

CITY OF SAN CLEMENTE

City Council Minutes

Adjourned Regular City Council Meeting – March 11, 2019

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 March 11, 2019 at 4:00 p.m. in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California, by Mayor Swartz.

PRESENT BANE, FERGUSON, HAMM, WARD, MAYOR SWARTZ

ABSENT NONE

STAFF PRESENT James Makshanoff, City Manager; Erik Sund, Assistant City Manager; Joanne Baade, City Clerk; Laura Campagnolo, Deputy City Clerk

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PLEDGE OF ALLEGIANCE

Mayor Pro Tem Bane led the Pledge of Allegiance.

1. **NEW BUSINESS**

A. **FY 2018-19 2nd Quarter Report and Mid-Year Budget Adjustments**

Report from the Assistant City Manager concerning the FY 2018-19 2nd Quarter Report and mid-year budget adjustments.

Financial Services Officer Rahn narrated a PowerPoint presentation entitled "Mid-Year Financial Report FY 2018-19 as of December 31, 2018" and responded to Council inquiries. A hard copy of Mr. Rahn's PowerPoint is on file with the City Clerk.

MOTION BY COUNCILMEMBER HAMM, SECOND BY COUNCILMEMBER WARD, CARRIED 5-0, to:

1. Approve the FY 2018-19 2nd Quarter Report.
2. Approve and authorize the mid-year adjustments listed in "Attachment A" of the Administrative Report, dated March 11, 2019, that is on file with the City Clerk.

B. **2019 Long Term Financial Plan (LTFP)**

Report from the Assistant City Manager concerning the 2019 Long Term Financial Plan.

Assistant City Manager Sund narrated a PowerPoint presentation entitled "San Clemente 2019 Long Term Financial Plan" and, along with City Manager Makshanoff, responded to Council inquiries. A hard copy of Mr. Sund's PowerPoint is on file with the City Clerk.

Financial Trend Analysis

Financial Services Officer Rahn continued the PowerPoint presentation by addressing the portion relating to the "Financial Trend Analysis"; responded to Council inquiries. A hard copy of Mr. Rahn's PowerPoint is on file with the City Clerk.

No Council actions were taken concerning the Financial Trend Analysis.

Financial Forecast

Assistant City Manager Sund continued the PowerPoint presentation by addressing the portion relating to the "Financial Forecast"; responded to Council inquiries. A hard copy of Mr. Sund's PowerPoint is on file with the City Clerk.

MOTION BY MAYOR PRO TEM BANE, SECOND BY COUNCILMEMBER HAMM, CARRIED 5-0, to continue efforts to identify infrastructure assets and the reserve resources needed to maintain and/or replace those assets based on a comprehensive asset management plan that will be developed through the use and optimization of the CMMS.

Reserve Analysis

Financial Services Officer Rahn narrated a PowerPoint presentation entitled "Reserve Analysis" and responded to Council inquiries. A hard copy of Mr. Rahn's PowerPoint is on file with the City Clerk.

Brad Malamud, San Clemente, referenced an email, dated March 11, 2019, that he sent to the City Council concerning the Long Term Financial Plan; opined that the Long Term Financial Plan is not a financial plan, but rather a compilation of statistics and projections; opined that a plan needs to be in place to fund the City's obligations. A hard copy of Mr. Malamud's letter is on file with the City Clerk.

MOTION BY MAYOR PRO TEM BANE, SECOND BY COUNCILMEMBER FERGUSON, CARRIED 5-0, to:

1. Direct staff to analyze capital asset categories and identify assets funded for replacement in the Purpose section of the Capital Equipment Reserve, the Facilities Maintenance Reserve, and the Park Asset Reserve after Lucity's implementation.
2. Transfer an annual amount of \$380,000 from the General Fund to the Facilities Maintenance Reserve for FY 2019-20.
3. Transfer \$400,000 from the General Fund to the Park Asset Reserve for FY 2019-20.
4. Direct staff to review the Storm Drain charge within the next couple of years to determine a way to meet the cost demands placed on the City's public storm drain system.
5. Transfer an amount of \$225,000 from the General Fund to the Accrued Leave Reserve for FY 2019-20.

Capital Projects Analysis

Principal Civil Engineer Knatz narrated a PowerPoint presentation entitled "Capital Projects Analysis" and responded to Council inquiries. A hard copy of Mr. Knatz' PowerPoint is on file with the City Clerk.

Information Technology Strategic Plan Update

Information Technology Manager Brower narrated a PowerPoint presentation entitled "Information Technology Strategic Plan 2019 Update" and responded to Council inquiries. A hard copy of Mr. Brower's PowerPoint is on file with the City Clerk.

MOTION BY COUNCILMEMBER FERGUSON, SECOND BY MAYOR PRO TEM BANE, CARRIED 5-0, to accept the Information Technology Strategic Plan Update and direct staff to bring the recommended Fiscal Year 2019-20 projects and initiatives forward through the budget process.

Fiscal Policy

No Council actions were taken concerning the Fiscal Policy.

Pension Update

Financial Services Officer Rahn narrated a PowerPoint presentation entitled "Pension Update" and responded to Council inquiries. A hard copy of Mr. Rahn's PowerPoint is on file with the City Clerk.

MOTION BY COUNCILMEMBER HAMM, SECOND BY MAYOR PRO TEM BANE, CARRIED 5-0, to add a Pension Fiscal Policy to the City's Fiscal Policy in order to strengthen and promote long term financial stability of the City related to pensions. The Pension Fiscal Policy is to read as follows:

The required actuarial contributions shall be made to cover the current service cost and unfunded liabilities based on the actuarially determined contribution rate.

MOTION BY COUNCILMEMBER HAMM, SECOND BY COUNCILMEMBER WARD, CARRIED 4-1 (COUNCILMEMBER HAMM VOTING NOE), to add a Pension Fiscal Policy to the City's Fiscal Policy in order to strengthen and promote long term financial stability of the City related to pensions. The Pension Fiscal Policy is to read as follows:

Annually review the City pension plans funding levels of, and identify areas where, funding may be utilized to target a funding ratio of 90% or higher for each of the City's individual pension plans.

MOTION BY COUNCILMEMBER HAMM, SECOND BY COUNCILMEMBER FERGUSON, CARRIED 5-0, to incorporate a pension trend indicator into the Long Term Financial Plan in 2020 (Trends Section).

MOTION BY COUNCILMEMBER HAMM, SECOND BY MAYOR PRO TEM BANE, CARRIED 5-0, to:

1. Incorporate a Pension summary page in the City budget.
2. Direct staff to pursue options, as identified in the Pension Analysis issue paper, to pay down unfunded liabilities for the pension plans to meet the target 90% funding level by plan and authorize a one-time General Fund contribution from the General Fund unassigned fund balance to the Marine Safety Plan in an amount up to \$400,000 to reach a 90% funding level in this plan.

Public Safety Overview

Management Analyst Johnston narrated a PowerPoint presentation entitled "Public Safety Overview" and responded to Council inquiries. A hard copy of Mr. Johnston's PowerPoint is on file with the City Clerk.

No Council actions were taken concerning the Public Safety Overview.

Directions Provided During the Meeting

During the course of the meeting, Council determined as follows:

- Staff is to provide Council with a feasibility assessment (including cost estimates) associated with preserving some or all of the trees on Del Mar.
- Staff is to assess the feasibility/cost impact of phasing the Del Mar Electrical Services and Street Tree Rehabilitation project.
- Staff is to assess the possibility of running conduit to avoid the Del Mar tree boxes.
- Council noted the importance of continual high-level service from Cox Communications. City Manager Makshanoff agreed to review Cox Communications' franchise agreement to determine whether it contains renewal provisions and report the results of his findings to Council.
- Council requested that Staff investigate the possibility of including audio functionality to security cameras at City facilities.
- Councilmember Ferguson offered, with Council consensus, to research software systems to assist the City in responding to Public Records Act requests and to report back to Council with the potential cost as well as information about the system's ability to capture responsive public records, including emails.
- Council requested that Staff research private parking enforcement options.
- Council requested that the new Chief of Police Services research potential recruiting methods to help attract applicants to fill positions.
- Council requested that Staff investigate opportunities for filling vacant positions (e.g., Community Services Officer positions) with an eye toward creative budgeting possibilities.

2. ORAL COMMUNICATIONS (PART 2)

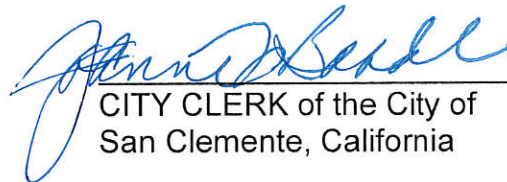
None.

3. ADJOURNMENT

MOTION BY COUNCILMEMBER HAMM, SECOND BY COUNCILMEMBER FERGUSON, CARRIED 5-0, to adjourn at 6:20 p.m. The next Regular Council Meeting will be held on March 19, 2019 in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California. Closed Session items will be considered at 5:00 p.m. The General Session will commence at 6:00 p.m.



MAYOR of the City of
San Clemente, California



CITY CLERK of the City of
San Clemente, California