



4:00 p.m. - Long Term Financial Plan

Mayor Duncan
Mayor Pro Tem Knoblock
Councilmember Cabral
Councilmember Enmeier
Councilmember James

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 by Mayor Duncan on February 28, 2023 at 4:00 p.m. in the San Clemente City Council Chambers, located at 910 Calle Negocio, 2nd Floor, San Clemente.

PRESENT: Cabral, Enmeier, James, Knoblock and Mayor Duncan

STAFF PRESENT: Andy Hall, City Manager; Scott Smith, City Attorney; Laura Campagnolo, City Clerk; Megan Jimenez, Deputy City Clerk

PLEDGE OF ALLEGIANCE

Jake Rahn led the Pledge of Allegiance.

1. Oral Communications

Donna Vidrine voiced concern with homeless individuals in the cold weather; urged Council to open a temporary emergency weather homeless shelter.

Brad Malamud urged Council to allow the public to be able to review financial reports 14 days in advance of the meeting date; expressed concerns regarding a budget deficit; opined on action Council should take concerning the budget.

Temporary Weather Activated Emergency Homeless Shelter

Mayor Duncan, with the support of Councilmember Enmeier and Mayor Pro Tem Knoblock, directed staff to present options at the March 7, 2023 City Council meeting concerning inclement weather shelter options for San Clemente's homeless. Staff is also to research available resources from non-profit and faith based organizations.

2. FY 2022-23 2ND QUARTER FINANCIAL UPDATE

None.

3. FY 2022-23 MID-YEAR BUDGET ADJUSTMENTS

Financial Services Officer Rahn narrated a PowerPoint presentation entitled "Mid-Year Financial Report FY 2022-23 as of December 31, 2022" and responded to Council inquiries. A hard copy of the presentation is on file with the City Clerk.

Motion by Councilmember Cabral, second by Mayor Pro Tem Knoblock, CARRIED 5-0, to:

1. Receive and file the FY 2022-23 2nd Quarter Report (Attachment "A").
2. Approve and authorize the mid-year budget adjustments listed in "Attachment B".

AYE: Cabral, Enmeier, James, Knoblock and Mayor Duncan

NOE: None

4. LONG TERM FINANCIAL PLAN PRESENTATION

Brad Malamud voiced concern that legal fees are not referenced in the Long Term Financial Plan; opined that the City has a fiduciary responsibility not to select the most expensive law firm.

Financial Services Officer Rahn narrated a PowerPoint presentation entitled "San Clemente 2023 Long Term Financial Plan" and responded to Council inquiries. A hard copy of the presentation is on file with the City Clerk.

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

Councilmember Cabral, with the full support of Council, requested that staff identify ways to improve public access on the city website, including revamping the website to include improved public interface.

Councilmember James, with the support of Councilmember Cabral and Councilmember Enmeier, requested that staff evaluate the feasibility of leasing information technology equipment.

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

TRENDS

None.

FORECAST

None.

RESERVE

Motion by Councilmember Enmeier, second by Councilmember James, CARRIED 5-0, to:

1. Transfer an amount of \$400,000 from the General Fund to the Facilities Maintenance Reserve in FY 2023-24.
2. Transfer an amount of \$300,000 from the General Fund to the Park Asset Reserve in FY 2023-24.
3. Transfer a one-time amount of \$2,000,000 from the Water Operating Reserve in FY 2023-24 to the Water Depreciation Reserve to fund future capital replacement in the Water Depreciation Reserve.

AYE: Cabral, Enmeier, James, Knoblock and Mayor Duncan

NOE: None

FISCAL POLICY

Motion by Councilmember James, second by Mayor Pro Tem Knoblock, CARRIED 3-2 (Councilmember Enmeier and Mayor Duncan voting Noe), to:

Remove the following revenue policy:

“General fund revenue categories (sales tax revenue by example) may not be committed directly to fund a specific expenditure line item or program.”

Add the following revenue policy:

“Allocate one-third of total Transient Occupancy Tax dollars toward the unfunded pension liability.”

AYE: Cabral, James and Knoblock

NOE: Enmeier and Mayor Duncan

IT STRATEGIC PLAN UPDATE

Motion by Councilmember Cabral, second by Mayor Pro Tem Knoblock, CARRIED 5-0, to accept the Information Technology Strategic Plan Update and direct staff to bring the recommended Fiscal Year 2023-24 projects and initiatives forward through the budget process.

AYE: Cabral, Enmeier, James, Knoblock and Mayor Duncan

NOE: None

FLEET - LEASE/PURCHASE

Motion by Councilmember James, second by Mayor Pro Tem Knoblock, CARRIED 3-2 (Councilmember Enmeier and Mayor Duncan voting Noe) to review fleet lease/purchase on an annual basis.

AYE: Cabral, James and Knoblock

NOE: Enmeier and Mayor Duncan

Motion by Councilmember Enmeier, second by Mayor Duncan, CARRIED 5-0, to accept no changes to the policy/practice of purchasing vehicles for FY 2022-23.

AYE: Cabral, Enmeier, James, Knoblock and Mayor Duncan

NOE: None

PENSION UPDATE**CalPERS**

Motion by Mayor Pro Tem Knoblock, second by Councilmember James, CARRIED 5-0, to modify the \$1,000,000 Section 115 trust funding and utilize the \$1,000,000 to make a one-time Public Safety Pension Plan payment.

AYE: Cabral, Enmeier, James, Knoblock and Mayor Duncan

NOE: None

CSCERP

Motion by Councilmember James, second by Councilmember Cabral, CARRIED 5-0, to:

1. Continue with the Coastal Animal Services Authority (CASA) evaluation related to CalPERS pension administration.
2. Update the City of San Clemente Pension Investment Policy (Policy No. 202-2) and prepare a City Council Agenda Report when Chandler Asset Management cost information is received.

AYE: Cabral, Enmeier, James, Knoblock and Mayor Duncan

NOE: None

Reduction of General Fund Reserve Balance

Motion by Councilmember James, second by Mayor Pro Tem Knoblock, CARRIED 3-2 (Councilmember Enmeier and Mayor Duncan voting Noe), to reduce the General Fund reserve balance from 20% to 18% and utilize the 2% difference to pay down the unfunded pension liability. The policy change will be reflected in the FY 2023-24 budget adoption.

AYE: Cabral, James and Knoblock

NOE: Enmeier and Mayor Duncan

General Liability Self-Insured Retention

Financial Services Officer Rahn provided Council with an update on the evaluation of the City becoming self-insured.

Annexation of Utilities

Utilities Director Rebensdorf provided an update to Council concerning the possible annexation of the water and sewer utilities.

Additional Unfunded Liability Options

Council directed the City Manager to explore additional funding options including a section 115 trust to fund the unfunded pension liability.

5. Adjournment

Motion by Councilmember James, second by Mayor Pro Tem Knoblock, CARRIED 5-0, to adjourn at 5:52 p.m. The next Regular Meeting will be held on March 7, 2023. Closed Session will begin at 5:00 p.m. The Business Meeting will commence at 6:00 p.m. The meeting will take place at City Hall Council Chambers, located at 910 Calle Negocio, 2nd Floor, San Clemente.

AYE: Cabral, Enmeier, James, Knoblock and Mayor Duncan

NOE: None



MAYOR of the City of
San Clemente, California



CITY CLERK of the City of
San Clemente, California