

**MINUTES OF A
REGULAR MEETING OF THE
CITY COUNCIL OF THE
CITY OF CORONADO
Police Facility – Emergency Operations Center
700 Orange Avenue
Coronado, CA 92118
Tuesday, June 15, 2004, 3:00 p.m.**

Mayor Smisek called the meeting to order at 3:00 p.m.

1. ROLL CALL:

Present: Councilmembers Monroe, Schmidt, Tanaka, Tierney
and Mayor Smisek

Absent: None

Also Present: City Manager Mark Ochendusko
City Attorney Morgan Foley
Office Specialist Brenda Bridgeford

2. INVOCATION AND PLEDGE OF ALLEGIANCE. Ann Rubafatte gave the invocation
and Mayor Smisek led the Pledge of Allegiance.

3. MINUTES: The minutes of the Regular Meeting of June 1, 2004, a copy having been
provided Council prior to the meeting, were approved as submitted. The reading of the minutes in
their entirety was unanimously waived.

**MSUC (Schmidt/Tanaka) moved that the City Council approve the minutes of
the Regular Meeting of June 1, 2004, as submitted**

AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek

NAYS: None

ABSENT: None

4. CEREMONIAL PRESENTATIONS: None.

5. **CONSENT CALENDAR:** The City Council approved, adopted and/or accepted as one item of business Consent Agenda Items 5a through 5e, and Item 5g.

MSUC (Schmidt/Tanaka) moved that the City Council approve the Consent Calendar Items 5a through 5e, and Item 5g.

AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None

5a. **Approval of Reading by Title and Waiver of Reading in Full of Ordinances on this Agenda.** The City Council waives the reading of the full text of every ordinance contained in this agenda and approves the reading of the ordinance title only. **The City Council waived the reading of the full text and approved the reading of the title only.**

5b. **Approval of Warrants.** The City Council ratified payment of warrants Nos. 10036505 thru 10036761, as audited and approved by the Audit Committee, provided there are sufficient funds on hand. **The City Council approved the warrants.**

5c. **Approval of Request From Coronado Optimist Club to Hold Its 33rd Annual Sports Fiesta From July 19-25, 2004.** The Optimist Club has requested permission from the City to conduct the 33rd Annual Sports Fiesta, a moderate event. As last year, additional events include volleyball, golf, and triathlon (run-bike-swim), and ocean swim. The springboard diving event will not be held this year as the City pool is not available due to construction. The martial arts tournament will not be held due to a scheduling conflict. The Club is requesting the use of North Beach, the Skatepark, and Sunset Park. The Navy has agreed to allow the use of North Island Naval Air Station for the 10K run as in previous years. The event attracts approximately 80-100 runners and will proceed in and out of Gate 5 at the end of Ocean Boulevard.

The City Council approved the event with the listed conditions and approved that the City provide personnel and services as outlined in the staff report.

5d. **Adoption of Resolutions to Apply for Grant Funds for the 2002 Resources Bond Act Per Capita Grant Program and Roberti-Z'Berg-Harris Block Grant Program.** The City of Coronado is eligible to receive grant funds from the State of California for capital projects that will provide land and facilities for recreational activities and services. Contracts for funding must be fully executed by June 30, 2006. These are not competitive grants, but projects must meet specific goals and satisfy a high priority need. The amounts of the grants are: 2002 Park Bond Act Per Capita Allocation: \$220,000; and Roberti-Z'Berg – Harris Block Grant Allocation: \$70,269.

The Community Center and Municipal Pool project is well within the parameters to qualify for funding under the 2002 Per Capita and Roberti-Z'Berg-Harris grant programs. There is no restriction for using grant funds in combination with other funds, or for combining projects. The Grant Project Application is made once the authorizing resolutions are received and a contract is

executed. Contracts for funding must be fully executed by June 30, 2006. Projects must be completed by June 30, 2011. **The City Council adopted A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO, CALIFORNIA APPROVING AN APPLICATION FOR GRANT FUNDS FOR THE PER CAPITA PROGRAM UNDER THE CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS, AND COASTAL PROTECTION ACT OF 2002 and A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO, CALIFORNIA APPROVING AN APPLICATION FOR GRANT FUNDS FOR THE ROBERTI-Z'BERG-HARRIS BLOCK GRANT PROGRAM UNDER THE CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS, AND COASTAL PROTECTION ACT OF 2002.** The Resolutions were read by Title, the reading in their entirety unanimously waived and adopted by Council as **RESOLUTION NO. 7994 and RESOLUTION NO. 7995, respectively.**

5e. Authorize Staff to Oppose Assembly Bill 2064 (Goldberg) – Parks and Recreation: Urban Areas. AB 2064 was introduced in the Assembly on February 17, 2004. The current amended version creates a new class of state park called an “urban state park,” which would serve “highly urbanized counties and cities” and require the development of a definition of “park poor” to, among other things, identify an area or neighborhood that lacks park facilities and to create an administrative function with the State Department of Parks and Recreation to address the needs of these areas and to establish a potential mechanism to finance park improvements in these areas. As a result, the bill would enact a finding that future park bond funds be allocated to “park poor” areas.

The bill also gives funding priority to “heavily urbanized” counties and cities which are designated as counties with a population of 500,000 or more, and a density of at least 1,100 persons per square mile and a city with a population of 100,000 or more that is not in a heavily urbanized county, and is not included in a park district or a joint powers authority. There are eight counties in the state directing a disproportionate share of funds from park bond issues to the eight counties that meet the definition of highly urbanized county.

Passage of this bill would create additional state bureaucracy by creating an “administration function” to address the park and recreation needs of poor park areas, which would compete with other local governments for local funding by park bond monies. Additionally, the bill involves the State in local level matters by creating requirements that ultimately would exclude San Diego County and the cities located in San Diego County. Finally, the State should not be considering increasing funding of state programs while taking local funds. **The City Council authorized staff to oppose Assembly Bill 2064 (AB 2064).**

5f. Comment to Port District on Coronado Cays Spa Resort Proposal. This item was removed from the Consent Calendar for discussion. Mayor Smisek explained that he has one item that was brought to his attention this morning regarding the Port lease on Caribe Isle. He thinks it would be relevant to include wording in the City’s comments referencing this lease due to the proposed project being put forth to the Port. The lease says, under Item A – Use, “Principle uses allowed include docks and workage facilities, group activities, swimming pools, tennis courts, restaurants, bars, dancing facilities, hotels, motels, cabanas, storage shops, theaters and offices.” The next item has to do with the buildings. It states that the buildings are, “two stories or 45 feet,

whichever is less, above the finished grade.” The proposed project is four stories. Mayor Smisek believes that Council should include those comments as part of its objection.

Councilmember Monroe commented that he would also like to include that Coronado’s height limit is 40 feet. A four story structure would block many homeowners’ view of the Bay. He proposes that the City’s letter indicates that this violates the lease and it violates the City ordinance requiring 40’ or less. He also pointed out that the staff report referred to a 51 slip yacht marina now it seems that they have taken away the 51-slip marina and now it is just an 8-slip marina. Also, at the Homeowners’ Association meeting, he learned that they were really talking about a medical spa rather than just a health spa. This would be for people recovering from operations and those sorts of things.

Larry Peterson, 73 Half Moon Bend, President, Coronado Cays Homeowners Association, explained that Mr. Monroe is correct. The original plan showed a 51-slip marina and after discussions at the May 26th meeting, they changed that to 8 slips. Those are mega slips, designed to handle boats in the neighborhood of 100’ or greater.

Mayor Smisek asked Mr. Peterson if he felt this was a satisfactory response from the City per the Association’s request. Mr. Peterson responded that he wishes the letter were stronger, but he understands the City’s position. The Association is in agreement with what the City is proposing.

Councilmember Tanaka has uneasiness with the tactic the City is taking. On page 47 of the staff report, under “Other Alternatives,” the City can take no action, oppose the project or support the project. Mr. Tanaka doesn’t really feel that he has been given those options today. Sending a letter is sort of in a muddle where the issue is not really clarified. He feels that Council should continue this item for the next meeting and actually take up all of the alternatives. He thinks the City needs to consider the possibility of opposing the project or at least hearing testimony on this.

Mayor Smisek clarified that previously, when the City had the timeshare project come forth, Council supported the Homeowners’ Association. This is a conceptual idea that is going forth to the Port that requires a special time frame and public hearings for community discussion. The City is not in the chain of command on this. This is the City’s effort to show support for one of the community organizations. The City really doesn’t have any jurisdiction. Right now, Council is merely trying to show support for the HOA and the people in the Cays in their attempt to convey to the Port that they are not in favor of this project. Time is of the essence. It cannot be dragged out too long because the Port has to make some decisions or it becomes an automatic approval.

Mr. Monroe felt Mr. Tanaka’s comment is a good one. The HOA did oppose the project. He would like to separate out the additional comment on height and not put it in one of the bullets that is in the current letter. There is a time element with the Port.

Councilmember Tierney supports the letter because of the time constraints here and the fact that the property is between the Port and the HOA.

Councilmember Schmidt understands that the HOA is putting out a questionnaire to the people in the Association. It seems to her that they expect that to come back before the public hearing or whatever it is that will be held. Mr. Peterson responded that, at the meeting on the 26th, there were approximately 450 homeowners there who have been given a questionnaire. Most of those are

already back. So far, it is running about 90%+ in opposition to the proposal. Last week they sent out a letter to every homeowner that was not present. Those questionnaires were asked to be return promptly as well. Ms. Schmidt feels it would be appropriate to send this letter and then another letter when those results are in and show that they are opposed to it. That would support Coronado's community members.

Mr. Tanaka is happy to support this letter to help the homeowners. He does think there is at least another step to consider. He understands that the City is not in the chain of command, but, as Ms. Schmidt said, that is one way Council could support the local residents.

Mayor Smisek suggested a separate line item in this letter that says that the following items could lead to the City's opposition of this project, or something of that nature. Mr. Tanaka suggested to something in the letter alluding to the idea that Council may actually have an agenda item in the future to consider stronger action if needed. This will let the Port know what the City is doing. Mayor Smisek asked if Mr. Tanaka will allow Mayor Smisek to have the flexibility to sign the letter with the appropriate wording.

MSUC (Monroe/Tanaka) moved that the City Council send the letter with the amendment as described by Council

AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek

NAYS: None

ABSENT: None

5g. A Resolution of the City Council of the City of Coronado Approving and Adopting the Annual Appropriations Limit for 2004-05. Article XIII B of the California Constitution specifies that appropriations from the proceeds of taxes are subject to limitation and that the amount may increase annually by a factor based upon the change in population with the change in California per capita personal income. On June 6, 1990, voters in the State of California approved Proposition 111, which allows a city, if authorized by resolution, to use either its own change in population or that of the county, if the county change in population is greater than the city's. Per the 2004-05 price and population data from the State Department of Finance, the City of Coronado annual change in population is -0.02%; the County of San Diego change in population for Fiscal Year 2004-05 is 1.73%. Therefore, the County increase was used for the FY 2004-05 appropriations limit calculation. The change in per capita personal income was 3.28%.

The City's calculation of the appropriations subject to limit for FY 2003-04 is \$32,580,481. This leaves Coronado with a margin of \$9,022,798 between the appropriations limit of \$32,580,481 and the proceeds of taxes subject to limit of \$23,557,683. Accordingly, any subsequent changes authorized by City Council to the budget during FY 2004-05 should not adversely impact the appropriation limit. **The City Council approved A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2004-05. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 7996.**

6. ORAL COMMUNICATIONS:

- a. **Amy Conrad, Coronado Visitor Center**, reported that the Visitor Center activities. Staff is working with a television production group on an episode titled "Catch a Wave: A Guide to California's Ten Beaches" which included Coronado as one of the top ten beaches and featured many aspects of the City. The show will be pitched to PBS and The Travel Channel.
- b. **Linda Rahn, Director, Recreation Department**, announced that the City just received acknowledgement and awards from the KIT Foundation, which is Kids Included Together, a non-profit agency in San Diego that is supporting and providing education for inclusion programs so that children with disabilities can be included in recreation programs that are offered through out the county. Coronado was acknowledged with a Leadership Award for being one of the role model agencies for the strides it is making in its inclusion program and there were two recreation specialists recognized, one as a rising star and one as inspiring to include. Jeannie Wilson received the Inspiring to Include award for the work she did with a young teen age boy in the horseback riding program. Andy Aguirre was the Rising Star for the work she has been doing in the Off Broadway drama productions in making sure that children with inclusion needs are welcomed into the program. Katie Johnson, the Recreation Coordinator for the Inclusion Program, and Stacy Berman for all the leadership she is supplying, were also recognized.

7. CITY MANAGER:

7a. Update on Council Directed Actions and Citizen Inquiries. City Manager Mark Ochenduszko announced that he and Assistant City Manager Pam Willis spoke with the owner and the proposed operator of the Village Theater in the continuing efforts to get that theater rehabilitated and operating again. The Community Development Agency (CDA) has authorized \$500,000 for the rehabilitation and, in return, the owner and operator would have to construct the theater again and operate it for 20 years. The discussions today were very positive. They are moving forward on a plan to open the theater. The proposal discussed today was a single screen theater with a separate screening room, almost like a small theater within the theater, so that they could be responsive to modern day movie requirements that a first run movie run for three weeks in a theater before going on to the next movie. This allows for the best of both worlds. On the one hand it allows the majority of the theater to remain single screen with the small other screen room without taking up the significant space that subdividing the building into two or three theaters might otherwise do. The operators and owner are very close to signing the lease agreement now and they are working very closely with the Assistant City Manager to get the operator's lease agreement approved by the CDA Board and then to have a construction schedule approved by the CDA Board. He hopes to have that back to the Redevelopment Agency Board at the next meeting. He also commented that this project would not be where it is if it weren't for the hard work of Assistant City Manager Pam Willis.

8. PUBLIC HEARINGS:

8a. Public Hearing: Request for Approval of a One Lot Tentative Parcel Map for Development of Two Residential Condominium Units at 732 & 734 G Avenue in the R-3 (Multiple Family Residential) Zone (PC 5-04 DOZIER, BRIAN). Tony Pena, Director of Community Development, introduced this item by saying that the Map was approved by the Planning Commission on May 25. It has been reviewed by Fire and Engineering departments. It does meet the City's Map Act and subdivision ordinance requirements and, therefore, staff is supportive of it and recommends approval.

Mayor Smisek opened the public hearing and seeing no one wishing to speak on the item, the public hearing was closed.

MSUC (Monroe/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO APPROVING A ONE LOT TENTATIVE PARCEL MAP FOR DEVELOPMENT OF TWO RESIDENTIAL CONDOMINIUM UNITS ON LOT 12, BLOCK 64, MAP 376 CBSI, COMMONLY KNOWN AS 732 & 734 G AVENUE. The Resolution was read by Title, the reading in its entirety unanimously waived, and adopted by Council as RESOLUTION NO. 7997.

**AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None**

8b. Public Hearing: Request for Approval of a One Lot Tentative Parcel Map for Development of Two Residential Condominium Units at 744 & 746 G Avenue in the R-3 (Multiple Family Residential) Zone (PC 6-04 STALL, STUART). Tony Pena, Director of Community Development, explained that this Map has also been reviewed by the Planning Commission and approved on May 25. Fire and Engineering departments also gave approval Mayor Smisek opened the public hearing and seeing no one wishing to speak on the item, the public hearing was closed.

MSUC (Tanaka/Monroe) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO APPROVING A ONE LOT TENTATIVE PARCEL MAP FOR DEVELOPMENT OF TWO RESIDENTIAL CONDOMINIUM UNITS ON LOT 9, BLOCK 64, MAP 376 CBSI, COMMONLY KNOWN AS 744 & 746 G AVENUE. The Resolution was read by Title, the reading in its entirety unanimously waived, and adopted by Council as RESOLUTION NO. 7998.

**AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None**

8c. Public Hearing: Request for Approval of a One Lot Tentative Parcel Map for Development of Three Residential Condominium Units on Lot 3 and the South ½ of Lot 4, Block 106 Map 376 CBSI, Commonly Known as 568 E Avenue in the R-3 (Multiple Family Residential) Zone (PC 7-04 BASS, MICHAEL). Tony Pena, Director of Community Development, explained that this has also been approved by the Planning Commission, Fire, Engineering and Community Development departments. This is a multiple family, three unit, which is appropriate for R-3 and staff recommends approval.

Mayor Smisek opened the public hearing and seeing no one wishing to speak on the item, the public hearing was closed.

MSUC (Tierney/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO APPROVING A ONE LOT TENTATIVE PARCEL MAP FOR DEVELOPMENT OF THREE RESIDENTIAL CONDOMINIUM UNITS ON LOT 3 AND THE SOUTH ½ OF LOT 4, BLOCK 106, MAP 376 CBSI, COMMONLY KNOWN AS 568 E AVENUE. The Resolution was read by Title, the reading in its entirety unanimously waived, and adopted by Council as RESOLUTION NO. 7999.

AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None

8d. Public Hearing: Adoption of a Resolution Amending the Historic Preservation Element of the General Plan; Introduction of an Ordinance Repealing Ordinance No. 1960 and Adding Chapter 70.22 to Title 70 of the Municipal Code Regarding the City's Demolition Permit Process for Residential Structures Seventy-Five Years or Older and Amending Section 70.20.050 of Chapter 70.20 of the Municipal Code Regarding Demolition Permits; and Adoption of a Resolution Establishing a Fee for Demolition Permit Applications. Tony Pena, Director of Community Development, began by saying that these items are on the agenda to accomplish a few things. First, he clarified that the urgency ordinance adopted at the prior Council meeting, is considered to be a permanent ordinance unless amended or repealed. However, because it was adopted as an urgency item without the regular hearing process, staff felt that it would be a stronger, more defensible, if Council were to take the regular course of action, as being initiated today, the public hearing. Council can put this ordinance up for first reading and approve it at the next meeting. This is the regular process. Also, staff is looking at the Circulation Element of the General Plan today and making some fairly minor amendments to it, but they are viewed as necessary by staff to create the consistency and compatibility between the Element's General Plan and the Ordinance that implements the General Plan. Essentially, the City is saying in the Element that a portion of the program is not strictly voluntary as it was previously and there are some additional requirements that are more forceful than the prior element that was set forth. This will also create a fee, by resolution, and staff would recommend, unless Council has additions to make to any of these items, that Council take action in sequence as shown in the staff report.

Mayor Smisek opened the public hearing.

Susan Keith, 801 Tolita Avenue, representing the Historic Resource Commission, explained that the Commission is very concerned about some of the misconceptions that they have been hearing on the streets about the Historic Ordinance. She clarified some questions to put to rest some of the fears that some members of the public may have about this ordinance. The first step in the process for the historic designation is that a homeowner goes into staff and fills out an application. There is a lot of public notice. Staff notifies the public through letters addressed to nearby homeowners – those that are within 300' of the project, and a public notice is placed in the legal ads of the *Coronado Eagle*. After the public is informed, the application is set for a noticed public hearing of the Historic Resource Commission. The agenda for those meetings, like all other City meetings, are posted and available for review at both City Hall and the Library. The public needs to understand that just because a house is 75 years old it is not necessarily historic. The Commission uses very strict, established criteria, careful review and input from the public to determine the historicity of a home. By no means will every home that is 75 years of age qualify for the designation. Of utmost importance for the public to understand is that the historic designation applies only to the exterior of a building. Any interior remodeling is at the sole discretion of the owner and is not subject to review by the Commission. Remodels, additions, extensions of the already designated homes are all allowed under the Historic Ordinance, however these applications are reviewed by staff and come before the Commission. The Commission has received such requests for additions and remodels in the past and to the best of her knowledge, all such requests have been approved. This new ordinance only establishes a process for demolition, rather than issuing a permit over the counter. If a home is 75 years of age, and today that is the trigger, and the owner wishes to tear it down, the demolition application will now come through the Historic Resource Commission. After, again, a noticed public hearing, the Commission will review these applications and, again, using established criteria, the Commission will make the decision as to whether the house has the potential to be a historic resource. If the potential is there, subsequent public hearings will be done. This new ordinance does not prevent demolition, but it does slow down the process for public input. She hopes this brief summary puts down some of the false rumors that are being spread. The HRC had a special meeting to review the Demolition Ordinance before Council today. They agree totally with the minor changes from the Urgency Ordinance and the welcome addition of the penalty. The HRC unanimously urge Council to approve this vitally important ordinance. The HRC is working on a report to Council to ask for additional funds for the Mills Act, the City grants and possible loans. They are also in the process of providing a list of potentially historic homes that may, in the future, be helpful with the designation process. As of today, they have designated 30 homes in Coronado out of 9,000. There is a list Ms. Keith handed out to Council so that they are up to speed as to what homes have been designated. They have all gone through the public hearing process and it has been a pleasure working with the home owners. The goal of the Commission is to work with the homeowners to make this process work. It is nothing to be scared about. It is just to let the public get involved with the demolition permit so that when people wake up in the morning the house across the street is not gone.

Mayor Smisek added that the City appreciates what Ms. Keith has done as well as the Commission to try to make this process as transparent as possible so that everyone understands the rules. He feels that as time goes on everyone will see how that works out. This is a dynamic situation. Adjustments can be made as needed. Hopefully it will be acceptable to all concerned.

Page Harrington, 1100 Orange Avenue, Coronado Historical Association, thanked Council for all of the hard work on this issue. This is a very conservative approach. Coronado is the last small

community of this size to adopt something like this in San Diego County. Many people think it is a step in the right direction. She reiterated that this is a careful, very diligent process and there are plenty of opportunities for public comment. This is a distinct advantage for the community. This will protect the charm and character of Coronado.

Mayor Smisek closed the public hearing.

Councilmember Tierney thought the City Manager was going to pursue the form that San Diego has for all the penalties for violations. He sees that the format discussed at a previous hearing is not included.

City Attorney Morgan Foley commented on the additional language that creates a civil remedy for violation of the ordinance as found in Section 70.22.260 was added and says that the City Attorney may seek relief from the court including but not limited to an order restoring the structure to its original condition or to its condition prior to demolition or alteration. That was done at the request of Councilmember Monroe from the last meeting.

Councilmember Monroe added that this only talks about residential structures and he wonders why it doesn't talk about other structures such as commercial. He apologizes for not mentioning this sooner. Is there a reason this is only being done for residential.

Mr. Pena explained that if Council wanted to expand the program to cover commercial and/or public buildings, etc. that could be looked into.

Mr. Foley believes those go through Design Review any way. Mr. Pena doesn't really feel that is the same. Design Review is a little bit different. Normally there is a development proposal for a commercial process which includes demolition and redevelopment. In the context of this ordinance, commercial is not included. If Council wants to go in that direction staff can look into that.

Councilmember Tanaka didn't see a distinction between residential and commercial. A lot of the wording he sees doesn't specify residential.

Mr. Monroe pointed out that the first paragraph under "Issue" refers to the demolition permit process for residential structures. He would like Council to at least consider expanding this to all of Coronado. Council needs to continue to work this issue and make sure that very clear criteria are established. He thanked Ms. Keith for the work that she and the Commission are doing on that. He also thinks there is an area that needs to be beefed up, and that is the idea of modifications, such as back yard modifications. He knows of one instance where a resident is looking to expand the guest house in back. The residence itself is 85 years old. Mr. Pena felt that he could approve that as the director of Community Development. One cannot find a director's approval anywhere in this ordinance. He thinks that is another avenue – there could be an over-the-counter director's approval that could be part of this ordinance. He knows there are a lot of people concerned about this issue. Everyone is working to get a strong consensus of the residents to support this issue. The fact that the City went to 75 years against some that wanted 45 years as the City of San Diego has and other cities in San Diego County have talks to the strong consensus that is trying to be built in support of this ordinance. He knows that there are still a few that would like it to go away but he doesn't think it will.

Councilmember Schmidt asked about the list. She knows about at least one house that has a plaque on it and isn't on the list. Mr. Pena responded that the plaques may be CHA plaques rather than HRC plaques. Is there an answer to whether those are considered on the list or just the ones HRC has done? Ms. Keith volunteered the answer that CHA plaques are a totally different subject matter for what the City has designated a historic resource. HRC has sent letters to the owners of structures that have plaques from CHA asking if they would like two, and some have. They are in the process of contacting the list of CHA plaque holders, but right now they are not all included. She thinks it might be 80 properties.

Mr. Tanaka feels it is very important to take action on what exists today. He also thanked Mr. Monroe for bringing up the point that this is only for residential. Based on his reading today it wouldn't be very difficult in the future to simply amend this by removing the word "residential" where there is a reference to "residential structure."

Mayor Smisek would like to ease people's minds that have some trepidation about this. He thinks HRC is building this list and when complete would come to the City Council for approval. Then that would be the list that could actually take the place of the ordinance over the long run. He thinks it is much more appropriate to have homes that a large group of people feel are very important and not just have one that a few people think might be important because of its age. He thinks it would be much more appropriate to disregard the age and have the list focus on houses that are architecturally more significant for the City. It would make this very simple for all those who have the other homes so that they don't have to worry about any of this. It is just for those that are to be designated. He assumes that would be a rather small list of significant homes and buildings in the community. That is what he hopes this will evolve into.

MSUC (Schmidt/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO AMENDING THE HISTORIC PRESERVATION ELEMENT OF THE GENERAL PLAN. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by the City Council as RESOLUTION NO. 8000.

Councilmember Monroe asked about whether the commercial changes could be included today because it is a First Reading even though the commercial community may not have been noticed.

Mr. Foley responded that there is not normally a notice of the Second Reading so there would be no notice to the community that the non residential community has been changed. His recommendation is to proceed today with approval as it is today and direct staff to come back with amendments to incorporate the commercial setting or the public building setting. Staff could bring that back with the proper notice.

Mr. Monroe would also like to have staff take a look at the idea of a director's approval at the counter.

AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None

MSUC (Schmidt/Tanaka) moved that the City Council introduce AN ORDINANCE OF THE CITY OF CORONADO, CALIFORNIA, REPEALING ORDINANCE NO. 1960, ADDING CHAPTER 70.22 TO TITLE 70 OF THE MUNICIPAL CODE REGARDING THE CITY'S DEMOLITION PERMIT PROCESS FOR RESIDENTIAL STRUCTURES OF SEVENTY-FIVE (75) YEARS OR OLDER AND AMENDING SECTION 70.20.050 OF CHAPTER 70.20 REGARDING DEMOLITION PERMITS. The Ordinance was read by Title, the reading in its entirety unanimously waived and placed by the City Council on FIRST READING

AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None

MSUC (Schmidt/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO ESTABLISHING A FEE SCHEDULE FOR CHAPTER 70.22 OF THE CORONADO MUNICIPAL CODE. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by the City Council as RESOLUTION NO. 8001.

AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None

9. **ADMINISTRATIVE HEARINGS:** None.

10. **COMMISSION AND COMMITTEE REPORTS:**

10a. **Report from the Port Commissioner Concerning Port Activities.** The Port Commissioner is on travel and will not be reporting to Council this week.

11. **CITY COUNCIL BUSINESS:**

11a. **Council Reports on Inter-Agency Committee and Board Assignments.**

Councilmember Schmidt attended an RSIP meeting and there will be another one tomorrow and on the 30th of June. They are held at the Community Room at 4 p.m. Ms. Schmidt reported on two Water Board meetings and the MainStreet meeting.

Councilmember Tanaka attended the Library Board meeting last week where the construction issue was further discussed, the Islander Awards ceremony and presented a proclamation to Dr. Pam Lewis, the Coronado High School Principal.

Councilmember Monroe met with the Tunnel Action Team and reported that the money is still in for the Third Street Gate in next year's appropriation. He also attended a SANDAG Transportation meeting, the Midway Night where 20 survivors of the Battle of Midway were present one of whom is from Coronado, a South County Economic Development Council meeting, a Metropolitan Transit System meeting, the Relay for Life, and the Airport luncheon yesterday about the regional airport for San Diego.

Councilmember Tierney thanked Mr. Monroe for moving ahead with that particular item on the SANDAG agenda, attended the Midway Night, the Chamber Sundowner at Costa Azul, met with SAFE staff, attended the public tour put on by staff on the Tunnel project, an event in North County put on by the County of San Diego PAWS organization and the San Diego Region League of California Cities meeting where discussion centered around the local initiative and the Governor's proposals about the shortfalls. A legislative analyst has come up with a figure of the shortage still in the budget of approximately \$4 billion.

Mayor Smisek retired June 1st and got a pay raise because his daughter graduated from college, gave a mini State of the City address to the Kiwanis Club, attended the Chula Vista State of the City representing Coronado, the Library Board meeting, introduced Captain Tim Alexander at the Sundowner Chamber meeting, attended both the scoping meetings for the State Route 75 presentations on the tunnel, another Change of Command for Captain Landon, the Islander Awards, the San Diego County Airport Authority presentation about siting of new airport, Meet the Mayor on Monday at MainStreet in the Museum, a small State of the City address at MainStreet, and today declared, in the City of Coronado, Karen Dale Day, volunteer extraordinaire who retired from the Middle School last year and has stayed on, providing thousands of hours of assistance in their lap top program, and met with SAFE representatives.

11b. Approval of FY 2004-05 Financial Plan Including Operating and Capital Improvement Budgets and Adoption of Implementing Appropriation Resolution.

The City Council discussed items 11b, c, and d as one item as well as item 5b and 5b of the Community Development Agency.

City Manager Mark Ochendusko began by saying that this is the 2nd year of a two-year budget. This is an update of what has been considered by Council last year. The current year's accomplishments are to be reviewed in the Capital Improvement discussion and the Work Plan for FY 04/05, talk about the budget and some of the Capital Improvement Program highlights and will provide Council with an opportunity to review and consider community group requests.

The mission for the coming year is to complete the Glorietta Bay Master Plan (GBMP), the Library and the Beach Facilities projects, provide funding for Community Center operations which will be opening in the coming fiscal year, hold the line on other operating expenditures in view of the Capital Program priorities and in view of the economic climate and implement ways to

continuously improve the programs and services the City offers the community in a cost effective way.

Mr. Ochenduszko began by reviewing some of the accomplishments for the last year. The temporary City Hall was constructed as were the Recreation Administrative offices. Staff was relocated. That was done seamlessly. Phase 1A of the Glorietta Bay Master Plan site preparation was completed. Phase B has been bid and are in construction, on time, on budget, for Phase B of the GBMP which includes the City Hall, the Linear Park, the Community Center and Municipal Pool. The Library addition was continued and construction of the renovation of the existing Library building was begun. The preliminary design of the Lifeguard Tower is complete as is the North Beach restroom. Public input has been received on that and the City is on line to move along with the completion of design and the construction of that facility in the coming year. The City completed the analysis of a cost effective solution to some of the issues being faced in Dispatch. A recommendation will be made today for financing that. The GASB34 Financial Reporting requirements were implemented. The Star Park Memorial was refurbished. The update of the Municipal Code was completed. The evaluation was completed and new rates for the Marina were implemented. The contract for the golf course restaurant operator and the golf professional contracts were completed. The Major Traffic Study was conducted, with a report to Council on that in the near future. The owner participation agreement for the reopening of the Village Theater was negotiated. The Orange Avenue Specific Plan was completed and adopted. The City evaluated potential sites for senior housing, particularly at 6th and Orange. The City coordinated with the Navy and Federal government for the construction of the Third Street Gate. That project looks like it will be funded in the coming year. It will be a benefit, particularly for the Navy, and is compatible with the Tunnel Project and is quite a benefit to the community. The Opticom System was installed that allows the City's emergency vehicles to travel through the City in a safer and more efficient way when responding to an emergency. The annual street and sidewalk repair program was completed. The analysis of the Pomona Avenue sewer main was also completed. The City coordinated the impacts and the completion of the SDG&E 69KV line installation that went under the bay. The City continues to make progress on the tunnel project. That project is right on schedule and additional funding is being sought from the federal government. Alternative program locations were found for recreation programs that are offered to the community while the old recreation center has been removed and the new one is being constructed. He is happy to report that, aside from Municipal Pool operations which have also been very successful by working with the Navy, the City has done very well in offering alternate sites so that recreational programs can still be offered to the community. Preliminary Community Center Use Policies and Program Plans have been developed. At the Council's direction, team programming and participation have been expanded. The tennis professional contract was implemented. A community survey was conducted that reported that this community is very happy with the programs and services offered by the City, happy with the decisions being made by the City, happy with the financial situation that the City is in, and considers the City's major problem to be traffic, which is being worked on.

For FY04/05, these are the projects being proposed. In essence, these are the objectives for the coming fiscal year and the action strategies. They are developed in consideration of past Council direction. Again, they were reviewed by Council at the March 25 workshop. They were put together in an attempt to minimize operating budget cost increases. Mr. Ochenduszko highlighted a few to point out to Council. CalPERS health alternatives will be analyzed because of the double digit cost increases that the City has experienced for its employees and for the City, particularly providing health insurance to City employees. The City will coordinate the Marina rehabilitation

project. The City will coordinate the acquisition of a phone system and all of the information technology associated with any facilities. The City will coordinate the move to the new facilities. Staff is developing a plan for bond issuance through the redevelopment agency looking at the appropriate timing for issuing bonds. There is a request from the School District on that and the City will be working with them and analyzing what the implications are of bond issuance. Staff will be implementing the owner participation agreement with Village Theater. The City will be working, with the direction of the City Council, the redevelopment agency board, on developing an owner participation agreement and financing strategy for the capital projects that have been proposed. Coronado Hospital will be before Council through the redevelopment agency. Staff will complete review of the single family-development standards. The City will complete the land transfer with the Coronado Yacht Club which is the last piece in assuring the final completion of all of the projects associated with the Glorietta Bay Master Plan. The Library renovation and improvement project will be completed. Glorietta Bay Phase 1, the City Hall, Community Center, Pool and Promenade will be finished in February. The design will be completed and the first phase begun of the drainage repairs that have been identified as necessary in the Cays. The design and construction of the Lifeguard Tower and Beach Facilities will be completed. The construction of the Golf Course restrooms will be completed. The City will continue to work with the Navy on the design of the Third Street Gate, assuring that the two projects that are so important to this community are compatible and that this project is constructed. The City has done a lot of design work on that. The Star Park utility undergrounding will be completed. The TransBay force main study will be completed and the design on the replacement of that facility will be initiated. A greens fee rate structure for the golf course will be coming to Council. Staff is looking at proposals for improving the pace of play in the golf course. Staff will also be coordinating with the Port District on the construction of a rock rebutment at the 18th hole that will assure that there is not a loss of shoreline to that very beautiful and important facility. The City will be implementing the operations changes for dispatch services as City Council directs. There will be the development of a plan to replace parking meters. Staff will be evaluating the City's participation in wireless, electronic 911. Right now all cell phone 911 calls go to the CHP and people are often surprised by that. There is a system wide proposal that is being evaluated to ensure that those calls are delivered locally. The City will be implementing additional phases of the GIS system. The Spreckels Park irrigation system will be refurbished. The City wide central irrigation system will be installed. A strategy will be prepared to identify contaminants that affect Tidelands Park and corrective measures will be implemented. The new Community Center and Pool will be opened. Facility use policies and fees for those recreation facilities will be developed. The City will negotiate a use agreement with Coronado Playhouse for the new facility associated with the Community Center. The City Hall will be opened.

Some of the assumptions and considerations in preparing the financial plan before Council today are, first and foremost, the local economy. There has been slow or flat revenue growth in the City's General Fund. This is a result of what is going on in the economy. The City is projecting a loss of \$550,000 in FY04/05 and a similar loss in FY05/06 in addition to what the City is already losing to the State in the General Fund. To put that in some magnitude, the State is currently taking about \$1.7 million a year of Coronado's property taxes and transferring that to schools – not increasing the amount of money that goes to schools but offsetting its own responsibilities for funding schools by transferring that money from cities. The State is going to increase that amount by \$550,000. That is a tremendous hit to the City. The Governor has proposed that after two years the \$550,000 transfer cease, however, the \$1.7 million and its normal increases will continue to occur. The City is in a tremendous building period. It is a unique time in the City's history.

Only modest additional operating programs and service adjustments are being recommended to Council. One is for dispatch staffing. Staff was concerned that, through most of the 24 hour period, the dispatching services were down to only one person. The concern was that in the event that there is a major emergency the City would be unable to respond appropriately. Therefore, staffing needs to be bolstered in dispatching. Before Council is a recommendation that recognizes that the City's revenues in parking meter collections are increasing about \$45,000. The cost of increasing staffing to assure that the City is at two people almost all the time would cost about \$75,000. This represents a net increase of about \$30,000 net. This is being done by separating the dispatch function from the records function in the Police Department. Those dispatch personnel are being put on dispatch in the back building with office specialist personnel to perform the records function and still serve the community efficiently. Secondly, staff is proposing a single position to manage the programming and staffing of the Community Center. That person will be a Recreation Supervisor or a Facility Supervisor and will be in charge of all programming, staffing for the gymnasium, the recreation activities buildings, the fitness center, the Playhouse and the banquet facility. The desire is to keep the banquet facility operating at optimum because the community benefits from its use but also because of the revenue it has the potential to generate which can help offset, to some extent, other recreational programs.

Staff brings to Council a balanced budget. The operating revenues in the General Fund exceed operating expenditures. That is true in all funds – total operating also exceeds operating expenses. There is an anomaly this year where there are funds being pulled out of reserves, but that money is being pulled out of reserves for the Capital Improvement Program, not for operating costs. The budget controls within the organization are to the category level. A very strict budget is run. Budget controls are broken down to the personnel level, the services and supplies level and substitutions in line items are not allowed between capital outlays. That is so that staff can assure that what was recommended to Council and Council approved is actually performed. If for some reason something is determined as unnecessary and was budgeted for, rather than finding a reason to spend that money in another way, that money does not get spent. Savings in personnel accounts as a result of ordinary attrition cannot be transferred to nonpersonnel categories.

Mr. Ochenduszko reiterated that this is the second year appropriation of a two-year plan. With respect to the budget calendar, in June 2003 Council approved the two-year financial plan. In March, staff initiated the five-year projections. They are analyzed and brought to Council. In spring of 2004 staff reviewed the previously approved FY 04/05 budgets. The departments submit updates for consideration to the City Manager's office and to the Administrative Services director. An extensive CIP review is completed with the CIP Subcommittee.

Leslie Suelter, Director of Administrative Services, began by saying that it is an honor to be before Council to present the budget for the City of Coronado. Her colleagues in the various departments have all worked with her in preparing this budget as well as the staff in the Administrative Services department. Ms. Suelter explained the budget layout and added that the operating revenue does show an increase, primarily because of the amount of money the City anticipates the State will take is less than what staff thought last year. Staff has not changed dramatically any of the revenue projections. There is some City-owned property that has been appraised at \$4.1 million that staff anticipates selling in this fiscal year. Operating expenditures are increasing. The General Fund supports capital programming of about \$600,000. Finally, the budget shows a loan to the General Fund that allows the City to fund projects through the redevelopment agency and then over time, years from now, the City will get paid back that money and it will come back to the General Fund

for the reserves. The ending balance at the end of next year is shown to be about \$23 million. The ending fund balance across all funds is approximately \$69 million. Many of those funds are very restrictive. Ms. Suelter added that the City has conservative projected revenue growth. When the one time revenue is taken out, the revenues are projected to increase about 4%. Overall expenditures are increasing 8%, of which the majority of that is for personnel costs. Coronado is not unique in California in that the City has experienced increases in retirement costs primarily as a result of what happened to portfolios across the United States. Overall, the City's non-personnel costs are actually going down. That is a result of holding the line very carefully in all the departments. There were also a few items that resulted in savings, for example, there are no longer lease payments on the 800 MHz radio system which results in a savings of about \$300,000 going forward. Ms. Suelter went on to explain some of the various costs and savings.

For community organizations there is currently a budget of \$782,000. Each of the groups that were funded in the previous year totaled a budget amount that was included for the second year. Approximately four groups have submitted additional requests, totaling \$71,000.

Ms. Suelter showed a five-year or six-year snapshot showing current and projected net operating revenues over expenses and the ending fund balance in each of those corresponding years. In FY08/09 and 2010 there are some concerns, primarily because TransNet goes away and until that funding source is replaced those costs will have to be absorbed in the General Fund.

Ms. Suelter ran through some highlights on the CIP. There is a list of a number of projects that were funded, previously identified in the CIP and they will continue in this fiscal year in that there is additional funding for those projects. They are the GBMP, the Library, some fiber optic cable right-of-way improvements, Silver Strand Enhancement, traffic congestion relief, SR 75/282 corridor, and wastewater project. There are some newly funded projects in FY 04/05 such as an Alarm and Electronic Access control project that will augment the Community Center and City Hall, the Glorietta Bay Marina building, network and cabling, Downtown Enhancement Project Phase #3, Coronado Avenue storm drain perforated pipe valve and Spreckels Park irrigation renovation. The Glorietta Bay project is fully funded in this CIP, although the boathouse project has been deferred until FY 07. The Transportation System includes the continued funding for the SR Transportation Corridor also previously known as the tunnel, there are congestion relief and right-of-way improvements in the CIP as well. The beach facilities are fully funded in this program and there is master plan implementation of wastewater and funding for the Transbay sewer main. There are a handful of projects that do not have funding but have been identified in the CIP. They include fencing at the Cays Park and the skate park, a public wash pad in the Cays, landscape median at Palm Avenue and SR 75 median enhancement. Ms. Suelter reviewed the projects by category and funding.

Councilmember Tierney is looking for two items he hasn't seen and knows are on the radar. One is a watering system at the golf course. Ms. Suelter explained that they did not augment any projects at the golf course. The only projects that are in the current multi-year plan are for a maintenance facility and that will be reviewed again when the CIP redone. Mr. Tierney would like to have something appear on that bigger item because he understands it will affect the fees that are going to have to be charged at the golf course because this will be a CIP of significant size and it should be significant savings. He would also like to see up there something reflecting a need for fire equipment. A lot of the City's equipment cannot reach above the 2nd story and this is a potential

problem down the road. He would like to see that looked at by the City Manager or at least included in the CIP money down the road.

Pam Willis, Assistant City Manager, responded to a question asked by Mr. Monroe explaining that there is some fencing proposed at Cays Park that would provide an enclosure to have some of the athletic equipment that is used by teens at Cays Park. It would be adjacent to the fire station.

Mr. Monroe also thought at one time there was money in the budget for improving the medians outside of City Hall.

Ms. Willis commented that they are from the unfunded list. Some years back there was a plan to provide a funding for improvement of the median that is in the middle of SR75 between the Hotel Del and the Amphibious Base. That was planned with the concept that it would be tacked on to the Caltrans project that provided the median landscaping around the signal. Subsequently, it was determined that Caltrans was not going to amend their contract at the time of the signalization to extend it down for that additional piece. Any enhancement to that median at this point would be a Caltrans project and the amount of funding that it would take to accomplish that would be substantially more than what was originally envisioned. For those two reasons, that project is no longer shown in the CIP but is something that can be resurrected or taken up in the future with a plan to request that Caltrans address it.

Mr. Monroe added that in 1997 the City Council appropriated \$67,000 for that project. Official action had been taken by the Council that seems to have disappeared.

Mayor Smisek explained the process to be used for the remainder of the items.

Ms. Willis went on to explain the redevelopment agency budget, and that discussion is recorded in the minutes Community Development Agency minutes of this date. The discussion then went on to the request for funding from the Coronado Hospital Foundation. That discussion is also recorded in the minutes of the Community Development Agency of this date.

COMMUNITY GROUPS

Mayor Smisek explained that all of the community groups that had been discussed last year and approved for certain amounts for next year will all be handled in one group. There are four people who have asked for additional monies from what they had last year or for special circumstances.

Toni Gaylord, on behalf of the Coronado Chamber of Commerce, explained that the proposal for the request for the extra \$500 in this year's budget for the Chamber is to cover the cost of the band concert at the end of the Holiday Parade. There was a trade off because the Port has covered this expense in previous years, but the Chamber has asked the Port to pay for Snow Mountain, which is a much more expensive item.

Toni Gaylord, MainStreet, explained that when MainStreet originally put the lights up in the downtown area it was done with help from the City Council. It was a \$50,000 installation and a former Council gave MainStreet a 10 year loan, to be paid back at no interest. In the 7th year of that loan the City forgave the payment. Because of the electricity crisis, the lights were turned off to

conserve energy. The lights became corroded over the years from being turned off. MainStreet spent about \$5,000 or more last year trying to get the lights back up. It was \$5,000 that wasn't in the budget. MainStreet would like to propose that there be a grant this year for the \$2,800 for 50 hours worth of getting it back up and running and then add to the budget the \$6,000 that would be needed to keep it going every year.

Councilmember Schmidt recalled that at the time the lights went up there was a great deal of complaint from the community because the downtown ferry was as dark as it was. People didn't think they could see things. MainStreet stepped into this and said they would do this with the City's help. It has made a tremendous difference in the downtown. She doesn't hear those comments from people any more and assumes that people are happy with the light situation.

Steve Kuhn, Coronado Senior Association, requested that Council please consider returning the \$1,780 to the \$11,220 under consideration. That is not an increase – it would bring it back to \$13,000 which was the budget for the present year. The reason for that was mainly insurance costs.

Mayor Smisek explained that SAFE Foundation had \$60,000 this present year and there was nothing put in for the second year. That was because Council wanted to revisit the number. There is a \$60,000 request for this next year.

Chuck Howe, Coronado SAFE Foundation, 1101 First Street, thanked Council for the \$60,000 for last year. It really helped tremendously in doing the things that they feel are necessary to do in the community to help the kids get off of drugs and alcohol. The coalition is working very well. It meets once a month and is the SAFE Foundation, School District, Recreation Department, Police Department, Hospital, Faith Community, some parents and some of the teenagers. Programs that each are doing are discussed and ideas on how to best work together to get things done are discussed. Last year there were 110 different sets of parents, either singles or couples, who came in to talk about their kids and drugs. Cecily Kelly and her staff met with these people 325 times over the period of the year to give guidance and references to where they might go for help. He thinks it is a tremendously important thing that they do and the service they provide to the community of having this resource for the City's parents. One of the best things that the City ever did was hire Cecily.

Cecily Kelly, SAFE Foundation, added to Mr. Howe's thanks for Council's support. It has made a real difference in their programs this year. The programs have been expanded. They have doubled the number of people they have seen and in the letter submitted to Council they can see that statistics show they have really made a difference. SAFE has seen kids from age 8 to adult who have used a wide variety of drugs from inhalants to cigarettes to alcohol. Fifty three percent of the kids whose parents come to SAFE for assistance are using marijuana. Much of the marijuana that they use in Coronado tests positive for PCP. There has also been an increase this year, particularly in high school age kids, using cocaine. Unfortunately, that need continues and it should continue because of the close proximity to a major north/south interstate freeway.

John Mumms, 1339 Orange Avenue, SAFE Board member, has had a unique opportunity to see all of the different programs from the public program which helps Kindergarten through High School. He appreciates Council's support in the past. He really thinks this is a great program.

Hank Howe, 916 Eighth Street, SAFE Board member. He thinks it is a very valuable resource for the families. SAFE provides a service that is not available elsewhere in the community. It is a community based service. The care is not judgmental, but rather the idea is to help and to provide a community resource. Everyone would like to think that Coronado is a nirvana and has no problems, but it is one segment of society and where there are problems that occur they are met up front with education. He thanked Council for its support and solicits their support in the future.

Donna Gilbert, 1605 San Luis Rey Avenue, commented that when she was a teenager and had really baffling questions she went to her grandmother's kitchen. Today when she has really baffling questions about her teenage daughter she goes to SAFE. One hundred and nine parents visited Coronado SAFE this year will remain anonymous. She relayed a success story and thanked SAFE for its help and providing resources. She asked Council for its support of this program and of this City's kids' lives.

Sharon French, SAFE Board member and Treasurer, responded to the comment Mr. Howe made about the coalition meeting. It takes place the 3rd Thursday of every month at 7:30 a.m. She asked Council to possibly try to put this meeting on its own calendar. The City Council needs to know what is going on. If Council could attend one or two of those meetings this year it would know what is going on. Council's support is greatly appreciated.

Mayor Smisek recalled that one of the things that was discussed last time was the possibility of having SAFE or organizations being able to provide community service for the children who got in trouble and went to court and were having to do their community service elsewhere. That has been done now also through the Diversion program from the Police. This is one of the kinds of organizations that still needs support. Mayor Smisek feels good that the coalition is working hard and putting forth a good effort.

Councilmember Tanaka asked about the SAFE request. If it is approved today, will they have to come in again next year? Mayor Smisek explained the budget process and that this is the second year of a two-year budget.

Joann Scott, Coronado Playhouse, introduced Ashley Gardner. Ms. Gardner commented that they had sent a request to increase their request for this year's budget.

Mayor Smisek is concerned that this has to do with the temporary quarters. The appropriate way to do this would be to have a City Council member or the City Manager place this on the agenda so that it can be discussed. The letter he received requested funding for the temporary structure. Mayor Smisek cannot discuss that.

Mr. Tanaka thanked everyone for their patience.

Ms. Schmidt thanked staff for the great deal of time and attention that has gone into this.

MSUC (Tanaka/Monroe) moved that the City Council approve the budget as recommended with added amounts for Chamber of Commerce, MainStreet, Senior Center and SAFE Foundation and adopt A RESOLUTION FIXING AND DECLARING THE BUDGET

ALLOWANCES OF THE CITY OF CORONADO AND THE VARIOUS DEPARTMENTS THEREOF FOR THE FISCAL YEAR 2004-05, INCLUDING CAPITAL IMPROVEMENTS, AND APPROPRIATING MONEY FROM THE TREASURY FOR SUCH PURPOSES. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8002.

**AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None**

11c. Review and Approval of Fiscal Year 2004-05 Update to the Capital Improvement Program. (Discussion included in item 11c.)

MSUC (Tanaka/Schmidt) moved that the City Council approve the Capital Improvement Program FY 04-05 Update to the *FY2003/04 to 2009/2010 Capital Improvement Program*

**AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None**

11d. Adoption of Resolution Approving the Community Development Agency Budget for FY 2004-05 and Appropriating Loan to the Community Development Administrative Fund. (Discussion included in item 11c.)

MSUC (Schmidt/Tanaka) moved that the City Council adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONADO, SAN DIEGO COUNTY, CALIFORNIA, APPROPRIATING MONEY TO THE COMMUNITY DEVELOPMENT ADMINISTRATIVE FUND. The Resolution was read by Title, the reading in its entirety unanimously waived and adopted by Council as RESOLUTION NO. 8003.

**AYES: Monroe, Schmidt, Tanaka, Tierney and Smisek
NAYS: None
ABSENT: None**

The City Council recessed into closed session at 6:01 p.m.

12. CITY ATTORNEY: No report.

13. **COMMUNICATIONS - WRITTEN:** None.

14. **CLOSED SESSION:**

14a. **CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS**

AUTHORITY: Gov. Code § 54957.6

CITY NEGOTIATORS: Mark Ochendusko, City Manager; Pam Willis, Assistant City Manager; Leslie Suelter, Director of Administrative Services.

EMPLOYEE ORGANIZATIONS: American Federation of State, County and Municipal Employees (AFSCME) Local 127

14b. **CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS**

AUTHORITY: Gov. Code § 54957.6

CITY NEGOTIATORS: Mark Ochendusko, City Manager; Pam Willis, Assistant City Manager; Leslie Suelter, Director of Administrative Services.

UNREPRESENTED EMPLOYEES: All Self-Represented Employees

The City Council adjourned from closed session at 6:45 p.m. and announced that direction was given to the City's labor negotiators on both items.

15. **ADJOURNMENT:** The meeting was adjourned at 6:47 p.m.

Approved:

Tom Smisek, Mayor

Attest:

L. Diane Shea, CMC
City Clerk