

CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



MINUTES

Joint REGULAR Meeting

Wednesday, February 10, 2016 * 6:00 P. M.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

- Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.
- City Council meetings are video recorded and archived as a permanent record. The [video recording](#) captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

CITY COUNCILMEMBERS

David A. Zito, Mayor

Peter Zahn, Deputy Mayor

Mike Nichols, Councilmember

Ginger Marshall, Councilmember

Lesa Heebner, Councilmember

Gregory Wade
City Manager

Johanna Canlas
City Attorney

Angela Ivey
City Clerk

CALL TO ORDER AND ROLL CALL:

Mayor Zito called the meeting to order at 6:00 p.m.

Present: Lesa Heebner, David A. Zito, Peter Zahn, Mike Nichols, Ginger Marshall
Absent: None
Also Present: David Ott, City Manager
Johanna Canlas, City Attorney
Angela Ivey, City Clerk
Bill Chopyk, Community Development Dir.
Mo Sammak, City Engineer/Public Works Dir.
Danny King, Sr. Management Analyst

CLOSED SESSION REPORT: (when applicable)

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

FLAG SALUTE:

APPROVAL OF AGENDA:

Motion: Moved by Zahn and second by Heebner. **Motion carried unanimously.**

PRESENTATIONS:

(Ceremonial items that do not contain in-depth discussion and no action/direction.)

1. SANDAG: San Diego Forward – The Regional Plan

SANDAG representative presented a PowerPoint (on file).

ORAL COMMUNICATIONS:

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

Shawn McClendon said that he started an organization called Solana Beach Youth Helping Businesses Project, a program he started among Solana Beach businesses to put together with affluent youth with non-affluent youth and do a social media training class, to get more info if needed <http://youthcampaigns.org/program-sign-up/>

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:

An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.

A. CONSENT CALENDAR: (Action Items) (A.1. - A.7.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

A.1. Register Of Demands. (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for January 2, 2016 through January 22, 2016.

Motion: Moved by Heebner and second by Zahn. **Motion carried unanimously.**

A.2. General Fund Adopted Budget for Fiscal Year 2015-2016 Changes. (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2015-2016 General Fund Adopted Budget.

Motion: Moved by Heebner and second by Zahn. **Motion carried unanimously.**

A.3. Conflict of interest Code Required Update. (File 0440-20)

Recommendation: That the City Council

1. Adopt **Resolution 2016-017** adopting an amended Solana Beach Conflict of Interest Code.

Motion: Moved by Heebner and second by Zahn. **Motion carried unanimously.**

A.4. Quarterly Investment Report. (File 0350-44)

Recommendation: That the City Council

1. Accept and file the Cash and Investment Report for the quarter ended December 31, 2015.

Motion: Moved by Heebner and second by Zahn. **Motion carried unanimously.**

A.5. City Clerk's Office Area Expansion Construction Contract Award. (File 0400-10)

Recommendation: That the City Council

1. Adopt **Resolution 2016-013**:
 - a. Awarding a construction contract for the City Clerk's Office Expansion, Bid No. 2015-07, in the amount of \$18,414, to Evergreen Construction and Consulting, Inc. dba EvergreenCali.
 - b. Approving an amount of \$5,000 for construction contingency.
 - c. Authorizing the City Manager to execute the construction contract on behalf of the City.
 - d. Authorizing the City Manager to approve cumulative change orders up to the construction contingency amount.

Motion: Moved by Heebner and second by Zahn. **Motion carried unanimously.**

A.6. City Hall Copier Replacement and Lease Agreement. (File 0190-50)

Recommendation: That the City Council

1. Adopt **Resolution 2016-018** authorizing the City Manager to enter into a contract for a new copier lease at City Hall with Xerox Corporation for a 60-month term.

Motion: Moved by Heebner and second by Zahn. **Motion carried unanimously.**

C.2. Investment Policy Amendment. (File 0350-30)

Recommendation: That the City Council

1. Adopt **Resolution 2016-007** approving the City's Amended Investment Policy for FY 2015-2016.

Council and Chandler representative discussed restricting fossil fuels, that it would potentially narrow the scope of return, however, they don't typically see these details in the investment language, that STERS and CalPERS had added it to their language, that particularly thermal coal is not an issue since its credit quality would restrict it from qualifying for the City's portfolio

Craig Nelson, on behalf of the Budget & Finance, said that they unanimously supported and endorsed the changes you had made based on their input.

Councilmember Heebner made a motion to approve the investment policy.

Deputy Mayor Zahn seconded the motion and asked for an amendment to include an exclusion of investments in thermal coal companies at the same level that STERS and CalPERS had written into their policy.

Councilmember Heebner asked the representative if these companies issues securities that the City would purchase like paper.

Chandler representative stated that most are bankrupt and they were not credit worthy to qualify for the City's purchase.

Deputy Mayor Zahn said that he understood that 45% of coal companies had gone bankrupt but that some big players were still in the business and the City should have the same scope that CalPERS maintains now.

Councilmember Heebner said that she didn't want to affect the return for taxpayers, that seemed like too much to put into a conservative portfolio.

Councilmember Marshall said that the City should not tie its hands by a Councilmember's personal agenda on climate change, that the representatives had vetted and she felt confident that they would do a great job.

Councilmember Nichols stated that the City was currently under certain restrictions of the state for investing.

Chandler representative said investing law was separate from the restrictions of LAIF, yours are more limited that CalPERS, running a pension fund, the companies in the legislative, but many securities do not come close to qualifying for your account because of their credit quality. However, if the account is restricts something outright, it may shrink the potential investment universe, which may or may not affect the return.

Councilmember Heebner stated that since all investments must meet an A rating of better that she would stick to her original motion.

Motion: Moved by Heebner and second by Zahn. **Motion carried unanimously.**

B. PUBLIC HEARINGS: (B.1.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designees for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved

to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

B.1. Public Hearing: 950 San Lorenzo Court Request for a Development Review Permit (DRP) and Structural Development Permit (SDP), Applicants: Sandy and Di Whiting, Case No. 17-15-31. (File 0600-40)

The proposed project meets the minimum objective requirements under the SBMC, is consistent with the General Plan and may be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2016-012** conditionally approving a DRP and an administrative SDP to add a new 1,215 square foot second floor and a 191 square foot addition to the first floor of an existing 2,311 square foot single-family residence and attached garage located at 950 San Lorenzo Court.

Greg Wade, City Manager, introduced the item.

Russell Brown, Associate Planner, presented a PowerPoint (on file) regarding the proposed project.

Mayor Zito opened the public hearing

Council reported disclosures.

Applicant waived their opportunity to make a presentation of their project.

Motion: Moved by Heebner and second by Zahn to close the public hearing. **Motion carried unanimously.**

Motion: Moved by Heebner and second by Marshall. **Motion carried unanimously.**

C. STAFF REPORTS: (C.1. - C.3.)

Submit speaker slips to the City Clerk.

C.1. Recreation Fee Study Update. (File 0740-80)

Recommendation: That the City Council

1. Receive the report, take public testimony and provide comments.

Greg Wade, City Manager, introduced the item.

Leslea Meyerhoff, Staff consultant, presented a PowerPoint (on file).

Council and Staff discussed costs were updated in the PowerPoint to reflect current values.

Jim Jaffe (time donated by Kristin Brinner and Michelle Jaffe) said that the fee was on the low end and that coastal said it was on the low end, so it was defensible to set it higher, that Mr. Corn dropped off the citizen's committee and appeared back in 2008 being paid \$300 hr., and referenced each letter who they were and their agenda.

David Winkler (time donated by Ronald Lucker) stated that despite what Mr. Jaffe said that he was and had always been a volunteer, that he was still concerned about language, that the fee charged for seawalls should not be duplicative of any other fees for state lands because there were other fees including the sand replenishment fee, that other land lease fees would allow exclusive control, that the fees were duplicative, that owners were mitigating impacts made by other people, that seawalls would eventually protect public infrastructure, and to legally consider duplication of these fees.

Jon Corn (time donated John Steel, Judy Macody) said that he represented the City's oceanfront properties and appreciated the City's hard work, that they wanted to be helpful providing insightful comments, were interested in bringing about a fair fee, that scrutiny should be from everyone and all viewpoints should be considered, the updated report contains some significant improvements, most notably the methodology for considering calculating the beach area.

Council and Ms. Corn discussed that seawalls were going into post collapse, that Lifeguards had to continue to alert beach goers to not sit near the bluffs because of safety, that no one wanted a fee but since there was going to be one that the property owners were willing to work with the City to make it fair, defensible, and sound, and that property owners felt there were some duplication of fees.

Council and consultants (Donnar Snyder, Michale Baker) discussed that they were still determining what % would be used, that LIDAR would be used, that when an episodic failure occurs, a post collapse causes the area shrinks the available area, and that they had worked the City's geotechnical engineer to make the fee proportional to the impacts.

Discussion continued regarding the attendance multiplier and that it was difficult to figure out the value of children so adults percentages were the main focus, they don't survey people under the age of 16, that 86.2% of the population if adult, that it could be argued that children may be included in that figure, that travel cost model included an specific value for auto and public transportation but no value for walking, biking, or skateboarding, that it was assumed that the cost of those would be 0, the value in the time getting to the beach is a social cost and this focus was on the cost of gas or taking public transportation, and social cost was not evaluated but only done in environmental studies, that the purpose in this study is an individual's value of the beach using non-market methods.

Discussion continued regarding whether and how evaluations of trestles, distribution of surfers through the day at a time and not gross people, wave quality which may attract more people, that data was summoned 8:00 -10:00 a.m., the CPI (Consumer Price Index) provided was peak season and non-peak season, that the study did not include visits to gas stations or restaurants as incidental to the beach trip, that the study seemed heavily focused on surfers rather than the use of the average beach goer, and that the study looked at all people recreating at Solana Beach, including walkers, fishing, kayaking, playing ball.

Discussion continued regarding the study had analyzed the potential benefit above and beyond the private benefit of bluff retention devices and included both human life and property, that it looked at the value to the private property owner as greater than the value to the public, that some of the appendices information would be pulled into the body for the report, and that the value of revenues of annual recreational value like the Jr. Lifeguards was figured in.

Leslea Meyerhoff, Staff consultant, stated that the revised study would include what should be re-evaluated and the timeline.

Mayor Zito recessed the meeting at 7:50 p.m. for a break and reconvened at 7:55 p.m.

C.3. Citizen Commission Appointments. (File 0120-05)

Recommendation: That the City Council

1. Appoint one (1) member to the Budget and Finance Commission nominated/appointed by *individual* Councilmember Marshall for a two-year term (ending January 2018).

Craig Nelson said that he had served for many years on the Budget & Finance Commission and was shocked when there were others applying for the position, that he understood that Councilmember Marshall inherited him from her predecessor, and that if he had known I had known she was going to nominate someone else, and that since he had served so long he did not think about that fact that she might have her own nominee so if he thought that she might have that he would not have applied. He said that he googled the nominee Ms. Hamilton and she seems qualified, that they were all career financial professionals, and while he appreciated Council's coming to his defense at times, that they agree to disagree at times, that he was very proud of the Budget & Finance Commission's work with the City coming through a recession, that it had been a pleasure to serve and that he would be around.

Mayor Zito said that he appreciated Mr. Nelson's comments, that he was personally surprised to find the event was politicized so quickly, and that he felt that certain people strongly appreciated his service.

Deputy Mayor Zahn thanked the City's financial condition due in part to his attention and expertise, and that if he is still interested anytime in the future if anyone is not, they would always be interested in having him serve.

Judith Hamilton said that she was on the way to meeting last time and missed it by 10 minutes because it ended quite early, that she did not watch the video, that she was here tonight to summarize her experience, she was a resident since 1977, had started as a CPA here in 1980 with 15 employees, made a positive footprint in the City of Solana Beach, had a Bachelors in Accounting, with distinction from San Diego State, a Master in Business Administration, taught part-time at San Diego State and Mira Costa, has her Series 65, Registered Investment License, and saw her job as being a contribution of expertise to Councilmember Marshall's eyes and ears and working with staff.

Councilmember Heebner thanked Ms. Hamilton for being at the meeting, that she had no questions about her qualifications, that her only question was her availability since her primary role was to review the City's annual budget at the same time as IRS deadlines and it was required to attend meetings.

Ms. Hamilton responded that she could attend meetings, that she had Jr. partners taking over and she was committed to attending all meetings.

Councilmember Heebner stated that she was accustomed to having others participation and supported people who were willing, qualified and available, and that she would be happy to vote for her.

Deputy Mayor Zahn said that he appreciated her willingness to serve the City, that she had the qualifications, and that his only other question was regarding her collegiality, that the current commission is collegial and their work is so important to the City, and whether she had any concern or comment.

Ms. Hamilton stated that she had not met them, but that had looked them up and they seemed to be similar to her clients that she liked to work with, and that she did not understand why it ever be adversarial and that the goal would want to be a meeting of minds for the benefit of the City.

Deputy Zahn stated that he could support her confirmation in this position.

Councilmember Heebner stated that her role was not just to speak to Councilmember Marshall but to and for all of Council and community.

Councilmember Marshall thanked Mr. Nelson for his service and that it was not a personal decision to not nominate him and that sometimes a new face and change was good. She thanked everyone for many emails and phone calls from community members in support for her nomination of Ms. Hamilton.

Motion: Moved by Marshall and second by Heebner to appoint Judy Hamilton.
Motion carried unanimously.

2. Appoint two (2) members to the Public Arts Commission nominated/appointed by *Council-at-large*:

- a. One (1) vacancy (term ending January 2018).

Motion: Moved by Heebner and second by Nichols to appoint Nellie High.
Motion carried unanimously.

- b. One (1) vacancy (term ending January 2017). **No Action**

A.7. Establishment of Pension Stabilization and Other Post- Employment Benefit (OPEB) Funds and Related Appropriations. (File 0520-50)

Recommendation: That the City Council

1. Staff recommends that the City Council adopt **Resolution 2016-020:**
 - a. Establishing a Pension Stabilization committed fund balance reserve and an OPEB Obligation committed fund balance reserve in the General Fund.
 - b. Approving the transfer of \$500,000 to the Pension Stabilization committed reserve and \$135,000 to the OPEB Obligation committed reserve both from the General Fund unassigned fund balance.
 - c. Appropriating \$635,000 to the Fund Balance Reserve Recognition account in the General Fund.
 - d. Appropriating a transfer in of \$500,000 to the Pension Stabilization internal service fund from the Pension Stabilization committed reserve in the General Fund.
 - e. Appropriating a transfer in of \$135,000 to the OPEB Obligation internal service fund from the OPEB Obligation committed reserve in the General Fund.
 - f. Authorizing the City Treasurer to amend the Fiscal Year 2015-2016 Adopted Budget accordingly.

Greg Wade, City Manager, introduced the item.

Council and Staff discussed specifying the investment strategy as moderate active.

Motion: Moved by Zahn and second by Heebner. **Motion carried unanimously.**

COMPENSATION & REIMBURSEMENT DISCLOSURE: None

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

COUNCIL COMMITTEE REPORTS:
Council reported committee activity.

Regional Committees: (outside agencies, appointed by this Council)

- a. City Selection Committee (meets twice a year) – Nichols, Zahn (alternate).
- b. County Service Area 17 – Zahn, Marshall (alternate).
- c. Escondido Creek Watershed Authority – Marshall/Staff (no alternate).

- d. League of Ca. Cities' San Diego County Executive Committee – Nichols, Zahn (alternate) and any subcommittees.
- e. League of Ca. Cities' Local Legislative Committee – Nichols, Zahn (alternate).
- f. League of Ca. Cities' Coastal Cities Issues Group (CCIG) – Nichols, Heebner (alternate).
- g. North County Dispatch JPA – Zahn, Nichols (alternate).
- h. North County Transit District – Nichols, Heebner (1st alternate)
- i. Regional Solid Waste Association (RSWA) – Nichols, Zahn (alternate).
- j. SANDAG – Heebner (Primary), Nichols (1st alternate), Zito (2nd alternate) and any subcommittees.
- k. SANDAG Shoreline Preservation Committee – Nichols, Heebner (alternate).
- l. San Dieguito River Valley JPA – Zito, Zahn (alternate).
- m. San Elijo JPA – Marshall, Zito (both primary members) (no alternates).
- n. 22nd Agricultural District Association Community Relations Committee – Heebner, Nichols.

Standing Committees: (All Primary Members) (Permanent Committees)

- a. Business Liaison Committee – Zito, Zahn.
- b. Highway 101 / Cedros Ave. Development Committee – Heebner, Nichols.
- c. I-5 Construction Committee – Heebner, Zito.
- d. Parks and Recreation Committee – Heebner, Nichols.
- e. Public Arts Committee – Nichols, Zito.
- f. School Relations Committee – Marshall, Zahn.

ADJOURN:

Mayor Zito adjourned the meeting at 8:22 p.m. in memory of Margaret Schlesinger, first Mayor of the City of Solana Beach.

Angela Ivey, City Clerk

Approved: March 9, 2016