

# CITY OF SAN CLEMENTE

## Joint City Council and Redevelopment Agency Meeting Minutes

### Adjourned Regular Meeting - February 27, 2007

A Joint Meeting of the San Clemente City Council and Redevelopment Agency was called to order on February 27, 2007 at 4:00 p.m. in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California.

**COUNCIL MEMBERS  
PRESENT**

ANDERSON, DONCHAK, EGGLESTON,  
KNOBLOCK, MAYOR DAHL

**COUNCIL MEMBERS  
ABSENT**

NONE

**REDEVELOPMENT AGENCY  
DIRECTORS PRESENT**

ANDERSON, DONCHAK, EGGLESTON,  
KNOBLOCK, CHAIRPERSON DAHL

**REDEVELOPMENT AGENCY  
DIRECTORS ABSENT**

NONE

**STAFF PRESENT**

George Scarborough, City Manager/RDA Executive Director;  
Pall Gudgeirsson, Assistant City Manager; Myrna Erway,  
City Clerk/RDA Secretary

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1. **Long Term Financial Plan (LTFP)**

*Introduction and Overview*

City Manager Scarborough narrated a PowerPoint presentation entitled "2007 Long Term Financial Plan", dated February 27, 2007, which is on file with the City Clerk. City Manager Scarborough's presentation focused on the City's financial process and 2007 LTFP issues.

Assistant City Manager Gudgeirsson continued the PowerPoint presentation, focusing on fiscal policy, trend analysis and financial forecast. Assistant City Manager Gudgeirsson, together with Finance Manager Rendina, reviewed the

portion of the PowerPoint presentation relating to the reserve analysis, and responded to Council inquiries.

### **Clean Ocean Program Review**

Principal Civil Engineer Bonigut narrated a PowerPoint presentation entitled “Clean Ocean Program - Review and Renewal”, which is on file with the City Clerk; responded to Council inquiries.

During the course of discussion, Council requested the following:

- Amount of revenue that has been deposited into the Clean Ocean Fund from urban runoff and street sweeping violations.
- That Staff query other beach communities with similar programs and provide Council with benchmark information relative to: 1) the amount of the fees; 2) duration of the fees; and 3) program costs.
- Explanation for the substantial increase in disbursements from FY 2007/08 to future years (as depicted in the PowerPoint presentation) as well as a breakdown of revenue and expenses.
- Potential alternative funding sources for the Clean Ocean Program.

### **Golf Analysis**

Golf Course Manager Nelson narrated a PowerPoint presentation entitled “Golf”, which is on file with the City Clerk; responded to Council inquiries.

Council requested that Staff include a comparison of fees charged by other golf courses when the proposed green fee increase is presented to the Golf Course Committee and Council.

### **Capital Projects Analysis**

Public Works/Economic Development Director Lund narrated a PowerPoint presentation entitled “Capital Projects Analysis”, which is on file with the City Clerk. Staff responded to Council inquiries concerning various capital projects.

### Debt Analysis

Assistant City Manager Gudgeirsson narrated a PowerPoint presentation entitled “Debt Analysis”, which is on file with the City Clerk. Mr. Gudgeirsson and Jim Fabian, of Rolapp & Associates, responded to Council inquiries.

### Gap Closing Strategies

City Manager Scarborough narrated a PowerPoint presentation entitled “Gap Closing Strategies”, which is on file with the City Clerk; responded to Council inquiries.

## 2. Public Comments

Kurt Conone, San Clemente, recommended that the City sell its unneeded property before incurring debt; suggested that the City consider general obligation bonds if revenue is still needed after the sale of surplus property.

MOTION BY MAYOR PRO TEM/RDA DIRECTOR ANDERSON, SECOND BY COUNCILMEMBER/RDA DIRECTOR DONCHAK, CARRIED 5-0, to:

#### **Fiscal Policy:**

Adopt the City’s revised Fiscal Policy.

#### **Financial Trend Analysis:**

None.

#### **Financial Forecast:**

None.

#### **Reserve Analysis:**

1. Budget sufficient funds for FY 2007-08 to bring the emergency reserve to the 8% level of projected General Fund operating expenditures. Based on the Financial Forecast, this would amount to \$90,000.
2. Budget \$134,000 for Water, \$72,000 for Sewer, \$11,000 for Storm Drain and \$17,500 for Golf Operating Funds in FY 2007-08 to maintain emergency reserves at 8% of projected operating expense levels.

3. Set aside \$225,000 in fiscal year 2007-08 to fund the Council Contingency Reserve.
4. Transfer \$170,000 from the General Fund to the Accrued Leave Reserve for fiscal year 2007-08.
5. Maintain the annual City-wide charge for General Liability insurance at \$1.5 million for fiscal year 2007-08.
6. Maintain the existing Workers' Compensation rates for fiscal year 2007-08.
7. Transfer \$83,000 from the General Fund to the Facilities Maintenance Capital Asset Reserve for fiscal year 2007-08.
8. Increase the annual depreciation contribution from the Water Operating Fund from \$1.5 million to \$2.0 million for fiscal year 2007-08.
9. Budget a one-time transfer of \$1.0 million from the Water Operating Fund to the Water Depreciation Fund to bring the Fund balance into compliance with the proposed Fiscal Policy for fiscal year 2007-08.
10. Increase the annual depreciation contribution from the Sewer Operating Fund from \$1.8 million to \$2.05 million for fiscal year 2007-08.
11. Revise the fiscal policy to include the Storm Drain Depreciation Reserve. "The City will establish Water, Sewer, Storm Drain, and Golf Depreciation Reserves for costs associated with the major maintenance and capital improvement costs included in the Enterprise Operating Fund budget. The minimum reserve level shall be at a level equal to the projected five-year costs."
12. Increase the annual depreciation contribution from the Storm Drain Operating Fund from \$387,900 to \$587,900 for fiscal year 2007-08.

### **Capital Projects Analysis**

Direct Staff to pursue the gap-closing strategies contained in the PowerPoint presentation.

### **Clean Ocean Program Review and Renewal**

Direct staff to begin planning for a renewal of the Clean Ocean Fee, including obtaining public input on the future of the Clean Ocean Program (e.g. program goals, specific projects and/or activities etc.), developing implementation alternatives, costs and associated Clean Ocean Fee rate impacts, and preparing implementation recommendations for Council consideration. The Council would then decide which program alternatives to pursue, and how they should be funded. If so directed, staff would then begin the formal election process for renewal of the Clean Ocean Fee and \$100,000 would need to be included in the City Clerk's FY 2007-08 budget. If the Council chooses not to pursue renewal of the fee, then the

Clean Ocean Program would need support from other City funds to continue to meet its regulatory obligations.

**Golf Analysis**

Direct staff and the Golf Course Committee to review the Golf Course fee structure and make a recommendation to Council on a potential fee increase to be ready for implementation in the spring of 2008. It is projected that this fee would need to be approximately \$3 per round.

**Debt Analysis**

None

**Gap Closing Strategies**

Direct staff to continue to explore the funding options as defined in the Gap Closing Strategies and Debt sections, including timing of the La Pata/Vista Hermosa Park construction phases.

**MEETING RECESSED**

Council recessed at 6:35 p.m. and reconvened at 7:02 p.m., with all members present.

1. **VITAL FEW PRIORITIES**

City Manager Scarborough reviewed the contents of the Vital Few Priority information booklet that was provided to Council. The information booklet explains the Vital Few Priorities for FY 2006-07 that have not yet begun, that are underway, and that are in design, as well as potential Vital Few Priorities for FY 2007/08. City Manager Scarborough advised that after Council sets priorities, he will return to Council with a strategy for addressing the highest and lesser priorities; requested that Council identify any projects that should be deleted from the Vital Few Priorities. A copy of the Vital Few Priority booklet is on file with the City Clerk.

Public Input

Lee Steelman, San Clemente, voiced concern that some segments of the community, especially young Hispanics, have needs that are not being addressed; urged that a Vital Few Priority be established that is dedicated to improving quality of life for all citizens; recommended that the Vital Few Priority be broad in scope.

Pete Deiser, San Clemente, expressed disappointment that the La Pata extension is not a Vital Few Priority; voiced concern with the detrimental effect that an eastern alignment would have on adjacent properties.

Bill Hart, San Clemente, spoke in support of establishing the Clean Ocean Fee renewal as a Vital Few Priority.

Sandy Exelby, San Clemente, explained that the Human Affairs Committee's three major focus areas are as follows: 1) Out of School Activities for Youth; 2) Health (Including Mental Health) and Nutrition; and 3) Traffic and Transportation; encouraged Councilmembers to attend HAC forums.

Val Ignat, San Clemente, noted the importance of the La Pata extension as an alternative means of egress from the City and urged that it be established as a high priority; spoke on the need for an acceptable alignment and urged that the surrounding residents be kept informed about the status of the project.

Council advised that the City will continue to pursue the La Pata extension/alignment issue even though it is not a formal Vital Few Priority. It was pointed out that the La Pata extension is a long-term County project.

Council added "Analysis of Outsourcing Services" to the list of potential Vital Few Priorities being considered this evening.

Following straw votes by members of the Council, MOTION BY COUNCILMEMBER/RDA DIRECTOR DONCHAK, SECOND BY MAYOR PRO TEM/RDA DIRECTOR ANDERSON, CARRIED 5-0, to approve the following priority listing of Vital Few Priority projects:

<u>Rank</u>	<u>Project</u>
1	Quiet Zone Application
2	Clean Ocean Fee Renewal
3	Coastal Trail Phase II
4 (2-Way Tie)	La Pata/Vista Hermosa Park Fire Station #60/Senior Center
5 (4-Way Tie)	Downtown Vision - North Beach Downtown Parking (Use of Private Parking Lots for Parking Available to Public) Downtown and Beach Master Sign Plan Implementation of Community Development Customer Service Study
6 (6-Way Tie)	Landmarks Ordinance San Clemente Coastal Trail Management Program Analysis of Outsourcing Services Golf Course Driving Range Fencing U.S. Army Corps Shoreline Feasibility Study Sidewalk Repair, Obstruction Removal and Infill

The following projects were considered, but failed to receive any priority votes by Councilmembers during the straw vote process:

- Marine Safety Relocation Study
- Youth Sports Fees
- Dije Beach Access Evaluation
- San Gorgonio Park Field and Lighting Upgrades
- Update of City Land Use Policy for Consistency of the Downtown Vision
- Joint Use Agreement with CUSD
- Las Palmas School Field Utilization/Fencing

During the straw vote process, the following projects received at least one Councilmember vote to be deleted from the Vital Few Priorities. The actual number of votes received is indicated below:

- Downtown Champion (New Staff) - Received two votes for deletion
- Downtown Champion (Current Staff) - Received one vote for deletion
- Open Space Study - Received one vote for deletion

3. **ADJOURNMENT**

**City Council:** MOTION BY MAYOR PRO TEM ANDERSON, SECOND BY COUNCILMEMBER KNOBLOCK, CARRIED 5-0, to adjourn at 8:27 p.m. to an Adjourned Regular Council Meeting to be held on March 6, 2007 in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California. No Closed Session items will be considered. The General Session will begin at 6:30 p.m. Public Hearing items will be considered at 7:00 p.m.

**Redevelopment Agency:** MOTION BY RDA DIRECTOR ANDERSON, SECOND BY RDA DIRECTOR KNOBLOCK, CARRIED 5-0, to adjourn at 8:27 p.m. The next Regular Redevelopment Agency Meeting will be held on March 6, 2007 in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California. Closed Session items will be discussed at 6:00 p.m. The General Session will begin at 7:00 p.m.

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CITY CLERK of the City of  
San Clemente, California

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SECRETARY of the San  
Clemente Redevelopment Agency

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MAYOR of the City of  
San Clemente, California

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CHAIRPERSON of the San Clemente  
Redevelopment Agency