

**CITY OF SOLANA BEACH**  
SOLANA BEACH CITY COUNCIL, REDEVELOPMENT AGENCY, AND PUBLIC FINANCING  
AUTHORITY

JOINT **SPECIAL** MEETING

**MINUTES**

**5:00 P.M.**  
**Wednesday, May 25, 2011**

CITY COUNCIL CHAMBERS  
635 S. HIGHWAY 101,  
SOLANA BEACH, CALIFORNIA

The City Council acts as the City of Solana Beach Redevelopment Agency and the Public Financing Authority.

**CALL TO ORDER AND ROLL CALL:**

**Present:** Heebner, Kellejian, Roberts, Nichols, and Campbell.

**Absent:** None.

**Also Present:** David Ott, City Manager  
Johanna Canlas, City Attorney  
Leticia Fallone, Deputy City Clerk  
Dennis Coleman, Finance Director  
Wende Protzman, Dir. Admin. Serv./Deputy City Mgr  
Tina Christiansen, Community Dev. Dir.  
Mo Sammak, City Engineer/Public Works Dir.

Mayor Heebner called the meeting to order at: 5:00 p.m.

**CLOSED SESSION REPORT: (when applicable)**

Johanna Canlas, City Attorney, stated that there was no reportable action.

**FLAG SALUTE:**

Mayor Heebner led the flag salute.

**APPROVAL OF AGENDA:**

**MOTION:** Moved by Roberts and seconded by Kellejian. **Motion carried unanimously.**

**C. STAFF REPORTS: (C.1.)**

*Submit speaker slips to the City Clerk*

**C.1. City of Solana Beach Proposed General Operating and Capital Improvement Budget for Fiscal Years 2011-2012. (0330-30)**

Recommendation: That the City Council

1. Review Fiscal Years 2011-2012 Operating and Capital Improvement Budget for the City of Solana Beach, Solana Beach Redevelopment Agency and the Solana Beach Public Financing Authority.
2. Provide direction as appropriate.

David Ott, City Manager, presented a power point (on file) and reviewed the revised budget due to adjustments, that a correction to slide 3 Revenue Balances should be 29, 117,390 as presented in the revised staff report instead of 26,046,890 as indicated on the powerpoint, reviewed total expenditures, projected reserves, general fund revenue trends, the top six revenue sources, general fund revenues, property tax, sales tax, other taxes, intergovernmental revenues, general fund operating expenditures by function, personnel, increases due to Jr. Lifeguard Program adding an additional session which was offset by program fees, a 3% increase in law enforcement fees, increases in the fire department due to overtime and workers compensation, operational deficits, the long term structural deficit, possible corrections for the structural deficit, that there were no funds available to take from other areas, that next options for consideration would have to include pay reductions, layoffs, etc. on a temporary basis until the revenues caught up with expenditures.

Council and Staff discussed the fire benefit fee that hit the ceiling in 1990s, that during 1999-2000 it covered 27% of operating costs for the fire dept, that vote of people would be required to change fee, educate the public on the cost of operations v. funds coming in, that Council had already made choices to lower budget such as fire management cooperative services, pension reform, that service level decisions had to be made since Solana Beach was a small city with limited funding coming in, the future potential of addressing the short fall of operational costs with the fire benefit fee, what the actual costs would be to cover the deficit, and that the City was one of the first to reform retiree health costs.

Discussion continued regarding long term concerns regarding the potential elimination of the Redevelopment Agency, national economic trends such as unemployment, future retail sales, consumer vacation pattern, long term stability work plan, the Capital Improvement Program (CIP) budget, the 5 year projected CIP spending plan, and significant projects which included the Highway 101 Revitalization, major storm drain improvements, the pump station, and the General Plan update.

Council discussed continued regarding funding for ADA improvements, the increase request for San Dieguito River Valley Conservancy and that several agencies had met the increase request, reduction in the City's Community Grant program funding, alternative options for the law enforcement contract and whether there were duplicative services, overtime issues with Fire personnel, lack of funding for the La Colonia Park Master Plan, potential staffing reorganization, and that every line item should be considered for reduction and/or savings.

**ADJOURN:**

Mayor Heebner adjourned the meeting at 6:15 p.m.

  
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Angela Ivey, City Clerk for Leticia Fallone, Deputy City Clerk

Approved: January 25, 2012