

**MINUTES OF A
SPECIAL MEETING OF THE
CITY COUNCIL
CITY OF CORONADO
Coronado Library – Winn Room
640 Orange Avenue
Coronado, CA 92118
Tuesday, May 24, 2005, 3:00 p.m.**

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

1. ROLL CALL:

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

Absent: None

Also Present: City Manager Mark Ochendusko
City Attorney Morgan Foley
City Clerk Linda Hascup

2. ORAL COMMUNICATIONS: None.

3. MEETING BUSINESS:

3a. Workshop on Proposed Two-Year Financial Plan for Fiscal Years 2005-06 and 2006-07, including Review of Operating and Capital Improvement Program Budgets; and Consideration of Community Organization Requests for FY 2005-06 Funding. Mayor Smisek introduced Mark Ochendusko, City Manager.

Mr. Ochendusko explained how the workshop would proceed. He said the City Manager would review the current and next year work plans, then go over the FY 05-06 and FY 06-07 operating budgets, including the seven-year financial projection. Following would be a review of the budgetary requests from community organizations as well as special requests from boards and commissions. The Capital Improvement Program will then be reviewed to be followed by questions and comments from the Council.

Mr. Ochendusko first provided highlights of the current year, FY 04-05, work plan. He said that staff has prepared a comprehensive update to the City's financial projects. They looked at options to address the CALPERS increases. The design of the marina rehabilitation project was initiated.

There is a plan being developed for the 2005 CDA bond issuance. A five-year implementation plan for the redevelopment agency (CDA) has been developed. The City is working on two owner-participation contracts/agreements with the Hospital for capital improvements the hospital is planning to ensure that the facility stays in Coronado. There are two pieces of this – the current year approval that Council has already made and then the out-years that Council has directed staff to work on and bring back. Staff work on the Residential Standards Improvement Project has been completed. The Library construction is to be completed in June with a grand opening scheduled for June 10. The Glorietta Bay Phase 1 buildings will be completed in July and the grounds around it will be completed by the end of August. The Major Traffic Study was completed as were the restrooms at the Golf Course. Staff completed the study of what to do with the TransBay Force Main. The preliminary design and recommendations for the beach facilities were completed. The recreational facility use policies and fees were developed.

Mr. Ochenduszko touched on the primary mission objectives for FY 05-06 which include: the transition of operations to the new Glorietta Bay Civic Center and Promenade, and Library facilities; implementing new services in the Community Center such as the banquet facility and fitness center; to complete the Glorietta Bay Master Plan (GBMP) Phase 2; design the TransBay Force Main project and other priority capital projects; and, hold the line on operating expenditures in view of capital program priorities and the economic climate. He said the City is still greatly in the process of capital building in Coronado, essentially rebuilding all of the public facilities that will be serving the community for the next 50 years. The City is always going through the process of improvement in the way we operate, often times looking for ways to improve the way we provide programs and services to the community without increasing costs.

Mr. Ochenduszko highlighted the coming year, FY 05-06, projects which include: the opening of the new City Hall and Community Center; resolving the bond issuance deadlines for the CDA and coordinate the '05 bond issuance; finalize the DDA for and design the Senior Housing project; work with the owner of the Village Theater renovation with the owner; continue working on the C-CORE performance measurement program for; the design of the marina remodel/reconstruction project; completion of the ALUCP; monitor the airport site selection process; complete the R-4 standards review; completion of Phase 1B of the Glorietta Bay Project (linear park and parking lots); completion of the plans for Phase II of the Glorietta Bay Project (Yacht Club Promenade); complete the design of the TransBay Force Main; completion of the other-agency approval process and design of the beach facilities, and initiate construction; continued progress on the Tunnel Project; complete the '05-'06 street repair program; review a joint effort for paramedic services with Imperial Beach; develop the golf course improvement plan with the Golf Course Advisory Committee; install a higher fence on the east side of the golf course driving range; open and operate the new library facility; identify site location and complete space assessment for the Animal Services facility; purchase and install new parking meters; complete refurbishment of Bayview Park; complete the overhaul of the irrigation system in West Plaza Park; and, implement a recycling program for city parks, beaches, and special events.

Mr. Ochenduszko said that this financial plan was developed in consideration of past Council direction. That direction has been, other than the facilities that are being brought online, to hold the line on new programs and services and try to hold the cost of programs and services. The target is to try to keep the increase in operating costs, other than personnel costs, under 2%. That has been done, other than in some areas where the costs are not able to be controlled. There are

positive budget projections for the coming year that are better than anticipated. Staff has included the state budget impacts, the second year of the additional ERAF shifts that the state has imposed on cities, and some of the shifting between funds that was part of Proposition 1A that passed last year. The City is focusing on the Capital Improvement Program. Pool operations will be restored in a facility that is far better than what the City has had in the past, and is probably one of the best municipal pools in California. The City is attempting, wherever possible, to offset the costs of operating new facilities with offsetting new revenue related to those facilities.

Mr. Ochendusko advised that the City's budget is balanced; revenue exceeds operating expenditures for the coming two years. Budget control is done to the category level. In other words within a department, savings in personnel services cannot be shifted to non-personnel services or supplies, which provides a significant amount of control. The City budget, unlike the budget of a private company, is a funding appropriation, not a target. There are no substitutions within line items in capital outlay. The budget adoption that will take place in June includes an appropriation for year one. The budget appropriation for the fiscal year beginning July 1, 2006 will be brought back to Council.

Mr. Ochendusko reviewed the budget calendar. He said the budget will come back to the Council for adoption on June 21. The FY 04-05 original operating budget is \$27,477,441, and the projected budget for FY 05-06 is \$30,452,167 which is an increase of \$2.9 million or 11% and is net of a one-time sale of City property to the housing agency. The expenditures are growing from \$26,620,908 to \$28,776,633 or an increase of \$2.1 million. That represents an 8% increase in the General Fund. The revenue growth minus expenditure growth is \$819,001.

He reiterated that the revenue growth is net of the one-year property sale. Property taxes account for a projected \$12 million, 5% above the current year. Revenue from new facilities and programs amounts to \$398,000. There are projections of 1% to 2% on all other revenues. This is the last year of the ERAF contribution to the State, \$578,000.

The City Manager referred to a chart showing the growth in the General Fund Cumulative Budget of 8% for FY 06, which he said is an extraordinary circumstance. About ½% of the 8% growth is attributable to general budget growth, which is within the 2% margin that the Council asked the City to stay within. Compensation increases to employees across the board account for about 2% of the total General Fund. Above and beyond that there were some uncontrollable costs growths in the current year. Foremost was the increase in the miscellaneous rate for the Public Employees' Retirement System (PERS). Because the actuarial studies that were provided in the past did not meet what the cost growth has been for the retirement system. Therefore, the City's rates have increased substantially. The City is going to be facing a \$164,000 increase in the rate for miscellaneous employees in the coming year. The City is also showing an increase in Workers' Compensation costs of \$439,000. With the increase in health costs, the cost of Worker's Compensation continues to grow dramatically and the City is adjusting its budget to meet that obligation. The City is absorbing \$50,000 in costs for utilities provided that were previously paid for by the Gas Tax because the Gas Tax funds the City received is not growing to the extent that the City's efforts in providing services are growing. The City is also anticipating an increase in fuel costs of \$30,000 for the City's entire fleet. All of these uncontrollable costs amount to a budget growth of 3%. An additional 2% budget growth is attributable to restoring pool staffing, other part-time recreational staffing and expenses for programs the City is offering, and expenses

attributable to the new recreational facilities. Another 1% is attributable to Library expenses and Library part-time staffing and a single Public Services maintenance worker to provide service to the facilities being built, and \$40,000 to maintain the new park space being created as a result of the facilities the City is building. All together these items amount to an increase of 8%, or \$2.4 million, to the General Fund.

Mr. Ochenduszkowski provided further information regarding the additional proposed maintenance worker. He said there have been two maintenance workers to cover the needs of the city's facilities since 1993 when the City maintained 135,000 square feet of buildings. In the coming fiscal year there will be 260,000 square feet of buildings. By FY 06-07 there will be 372,000 square feet of facility space. Two maintenance workers simply can't do that work anymore. The City Manager has also requested that the Public Services Department contract for the service of caring for the additional park space, which is a more cost effective approach than adding additional staff.

Mr. Ochenduszkowski pointed out to Council that the Recreation Department's new programs generate some new revenue, so that although the operating budget amounts to \$550,000 offsetting revenue, including new programs, amounts to \$398,000. The net increase is only about \$152,000.

Other noteworthy items in the FY 05-06 budget Mr. Ochenduszkowski mentioned include a \$500,000 loan from the General Fund Reserves to the CDA for the Hospital Owner Participation Agreement (OPA) for the first year of that project, and capital projects which will be discussed later.

Mr. Ochenduszkowski went on to provide information on FY 06-07. He said the operating budget shows revenue growth of about 4% in the General Fund and 1½ % in all funds. The expenditure increase is 1.4% in the General Fund and 1.2% in all funds. Once the new programs and services are on line in the new facilities, the expenditure growth normalizes. There will be no ERAF shift in FY 06-07. The property tax projection is 4% and modest revenue growth is projected in all other revenues. There will be modest increases in the cost of providing programs and services on the expenditure side pending negotiations with all bargaining groups - Police, Fire, and Public Services. Negotiations are scheduled in FY 05-06. The City is also projecting the \$1.5 million loan to the CDA for the Hospital OPA as well as capital projects.

Mr. Ochenduszkowski reviewed departmental budget highlights. The Legislative budget reflects the new legislative advocate contract, an increase in LAFCO fees, and community groups funding at current levels. The City Clerk budget provides election costs budgeted in odd fiscal years. In the City Hall budget there are increased costs for janitorial, utilities, etc. offset by savings when the Engineering Department consolidates with City Hall and will not longer have building rental costs. The budget for facility maintenance of that building is being transferred into the City Hall division and there will be a one time purchase of a copier. The major increase in the Legal Services budget is the increase in City Attorney services approved last year by the City Council. The Administrative Services budget shows a slight increase in the cost of the annual audit and some costs for supervisor training for mandatory sexual harassment training. The Police Department budget includes the ongoing \$60,000 per year cost for crossing guards that was approved two years ago by the City Council, the planned replacement of firearms, and the anticipated improved operation/increased revenue from the proposed replacement of parking meters. Contained in the Fire Department budget are increased Advanced Life Support (ALS)

billing costs offset by an increase in revenue, increases for the use of Heartland Dispatch center primarily because of Chula Vista pulling out of that dispatch center, and there are increased costs for participation in the San Diego County Hazardous Materials Incident Response Team (HIRT). In the Public Services Department budget there are increases due to the additional employees for facilities (\$50K), additional contract service costs for miscellaneous facilities work and for maintenance of the new linear park area, as well as utilities previously budgeted in Gas Tax (\$50k). The Engineering and Project Development Department continues to have project management costs for Phase 1B and 2 of the GBMP and for the Lifeguard and Beach facilities. Those project management costs will be winding down as the projects wind down. The Community Development Department will show a \$10,000 savings due to completion of the Residential Standards Improvement Program (RSIP) and the Public Art Committee, Historic Resource Commission, and Silver Strand Committee are at the same levels as FY04-05. In the Library budget there is additional part-time staff for increased services in the new facilities (\$70K) and services and supplies related to enlarged facilities (\$20K). In the Recreation Services budget there are increases due to additional part-time/seasonal staff work hours for restoring the Aquatics staff of FY 2002-03 levels; banquet room operations (cost is elastic depending on demand), operating/supervising the fitness room, gymnasium, and climbing wall, and a full year of the restored MWI/II position which was vacant during facility construction, and additional activities staffing for new program offerings. There are some additional non-personnel costs in Recreation that relate to utilities, maintenance/service/janitorial, additional contract instructors, and program supplies. There will be savings in eliminated rental costs and reduced one-time equipment costs, and new revenue is projected from the rental of the banquet room, fitness center, climbing wall, etc.

Mr. Ochendusko turned the Council's attention outside the General Fund to the storm drain operating costs related to NPDES. He said the City has had significant additional costs as the Regional Water Quality Control Board has reinterpreted and applied new standards to the Federal Clean Water Act. The City's storm water fees don't recover the additional costs. To avoid coming to Council and asking for some sort of an increased fee that would require, at this time, a vote of the people, and to avoid taking it out of the General Fund, the City is loaning Wastewater funds to the Storm Drain fund to pay for those costs. It is an ongoing strategy and he believes that in time storm drain fees will be balanced and considered very much like sewer fees and part of the sewer system. That will mean that either the rules for setting fees for storm drains will be changed or they will be allowable expenses under the sewer fund. Many other cities are using the same strategy. Gas Tax is not covering the cost the City provides in streets division. Also, the Transnet Fund is not able to sustain the same level of capital project roadway maintenance/improvement costs. The General Fund is being used as a short-term alternative to the funding gap. The answer might be to relax some of the road resurfacing work that is done now and not be as aggressive as the City currently is. The Golf Course fund has some one-time architectural consultant services (\$20K) for review of the golf course's playability and improvements that may be made long term. There are savings due to no longer having debt service; however there is an increase in water costs. This is the first full year at the new golf rates. The Glorietta Bay Project Fund is anticipating a receipt of \$750,000 as part of the Development Agreement with the Hotel Del Coronado. That balance is due when building permits are issued. It is their intention to begin construction this fall.

Mr. Ochenduszkowski provided the City Council with seven-year projections of what the revenues minus expenditures look like in the out years. He said he was happy to report to the City Council that over the next coming two years the City will be operating with a result of positive revenue versus expenditures. \$1.7M is proposed in the operating budget for FY05-06, and \$2.6M for FY 06-07, dwindling to around \$400K in FY08, and about \$100K or even in FY09, and a slight deficit in FY10, which is a pretty positive outlook overall. There will be a slight deficit in the out fiscal years 2010, 2011, and 2012. The City has been very conservative about adding increased costs and program service levels. This is occurring to most cities across the State of California. Coronado's financial position has been fairly strong so has been able to avoid that. To put this in perspective, Mr. Ochenduszkowski added that the number is not really significant over the next seven years. As the City looks at the out years and financial projections are completed, staff becomes increasingly conservative. The reason for that is, as the general economy goes, so goes the City's budget. He is confident that the City's financial picture looks solid as the seven years ahead are examined and thinks the picture will be better than what is shown because of conservative projections.

Mr. Ochenduszkowski summarized by saying that the City's General Fund financial position remains strong. There will be positive revenue growth for Fiscal Years 05-06 and 06-07 without need for tax increases to fund current programs. There will be more growth than in a typical year due to personnel, Workers' Compensation, and facilities. FY 2005-06 will serve as a good base for projecting future years and there is a need to watch the Wastewater Fund as fund balances diminish.

Mayor Smisek commented that Mr. Ochenduszkowski's presentation was very thorough and concise. It demonstrates Mr. Ochenduszkowski's position of holding the line and keeping the costs under control that are controllable. The unanticipated costs are typically items that are dictated to the City by the State. Revenue is something the City always worries about because it is a pretty good baseline for the City's cost structure. It can fluctuate dramatically depending on what happens in the State. Fortunately, a large portion of revenue is the Transient Occupancy Tax (TOT) which has remained steady and continues to climb and improve. The property tax revenue (as long as the City continues to get the same share it has always gotten) also continues to climb. Sales tax revenue has been flat for years and doesn't seem to change much. The revenue has been fairly consistent over the past few years. He stated that one of the things the City Manager is very modest in not explaining to people is that the City has over \$30 million in loans to the CDA so that the City could build the Community Center, Pool complex, City Hall etc. five or more years ahead of time, instead of waiting until the funds could accumulate funds in the CDA. Because of the surpluses the City was able to generate in the General Fund in the past, the City was able to loan funds to CDA with the expectation that they will be repaid with interest.

Councilmember Tierney congratulated the City Manager and all the departments and people who did such a great job in putting the budget together.

Councilmember Downey encouraged the public to continue to do what they have been doing to help bring money into the budget, such as through the recycling program where the City gains an offset to keep the cost of trash collection down.

Mayor Smisek asked for public comment, but there was no one wishing to speak on this item.

Mr. Ochenduszko thanked staff members Leslie Suelter, Christine Zinn, Angela Hodge-Barber, and Rosanna Arguelles for their work on the budget.

MSUC (Downey/Tanaka) moved that the City Council accept the two-year financial plan for FY 2005-07 and FY 2006-07 of the operating fund

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

Mayor Smisek moved on to the discussion of community organization requests for funding. He explained that in the past, any organization requesting an increase would make a presentation regarding their request and those organizations that did not request an increase were voted on as a group. They are as follows:

	<u>FY04-05</u>	<u>FY05/06 request</u>
Coronado 4 th of July Celebration	11,000	11,000
Chamber of Commerce	75,828	75,828
Coronado Community Band	5,456	5,455
Coronado Floral Association	15,000	15,000
Coronado Historical Association	366,910	359,571
Coronado MainStreet	84,611	82,015
Coronado Response Group	66,300	66,300
Coronado Unified School District	76,912	76,912
Diversion Services	20,194	20,194
Miss Coronado Pageant Organization	1,500	1,500
San Diego Fleet Week Foundation	10,404	10,404

MSUC (Tanaka/Downey) moved that the City Council approve the funding requests by Coronado Fourth of July Celebration for \$11,000, Coronado Chamber of Commerce for \$75,828, Coronado Community Band for \$5,455, Coronado Floral Association for \$15,000, Coronado Historical Association for \$359,571, Coronado MainStreet for \$82,015, Coronado Response Group for \$66,300, Coronado Unified School District for \$76,912, Diversion Services for \$20,194, Miss Coronado Pageant Organization for \$1,500 and San Diego Fleet Week Foundation for \$10,404.

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

Mayor Smisek moved on to community groups requesting funds in excess of prior years.

Coronado Concerts in the Park

FY 2004-05 \$624

FY 2005-06 \$1,000 request

MSUC (Downey/Tanaka) moved that the City Council approve the request.

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

Coronado Playhouse

FY 2004-05 \$15,600 was the proposed budget, but \$50,000 was approved due to a one-time event to cover cost of the tent near Il Fornaio as temporary quarters.

FY 2005-06 \$50,000 request

Joanne Scott, Coronado Playhouse, 958 I Avenue, commented that next year will be the 60th anniversary of the Playhouse and its supporters would like to see it continue.

Mayor Smisek asked for speakers to describe the need for the increase of \$34,400. Historically the City has met the request of \$15,600 and last year a one-time increase was given due to the rental of the tent.

Ms. Scott agreed that the Playhouse did receive \$50,000 because of the temporary location due to demolition of the theater. They felt it important to keep their programs going just as the Recreation Department did and to keep up their volunteer base and service to the community of providing wonderful entertainment, and classes for children, and opportunities for an unlimited number of people. This year they are asking for the same amount because they have been told that their new theater isn't going to be ready until September and are looking at another year in a temporary location. She talked about the shows that were produced over the last year and of how well they were received, and the cost of producing them.

Mayor Smisek asked whether the Playhouse intended to ask for \$50,000 every year. He reasoned that September is only two months into the fiscal year so it seems there would only be two months to in temporary quarters. Ms. Scott responded that they didn't intend to ask for \$50,000 every year.

Mayor Smisek suggested the possibility of \$15,600 plus an amount that would cover some rent from July 1 to when the new Playhouse facility is available. Ms. Scott commented that there are still storage costs.

Councilmember Tierney said he was prepared to support \$15,000 plus then any rental and incidental expenses associated with the move into the Playhouse, but not \$50,000 considering the demands there are from other organizations and the limited funding.

Councilmember Downey asked if the Playhouse request could be continued to allow them time to come back with a list of the expenses for the Council to discuss. She said she had received some correspondence describing storage, moving and extra rent expenses. If they can give an itemized list of what those costs are expected to be, Council could discuss them. Ms. Downey reiterated that the cost break down should cover storage, rent and moving expenses and that these would be for one-time incidentals that are caused by the delay in moving to the new permanent location.

Mayor Smisek suggested that the Council could authorize the \$15,600 now and then ask the Playhouse for a list to come in to the City Manager to be brought to the City Council for authorization. Mr. Tierney asked if the City Manager could validate the expenses if they are within certain parameters set. Mr. Ochendusko explained that he doesn't have the authority to do that without an appropriation from the Council to spend money against.

Mayor Smisek requested that the Playhouse return by the second meeting in June with a list so the entire appropriation could be made to begin the new fiscal year on July 1. The itemization should be for expenses that will be incurred from this July 1 until September when the Playhouse moves into its new facility. The previously approved funding was supposed to take care of the previous expenses. There is no question about the quality of the Playhouse.

Dr. Sabo talked about the ongoing storage costs that would occur after the move because the new Playhouse doesn't permit storage of sets, costumes, etc., and the need to transport stored items back and forth unless some provision is made in the new Playhouse for storage for those items. He said that previously the storage was on site.

Mayor Smisek suggested that will be something to be reviewed. There will be a period with all the new programs in the new Community Center to see what can and can't be kept on site and what the costs are going to be.

Caroline Sykes, Coronado resident, and board member for the Coronado Playhouse, commented that when they requested the \$50,000 last year it was to put on really good, quality shows in a tent. They paid for that out of pocket with money from fundraising and previous savings. The \$50,000 was great to take them through December, but they have had a really tough time from January until now to keep the shows going. They have a lot of dedicated volunteers, but they also need the support and respect of the community and the City Council. She added that she doesn't see enough PR regarding the Coronado Playhouse in the literature for the new Community Center.

MSUC (Downey/Tanaka) moved that the City Council authorize \$15,600 for the Coronado Playhouse for FY 05-06.

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

The City Council will await an itemized request that will come through the City Manager to the City Council for further appropriation at the June meeting.

Coronado SAFE Foundation

FY 2004-05 \$60,000

FY 2005-06 \$75,000 request

Chuck Howe, 1101 First Street, explained that this was a good year with the coalition with the School District, the PTO, the Diversionary Group, the Police, and the Recreation Department. SAFE Coronado has continued most of the programs they from past years and have started some new things. Their concern is that the loss of federal funding in the amount of \$85,000 per year that they had been receiving for the last five years. Last year the new grants were given to other less affluent communities and they don't expect to receive a grant again this year. Last SAFE decided they needed to stay in business because what they are doing is too important to the kids of this town. They decided to try to raise \$40,000 and then ask for matching funds from the City Council. They also cut their costs. He said the program director isn't drawing her full salary. Many board members personally contributed several thousand dollars apiece. They are sensitive to the fact that the Council is trying to hold the line on contributions and so reduced their expenses from \$40,000 down to \$15,000 over the previous year's budget, even though he thinks they cut it too much. He is asking for the City's support so that they can continue to do the things with the schools, Rec Department, Police Department, PTOs and students to help the kids stay out of drugs, alcohol and tobacco. He asked Council to approve their grant of \$75,000 or \$85,000 so that they can continue to provide these services in Coronado.

Councilmember Tanaka said he would be delighted to support this but is uncomfortable with changing dollar amounts. He prefers that requested funding remain somewhat constant to make it easier for the City to budget. He would like to more about what it costs to operate SAFE and said he never feels like he has a really good handle on what the organization needs to run effectively. He appreciates that they lost their federal funding and need help. The City should step up and help them, but by this time next year he would like to know what it costs to operate SAFE and what the City's share is going to be. He is uncomfortable knowing that \$50,000 wasn't enough and he has the feeling that next year it is going to be an increased amount.

Councilmember Tierney said he assumes that the amount that SAFE provided on their request is what it is costing them, so from that standpoint, they have complied with the requests. Mr. Tierney is very comfortable with SAFE and commented that they are trying very hard. He agonized with Mr. Howe. The larger amount did surprise him though and there are very hard budget decisions to make. He said could go along with the \$15,000 and would suggest that there be a more aggressive grant solicitation effort.

Councilmember Downey thanked Mr. Howe and all of the Board members who are working hard to keep their costs down and for looking for new ways to raise money. She is also extremely supportive of the \$15,000. Next year, if SAFE comes back with a better budget the City may be able to give a little more. She would like the community to step up to the plate. She encourage that all the parents support the program and be involved in fund raising, such as the tournament that is coming up on June 3.

Mayor Smisek disclosed that he has been working with SAFE since its inception. This group was going to be self sustaining, but it is a very difficult thing to get your arms around. Family University was peeled off and put under a different program that the City is also paying for. The City pays for the Diversion Services, and the Response Group is another program. These all need to be kept in perspective to remember how much money the City is putting into the whole program and to ensure that the City is paying for what it wants. In deference to a request made, if the City could get an idea of all the services required the City can decide if it still wants to keep all of the services or just pinpoint certain services to support. Regarding the overall program, it is a great program and it is needed.

MSUC (Tierney/Downey) moved that the City Council approve the funding request of \$75,000 for Coronado SAFE Foundation.

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

Coronado Senior Association

FY 2004-05 \$13,000
FY 2005-06 \$13,500 request

Mayor Smisek explained that this is a one-time expense to cover the expense of having the Center's carpet and floors professionally cleaned.

MSUC (Downey/Tanaka) moved that the City Council approve the funding request of \$13,500 for the Coronado Senior Association.

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

Lambs Players Theater

FY 2004-05 \$30,600
FY 2005-06 \$230,600 request

Robert Smythe, 1144 Orange Avenue, began by saying that they appreciate the support the City has given them in the past for operating costs each year. This year is they are asking the Council to consider funding for a one-time, specific project to help them refurbish the theater space, in addition to the regular support received for ongoing work and the educational outreach program at the resident theater. He explained that the theater is now past their 10th year in the resident theater which is in a 90 year old building. The theater is showing the wear from the over 1 million patrons that have visited in the last ten years. There are plumbing, safety, paint, and décor issues, etc. The air conditioning ducting is rotting through. He said it is going to take them just under

\$600,000 to continue to maintain the facility and to bring it up to the level that it really needs to be kept at for the next decade. They are asking for a one-time consideration from the City to help them do that. He said Lambs is the 3rd largest theater in the area just behind the Old Globe and the La Jolla Playhouse, so they have a significant cultural position. There are a variety of issues that they need to confront. They are looking for the City to help with part of that and are going to be fundraising for the rest of it.

Councilmember Downey disclosed that she had received a briefing. She was very interested to hear that other communities give a certain percent to help support their community theaters and knows that the Community Playhouse needs help, too. So she is trying to figure out whether this request, for what seems like a large amount, and wondered what kind of underwriting theaters such as the Old Globe receive. She added that Council needs to take into consideration the Coronado Playhouse as well in its support of the arts.

Mr. Smythe clarified that Lambs is not a community theater; they are a legitimate, professional, non-profit theater company. When one looks at the way this type of cultural entity is supported by other cities, the Lambs percentage would fall very much on the low side in the amount that they request for support from each year. He explained that the Old Globe Theater receives 2% of its annual budget from the City of San Diego. Lambs receives closer to ½ of 1%. He reiterated that this is a one-time specific request. Lambs raises over \$1 million each year as a non-profit. They have a \$4.3 million budget and the additional fundraising they need to do to improve the building just becomes an additional burden. He said that Lambs enjoys being in this community and he believes they have brought a lot to the community. They are looking for ways to be creative and find support from the community. Mr. Smythe commented that no one in the organization sees profit; it is a non-profit organization as well as a cultural institution in the County. They want to keep the facility the best it can be. Since Lambs opened twelve restaurants have opened within walking distance. The whole area has become vital.

Ms. Downey said she couldn't agree more and said she enjoys the performances every time she goes. She asked how long the current lease is on the building. Mr. Smythe said it is a 40 year lease with 30 years left.

Councilmember Tierney asked about items on the list. He sees things like air conditioning, heating repair, roof resurfacing repair, plumbing repair, fire sprinkler system, emergency lighting upgrade. He wondered if they should be the responsibility of the property owner. Mr. Smythe explained that the lease that was agreed to put all of the tenant improvements under the responsibility of the tenant. The owner is taking partial responsibility for the roof.

Ms. Downey commented that when she was looking at this and talking with the City Manager it occurred to her that it might be helpful to ask staff to work with the Playhouse to look to see if there are ways to improve on this situation.

Mayor Smisek commented that he appreciated that Lambs was very upfront about their situation. He agreed that it doesn't seem to be a good lease the way it is set up. He said it was probably difficult at the time Lambs arrived here to set up a fund to take care of maintenance over time as it should have been. However, he would like to support Lambs and said he sat down with the City Manager to try to figure out a plan to make this less onerous. One possibility is a long-term loan

where the City would front the \$200,000 with the idea that over the next 10 years \$20,000 would be taken off each year. He suggested that this might be something to continue for discussion with the Playhouse and see if there is something that can be worked out. CDA funds are very specific in that they have to be used for acquisition.

Councilmember Monroe commented that there should be some dialogue for the Council to figure out core values for what they want to support in the City. He has a hard time handling these requests one at a time and the City needs to spread the available funds around. As a member of the MTS he has some difficulty with the use of public funds to support the Padres. The City Manager is holding the departments to 2% increase and yet several community groups are getting up and asking for increased funding and getting it. He said that it was a great day when Lambs came to Coronado. He loves what they have done for the surrounding area and enjoys their shows. He hopes something can be worked out.

Mayor Smisek said that if the rest of the Council is agreeable he would like to see Mr. Smythe work with staff on a ten-year plan and come back to the Council. Mr. Tierney would like to see future set-asides to accumulate for this type of repair. Mr. Smythe said he would be willing to work with staff to figure out a way to work this out.

The rest of the Councilmembers indicated that they were agreeable.

Coronado Lifestyle Magazine

New request for \$10,000

Kris Grant explained that the request is not for Coronado Lifestyle Magazine it just happened to be on her stationary. She made the request on behalf of a group of Coronadans that are involved with the arts and who have been discussing putting together an annual event called the Coronado Arts Walk. Several organizations have been involved in these discussions and include the Coronado Museum of History and Art, Coronado MainStreet, the Chamber of Commerce, a representative from one of the new art galleries representing the 16 art galleries in town, CoSA, Coronado Arts Commission, Coronado Arts in the Park, Coronado Library, Lambs Players Theater, Coronado Playhouse, and Bamboo Yoga Studio. She said she has often been contacted by people who have said that the City ought to have something to bring together the arts organizations. There is a huge arts community in Coronado but they are scattered. She believes that this is the right time to kick off an arts walk, with the unveiling of the Ramos Martinez murals at the new Library, the new Glorietta Civic Center with its James Hubbell fountain and Todd Stands art murals. CoSA is celebrating its 10th anniversary this year. There is original art displayed in French restaurants; there is original art displayed in doctors' offices. This event would be designed to shine the spotlight on these artists and raise the consciousness of Coronadoans to the arts in this community. The City has always had Arts in the Park, but Coronadans take it for granted. The art walk would focus attention on one day and would bring people out to celebrate.

Both Coronado Playhouse and Lambs Players Theater say they will be pleased to help with the Coronado Arts Walk. Union Bank has said that they can make their parking lot available for a

CoSA exhibition. The Public Art Committee has some great ideas for a children's art project. There would not be a massive gathering at any spot. A map and a brochure would be designed by the artists and produced. She would include it in her September/October issue of her magazine and overprint and distribute it throughout art galleries and museums in San Diego.

The request is for \$10,000 for this year and \$10,000 for next year, to be used for printing purposes only. In addition the group would raise more funds in the community and donate incredible amount of time for publicity.

Toni Gaylord, Coronado MainStreet, spoke on the Art walk saying that she is excited about the event because it is a way for the community to celebrate together and to bring all of the cultural entities together. It is in a time of year when nothing else is happening. It could be a one day City celebration.

Tara Stephens, photographer, said she thinks this is an opportunity for the City Council to bring art and life to the City and let the art people represent themselves.

Patricia Jepson, 800 Glorietta, artist, sees a future for this event and referred to how the Coronado Parade began. It wasn't much in the beginning. She also referred to the Laguna Art Festival which is a major art event in the United States. There can be a lot of fringe benefits to something like this.

Joanne Scott, 508 I Avenue, commented that the Coronado Playhouse fully supports this idea.

Camille Gustafson, representing Glorietta Bay Inn, said she thinks this is good timing and she is in support of it. It will boost merchants and hotels. She is also willing to support it financially.

Karen Finch, Coronado Chamber of Commerce, spoke in support of the art walk. From the perspective of promoting the business community, particularly in the slow time of early October, an Arts Walk is a welcome event. It has the potential to bring diners to the restaurants, home buyers to the real estate firms, as well as art lovers to the galleries. She urged the City Council to support the Arts Walk, both with its addition to the City's Special Events schedule and with the annual funding request.

Ginger Raaka, Coronado Historical Association, spoke in support of the Arts Walk. She said it would be very unifying in the community. Everyone has been so enthusiastic about the idea. She said there is no thought of bringing in tents or anything that is huge and disruptive. The Museum will have "Open Doors" as its exhibit at that time.

Blossom Sanger, 545 First Street, artist, said she has been to several cities that do events like this. Chula Vista does "A Taste of Art by the Bay." They have only done it for three years. The first year she was overwhelmed because they had all the school kids, stages for them to perform, food, the San Diego Symphony gave a free concert, etc. It is the most amazing, wonderful, community spirit. This is a great opportunity for Coronado. Beverly Hills does something every year called "The Fair in the Garden" which is a large art in the park idea. The beginning of October is a great time to do this.

Johnnie Sato, thinks the Arts Walk is something everyone would enjoy.

Polly Jones, 1212 Fifth Street, botanical illustrator, thinks this would be a wonderful opportunity for the various artists of various mediums in Coronado to display their work. She hopes Council will consider it.

Councilmember Tanaka thanked everyone involved and said he thinks it is a good idea that will take advantage of all the diversity Coronado has. He appreciates the scale and scope they are thinking of. He also appreciates that they understand the effect a disruptively large event might have on traffic and parking.

Councilmember Downey is curious as to whether they are going to be establishing a non-profit or if this is this a one-year, see how things go, type of thing.

Ms. Grant responded that she would like to see the Coronado Arts Association, the Coronado Chamber, Coronado Mainstreet, or the Coronado Museum of History and Art as a sponsoring organization.

Councilmember Tierney commented that if it is anything like Ms. Grant's magazine it will be done really well. He is excited about this idea. The City is having revenue problems with sales tax – this might be helpful with that.

Councilmember Monroe corrected Mr. Tierney. He said he has been tracking sales tax for the last seven years. It appears on a chart as being relatively steady, but in fact it has gone up about 3% a year, matching inflation in Coronado. The TOT has gone up about 8% a year and property taxes go up at 10-12% a year. However, he thinks this is a great idea for Coronado, but why should the City pay for it? He would certainly support someone using seed money to get it started for one year to see how it goes. He suggested that perhaps the local artists could donate a percentage of what they sell that day or they could donate a percent of their annual sales to the event.

Ms. Downey thinks the City needs to get this effort going. It is a great. She is glad to see that they are not looking to start a whole new organization and hopes that the City wouldn't see them coming back every year for funding.

Mr. Tanaka in theory likes the idea of seed money, but he thinks Council needs to look down the list. The things the City gives money to on a yearly basis are things that add to the City's lifestyle and cultural arsenal. He would never blink about giving money to the 4th of July celebration, to the Chamber, the Community Band, or the Concerts in the Park. He doesn't want to make \$10,000 seem trivial, but to him, if they do a great job they should blaze a trail and see what happens. He is not really comfortable with the idea of putting them in a position where they are told this is a one-time deal. He would like them to come back next year and for another \$10,000 if this is a great event. He wants them to work it out. If it is as unifying as he has heard, he thinks in a year the City will know more.

Mayor Smisek mentioned other events that seemed like a good idea, like Thursday Nights Out. The City put seed money in that but it just never caught on. He likes the concept of some kind of a building up the process, similar to the Taste of Coronado, which has become self sustaining

because the different organizations involved in it understand the success of it. So, they have been able to fund it without the City's involvement. The City needs to remember that seed money and trail blazing are interesting, but this is taxpayer money and the City is not an entrepreneur. It isn't supposed to be with taxpayer money. He would be much more comfortable with supporting the event for an initial year to see what happens; to see if there will be other contributors who will jump in. This could be reviewed again next year.

MSUC (Downey/Tierney) moved that the City Council approve the funding request of \$10,000 for the Coronado Arts Walk for FY 2005-06.

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

Coronado Memorial Day Committee

\$1,000 new request

General Bob Butcher, MOAA, 110 Carob Way, VFW 557 Orange Avenue, introduced Dennis Costa who is the VFW representative for the Memorial Day Committee and Larry Wade, the President of the Navy League Council. He said they have done the Memorial Day Service at Star Park over the last five years and it has been a wonderful success. They are going to try to move it to another level by putting in a stage, bunting around the stage, providing 200 seats in addition to what the VFW provides, and sound equipment. They all have spent a considerable amount of money on the project. This request for \$1,000 is in addition to their expenditures.

Councilmember Downey is very pleased to know that there will be more chairs. She sees many people who need chairs at the Memorial Day service.

Councilmember Tierney attends this event and thinks that they should give consideration to the lack of shade at the event. He doesn't know how that could be taken care of, but it is something they might want to consider.

Mr. Butcher commented that they actually considered putting a tent over the stage, but they decided not to. At least half of the years the event has been held it has been cloudy.

Councilmember Monroe thinks this is a great event.

Mayor Smisek appreciates the event and what has been done.

MSUC (Downey/Tanaka) moved that the City Council approve the funding request for \$1,000 for the Coronado Memorial Day Committee for FY 2005-06.

AYES: Downey, Monroe, Tanaka, Tierney and Smisek
NAYS: None

ABSENT: None

Project Care @ Coronado Hospital

New request for \$3,520. This is an old program that the City used to do in the past and is now returning.

MSUC (Tierney/Downey) moved that the City Council approve the funding request for \$3,520 for Project Care at Coronado Hospital for FY 2005-06.

AYES: Downey, Monroe, Tanaka, Tierney and Smisek

NAYS: None

ABSENT: None

Historic Resource Commission

Proposed in FY 2005-06 budget	\$5,000
Additional funding request	\$5,000
Total request	\$10,000

Susan Keith, 801 Tolita Avenue, Chair, HRC, explained that the request is for an adjustment to the Community Development Department budget which has a line item for the Commission. She explained that last year the Community Development Department was able to find funds to fund different projects the Commission was doing such as: paying for the brass plaques the City gives to the people who have their homes designated; sponsoring a DVD done on the history of the parks of Coronado; paying for handouts and presentation materials for the Coronado Flower Show. Another major expense is for newsletters about the City's Historic Preservation Program which were distributed in the *Eagle & Journal*. Last year the Commission spent \$7,800 from the Community Development budget. This next year the Commission would like to do a new DVD, to increase the newsletters from two to three, and there will be additional plaques. The community is very much involved in the Historic Preservation Program and it has become a major asset to the City. Coronado is becoming a place where people want to come to be able to see its historic resources. Many people have come to the Commission members to thank them for saving the character of Coronado. The Commission's request is for an increase the Community Development Department's budget so that the HRC can continue with the programs that they have.

Mayor Smisek thinks this is a unique way of increasing a City budget.

Councilmember Downey thanked Ms. Keith for the amount of time that she is giving as a volunteer.

MSUC (Tanaka/Downey) moved that the City Council approve the increased funding request to the Community Development Department budget of \$5,000 for a total of \$10,000 for the Historic Resource Commission for FY 2005-06.

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

Ms. Downey also suggested that the DVD could be given to representatives at the League dinner.

Public Art Subcommittee

Proposed in FY 2005-06 budget	\$2,000
Additional funding request	\$5,000
Total request	\$7,000

Mayor Smisek requested clarification on the request. Councilmember Downey said she understood that the Subcommittee only used \$500 of the \$2000 that was budgeted for last year and that is where the \$1500 carry-over came in.

Linda Stanton, E Avenue, explained that the Public Art Committee would like to have the money set aside in the General Fund specifically for a fund account for public art that could be built up over time. This would make it easier to spend it on public art projects. She is very grateful to have an annual budget of \$2000 but was hoping to increase it to \$5,000 for this year. The Public Art Subcommittee has had seven great projects with a very minimal budget but they want to plan for the future when they will be put out requests for concepts for art projects, which takes money. They hope the next project will be a combined project on City and Port land with matching funds. This will require an effort to begin earning money. One idea is to do a temporary art exhibit. The budget will be used to provide supplies for the contestants to create a project in a weekend.

Mayor Smisek commented that he is a little uncomfortable with the fact that the Public Art Subcommittee is part of the City government, and the City just can't go out and spend money as a committee. He would like to have an interpretation on how the City could carry out a fundraiser. He said it almost sounds like the City needs a non-profit organization to work in conjunction with the City. He explained that the way the City budgets work is they don't carry money over from the end of one budget year to the next. He understands what the Committee wants, but he is not sure there is currently the proper vehicle to do that. That discussion would be another agenda item in the future to figure out how to put this package together. For now he would like to continue the way the City has done things in the past. Mayor Smisek referred to how the Friends of the Library do their work. They are able to solicit funds and contribute funds in a special way and do their projects. He thinks that is the sort of option that needs to be investigated.

Ms. Stanton said she thinks the Subcommittee has grown and realizes that they need money for future projects. They also see a lot of need within City Hall which they would like to contribute to

that. Ms. Stanton commented that maybe an organization called Friends of the Arts would be the right thing. Maybe this is a turning point.

Jean Seager, 1314 Second Street said she would like to add that a public art project is quite expensive, as evidenced by the sticker shock from some of the projects that have been funded with Port money. The Committee's idea was that money could be carried forward from year to year and built up so when there is a project to go ahead with the funding it wouldn't be such a big problem. She said the Committee wants to do some quality projects and they will be expensive. If they want to have them on City property, there needs to be money from the City. They are very willing to try to raise money and go to private sources, but they really need City support in order to do that. She thinks that the City needs to realize that this is a crossroads.

Councilmember Tanaka stated he is uncomfortable with the idea of setting money aside specifically for the Public Art Subcommittee. It has always been his understanding that the Public Arts Subcommittee would do what they are talking about, to find a location and pursue different art projects and to brainstorm. It is important to have the Subcommittee come back to Council when it does find something to propose. The reason the Council cares about the General Fund and tries to accrue it is with the understanding that it needs to be used toward the civic good. Everyone knows that public art is not cheap. He said it has been his understanding that the Council looks at projects on a case by case basis.

Mayor Smisek tried to clarify the current request, which is for their credit plus \$5000 more. He thinks Mr. Tanaka brought up a good point that it is the City's job to prioritize projects. When a project comes along that Council likes it goes into the Capitol Improvement Program (CIP). He added that his preference would be for them to be an outside organization because they are very unique. He is not comfortable with the subcommittee doing fundraising. If the Subcommittee wasn't part of the City this could be treated differently. He suggested that they should talk to the Friends of the Library to find out how they do that. That is a venue to be able to do fundraising and accept contributions. Then the Public Art Subcommittee could still remain a piece of the Design Review Commission as a subcommittee to handle specific things like the Port projects that come in that require matching City funding or getting things from them to be Council's representative for that piece of it, there is the potential of holding two hats that way.

Ms. Stanton agreed with Mayor Smisek and said this will be on their agenda to discuss. She said the idea is somewhat confusing because in order to get money for Port projects they have to be part of the City and be supported by the City. She assumed that would be where the subcommittee portion would be maintained. Perhaps there should be a meeting with the City Manager to get some direction. It will make it easier for them to operate and to choose projects and know what to do. Councilmember Downey said she thinks a separate meeting for this purpose is appropriate. She would like to take a step back and look at this herself.

Mayor Smisek suggested that the City okay the \$2000 budget for City type functions and then explore how a non-profit situation might work as discussed.

MSUC (Monroe/Downey) moved that the City Council approve the funding request of \$2,000 for the Public Art Subcommittee for FY 2005-06.

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

Silver Strand Corridor Management Committee (SSCMC)

Proposed FY 2005-06 budget	\$2,000
Additional funding request	\$5,000
Total request	\$7,000

MSUC (Tierney/Downey) moved that the City Council approve the funding request of \$7,000 for the Silver Strand Corridor Management Committee for FY 2005-06.

Councilmember Monroe talked about the projects that the committee is going to be doing and what it has done in the past.

Mayor Smisek noticed a discrepancy in the funding amounts and requested clarification.

Administrative Services Director Leslie Suelter explained that the SSCMC had a \$2000 appropriation in the '04-05 budget. During the year they had other activities that they wanted to do and Mr. Pena was agreed to free up some funding from his department's operating budget for this purpose. The appropriation that was identified was only \$2,000.

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

The City Council recessed at 5:40 p.m.

Mayor Smisek called the meeting back to order at 5:50 p.m.

Mayor Smisek introduced City Manager Mark Ochendusko to provide information on the Capital Improvement Program.

Mr. Ochendusko explained that the multi-year fund schedules in the CIP draft document show the capacity for financing capital projects from FY 05-06 through FY 11-12. There are a number of different lists and categories in the CIP so that the Council can view the program by funding type, project type, and fiscal year. The projects listed were developed with input from the City Council, staff, and/or suggestions from the community. Mr. Ochendusko commented that staff develops estimates of costs, and that at this stage, before design, they are simply estimates of costs. As a project goes through design phase the costs are further defined and then there will be a bid that tells the project costs. The CIP Subcommittee, Mayor Smisek and Councilmember Tanaka, has reviewed the program and have forwarded this recommendation to the Council. After the Council approves the CIP the funding for the projects in the FY 05-06 plan are approved and staff is provided a plan for the coming years. He added that this plan was put together based on perceived priorities, available funding, and staff's capacity to accomplish these projects. He also

added that the City is really pressing staff's capacity with capital projects at this time and the City Council is aware of that.

The existing projects with ongoing funding in FY2005-06 are:

- Glorietta Bay Marina Dock Redevelopment
- Glorietta Bay Master Plan (Phase 1b Linear Park, 2a and 2b Yacht Club Promenade)
- Fiber Optic Cabling Connection Project
- Downtown Enhancement Project Phase III
- Opticom Advance Emitter Detector
- Roadway Preventative Maintenance (Slurry Seal)
- Sidewalk and Alley Improvements
- SR75/282 Congestion Relief and Corridor Enhancement Project
- SR75/282 Traffic Corridor Project (Tunnel)
- Street, Curb, and Gutter Improvements
- Cays Storm Drain Rehabilitation
- TransBay Sewer Force main
- Wastewater Master plan Projects
- Beach Public Safety and Restroom Project
- Library Park Restoration
- Spreckels Park (West Plaza) Irrigation Renovation Project
- Tennis Court Light Refurbishment Project

The newly funded projects in FY2005-06 are:

- Animal Services Facility
- Police Communications Equipment Room and Dispatch Area HVAC
- Elevation Reference Points
- Parking Meter Replacements
- Traffic Volume Count Stations
- Golf Course Driving Range Fence

The newly funded projects in FY2006-07 are:

- Boat House/Clubroom
- Glorietta Bay Marina Building
- Yacht Club Promenade
- Rotary Plaza

The newly funded projects in FY2007-08 are:

- Golf Course Clubhouse Carpet Replacement
- Golf Course Maintenance Facility
- Traffic Volume Count Stations
- Sixth Street and Orange Avenue Drainage Improvements
- Tennis Center Building

Newly funded projects in FY2008-09 are:

- Churchill Place

Fiscal Years 2010 through 2012:

None. Ongoing projects under construction.

Mr. Ochenduszko noted that the Glorietta Bay Library projects are in process. Staff is concerned and is looking for solutions regarding Trans Net funding because it is no longer sufficient to cover all the required street maintenance and enhancement projects. The General Fund will be absorbing the increasing costs. Future contributions from Caltrans and SANDAG for various congestion relief projects are not yet confirmed. The big project in wastewater is the TransBay Sewer Force Main. There is a \$10 million authorization from the federal government with no appropriation so the funding is not guaranteed. Staff is going forward with the project anyway because it is just too important to avoid having an environmental catastrophe and there is no way of determining whether or not the current condition will hold up for three or four years while the City tries to get funding. The City does have the funds in the Wastewater fund, but are hoping to get the federal funding which allows the wastewater funds for other projects to go further. Staff is adding additional funds for the beach, park and recreational facilities that have already been discussed. The Tennis Center facility building has been moved from FY07-08 to FY08-09 because of both funding and staff capacity.

Mr. Ochenduszko reviewed the Glorietta Bay Master Plan projects. He said there is about \$4.8 million left. He also reviewed the public facility projects for about \$1 million, the Animal Services Facility being the most expensive. The streets and right-of-way improvement projects are all included in Council's plan. The Wastewater and storm drain projects have the TransBay Sewer line and the Cays storm drain rehabilitation as the biggest projects. Finally he reviewed the beach, park and recreational facility projects.

The projects not proposed for funding with unknown cost or pending grant funds are:

<u>Project Description</u>	<u>Estimated Project Cost</u>
Boat Launch Ramp and Dock	\$200,000
Cays Public Wash Pad	38,000
Fourth and Alameda Drainage Improvements	800,000
Palm Avenue Landscaped Median	Unknown
Pedestrian Crosswalk Timers	75,000
Pomona Avenue Sewer Main Replacement	1,537,000
Skate Park Modifications	33,000
South Cays Park Fencing	10,000
SR 75 Median Enhancement	85,000
Traffic Cautioning A, B, and C Avenues	22,500
Traffic Signal Coordination System	750,000
Category Total	3,550,500

At this point, Mr. Ochenduszko reviewed for Council the combined operational budget, the ending cash balance in the General Fund with the cost of the capital projects inserted. In FY05 there is an available cash balance of \$26.3 million, going to \$20.8 million in FY12 – a very healthy situation. This maintains the City's minimum reserve of currently \$8.8 million and escalating up as the

budget goes up to \$10.1 million. He said that it is noteworthy that there is a projected fund balance which includes the cash and the value of the loans to the CDA of \$55.5 million for FY05-06 and \$63.8 million for FY12. This information is important because the \$20.8 million figure, the ending available cash balance, is very healthy and shows that the City is doing a good job of managing its finances. It is also important to note that, although the City is loaning money to the CDA for redevelopment projects, toward the end of the life of the CDA the value of the projects, the loans plus the interest, comes back to the City General Fund. So, the projected fund balance with the receivables is an important part of the story because there is more value to the reserves than just the cash balance. He added that it is important to note that the City's value has been increased by the new facilities that have been constructed. It is a good positive picture, but just not quite as positive as it has been in the past.

Mayor Smisek commented that he thinks this is a very ambitious schedule. The rationale behind where projects fit has a lot to do with the loading of the Engineering and Planning Departments and the whole City staff as well as immediate need, such as the TransBay and Animal Shelter projects. This is a dynamic document that will be juggled each year as need be.

Councilmember Tierney commented that one of the items he is very happy to see included is the scan system for improving the signal system. He was wondering if the funding is more appropriately supposed to come from Caltrans for that particular project or is the City fronting the expenses and then seeking reimbursement.

Mr. Ochenduszko said he believes that is the CRWG project where that is being split 1/3-1/3-1/3 and they will repay the City in some future unknown date, and as Mr. Benson added, out of some future unknown fund source.

Director of Engineering and Project Development Jim Benson explained that Mr. Tierney is talking about the project on page 75 as unfunded in terms of traffic signal coordination. Mr. Benson said he recently had a meeting with Caltrans. One of the concerns was that if the reimbursement comes out of federal money there are many more strings attached. Caltrans has next to no money for these types of experimental programs because of the State budget crisis. There are some projects that are already in the pipeline, but how SR75 functions as compared to other highways is not very high on their priority list. It would take a major effort, with a low probability of success, to try to get this any higher on Caltrans' priority list. If this is going to go through it would be more similar to what Chula Vista is doing as a demonstration project. It is a very expensive system with a lot of front loading to get it in place. Every intersection that is put into it and coordinated adds to the. For a system such as that to work in Coronado it would have to include most of the intersections.

Mr. Tierney added that it occurs to him that the Governor has stepped back from taking the Gasoline Tax funding. It would be his feeling that, if that occurs, this would put more money into the pot which would be available.

Mr. Benson thinks that, with that money coming back in, there are projects that have been put on the shelf that are already in the design phase waiting for these funds. Coronado is not even in the pecking order in terms of this project.

Mr. Tierney thinks that the City should get into a pecking order. He wants the Council to know that this is a project he favors and he thinks it will work in Coronado. He would like to see some movement to prioritize it.

Mr. Ochenduszko clarified that this is a proposed project. The City took this project to Caltrans and Caltrans said they could not fund it, which is why it is depicted as an unfunded project. That doesn't mean the City doesn't want the project or that staff hasn't asked. Staff did ask and was told no by Caltrans. That doesn't mean the City won't continue to try. As staff puts the next CIP together they will again seek funding for this project.

Councilmember Monroe thought the City did a signal synchronization project on Orange Avenue in the late '90s. He commented that since the system was put in, the Tenth and Orange signals were redone to a different sequence and there have been a lot of complaints. Mr. Benson explained that the City's signals are synchronized. The system that is being discussed is a much more sophisticated system that does direct analysis of how many cars are there and what is going on in the intersections. It is much more state of the art, much more difficult to design, and much more expensive than the synchronization system. The synchronization system is simply timing of the signals. What is difficult in Coronado's case is that every time the Opticom is activated by emergency vehicles, or every time the buttons are pushed by pedestrians, the timing is interrupted. It takes at least two or three cycles to get back into that synchronization. Staff is asking Caltrans to make sure that they have the best setting possible at Tenth and Orange, but the situation is that it is the busiest intersection in Coronado, except for Third and Fourth.

Mr. Tierney referred to the traffic cautioning project shown on page 74 of the CIP document. He said the idea of installing warning devices with traffic merging from A, B, and C onto Fourth makes so much sense and would greatly assist in avoiding traffic accidents in those areas as well as cut down on noise and pollution, etc. The price tag is so small at only \$22,500 to have to leave this unfunded. He would dearly love to see this project float to the top and get done.

Mr. Monroe commented that it is a little confusing that the source of funding is different for some of the projects. He is delighted to see the storage for the maintenance facility at the golf course. He understands that it comes out of the Golf Course Enterprise Fund. He asked if the Rotary Park project is coming out of what is left of the tolls money out of the General Fund. Mayor Smisek explained that it comes from the General Fund.

Ms. Suelter explained that the strategy applied to funding projects is to always look to the General Fund as being the funding source of last resort. If it is a transportation project Trans Net will almost always be looked at first, then see if there are any special grants, etc. For most general projects, such as park or building projects, staff will determine if they are CDA eligible, and will try to fund them there. Then as the last option look at the General Fund.

Mr. Monroe said he heard PAWS indicate that they have \$1 million for an animal shelter and asked if that is would be considered as a funding source in the CIP program. Mr. Ochenduszko responded that the City doesn't show an outside donor for the animal shelter project they don't want to bank on it. It is not being counted on for financial planning purposes.

Mr. Tierney added that PAWS feeling is that the old facility was donated and since the City wants the property for another purpose, PAWS feels there is a responsibility for the City to get involved and finance it.

Mr. Monroe asked about the median enhancement project on SR75 outside of the new City Hall/Community Center project that is listed as unfunded. He mentioned a letter he received from Mr. Payne who was ready to bring 20 people to this meeting to address that subject. Mr. Monroe provided some history on the project. He said that in about 1998 the City Council approved and listed the median project as funded with \$67,000 allotted to it. The project remained undone because this would have brought another agency, Caltrans, into the picture at the same time the City is doing the Community Center and promenade project. He was told that when the Community Center was done the City would do the medians. Now, thanks to Mainstreet and the Silver Strand Committee (SSCMC), there are beautiful medians all the way from the Ferry Landing to the other side of the Amphibious Base, except for one section of SR75 right outside of the beautiful new Community Center. That section is a blight and a lot of weeds in an otherwise beautiful parkway. He appealed to the Council to put this project back on the list.

Councilmember Downey said she was unaware of the prior approval of the project. It seems to her that this is an opportunity for the City to work together with other organizations. Mainstreet has developed all the wonderful gardens in the Orange Avenue medians. Once the new garden in memory of Jan Haines is finished, Mainstreet will have completed their master plan for median gardens. Maybe there will be more donations. She said she isn't telling Mr. Monroe that she doesn't want to fund the gardens, but she would like to see if the City, together with some organizations, could work together on this.

Mayor Smisek commented that if this is the area coming down the hill from the light north of the Community Center that it is a very narrow section of median and should just be some basic landscaping rather than a garden.

Mr. Monroe said he had spoken with Mr. Pena about whether MainStreet might take this on and there was no interest at all. Mainstreet did develop and accomplish a wonderful program, but are not interested in taking on this area. .

Mayor Smisek recalled that there have been discussions regarding the landscaping at the entrance to Coronado off the Bridge that is in Caltrans' purview that isn't done well. He isn't sure whether Caltrans was going to do the work on this and the City was going to pay them or if it was a joint project or a City project.

Mr. Ochenduszko responded that he doesn't recall as this preceded him, but he does understand that this is in Caltrans' right-of-way. It was anticipated that Caltrans was going to include it with some other work that was going to be done, but doesn't believe it was ever specifically clarified as to who was going to do what. In any case, the project didn't get done and the money was returned to the General Fund. Mr. Benson explained that there was never any commitment on Caltrans part to do anything in that area. Caltrans isn't into doing maintenance projects, especially with the budget situation. As long as the City is willing to pay for it, staff can do all sorts of landscaping.

Mr. Tanaka said he appreciates how patient Mr. Monroe has been and wouldn't be opposed to better landscaping there, but he thinks this needs to be made a separate agenda item. It is pretty clear that the City can't reasonably expect Caltrans to step up on this and we will have to do it ourselves. It is also clear that staff is pretty taxed right now. It makes sense to wait until the Community Center is completed. That will be a huge burden off of staff's shoulders and it might be the right time to assess what is needed in terms of aesthetic enhancement. He understands why Mr. Monroe is bringing this to the Council; this has been going on since 1998.

Mayor Smisek agreed that more information is needed. Council needs to find out what is needed to enhance the area and what it will cost, as well as when the Glorietta Bay Master Plan will be finished. Mayor Smisek asked if the funding for this project could be tied in with the curve there for the promenade because that would seem to be the natural time to do it.

Mr. Benson explained that he would rather not bring this into the program. He explained that the City is tied to the Port processing schedule and the Army Corps of Engineers and their individual permit. The schedule right now is for finishing in 2007. The difficulty staff has with SR75 is that staff has to deal with Caltrans and their processes.

Mayor Smisek thinks the smart thing to do is to send this back to the City Manager to ask if there is a proper time, based on the idea that it should happen during the completion phase of the GBMP and whether there is a break in the action where staff would be able to participate in doing something like this to get it done. Then Council could break it into the two phases of the planning and design phase to get it through Caltrans and into the implementation portion.

Mr. Monroe said he would like to have the Council's approval to allow the SSCMC to get a conceptual design and an estimated price. He is thinking it is would not be anything very exotic. Prices have gone up since the 1998, but the SSCMC has done a lot of work in the area of environmental restoration on the Strand and he thinks it would be very beneficial, and it would take the load off of staff, for SSCMC to get a conceptual design and some prices to bring it back to the Council. Mayor Smisek suggested that Mr. Monroe talk to the SSCMC about it.

Mr. Tierney asked if he can get support to move up the prioritization of the caution lights at the corners of A and B with flashing lights. He explained the project in more detail and said he feels this is a safety issue. Mr. Tanaka said he would need to know more about the project.

Mr. Benson added that this item was added to the CIP program at Mr. Tierney's request as a placeholder. Engineering does not subscribe to the concept that it would be a beneficial project or that it is something that could get through Caltrans. Mayor Smisek added that there doesn't seem to be enough information at this time, or even if it could be done. It will take some talking and coordinating with Caltrans.

MSUC (Downey/Tierney) moved that the City Council approve the Capital Improvement Program

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

Mr. Ochenduszko thanked Andrew Potter and Pam Willis for putting the CIP together along with Bill Cecil, Ed Walton and Jim Benson.

Mayor Smisek congratulated and thanked everyone who worked on the program because he knows how difficult this is, particularly the two year planning cycle.

4. **ADJOURNMENT:** The meeting was adjourned at 6:30 p.m.

Approved:

Tom Smisek
Chair

Attest:

Linda K. Hascup
City Clerk