, stated that she has two daughters who attend San Clemente High School; noted that Western Youth Services is a collaborative member of the Wellness and Prevention Coalition; spoke on the need for mental health and prevention services and urged Council to allocate \$20,000 to the Wellness Center.

Betty Zoe, San Clemente, stated that one in five teenagers experience a serious mental disorder; pointed out that the Wellness Center serves all San Clemente teens; urged Council to provide a grant and be a partner in the program.

Donna Calas, San Clemente, opined that a grant to the Wellness and Prevention Center will be an investment; requested that Council allocate \$5,000.

Principal Civil Engineer Knatz narrated a PowerPoint presentation entitled “Capital Improvement Program”. A hard copy of Mr. Knatz’ PowerPoint, dated May 14, 2015, is on file with the City Clerk.

- Requested that the County of Orange provide an update at a Council meeting in June 2015 concerning the La Pata project, including the status of funding, construction schedule, and anticipated phasing/timing of the Del Rio extension.
- Staff is to examine how the City might provide more sidewalks, particularly in those areas that provide routes to schools.
- Staff is to examine the tradeoffs between replacing the pier with full planks as opposed to partial planks. Council expressed an interest in auctioning the planks that are removed.
- Requested that Staff explore the concept of starting a separate school district for San Clemente.

Council discussion ensued relative to increases in the Orange County Sheriffs Department contract over the last couple years and the fact that contract increases resulted in the defunding of one Deputy II position in FY 2015 with a second Deputy II position being proposed for defunding in FY 2016. Also discussed was the likelihood that an increased number of calls for Police service will occur when the outlet mall opens. In an effort to ensure appropriate staffing levels, Council requested that Lt. Moodie return to Council in January 2015 with recommendations concerning a possible mid-year budget amendment to allow the reinstatement of a Deputy II position (motor or patrol). Lt. Moodie’s report is to include actual data, including call volumes and response times. City Staff is to also report on revenues received from the Marblehead Coastal project which could potentially be applied toward funding of a Deputy II position.

Assistant City Manager Sund provided Council with an updated sheet entitled “Funding Requests Pending Council Deliberation and Direction”, which includes refined costs that vary from the figures contained in the proposed FY 2016 budget document. A hard copy of Mr. Sund’s revised sheet is on file with the City Clerk.

Following discussion, Council took action on Decision Packages as indicated below:

Item (Operating – General Fund)	Amount	Council Action
Good Neighbor Funding	\$ 8,000	Approved
Lucy CMMS Administrator (30%-General Fund)	\$ 35,200	Approved
Code Compliance Officer – Unfreeze Senior Position	\$ 71,140	Approved
Code Compliance Technician – Unfreeze Officer Position	\$ 63,290	Approved
Building Division – On-Call Emergency Staffing	\$ 12,650	Not Approved (Council requested that Staff communicate with Fire and Police to determine protocol as to when Building Division staff should be called to respond to emergency building conditions.)

Item (One-Time – General Fund)	Amount	Council Action
Additional Downtown Business Association (DBA) Support	\$ 20,400	Not Approved. (The DBA will attend the budget Public Hearing on June 2, 2015 to discuss its funding request.)
General Fund Fee Update	\$ 50,000	Not Approved
City Office Space Needs Assessment	\$ 50,000	Approved (Council wants to review the scope of work before an RFP is issued.)
Mitigation Fee Study	\$ 50,000	Approved
Beach Trail Bridges Recoating-CIP	\$150,000	Approved
Citywide Tree Inventory-CIP	\$ 80,000	Approved
Marblehead/N. El Camino Real Sidewalk-CIP (60%-General Fund)	\$160,000	Approved

Operating (Other Funds)	Amount	Council Action
Lucity (CMMS Administrator (70%-Utility Funds))	\$ 86,300	Approved
Recycled Water Specialist-Limited Term (Water Fund)	\$ 99,172	Approved

One-Time (Other Funds)	Amount	Council Action
Marblehead/N. El Camino Real Sidewalk-CIP (40% Air Quality Fund)	\$100,000	Approved
Cable TV Equipment Replacement (Special Revenue Fund)	\$225,000	Approved, with the caveat that funding will come from collections in the Special Revenue Fund, and not the General Fund.

It was noted that \$70,400 in one-time General Fund costs were saved as a result of Council’s disapproval of the additional DBA support (\$20,400) and General Fund Fee Update (\$50,000). Council discussed the possibility of allocating this funding toward additional sidewalks and requested that Assistant Public Works Director Bonigut determine areas in which the \$70,400 could best be spent. Additionally, the Council majority also requested that Staff address the possibility of applying a portion of the approximately \$800,000 in Developer Improvement Funds that was earmarked for the El Camino Real parking lot toward sidewalks in North Beach.

Council reviewed the following projects that have been incorporated into the proposed FY 2016 City budget and ultimately determined to leave the projects in the budget:

- Payment Processing System and Utility Billing Intelligent Voice Response (IVR)
- Emergency Operations Center (EOC) Laptop Replacement
- Electronic Document Management System (EDMS) Search Enhancement/Public Interface
- 5-Year Urban Water Management Plan Update

The Public Hearing on the FY 2016 City Budget will take place at the Council Meeting of June 2, 2015, with budget adoption scheduled to take place at the Council Meeting of June 16, 2015.

ORAL COMMUNICATIONS

None.

ADJOURNMENT

MOTION BY MAYOR HAMM, SECOND BY COUNCILMEMBER BROWN, CARRIED 5-0, to adjourn at 8:35 p.m. The next Regular Council Meeting will be held on May 19, 2015 in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California. Closed Session items will be considered at 5:00 p.m. The public business session will commence at 6:00 p.m.


CITY CLERK of the City of
San Clemente, California

MAYOR of the City of
San Clemente, California