

CITY OF SAN CLEMENTE

City Council Minutes

Adjourned Regular Meeting - June 17, 1991

An Adjourned Regular Meeting of the San Clemente City Council was called to order on June 17, 1991 at 6:35 p.m. in the Council Chambers, 100 Avenida Presidio, San Clemente, California by Mayor Diehl.

PRESENT ANDERSON, BENEDICT, HAGGARD, LORCH, MAYOR DIEHL

ABSENT NONE

STAFF PRESENT Michael Parness, City Manager; Myrna Erway, City Clerk; Dean Porter, Finance Director; James Holloway, Community Development Director; William Cameron, City Engineer; Greg Morehead, Utilities Manager; Mark Somerville, Maintenance Services Manager; Mike Morgan, Solid Waste Management Coordinator

Action Summary from Meeting of June 15, 1991

City Manager Parness summarized Council's directions of June 15, 1991 as follows:

Transient Occupancy Tax

Council will consider raising the Transient Occupancy Tax from 8% to 10%. If implemented, Staff anticipates diverting \$25,000 of the anticipated \$100,000 in increased revenue to a Joint City/Chamber of Commerce economic development program. The Chamber of Commerce will formally present its proposal to Council at the Public Hearing on June 19, 1991.

Ole Hanson Beach Club Swimming Pool

It is likely that year-round pool operation can be funded from increased program revenue. It is unlikely, however, that capital improvements at the Ole Hanson Beach Club can also be funded through this source. The capital improvements proposed in Decision Package #7 will definitely be funded in FY 1991-92, albeit from the Parks Acquisition and Development Fund if insufficient revenue funding is available. A final figure will be presented to Council at the Public Hearing on June 19, 1991.

City Council

An additional \$3,400 will be added to Council's Travel and Training budget. The Economic Development Office can be used jointly by the City Council, City Attorney and Economic Development staff. Additionally, \$1,500 will be budgeted to purchase five four-drawer filing cabinets for Council use. Mayor Diehl, Mayor Pro Tem Anderson and Councilmember Haggard indicated they do not need filing cabinets at this point in time. Mayor Pro Tem Anderson indicated that he may need a filing cabinet in the future and requested, therefore, that funding be included in the budget.

Police

Staff will adjust the budget to reflect Council's authorization to purchase a Recruitment Display System (\$4,000) and an In-Car Camera (\$4,500).

Enterprise Funds

Water, Sewer and Solid Waste

Community Development Director Holloway reviewed the Water Division's sub-categories (Water Administration, Water Production and Water Distribution) and the programs which will be implemented in the coming year; reviewed the Water Division's Decision Packages; explained that no water rate increases are proposed for next fiscal year and summarized the situations that have made maintenance of the current rates possible.

Community Development Director Holloway reviewed the Sewer Division's sub-categories (Sewer Administration, Sewer Treatment and Sewer Collection) and the programs which will be implemented in the coming year; stated Storm Drain Maintenance is proposed to be transferred from the Streets Division to the Sewer Division; reviewed the Sewer Division's Decision Packages; noted an increase in the sewer rate is proposed and explained the justifications for this increase.

City Engineer Cameron reviewed the Water Capital Improvement Program; noted a consultant is currently preparing a new Water Capital Improvement Master Plan; summarized the projects that are planned for the coming year; noted that funding has been included in the FY 1991/92 budget for a new water rate study; explained the NPDES permit system is also partially funded in the amount of \$30,000.

MOTION BY COUNCILMEMBER LORCH to establish a separate drainage account to cover drainage work, including NPDES requirements. The Motion died for lack of a second.

MOTION BY MAYOR DIEHL, SECOND BY MAYOR PRO TEM ANDERSON, CARRIED 4-1 (COUNCILMEMBER LORCH VOTING NOE), to accept Staff's recommendation to consolidate storm drainage maintenance responsibility with the Sewer Division for FY 1991/92, with the understanding that information pertaining to storm drainage maintenance functions will be available to Council.

Mayor Diehl left the Council Chambers at 7:20 p.m. and Mayor Pro Tem Anderson assumed the duties of the Chair.

City Engineer Cameron reviewed the sewer projects that are underway.

Mayor Diehl returned to the Council Chambers at 8:00 p.m. and resumed the duties of the Chair.

MEETING RECESSED

Council recessed at 8:10 p.m. and reconvened at 8:25 p.m., with all members present.

MOTION BY COUNCILMEMBER LORCH, SECOND BY COUNCILMEMBER BENEDICT, CARRIED 3-2 (MAYOR DIEHL AND MAYOR PRO TEM ANDERSON VOTING NOE), to delete \$13,000 of the \$15,000 budgeted and to seek volunteers to accomplish the xeroscape project at a local park versus the City funding the project.

Maintenance Services Manager Somerville reviewed the Solid Waste portion of the budget.

Internal Services Funds/Special Revenue Funds/Capital Projects Funds/Redevelopment Agency

Finance Director Porter reviewed the portions of the budget pertaining to Internal Services Funds, Special Revenue Funds, Capital Projects Funds and the Redevelopment Agency.

Issues Not in Budget

City Manager Parness reviewed a graph depicting General Fund revenues versus employee costs; explained a benchmark survey of Orange County cities has revealed that City employee salaries are at the median in all classes, with the exception of Executive Management salaries which fall below the median level; reviewed a chart comparing the CPI to salary increases; advised the cost of medical insurance premiums has risen 144% and summarized the associated impact to the City and employees.

Long-Term Issues

City Manager Parness reviewed a table which depicted the condition of streets within the City; reviewed costs associated with bringing streets up to standard; reviewed the 5-year Drainage Plan, noting that \$1.5 million is needed to accomplish the plan; explained that only \$100,000 to \$175,000 has been budgeted to implement the Drainage Plan in past years; stressed that street and drainage conditions are major capital concerns; reviewed the General Fund balance, focusing on available reserves versus desired reserves; stated General Liability and Workers' Compensation insurance reserves are significantly below recommended levels.

City Manager Parness relayed that the following issues will need to be addressed due to State/Federal Mandates:

- > Storm Drainage (NPDES)
- > Air Quality
- > Safety
- > Hazardous Waste
- > Recycling
- > Employee Retirement/Health Care
- > Jail Booking Fees/Standards
- > Asbestos Inspection/Removal
- > Social Services

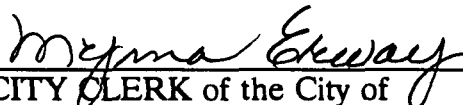
Finance Director Porter distributed a handout entitled "Analysis of Additional General Fund Revenue Enhancement Alternatives."


City Manager Parness explained that \$6.65 million is needed to fund unbudgeted needs; discussed the possibility of imposing a Utility User Tax, noting that a 5% tax would facilitate an increase in the City's General Fund, General Liability insurance and Workers' Compensation insurance reserves; noted also that the tax would help the City meet its capital improvement goals within the next five years.

Council requested to be provided with 1) a report on the feasibility of allowing tax waivers for retirees, senior citizens, disabled individuals and/or citizens with low incomes, and 2) a report concerning the administrative cost associated with implementing a Utility User Tax program. City Manager Parness responded that special waivers to the Utility User Tax would contribute to the complexity of the program and consequently increase the administrative cost.

ADJOURNMENT

Council adjourned at 10:45 p.m. The next Regular Meeting will be held on June 19, 1991 at 7:00 p.m. in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California.


CITY CLERK of the City of
San Clemente, California


MAYOR of the City of
San Clemente, California

