

# CITY OF SOLANA BEACH

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



## AGENDA

Joint SPECIAL Meeting

Friday, December 09, 2022 \* 4:00 p.m.

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

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

### PUBLIC MEETING ACCESS

The Regular Meetings of the City Council are scheduled for the 2nd and 4th Wednesdays and are broadcast live. The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City's [Public Meetings](#) webpage.

### WATCH THE MEETING

- [Live web-streaming](#): Meetings web-stream live on the City's website on the City's [Public Meetings](#) webpage. Find the large Live Meeting button.
- [Live Broadcast on Local Govt. Channel](#): Meetings are broadcast live on Cox Communications - Channel 19 / Spectrum (Time Warner)-Channel 24 / AT&T U-verse Channel 99.
- [Archived videos online](#): The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City's [Public Meetings](#) webpage.

### AGENDA MATERIALS

A full City Council agenda packet including relative supporting documentation is available at City Hall, the Solana Beach Branch [Library](#) (157 Stevens Ave.), La Colonia Community Ctr., and online [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org). Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings. Writings and documents regarding an agenda of an open session meeting, [received](#) after the official posting, and distributed to the Council for consideration, will be made available for public viewing at the same time. In addition, items received at least 1 hour 30 minutes prior to the meeting time will be uploaded online with the agenda posting. Materials submitted for consideration should be forwarded to the [City Clerk's Department](#) 858-720-2400. The designated location for viewing of hard copies is the City Clerk's office at City Hall during normal business hours.

### PUBLIC COMMENTS

[Written correspondence](#) (supplemental items) regarding an agenda item at an open session meeting should be submitted to the City Clerk's Office at [clerkoffice@cosb.org](mailto:clerkoffice@cosb.org) with a) Subject line to include the meeting date b) Include the Agenda Item # as listed on the Agenda.

- Correspondence received after the official posting of the agenda, but two hours prior to the meeting start time, on the meeting day, will be distributed to Council and made available online along with the agenda posting. All submittals received before the start of the meeting will be made part of the record.
- Written submittals will be added to the record and not read out loud.

And/Or

[Verbal Comment Participation](#):

Please submit a speaker slip to the City Clerk prior to the meeting, or the announcement of the Section/Item, to provide public comment. Allotted times for speaking are outlined on the speaker's slip for each agenda section: Oral Communications, Consent, Public Hearings and Staff Reports.

Public speakers have 3 minutes each to speak on each topic. Time may be donated by another individual

who is present at the meeting to allow an individual up to 6 minutes to speak. Group: Time may be donated by two individuals who are present at the meeting allowing an individual up to 10 minutes to speak. Group Hearings: For public hearings only, time may be donated by two individuals who are present at the meeting allowing an individual up to 15 minutes to speak.

**SPECIAL ASSISTANCE NEEDED**

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the [City Clerk's office](#) (858) 720-2400 at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set all electronic devices to silent mode and engage in conversations outside the Council Chambers.

<b><u>CITY COUNCILMEMBERS</u></b>		
<b>Lesa Heebner, Mayor</b>		
<b>Kelly Harless, Deputy Mayor</b>	<b>David A. Zito, Councilmember</b>	
<b>Jewel Edson, Councilmember</b>	<b>Kristi Becker, Councilmember</b>	

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

**SPEAKERS:**

Please submit your speaker slip to the City Clerk prior to the meeting or the announcement of the Item. Allotted times for speaking are outlined on the speaker's slip for Oral Communications, Consent, Public Hearings and Staff Reports.

**READING OF ORDINANCES AND RESOLUTIONS:**

Pursuant to [Solana Beach Municipal Code](#) Section 2.04.460, at the time of introduction or adoption of an ordinance or adoption of a resolution, the same shall not be read in full unless after the reading of the title, further reading is requested by a member of the Council. If any Councilmember so requests, the ordinance or resolution shall be read in full. In the absence of such a request, this section shall constitute a waiver by the council of such reading.

**CALL TO ORDER AND ROLL CALL:**

**CLOSED SESSION REPORT:**

**FLAG SALUTE:**

**APPROVAL OF AGENDA:**

**PROCLAMATIONS/CERTIFICATES:** *Ceremonial*

None at the posting of this agenda

**PRESENTATIONS:** *Ceremonial items that do not contain in-depth discussion and no action/direction.*

None at the posting of this agenda

**ORAL COMMUNICATIONS:**

Comments relating to items on this evening's agenda are taken at the time the items are heard. This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip

(located on the back table) to the City Clerk. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES. No donations of time are permitted (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

**COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

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

**A. CONSENT CALENDAR:** (Action Items) (A.1. - A.5.)

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

*All speakers should refer to the public comment section at the beginning of the agenda for details. Please be aware of the timer light on the Council Dais.*

**A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the City Council meetings held on October 12, 2022, October 26, 2022 and November 09, 2022.

**[Item A.1. Report \(click here\)](#)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**A.2. Salary Schedule Update – Fiscal Year (FY) 2022/2023.** (File 0520-10)

Recommendation: That the City Council

1. Adopt **Resolution 2022-134** approving the amendments to the FY 2022/2023 Management Salary Schedule and Part-Time/Temporary/Seasonal Salary Schedule and authorize the City Manager to make any subsequent changes to the Salary Schedule in accordance with applicable laws.

**[Item A.2. Report \(click here\)](#)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**A.3. Outdoor Dining Extension.** (File 0600-10)

Recommendation: That the City Council

1. Adopt **Resolution 2022-132** extending the COVID-19 Temporary Use Permit Policy.

**[Item A.3. Report \(click here\)](#)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**A.4. November 8, 2022 General Election Results.** (File 0430-20)

Recommendation: That the City Council

1. Adopt **Resolution 2022-130** approving the certification of the results for the November 8, 2022 General Municipal Election.

[Item A.4. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**A.5. California Department of Tax and Fee Administration (CDTFA) Agreements for Implementation of Measure "S".** (File 0390-70)

Recommendation: That the City Council

1. Approve **Resolution 2022-137** authorizing the City Manager to execute the necessary agreements with the California Department of Tax and Fee administration (CDTFA) for implementation of the Local Transactions and Use Tax.
2. Approve **Resolution 2022-140** authorizing the examination of Sales or Transaction Use Taxes records.

[Item A.5. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**NOTE: The City Council shall not begin a new agenda item after 10:30 p.m. unless approved by a unanimous vote of all members present. (SBMC 2.04.070)**

**C. STAFF REPORTS:** (C.1. – C.2.)

*Submit speaker slips to the City Clerk.*

*All speakers should refer to the public comment section at the beginning of the agenda for time allotments. Please be aware of the timer light on the Council Dais.*

**C.1. United States Army Corps of Engineers (USACE) Project Partnership Agreement (PPA).** (File 0740-80)

Recommendation: That the City Council

1. Adopt **Resolution 2022-139:**
  - a. Authorizing the City Manager to act on behalf of the City of Solana Beach, in consultation with the City Attorney, to execute the USACE Project Partnership Agreement (PPA);
  - b. Authorizing the City Manager to issue a noise exception for construction activities consistent with SBMC Section 7.34.100(B)(2)(b) to ensure Project construction begins on schedule in late 2023; and
  - c. Authorizing the City Manager to execute a Right-of-Entry (ROE) Permit with the State Department of Parks and Recreation for use of construction staging area on a portion of the Cardiff State Beach/Seaside Parking Lot in a form and with conditions acceptable to the City.

[Item C.1. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*



**C.2. General Fund Update (Unaudited) – Fiscal Year 2021/22.** (File 0330-80)

Recommendation: That the City Council

1. Accept and file the General Fund Update for Fiscal Year 2021/22.
2. Provide direction to Staff regarding whether to use an amount of the projected General Fund surplus to fund the PARS Irrevocable Trust for Pensions as part of a budget appropriation to the General Fund Unreserved Fund Balance, and other funds as determined by the Finance Department, in Fiscal Year 2022/23.
3. Provide direction to Staff regarding whether to use an amount of the projected General Fund surplus to add funding to the FY23 Annual Pavement Management Program as part of a budget appropriation to the General Fund Unreserved Fund Balance in Fiscal Year 2022/23.
4. Approve **Resolution 2022-123** revising appropriations in the Fiscal Year 2021/22 and Fiscal Year 2022/23 budgets.
5. Authorize the City Treasurer to amend the FY 2021/2022 and FY 2022/23 Adopted Budget accordingly.

[Item C.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

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**D.1. Recognition of Outgoing City Councilmember.** (File 0410-85)

Recognition of Deputy Mayor Harless concluding her 4-year term of service as Councilmember. *Council, Staff, and Public comment.*

**D.2. Administer Oaths of Office to New Elected Terms.** (File 0470-85)

The City Clerk will administer the oaths of office to newly elected positions:

- Councilmember District 2 - Kristi Becker
- Councilmember District 4 - Jill MacDonald

**WORK PLAN COMMENTS:**

*Adopted June 22, 2022*

**COMPENSATION & REIMBURSEMENT DISCLOSURE:**

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

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES: (outside agencies, appointed by this Council)**

- a. City Selection Committee (meets twice a year) Primary-Heebner, Alternate-Edson
- b. Clean Energy Alliance (CEA) JPA: Primary-Becker, Alternate-Zito
- c. County Service Area 17: Primary- Harless, Alternate-Edson
- d. Escondido Creek Watershed Authority: Becker /Staff (no alternate).

- e. League of Ca. Cities' San Diego County Executive Committee: Primary-Becker, Alternate- Harless. Subcommittees determined by its members.
- f. League of Ca. Cities' Local Legislative Committee: Primary-Harless, Alternate-Becker
- g. League of Ca. Cities' Coastal Cities Issues Group (CCIG): Primary-Becker, Alternate-Harless
- h. North County Dispatch JPA: Primary-Harless, Alternate-Becker
- i. North County Transit District: Primary-Edson, Alternate-Harless
- j. Regional Solid Waste Association (RSWA): Primary-Harless, Alternate-Zito
- k. SANDAG: Primary-Heebner, 1<sup>st</sup> Alternate-Zito, 2<sup>nd</sup> Alternate-Edson. Subcommittees determined by its members.
- l. SANDAG Shoreline Preservation Committee: Primary-Becker, Alternate-Zito
- m. San Dieguito River Valley JPA: Primary-Harless, Alternate-Becker
- n. San Elijo JPA: Primary-Zito, Primary-Becker, Alternate-City Manager
- o. 22<sup>nd</sup> Agricultural District Association Community Relations Committee: Primary-Edson, Primary-Heebner

**STANDING COMMITTEES: (All Primary Members) (Permanent Committees)**

- a. Business Liaison Committee – Zito, Edson.
- b. Fire Dept. Management Governance & Organizational Evaluation – Harless, Edson
- c. Highway 101 / Cedros Ave. Development Committee – Edson, Heebner
- d. Parks and Recreation Committee – Zito, Harless
- e. Public Arts Committee – Edson, Heebner
- f. School Relations Committee – Becker, Harless
- g. Solana Beach-Del Mar Relations Committee – Heebner, Edson

**CITIZEN COMMISSION(S)**

- a. Climate Action Commission: Primary-Zito, Alternate-Becker

**ADJOURN:**

***The Next Regularly Scheduled Meeting is December 14, 2022.***  
*Always refer to the City's website Event Calendar for an updated schedule or contact City Hall. [www.cityofsolanabeach.org](http://www.cityofsolanabeach.org) 858-720-2400*

**AFFIDAVIT OF POSTING**

STATE OF CALIFORNIA }  
 COUNTY OF SAN DIEGO } §  
 CITY OF SOLANA BEACH }

I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the December 09, 2022 Council Meeting was called by City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, and the Housing Authority of the City of Solana Beach, California, was provided and posted on December 01, 2022 at 2:00 p.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 5:00 p.m., December 09, 2022, in the Council Chambers, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk  
 City of Solana Beach, CA

**UPCOMING CITIZEN CITY COMMISSION AND COMMITTEE MEETINGS:**

*Regularly Scheduled, or Special Meetings that have been announced, are posted on each Citizen Commission's Agenda webpage. See the [Citizen Commission's Agenda webpages](#) or the City's Events [Calendar](#) for updates.*

- **Budget & Finance Commission**
- **Climate Action Commission**
- **Parks & Recreation Commission**
- **Public Arts Commission**
- **View Assessment Commission**

## **MINUTES OF THE CITY COUNCIL**

October 12, 2022 Closed Session  
Regular Mtg

October 26, 2022 Closed Session  
Special Mtg

November 9, 2022 Closed Session  
Regular Mtg



# CITY OF SOLANA BEACH

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

## MINUTES

Joint Meeting – Closed Session

Wednesday, October 12, 2022 \* 5:00 p.m.

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

Teleconference: Edson - Grand Hyatt, 721 Pine Street, Seattle, WA 98103

Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.

### CITY COUNCILMEMBERS

Lesa Heebner, Mayor

**Kelly Harless**  
Deputy Mayor

**David A. Zito**  
Councilmember  
District 1

**Jewel Edson**  
Councilmember  
District 3

**Kristi Becker**  
Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

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

Present: Lesa Heebner, Kelly Harless, David A. Zito, Jewel Edson, Kristi Becker

Absent: None

Also: Gregory Wade, City Manager

Present: Johanna Canlas, City Attorney

### PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY): None

*Report to Council Chambers and submit speaker slips to the City Clerk before the meeting recesses to closed session.*

### CLOSED SESSION:

#### 1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

- Judith Pease v. Pink Lagoon, City of Solana Beach (37-2022-00006023-CU-PO-NC)

**No reportable action.**

### ADJOURN:

Mayor Heebner adjourned the meeting at 5:10 p.m.

Angela Ivey, City Clerk

Council Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

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



## MINUTES

Joint REGULAR Meeting  
Wednesday, October 12, 2022 \* 6:00 p.m.

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

Teleconference: Edson - Grand Hyatt, 721 Pine Street, Seattle, WA 98103

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### CITY COUNCILMEMBERS

**Lesa Heebner**, Mayor

**Kelly Harless**, Deputy Mayor

**David A. Zito**, Councilmember

**Jewel Edson**, Councilmember

**Kristi Becker**, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

Mayor Heebner called the meeting to order at 6:00 pm

Present: Lesa Heebner, Kelly Harless, David A. Zito, Jewel Edson, Kristi Becker,

Absent: None

Also Greg Wade, City Manager

Present: Johanna Canlas, City Attorney

Angela Ivey, City Clerk

Mo Sammak, City Engineer/Public Works Dir.

Ryan Smith, Finance Dir.

Joseph Lim, Community Development Dir.

CLOSED SESSION REPORT: None

FLAG SALUTE:

APPROVAL OF AGENDA:

**Motion:** Moved by Deputy Mayor Harless and second by Councilmember Becker to approve. **Approved 5/0:** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.



**PROCLAMATIONS/CERTIFICATES:** *Ceremonial*

None at the posting of this agenda

National Children’s Environmental Day  
Mayor Heebner read the proclamation.

**PRESENTATIONS:** Ceremonial items that do not contain in-depth discussion and no action/direction.

Age Friendly  
Steve Hornberger, Co-Director, Social Policy Institute, SDSU presented a PowerPoint (on file) reviewing the results of the survey.

**ORAL COMMUNICATIONS:** None

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

**COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

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

**A. CONSENT CALENDAR:** (Action Items) (A.1. - A.3.)

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

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

Recommendation: That the City Council

1. Ratify the list of demands for September 10, 2022 – September 23, 2022.

[Item A.1. Report \(click here\)](#)

**Motion:** Moved by Councilmember Zito and second by Deputy Mayor Harless to approve.  
**Approved 5/0:** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**A.2. General Fund Adopted Budget for Fiscal Year 2022/2023 Changes.** (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2022-2023 General Fund Adopted Budget.

[Item A.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Zito and second by Deputy Mayor Harless to approve.

**Approved 5/0:** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**A.3. Chamber of Commerce Visitors Center.** (File 0130-90)

Recommendation: That the City Council

1. Adopt **Resolution 2022-124:**

- a. Authorizing the City Manager to execute an Agreement between the City and the Solana Beach Chamber of Commerce in an amount up to \$30,000 for operation of the Visitor Center and the development of visitor serving advertising/outreach.
- b. Authorizing the City Manager to execute future agreements at a cost of \$30,000, on a yearly basis, at the sole discretion of the City.
- c. If approved by Council, appropriate up to an additional \$15,000 in the Coastal Area Business & Visitor Assistance Fund to the Contributions to Agencies account.
- d. Authorize the City Treasurer to amend the FY 2022/23 Adopted Budget accordingly.

[Item A.3. Report \(click here\)](#)

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**Motion:** Moved by Councilmember Zito and second by Deputy Mayor Harless to approve.

**Approved 5/0:** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**B. PUBLIC HEARINGS:** (B.1. – B.3.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. *All other speakers should refer to the public comment section at the beginning of the agenda for time allotment.* Please be aware of the timer light on the Council Dais.

**B.1. 2022 California Building and Fire Code Updates** (File 0600-10)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the public hearing, Report Council disclosures, Receive public testimony, Close the public hearing.
2. Find the project categorically exempt from CEQA under Section 15061(b)(3) of the CEQA Guidelines.
3. Introduce **Ordinance 527** (1<sup>st</sup> Reading).

[Item B.1. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

**Motion:** Moved by Councilmember Zito and second by Councilmember Becker to close the public hearing. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**Motion:** Moved by Councilmember Zito and second by Deputy Mayor Harless to approve. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**B.2. Public Hearing: 729 Fresca Street, Applicant: Tom Griffiths & Tania Lombrozo, Case: DRP21-011, SDP21-012 (File 0600-40)**

The proposed project could be found to be consistent with the General Plan and the underlying SBMC could be found, as conditioned, to meet the discretionary findings required as discussed in this report to approve a DRP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2022-119** conditionally approving a DRP and SDP to allow for the construction of a first-story remodel and addition and a new second story to an existing one-story, single-family residence with an attached garage at 729 Fresca Street, Solana Beach.

[Item B.2. Report \(click here\)](#)

[Item B.2. Supplemental Docs \(updated 10-11-22 at 4:45pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Tiffany Wade, Assistant Planner, presented a PowerPoint (on file) reviewing the project.

Mayor Heebner opened the public hearing.

Council disclosures.

Heidi Kohler, Applicant's designer, stated that their intention was to maintain the existing character of the home, set the 2<sup>nd</sup> story back off the street, additional bedrooms, flex space, and open area, and ventilation. She said that they would use the property for family and possible rental in the future, that they addressed neighbors' concerns by reducing the overall size of the windows on the southern exposure, changed the window sill height to six feet above the finished floor, and that the Applicant requested to add some additional glazing on

the rear elevation and the north elevation to be sure that all rooms have light from two directions.

Adrienne Davenport spoke about the building being only 6 ft. off the property line and that it was going to be used as a short-term rental property so privacy was a concern for them and their children, and asked that the windows be frosted and that they cannot be opened.

Council and Ms. Kohler discussed the windows bottom sill being 6 ft. from the finished floor.

**Motion:** Moved by Councilmember Zito and second by Councilmember Becker to closed the public hearing. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**Motion:** Moved by Deputy Mayor Harless and second by Councilmember Zito to approve with the applicant's modification raising the window sills on the southern exposure so that the bottom sill is 6 ft. from the finished floor. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**B.3. Public Hearing: 675 S. Sierra, Applicant: Seascape Condominium Homeowners Association, Case: DRP22-022** (File 0600-40)

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

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15301 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2022-122** conditionally approving a DRP to repair an existing legal nonconforming mid-bluff timber pole wall located on the coastal bluff at 675 South Sierra Avenue, Solana Beach.

[Item B.3. Report \(click here\)](#)

[Item B.3. Updated Report #1 \(added 10-12-22\)](#)

[Item B.3. Supplemental Docs \(updated 10-10-22\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Katie Benson, Sr. Planner, presented a PowerPoint (on file) reviewing the project.

Mayor Heebner opened the public hearing.

Council disclosures.

Walt Crampton, Applicant's Representative, referenced eight members in the audience as residents of the project, and presented and PowerPoint (on file) reviewing past photos of collapses back to the 1970s, some of the minor repairs over 50 years, the wall has been yielding over time and is now considered dangerous enough to fail and in need of repair, there would be limited repairs within the City's code and LCP requirements, that two steel I-beam channels would be colorized to blend in, and that there had been no previous repair to the stairs.

Council and Mr. Crampton discussed that this repair was not considered a stairway repair but instead the wall that supports the patio, that there was a 50% cumulative threshold for the stair repair from the 2014 adoption of the LUP, that there was no stairway repair since 2014, that the 2013-2014 repair was for the upper walkway and not the stairs.

**Motion:** Moved by Deputy Mayor Harless and second by Councilmember Zito to close the public hearing. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

Council discussed the DRP finding escalated to Council for a decision, that it was minimal repair work, legal non-conforming, repairs were necessary to stabilize the wall, that it would go to the Coastal Commission who is the governing authority on this matter, that the fourth finding was that the project be made to match the adjacent bluff, some internal inconsistency in the LCP that says that any change to the existing appearance should be minimized, that the policy could be interpreted both ways, and whether it was minor repairs since it was considered a safety issue.

**Motion:** Moved by Mayor Heebner and second by Councilmember Zito to approve. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

#### **WORK PLAN COMMENTS:** Comments

*Adopted June 22, 2022*

#### **COMPENSATION & REIMBURSEMENT DISCLOSURE:**

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

#### **COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES:** (outside agencies, appointed by this Council)

**STANDING COMMITTEES:** (All Primary Members) (*Permanent Committees*)

**CITIZEN COMMISSION(S)**

#### **ADJOURN:**

Mayor Heebner adjourned the meeting at 7:10 p.m.

Angela Ivey, City Clerk

Council Approved: \_\_\_\_\_



# CITY OF SOLANA BEACH

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

## MINUTES

Joint – Closed Session

Wednesday, October 26, 2022 ♦ 5:00 p.m.

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

Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.

CITY COUNCILMEMBERS			
Lesa Heebner, Mayor			
<b>Kelly Harless</b> Deputy Mayor	<b>David A. Zito</b> Councilmember District 1	<b>Jewel Edson</b> Councilmember District 3	<b>Kristi Becker</b> Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### **CALL TO ORDER AND ROLL CALL:**

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

Present: Lesa Heebner, David A. Zito, Jewel Edson, Kristi Becker  
 Absent: Kelly Harless  
 Also: Gregory Wade, City Manager  
 Present: Johanna Canlas, City Attorney

### **PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY):** None

*Report to Council Chambers and submit speaker slips to the City Clerk before the meeting recesses to closed session.*

### **CLOSED SESSION:**

#### **1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Pursuant to Government Code Section 54956.9(d)(2)

Two (2) Potential cases

**No reportable action.**

### **ADJOURN:**

Mayor Heebner adjourned the meeting at 6:05 p.m.

Angela Ivey, City Clerk

Council Approved: \_\_\_\_\_



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



# MINUTES

**Joint REGULAR Meeting**  
**Wednesday, October 26, 2022 \* 6:00 p.m.**

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

**Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.**

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

**CITY COUNCILMEMBERS**

**Lesa Heebner, Mayor**

**Kelly Harless, Deputy Mayor**

**David A. Zito, Councilmember**

**Jewel Edson, Councilmember**

**Kristi Becker, Councilmember**

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

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**CALL TO ORDER AND ROLL CALL:**

Mayor Heebner called the meeting to order at 6:15 p.m.

Present: Lesa Heebner, Kelly Harless, David A. Zito, Jewel Edson, Kristi Becker,  
Absent: None  
Also Greg Wade, City Manager  
Present: Johanna Canlas, City Attorney  
Angela Ivey, City Clerk  
Dan King, Assistant City Manager  
Mo Sammak, City Engineer/Public Works Dir.  
Joseph Lim, Community Development Dir.

**CLOSED SESSION REPORT:** None

**FLAG SALUTE:**

**APPROVAL OF AGENDA:**

**Motion:** Moved by Councilmember Zito and second by Councilmember Becker to approve.  
**Approved 4/0/1:** Ayes: Heebner, Becker, Zito, Edson. Noes: None. Absent: Harless. Motion carried.

**ORAL COMMUNICATIONS:**

Comments relating to items on this evening's agenda are taken at the time the items are heard. This portion of the agenda provides an opportunity for members of the public to address the City Council

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

Peggy Walker, San Dieguito Alliance, spoke about Red Ribbon Week which is the largest prevention activity in the country observed by school children and law enforcement.

**COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

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

**A. CONSENT CALENDAR:** (Action Items) (A.1. - A.4.)

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

**A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the City Council meetings held on September 14, 2022.

Approved Minutes <https://www.cityofsolanabeach.org/en/government/public-meetings/agendas-minutes-videos>

**Motion:** Moved by Councilmember Becker and second by Councilmember Edson to approve. **Approved 4/0/1:** Ayes: Heebner, Becker, Zito, Edson. Noes: None. Absent: Harless. Motion carried.

**A.2. Register Of Demands.** (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for September 24, 2022 – October 07, 2022.

**Item A.2. Report (click here)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Becker and second by Councilmember Edson to approve. **Approved 4/0/1:** Ayes: Heebner, Becker, Zito, Edson. Noes: None. Absent: Harless. Motion carried.

**A.3. General Fund Adopted Budget for Fiscal Year 2022/2023 Changes.** (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2022-2023 General Fund Adopted Budget.

**Item A.3. Report (click here)**

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Becker and second by Councilmember Edson to approve.  
**Approved 4/0/1:** Ayes: Heebner, Becker, Zito, Edson. Noes: None. Absent: Harless. Motion carried.

**B. PUBLIC HEARINGS:** (B.1. – B.4.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. *All other speakers should refer to the public comment section at the beginning of the agenda for time allotment.* Please be aware of the timer light on the Council Dais.

**B.1. Introduce (1<sup>st</sup> Reading) Ordinances 528 and 529 – Building Standards Code Amendments.** (File 0600-05)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project categorically exempt from CEQA pursuant to Section 15308 CEQA Guidelines.
3. Introduce **Ordinance 528** and **Ordinance 529** (1<sup>st</sup> Reading).

[Item B.1. Report \(click here\)](#)

[Item B.1. Supplemental Docs \(updated 10-26-22 at 345pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Rimga Viskanta, Sr. Mgmt Analyst, presented a PowerPoint (on file).

Mayor Heebner opened the public hearing.

Council disclosures.

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to close the public hearing. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.

**Motion:** Moved by Councilmember Zito and second by Councilmember Becker to approve. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.

**B.2. Public Hearing: 601 North Cedros, Applicant: Jones, Case: 17-19-12 DRP** (File 0600-40)

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

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2022-127** conditionally approving a DRP to demolish a single-family residence, construct a replacement 5,612 square-foot split-level single-family residence with an attached 787 square-foot Accessory Dwelling Unit (ADU) and 962 square-foot four-car tandem garage, and perform associated site improvements at 601 North Cedros Avenue, Solana Beach.

[Item B.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Councilmember Zito recused himself due to living within 500 ft. of the project.

Greg Wade, City Manager, introduced the item.

Joe Lim, Community Development Director, presented a PowerPoint (on file).

Mayor Heebner opened the public hearing.

Council disclosures.

Derek Berg, Applicant representative and designer, spoke about grading for offsite street parking and preserving a façade by sinking the garage into the lot.

**Motion:** Moved by Councilmember Becker and second by Mayor Heebner to close the public hearing. **Approved 3/0/2** Ayes: Heebner, Edson, Becker. Noes: None. Absent: Harless, Zito (recused). Motion carried.

**Motion:** Moved by Councilmember Becker and second by Councilmember Edson to approve. **Approved 3/0/2** Ayes: Heebner, Edson, Becker. Noes: None. Absent: Harless, Zito (recused). Motion carried.

**B.3. Public Hearing: 427 Canyon Dr., Applicant: Ramsey, Case: DRP21-020, SDP21-019.** (File 0600-40)

The proposed project meets the minimum zoning requirements under the SBMC, may be found to be consistent with the General Plan and may be found, as conditioned, to

meet the discretionary findings required as discussed in this report to approve a DRP and SDP. Therefore, Staff recommends that the City Council:

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15303 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2022-121** conditionally approving a DRP and SDP to construct a multi-level addition and remodel to an existing one-story, single-family residence with an attached garage and perform associated site improvements at 427 Canyon Drive, Solana Beach.

[Item B.3. Report \(click here\)](#)

[Item B.3. Supplemental Docs \(updated 10-25-22\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, introduced the item.

Tiffany Wade, Associate Planner, presented a PowerPoint (on file).

Mayor Heebner opened the public hearing.

Council disclosures.

Dylan and Tara Ramsey, Applicants, spoke about working on the project for more than 2 years to have minimal impact on the neighbors, able to agree with other neighbors, not able to come to an agreement with Shane and Kathy Noroozi, that they had made every effort to make everyone in the area happy.

Andy Crocker, Applicant's Architect, presented a PowerPoint (on file).

Mr. and Mrs. Noroozi, Claimant, presented a PowerPoint (on file) and asked that the project be continued due to the draft meeting minutes, that the View Assessment Commission recording was not clear and defective, ambiguous explanations, and the denial of their appeal. They said that the View Assessment Commission had a motion and second outlining some items including additional requests for reducing bulk and mass, alignment with the daylight plan, reducing the view impact on the existing view corridor, limiting height vegetation, masking the noise of the pool and a/c equipment, limiting structures on the balcony, and that the View Assessment Commission conditions had not been met. They made suggestions to address height, reduce scale, lower roof pitch, shift the structure, minimize the impact on their view occurring in various rooms of their house, and said that they do not think that findings 1, 2, and 3 were met.

Michael Newhouse spoke about living up the slope from the project, that the original addition would have significantly impaired their views, that the Ramseys has a need to add room for a family, that they had a small house and small lot, that they had compromised a great deal to please all of the neighbors, the area was originally single story homes, that all remodels have brought 2<sup>nd</sup> story homes, that this project was one of the last single story homes in the area,

they were surrounded by 2<sup>nd</sup> story structures, that maintaining a primary view becomes a possessive issue, that he had lived on his property over 50 years, the Ramsey's had been thoughtful, patient, and communicative, they had repeatedly retreated from their original plans and now gone underground, and that they should not be punished just because they are recent home owners.

Council and Mr. Newhouse spoke about a shift of the project to the north would notably affect his and other neighbors' views further.

Mr. Croker, rebuttal, stated that they had been communicating with the Noroozi's in good faith over a long period, that they had presented new issues and ideas today that were not shared in the past, that the story pole was not official but instead put up as an alert to the neighborhood, that the Noroozi's already had 2<sup>nd</sup> story house on the set back and a large project addition as well, and that it should not be harder for newer families in the area than those who had been there longer.

Council and Mr. Crocker discussed that the View Assessment Commission agreed to a flat roof but that the applicant did not prefer to do this because it would not ease Noroozi's concerns or would be aesthetically pleasing, that the ceiling was slightly vaulted with a 9/6 ridge height underneath, that the applicant agreed to add obscured glass to the windows, and to shift the solid stucco railing wall 3 ft. to the north to align with the proposed second floor south wall to aid in privacy.

Council each disclosed their primary viewing area to be the primary family room and that they could all make the findings for the SDP.

Council discussed the DRP and privacy concerns, pushing back the pop out alcove in the bath on the second story master bedroom, concerns with the mass and bulk, balancing the right to develop with the impact on the surrounding properties, flattening the roof as discussed at the View Assessment Commission, and that the flattening of the roof would not suit the character of the project.

**Motion:** Moved by Councilmember Becker and second by Councilmember Edson to close the public hearing. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.

**Motion:** Moved by Councilmember Edson and second by Councilmember Zito to approve adding conditions to 1) shift the stucco wall railing 3 ft. to the north to align with a proposed second floor south wall, 2) that obscure glass be required on the south facing second story windows, 3) that the master bath alcove be pushed west to align with the balance of the western bathroom wall, 4) that no permanent fixtures be allowed on the deck, 5) that the hedge vegetation height not exceed 12 ft. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.



**B.4. Public Hearing: Community Development Block Grant (CDBG) Funding and Amended Locations for Americans with Disabilities Act (ADA) Pedestrian Ramp Improvements – Fiscal Year 2023/24.** (File 0820-20)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, Close the Public Hearing.
2. Adopt **Resolution 2022-120**:
  - a. Finding that the funding request and project implementation are exempt from the California Environmental Quality Act pursuant to the State CEQA Guidelines.
  - b. Approving the Fiscal Year (FY) 2023/24 list of public street ADA ramp locations.
  - c. Requesting Fiscal Year (FY) 2023/24 Community Development Block Grant Funds for ADA pedestrian ramp improvements at various public street intersections.
  - d. Authorizing the City Manager to execute the County contract for management and implementation of the CDBG program.
3. Adopt **Resolution 2022-125**:
  - a. Finding that the funding request and project implementation are exempt from the California Environmental Quality Act pursuant to the State CEQA Guidelines.
  - b. Approving the Fiscal Year (FY) 2022/23 amended list of public street ADA ramp locations.

[Item B.4. Report \(click here\)](#)

[Item B.4. Updated Report #1 \(added 10-25-22 at 4:45pm\)](#)

[Item B.4. Updated Report #2 \(added 10-26-22 at 8:45am\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, presented a PowerPoint (on file).

Mayor Heebner opened the public hearing.

Council disclosures.

Council and Staff discussed the consideration of the list of intersections needing ramps listed at a past presentation of the Safe Routes to School.

**Motion:** Moved by Councilmember Zito and second by Mayor Heebner to close the public hearing. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.

**Motion:** Moved by Councilmember Zito and second by Councilmember Becker to approve. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.

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

**Note to Public:** Refer to [Public Participation](#) for information on how to submit public comment.

Any member of the public may address the City Council on an item of concern by submitting written correspondence for the record to be filed with the record or by registering to join the virtual meeting

online to speak live, per the Public Participation instructions on the Agenda. The maximum time allotted for each speaker is THREE MINUTES (SBMC 2.04.190).

**C.1. Adopt (2<sup>nd</sup> Reading) Ordinance 527 - 2022 California Building and Fire Code Updates** (File 0600-10)

Recommendation: That the City Council

1. Adopt **Ordinance 527** (2<sup>nd</sup> Reading) amending Title 15 of the Solana Beach Municipal Code.

[Item C.1. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Johanna Canlas, City Attorney, recited the title.

**Motion:** Moved by Councilmember Edson and second by Councilmember Zito to close the public hearing. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.

**Motion:** Moved by Councilmember Zito and second by Councilmember Becker to approve. **Approved 4/0/1** Ayes: Heebner, Zito, Edson, Becker. Noes: None. Absent: Harless. Motion carried.

**WORK PLAN COMMENTS:**

*Adopted June 22, 2022*

**COMPENSATION & REIMBURSEMENT DISCLOSURE:**

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

**COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES:** (outside agencies, appointed by this Council)

**STANDING COMMITTEES:** (All Primary Members) (*Permanent Committees*)

**CITIZEN COMMISSION(S)**

**ADJOURN:**

Mayor Heebner adjourned the meeting at 8:14 p.m.

Angela Ivey, City Clerk

Council Approved: \_\_\_\_\_



# CITY OF SOLANA BEACH

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

## MINUTES

Joint – Closed Session

Wednesday, November 09, 2022 ♦ 5:00 p.m.

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

Minutes contain a summary of significant discussions and formal actions taken at a City Council meeting.

CITY COUNCILMEMBERS			
Lesa Heebner, Mayor			
<b>Kelly Harless</b> Deputy Mayor	<b>David A. Zito</b> Councilmember District 1	<b>Jewel Edson</b> Councilmember District 3	<b>Kristi Becker</b> Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### **CALL TO ORDER AND ROLL CALL:**

Mayor Heebner called the meeting to order at 5:03 p.m.

Present: Lesa Heebner, Kelly Harless, David A. Zito, Jewel Edson, Kristi Becker

Absent: None

Also: Gregory Wade, City Manager

Present: Johanna Canlas, City Attorney

### **PUBLIC COMMENT ON CLOSED SESSION ITEMS (ONLY):** None

*Report to Council Chambers and submit speaker slips to the City Clerk before the meeting recesses to closed session.*

### **CLOSED SESSION:**

#### **1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Pursuant to Government Code Section 54956.9(d)(1)

- Fomon v. City of Solana Beach (37-2022-00037594-CU-WM-CTL)

**No reportable action.**

### **ADJOURN:**

Mayor Heebner adjourned the meeting at 5:50 p.m.

Angela Ivey, City Clerk

Council Approved: \_\_\_\_\_

# CITY OF SOLANA BEACH

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



## MINUTES

Joint REGULAR Meeting  
Wednesday, November 09, 2022 \* 6:00 p.m.

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

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### CITY COUNCILMEMBERS

**Lesa Heebner**, Mayor

**Kelly Harless**, Deputy Mayor

**David A. Zito**, Councilmember

**Jewel Edson**, Councilmember

**Kristi Becker**, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

### CALL TO ORDER AND ROLL CALL:

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

Present: Lesa Heebner, Kelly Harless, David A. Zito, Jewel Edson, Kristi Becker,

Absent: None

Also Greg Wade, City Manager

Present: Johanna Canlas, City Attorney

Angela Ivey, City Clerk

Dan King, Assistant City Manager

Mo Sammak, City Engineer/Public Works Dir.

Joseph Lim, Community Development Dir.

### CLOSED SESSION REPORT: None

### FLAG SALUTE:

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

Santa Fe Irrigation District – Lake Hodges

Al Lau, General Manager, and Seth Gates, Administrative Services Manager, of Santa Fe Irrigation District, presented a PowerPoint (on file). They spoke about the agency, Lake Hodges repair work, and the impact of the repairs to the cost of the service/water rates.

Council and speakers discussed that most of Solana Beach was in Tier 1, at 32 units on a bimonthly basis or approximately 750 gallons, because of its low use, that options were being explored on how San Diego might be charged for the higher use offsetting the lower user's cost, how and when reserves are used as a rate stabilizer, that Poseidon's desalination

plant was currently near \$3,000 per acre-foot, that they were exploring other water sources such as recycling including potable reuse, restoring the local water rights, compliance with California's Proposition 218 as related to cost of service, continuing to use the data to drive and develop the tiers to match customer size and use, and automated meters.

### **APPROVAL OF AGENDA:**

**Motion:** Moved by Deputy Mayor Harless and second by Councilmember Edson to approve. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

### **ORAL COMMUNICATIONS:**

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

Peter Cohen thanked the Council for their work.

Lisa Montes spoke about the Solana Highlands demolition and renovation, that there are families in those 190 apartments that are being displaced, the need to assist some of these families to stay nearby for school and work, and that she was here to help translate for some of them to address Council.

Cadsandra Castillo spoke about living in Solana Highlands, volunteering at the Dia de los Meurtos event, and not wanting to leave the area since she grew up there and goes to school there and is involved in groups and clubs.

Saul Castillo spoke about living in Solana Highlands and that really liked his school and wanted to stay.

Estafani Castillo spoke about living in Solana Highlands, that he was in the 11<sup>th</sup> grade at Torrey Pines High School, learning English, being involved in clubs and recreation, loving the community, and how he would like to stay in Solana Beach.

Alicia Campos spoke about her grandkids living here and going to school, their not wanting to go back to places they lived before because it was unsafe, the kids being depressed having to think about leaving this environment, all other apartments had long waiting lists, her growing up here and going to Skyline, working nearby at UCSD, feeling safe in this community, the many families with the same situation, and how some families were scared to come and speak.

Charlie Cruz spoke about being a resident of Solana Highlands with a park nearby and his school Earl Warren, many families relying on this location because there were no other affordable options in the area, the area having a park and a corner store, and the difficulty in converting their lifestyle to something far away and completely different.

Maria Cadenas spoke about not wanting to leave the area because she has a doctor nearby, shopping, medication, and a senior citizen group.

Irma Duran spoke about having three children at schools in Solana Beach that were involved in the community, having her doctor and job here, and not wanting to leave the community.

Oscar Castillo spoke about attending Skyline and living in Solana Highlands, not wanting to leave the area, having a lot of friends and wanting to graduate from Skyline to Earl Warren, and his mom having her job nearby.

Council discussed that the project was approved doubling the living units as the State requires the City to build more housing, the new places being more expensive, the additional 32 affordable units, have talked to Supervisor Terra Lawson-Remir to discuss possible relocation funds for those displaced, that students would usually be allowed to finish out the school year at the same school, that Fenton/Solana Highlands gave a one year notice, that they would offer a relocation fee of equal to one month's rent to anyone who had a 12-month or longer lease, that they would be giving those displaced priority to some of their other properties in San Diego county, and priority at the newly built Solana Highlands, and asked the community to share any local rental options with the Mayor that would be passed on to these families, and their appreciation for the speakers.

### **COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:**

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

#### **A. CONSENT CALENDAR:** (Action Items) (A.1. - A.4.)

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

*All speakers should refer to the public comment section at the beginning of the agenda for details. Please be aware of the timer light on the Council Dais.*

#### **A.1. Minutes of the City Council.**

Recommendation: That the City Council

1. Approve the Minutes of the City Council meetings held on September 28, 2022.

Approved Minutes <https://www.cityofsolanabeach.org/en/government/public-meetings/agendas-minutes-videos>

**Motion:** Moved by Councilmember Edson and second by Councilmember Becker to approve. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

#### **A.2. Register Of Demands.** (File 0300-30)

Recommendation: That the City Council



1. Ratify the list of demands for October 08, 2022 – October 21, 2022.

[Item A.2. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Edson and second by Councilmember Becker to approve.

**Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**A.3. General Fund Adopted Budget for Fiscal Year 2022/2023 Changes.** (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2022-2023 General Fund Adopted Budget.

[Item A.3. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Edson and second by Councilmember Becker to approve.

**Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**A.4. Sewer & Storm Drain Rehabilitation Project – Notice of Completion.** (File 1040-26)

Recommendation: That the City Council

1. Adopt **Resolution 2022-126:**
  - a. Authorizing the City Council to accept, as complete, the Sewer & Storm Drain Rehabilitation Project, Bid No. 2021-03, performed by Nu-Line Technologies.
  - b. Authorizing the City Clerk to file a Notice of Completion.

[Item A.4. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

**Motion:** Moved by Councilmember Edson and second by Councilmember Becker to approve.

**Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**B. PUBLIC HEARINGS:** (B.1.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designee(s) for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. *All other speakers should refer to the public comment section at the beginning of the agenda for time allotment.* Please be aware of the timer light on the Council Dais.

**B.1. Public Hearing: 632 Marvista Dr., Applicant: Douglas App, Case: MOD22-002**  
(File 0600-40)

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

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Section 15301 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2022-128** conditionally approving a modification to the DRP and SDP to add three pop-ups to the lower-level eastern roof at 632 Marvista Drive, Solana Beach.

[Item B.1. Report \(click here\)](#)

[Item B.1. Supplemental Docs \(updated 11-09-22 at 2pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Joe Lim, Community Development Director, presented a PowerPoint (on file).

Mayor Heebner opened the public hearing.

Council disclosures.

Council and Staff discussed the pop ups sticking out beyond the area of the original project which was over 16 ft. and story poled, that the additional height required story poles and a view assessment, and that the pop ups did not exceed 17 inches above the finished surface of the roof.

Brian Church, Applicant's Architect, spoke about the construction next door discovering that the ADU and the roof deck had a view into the master bedroom and bath so they solved the issue with roller shades for privacy which changed the direction of the roof framing which caused an issue with room for the HVAC fan coil units.

Council and Applicant discussed that the concern in the original project HVAC unit noise concern was fixed by putting the units on the ground rather than the roof and that only the HVAC blower would be on the roof as well as enclosed.

**Motion:** Moved by Councilmember Zito and second by Mayor Heebner to close the public hearing. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

Council discussed that the issue arose due to an unexpected change, that the solar panels were not going to exceed 17 inches in height, and that Council needs to consider how to handle these types of unexpected changes in future projects.

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to approve. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**C. STAFF REPORTS:** (C.1. – C.3.)

*Submit speaker slips to the City Clerk.*

*All speakers should refer to the public comment section at the beginning of the agenda for time allotments. Please be aware of the timer light on the Council Dais.*

**C.1. Outdoor Dining Regulations Discussion.** (File 600-10)

Recommendation: That the City Council

1. Provide direction regarding outdoor dining/sidewalk café regulations.

[Item C.1. Report \(click here\)](#)

[Item C.1. Supplemental Docs \(updated 11-09-22 at 4pm\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Greg Wade, City Manager, presented a PowerPoint (on file) reviewing the history of the COVID Temporary Use Permit policy.

Marie Brawn said she and her husband own Homestead Solana Beach, that they appreciated the outdoor use permit that helped them stay in business, that they would ask Council to make it permanent, and that they were united with other restauranters to make Solana Beach a destination for travelers and residents.

Shawna McGarry said that she looked forward to working on requirements and standards for permanent outdoor seating in Solana Beach, appreciated the temporary use thus far, the benefit to quality of life, that people loved to eat outside, that commercial spaces need to adapt land use codes in Solana Beach for the use of space, that businesses would thrive if outdoor seating is maintained and would support a more sustainable environmental, to encourage people to use e-bikes to travel to restaurants and bars leaving more parking for those who want to drive, that there are many empty parking spots around the City, and that the commercial areas close to the coast around Highway 101 should more focused on a walking community.

Council discussed recognizing the benefits that outdoor dining had on the community, that Council needed to decide what to do as this would be expiring, making it a permanent feature of the community, some more work may need to be done for the code, standards to consider for a permanent policy, a Council subcommittee to work together to bring back for a permanent solution, timeline for a year until it can be finished, to consider Zito and Edson for a committee since they serve on the Business Liaison Committee, that outdoor dining made the City more inviting, to address the importance of businesses and neighbors' concerns with parking and noise, to restrict to only dining establishments for now, look at parking requirements to support these types of businesses, whether to open it up to new businesses, some parking spaces being used temporarily are public parking and may conflict with the Coastal Commissions requirements of public parking near the coast, keeping the sidewalk clear, and extending the temporary permit for year while a subcommittee works on more permanent code changes.

**Motion:** Moved by Councilmember Zito and second by Councilmember Edson to extend it for one year and limit it to establishments that serve food. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

**C.2. This item number was intentionally skipped.**

**C.3. Adopt (2<sup>nd</sup> Reading) Ordinances 528 and 529 – Building Standards Code Amendments.** (File 0600-05)

Recommendation: That the City Council

1. Adopt **Ordinance 528 and Ordinance 529** amending Title 15 of the Solana Beach Municipal Code.

[Item C.3. Report \(click here\)](#)

*Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.*

Johanna Canlas, City Attorney, read the title of the ordinance.

**Motion:** Moved by Deputy Mayor Harless and second by Councilmember Becker to approve. **Approved 5/0.** Ayes: Heebner, Harless, Zito, Edson, Becker. Noes: None. Motion carried unanimously.

#### **WORK PLAN COMMENTS:**

*Adopted June 22, 2022*

#### **COMPENSATION & REIMBURSEMENT DISCLOSURE:**

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

#### **COUNCIL COMMITTEE REPORTS:** [Council Committees](#)

**REGIONAL COMMITTEES:** (outside agencies, appointed by this Council)

**STANDING COMMITTEES:** (All Primary Members) (*Permanent Committees*)

**CITIZEN COMMISSION(S)**

#### **ADJOURN:**

Mayor Heebner adjourned the meeting at 7:56 p.m.

Angela Ivey, City Clerk,

Council Approved: \_\_\_\_\_



# STAFF REPORT

## CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** December 9, 2022  
**ORIGINATING DEPT:** City Manager's Department  
**SUBJECT:** **City Council Consideration of Resolution 2022-134 Amending the Current Fiscal Year (FY) 2022/2023 Management Salary Schedule (Schedule 1) and Adjusting the Seasonal/Temporary Salary Schedule (Schedule 6) in Accordance with the State of California Minimum Wage Requirements**

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### **BACKGROUND:**

In accordance with the City's Personnel Rules and Regulations Section 8.10, the City Council authorizes and approves all salary and benefit plans for employees and establishes salary ranges pursuant to recommendation by the City Manager. Salary and benefits for non-represented employees (confidential, management and seasonal/part-time employees) are included in the salary and compensation plans approved by the City Council each fiscal year. The City Council must approve a Salary and Compensation Plan for all employees to coincide with fiscal appropriations of a new fiscal year and new budget. Subsequent revisions to the adopted Salary and Compensation Plan are recommended by the City Manager pursuant to City Personnel Rules and approved by the City Council.

It is the responsibility of the City Manager to consistently engage in organizational analysis of various City operations to improve efficiency and effectiveness and ensure the most economical means of conducting business is achieved. Section 2.08.070, Section D, of the Solana Beach Municipal Code (SBMC), "Powers and Duties (of City Manager)" Administrative Reorganization of Offices, states:

*It shall be the duty and responsibility of the City Manager to conduct studies and effect such administrative reorganization of offices, positions or units under the City Manager's direction as may be indicated in the interest of efficient, effective*

COUNCIL ACTION:

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*and economical conduct of the City's business.*

On September 14, 2022, the City Council adopted the Fiscal Year (FY) 2022/2023 Salary and Compensation Plans for all represented and non-represented employees.

The minimum wage in the State of California is set to increase from \$15.00 per hour in 2022 to \$15.50 per hour beginning on January 1, 2023.

Additionally, after further review of the current Management Employees' Salary Schedule (Schedule 1), it was determined that after the 3% cost of living (COLA) adjustment, the actual salary of the current employee in the Principal Civil Engineer position was more than the maximum range of his position.

This item is before the City Council to consider adoption of Resolution 2022-134 (Attachment 1), which would:

1. Approve the adjustment of the maximum salary band for the Principal Civil Engineer position at the current M4 pay grade and move the position to pay grade M4-A and incorporate these changes into the Management Employees' Salary and Classification Plan (Schedule 1).
2. Approve the updated FY 2022/2023 Seasonal/Temporary Salary Schedule (Schedule 6) to account for the increase in minimum wage requirements, and to authorize the City Manager to make any future necessary changes to the City's salary schedules to remain in compliance with applicable State and/or Federal laws.

## **DISCUSSION:**

### **Current Principal Civil Engineer Salary Band Adjustment**

The current Principal Civil Engineer position is listed on the FY 2022/2023 Management Employees' Salary and Classification Plan (Schedule 1) under pay grade M4 with an annual salary range of \$89,772.80 to \$134,659.20 (Attachment 2). As discussed above, the FY 2022/2023 Management Employees' Salary and Classification Plan was adjusted to reflect the FY 2022/2023 COLA adjustments. After further review, it was discovered that after the COLA adjustment on July 2, 2022, the annual salary for the incumbent in the Principal Civil Engineer position increased to \$135,054.40 per year, which placed his annual salary above the maximum range of the position.

Staff is recommending that the Principal Civil Engineer position be moved to pay grade M4-A in order to bring the current incumbent within the appropriate salary band for the position. After the increase, the new salary band for the Principal Civil Engineer will be \$98,737.60 to \$148,096.00 (Attachment 3).

Calendar Year 2023 Minimum Wage

The minimum wage in the State of California is scheduled to increase from \$15.00 per hour in 2022 to \$15.50 per hour beginning on January 1, 2023. A history of past and future minimum wage amounts per hour is listed below:

**Minimum Wage History**

1/1/2019	\$12.00/hour
1/1/2020	\$13.00/hour
1/1/2021	\$14.00/hour
1/1/2022	\$15.00/hour
1/1/2023	\$15.50/hour

The current FY 2022/2023 Part-Time/Temporary/Seasonal Salary (Schedule 6) (Attachment 4) must be updated to comply with the State of California's minimum wage requirements for Calendar Year 2023 (Attachment 5). Each calendar year on January 1<sup>st</sup>, the City must continue to update impacted salary schedules to meet the State's minimum wage requirements.

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The increases in the FY 2022/2023 Management and Part-Time/Temporary/Seasonal Salary Schedules will result in approximately \$3,374 in additional salary and benefit costs to the General Fund through the end of this fiscal year. Thereafter, the total annual General Fund Budget increase will be \$9,515 per fiscal year.

This additional cost will be appropriated in the Mid-Year Budget.

**WORK PLAN:** N/A

**OPTIONS:**

- Approve Staff recommendation.
- Approve Staff recommendation with modifications.
- Do not approve Staff recommendations
- Provide direction / feedback.



**DEPARTMENT RECOMMENDATION:**

Staff recommends the City Council adopt Resolution 2022-134 approving the amendments to the FY 2022/2023 Management Salary Schedule (Schedule 1) and Part-Time/Temporary/Seasonal Salary Schedule (Schedule 6) and authorize the City Manager to make any subsequent changes to the Salary Schedule in accordance with applicable laws.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager

Attachments:

1. Resolution 2022-134
2. Current 2022/2023 Management Salary Schedule (Schedule 1)
3. Updated 2022/2023 Management Salary Schedule (Schedule 1)
4. Current 2022/2023 Part-Time/Temporary/Seasonal Salary (Schedule 6)
5. Updated Part-Time/Temporary/Seasonal Employees Salary (Schedule 6)

## RESOLUTION 2022-134

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING THE AMENDMENTS TO THE FY 2022/2023 MANAGEMENT AND PART-TIME/TEMPORARY/SEASONAL SALARY SCHEDULES

**WHEREAS**, the City Council authorizes all salary and compensation plans (Section 8.10 of the City's Personnel Rules and Regulations); and

**WHEREAS**, the City Council approved and adopted the FY 2022/2023 salary and compensation plan for all employees on September 14, 2022; and

**WHEREAS**, the Management salary schedule has been updated to reflect amendments to pay grades M4 and M4-A; and

**WHEREAS**, the State of California minimum wage requirements for calendar year 2023 has increased to fifteen dollars and fifty cents per hour; and

**WHEREAS**, the part-time/temporary/seasonal salary schedule has been amended to reflect the new State of California minimum wage requirements; and

**WHEREAS**, the City Manager is authorized to make any future necessary changes to the City's salary schedules to remain in compliance with applicable State and/or Federal laws; and

**WHEREAS**, the City Council has reviewed and considered the City Manager's recommendations for salary and compensation plans and is prepared to approve and adopt the amended mentioned FY 2022/2023 Salary Schedules as recommended.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the foregoing recitations are true and correct.
2. The amendments to the FY 2022/2023 Salary and Compensation Plans are as follows:
  - A. Management Salary Schedule (Schedule 1):
    - i. Amend the pay grade M4 and move the Principal Civil Engineer position to pay grade M4-A
  - B. Part-Time/Seasonal/Temporary Salary Schedule (Schedule 6):
    - i. Amended salary ranges to reflect the new State of California minimum wage requirements and to remain competitive in the market place
3. Authorize the City Manager to make future necessary changes to the City's salary schedules to remain in compliance with applicable State and/or Federal laws and to maintain appropriate separation of job classifications.

4. Except as identified above, the terms of the FY 2022/2023 Salary and Compensation Plans shall continue in full force and effect for all employees.

A. Term:

- I. The amended FY 2022/2023 Management Salary Schedule (Schedule 1) shall be effective as of December 3, 2022.
- II. The amended FY 2022/2023 Part-Time/Seasonal/Temporary Salary Schedule (Schedule 6) shall be effective as of January 1, 2023, for all part-time/seasonal/temporary employees, and will remain in effect until December 31, 2023.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of December 2022, at a special meeting of the City Council of the City of Solana Beach, California, by the following vote:

AYES: Councilmembers –

NOES: Councilmembers –

ABSENT: Councilmembers –

ABSTAIN: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

SALARY SCHEDULE 1

JULY 2, 2022

Pay Grade	Job Classifications	Frequency	Minimum	25th Percentile	Midpoint	75th Percentile	Maximum
M1	Management Analyst	Annual	\$64,854.40	\$74,568.00	\$84,302.40	\$94,036.80	\$103,750.40
	Human Resources Analyst	Monthly	\$5,405	\$6,214	\$7,025	\$7,836	\$8,646
	Recreation Supervisor	Bi-weekly	\$2,702	\$3,107	\$3,513	\$3,918	\$4,323
	Executive Assistant to City Manager/Council Public Works Supervisor	Hourly	\$31.18	\$35.85	\$40.53	\$45.21	\$49.88
M2	Deputy City Clerk	Annual	\$74,193.60	\$83,470.40	\$92,726.40	\$102,003.20	\$111,280.00
	Senior Human Resources Analyst	Monthly	\$6,183	\$6,956	\$7,727	\$8,500	\$9,273
	Senior Management Analyst	Bi-weekly	\$3,091	\$3,478	\$3,864	\$4,250	\$4,637
		Hourly	\$35.67	\$40.13	\$44.58	\$49.04	\$53.50
M3	Network System Engineer	Annual	\$81,598.40	\$91,811.20	\$102,003.20	\$112,195.20	\$122,408.00
	Senior Accountant	Monthly	\$6,800	\$7,651	\$8,500	\$9,350	\$10,201
	Senior Civil Engineer	Bi-weekly	\$3,400	\$3,825	\$4,250	\$4,675	\$5,100
	Senior Planner	Hourly	\$39.23	\$44.14	\$49.04	\$53.94	\$58.85
M4	Human Resources Manager	Annual	\$89,772.80	\$100,984.00	\$112,195.20	\$123,427.20	\$134,659.20
	Information Technology Manager	Monthly	\$7,481	\$8,415	\$9,350	\$10,286	\$11,222
	Principal Civil Engineer	Bi-weekly	\$3,741	\$4,208	\$4,675	\$5,143	\$5,611
	Principal Planner	Hourly	\$43.16	\$48.55	\$53.94	\$59.34	\$64.74
	Public Works Operations Manager Recreation Manager Risk Manager						
M4-A	Assistant to the City Manager	Annual	\$98,737.60	\$111,092.80	\$123,427.20	\$135,761.60	\$148,096.00
	Finance Manager	Monthly	\$8,228	\$9,258	\$10,286	\$11,313	\$12,341
		Bi-weekly	\$4,114	\$4,629	\$5,143	\$5,657	\$6,171
		Hourly	\$47.47	\$53.41	\$59.34	\$65.27	\$71.20
M5	Fire Battalion Chief (2912 annual hours)	Annual	\$102,094.72	\$114,849.28	\$127,632.96	\$140,358.40	\$153,142.08
		Monthly	\$8,508	\$9,571	\$10,636	\$11,697	\$12,762
		Bi-weekly	\$4,254	\$4,785	\$5,318	\$5,848	\$6,381
		Hourly	\$35.06	\$39.44	\$43.83	\$48.20	\$52.59
M6	Marine Safety Captain	Annual	\$108,617.60	\$122,200.00	\$135,761.60	\$149,344.00	\$162,926.40
		Monthly	\$9,051	\$10,183	\$11,313	\$12,445	\$13,577
		Bi-weekly	\$4,526	\$5,092	\$5,657	\$6,223	\$6,789
		Hourly	\$52.22	\$58.75	\$65.27	\$71.80	\$78.33
M6-A	Fire Battalion Chief (2080 annual hours)	Annual	\$112,299.20	\$126,339.20	\$140,379.20	\$154,398.40	\$168,459.20
		Monthly	\$9,358	\$10,528	\$11,698	\$12,867	\$14,038
		Bi-weekly	\$4,679	\$5,264	\$5,849	\$6,433	\$7,019
		Hourly	\$53.99	\$60.74	\$67.49	\$74.23	\$80.99
M7	Deputy Fire Chief	Annual	\$114,878.40	\$132,121.60	\$149,344.00	\$166,587.20	\$183,809.60
		Monthly	\$9,573	\$11,010	\$12,445	\$13,882	\$15,317
		Bi-weekly	\$4,787	\$5,505	\$6,223	\$6,941	\$7,659
		Hourly	\$55.23	\$63.52	\$71.80	\$80.09	\$88.37
M8	Administrative Services Director/Assistant City Manager	Annual	\$126,360.00	\$145,308.80	\$164,278.40	\$183,248.00	\$202,196.80
	City Clerk	Monthly	\$10,530	\$12,109	\$13,690	\$15,271	\$16,850
	City Engineer/Public Works Director	Bi-weekly	\$5,265	\$6,055	\$6,845	\$7,635	\$8,425
	Community Development Director Fire Chief	Hourly	\$60.75	\$69.86	\$78.98	\$88.10	\$97.21
	Finance Director/City Treasurer Human Resources Director Information Technology Director						

EXECUTIVE MANAGEMENT AND MANAGEMENT EMPLOYEES  
 SALARY SCHEDULE 1  
 EFFECTIVE DECEMBER 3, 2022

Pay Grade	Job Classifications	Frequency	Minimum	25th Percentile	Midpoint	75th Percentile	Maximum
M1	Management Analyst	Annual	\$64,854.40	\$74,568.00	\$84,302.40	\$94,036.80	\$103,750.40
	Human Resources Analyst	Monthly	\$5,405	\$6,214	\$7,025	\$7,836	\$8,646
	Recreation Supervisor	Bi-weekly	\$2,702	\$3,107	\$3,513	\$3,918	\$4,323
	Executive Assistant to City Manager/Council Public Works Supervisor	Hourly	\$31.18	\$35.85	\$40.53	\$45.21	\$49.88
M2	Deputy City Clerk	Annual	\$74,193.60	\$83,470.40	\$92,726.40	\$102,003.20	\$111,280.00
	Senior Human Resources Analyst	Monthly	\$6,183	\$6,956	\$7,727	\$8,500	\$9,273
	Senior Management Analyst	Bi-weekly	\$3,091	\$3,478	\$3,864	\$4,250	\$4,637
		Hourly	\$35.67	\$40.13	\$44.58	\$49.04	\$53.50
M3	Network System Engineer	Annual	\$81,598.40	\$91,811.20	\$102,003.20	\$112,195.20	\$122,408.00
	Senior Accountant	Monthly	\$6,800	\$7,651	\$8,500	\$9,350	\$10,201
	Senior Civil Engineer	Bi-weekly	\$3,400	\$3,825	\$4,250	\$4,675	\$5,100
	Senior Planner	Hourly	\$39.23	\$44.14	\$49.04	\$53.94	\$58.85
M4	Human Resources Manager	Annual	\$89,772.80	\$100,984.00	\$112,195.20	\$123,427.20	\$135,054.40
	Information Technology Manager	Monthly	\$7,481	\$8,415	\$9,350	\$10,286	\$11,255
	Principal Planner	Bi-weekly	\$3,741	\$4,208	\$4,675	\$5,143	\$5,627
	Public Works Operations Manager Recreation Manager Risk Manager	Hourly	\$43.16	\$48.55	\$53.94	\$59.34	\$64.93
M4-A	Assistant to the City Manager	Annual	\$98,737.60	\$111,092.80	\$123,427.20	\$135,761.60	\$148,096.00
	Finance Manager	Monthly	\$8,228	\$9,258	\$10,286	\$11,313	\$12,341
	Principal Civil Engineer	Bi-weekly	\$4,114	\$4,629	\$5,143	\$5,657	\$6,171
		Hourly	\$47.47	\$53.41	\$59.34	\$65.27	\$71.20
M5	Fire Battalion Chief (2912 annual hours)	Annual	\$102,094.72	\$114,849.28	\$127,632.96	\$140,358.40	\$153,142.08
		Monthly	\$8,508	\$9,571	\$10,636	\$11,697	\$12,762
		Bi-weekly	\$4,254	\$4,785	\$5,318	\$5,848	\$6,381
		Hourly	\$35.06	\$39.44	\$43.83	\$48.20	\$52.59
M6	Marine Safety Captain	Annual	\$108,617.60	\$122,200.00	\$135,761.60	\$149,344.00	\$162,926.40
		Monthly	\$9,051	\$10,183	\$11,313	\$12,445	\$13,577
		Bi-weekly	\$4,526	\$5,092	\$5,657	\$6,223	\$6,789
		Hourly	\$52.22	\$58.75	\$65.27	\$71.80	\$78.33
M6-A	Fire Battalion Chief (2080 annual hours)	Annual	\$112,299.20	\$126,339.20	\$140,379.20	\$154,398.40	\$168,459.20
		Monthly	\$9,358	\$10,528	\$11,698	\$12,867	\$14,038
		Bi-weekly	\$4,679	\$5,264	\$5,849	\$6,433	\$7,019
		Hourly	\$53.99	\$60.74	\$67.49	\$74.23	\$80.99
M7	Deputy Fire Chief	Annual	\$114,878.40	\$132,121.60	\$149,344.00	\$166,587.20	\$183,809.60
		Monthly	\$9,573	\$11,010	\$12,445	\$13,882	\$15,317
		Bi-weekly	\$4,787	\$5,505	\$6,223	\$6,941	\$7,659
		Hourly	\$55.23	\$63.52	\$71.80	\$80.09	\$88.37
M8	Administrative Services Director/Assistant City Manager	Annual	\$126,360.00	\$145,308.80	\$164,278.40	\$183,248.00	\$202,196.80
	City Clerk	Monthly	\$10,530	\$12,109	\$13,690	\$15,271	\$16,850
	City Engineer/Public Works Director	Bi-weekly	\$5,265	\$6,055	\$6,845	\$7,635	\$8,425
	Community Development Director Fire Chief	Hourly	\$60.75	\$69.86	\$78.98	\$88.10	\$97.21
	Finance Director/City Treasurer Human Resources Director						

TEMPORARY/PART-TIME/SEASONAL EMPLOYEES

SALARY SCHEDULE 6

JULY 2, 2022

Pay Grade		Job Classification	Step A	Step B	Step C	Step D	Step E
PTS	41	Lifeguard Intern	\$15.00	\$15.75	\$16.54	\$17.36	\$18.23
		Junior Lifeguard Intern					
		Junior Lifeguard Instructor I (non-lifeguard)					
PTS	58	Lifeguard	\$17.76	\$18.65	\$19.59	\$20.56	\$21.59
		Junior LG Instructor II					
		Management Intern					
		Temporary Administrative Assistant					
		Parking Enforcement Officer					
Recreation Leader I							
PTS	63	Lifeguard + EMT	\$18.67	\$19.60	\$20.58	\$21.61	\$22.69
		Junior LG Instructor II + EMT					
		Recreation Leader II					
PTS	75	Temporary Maintenance Worker I	\$21.04	\$22.09	\$23.20	\$24.35	\$25.57
PTS	76	Temporary Firefighter/Paramedic	\$21.25	\$22.31	\$23.43	\$24.60	\$25.83
PTS	77	Temporary Planning Technician	\$21.46	\$22.53	\$23.66	\$24.84	\$26.09
		Temporary Engineering Technician					
PTS	82	Temporary Administrative Technician	\$22.56	\$23.68	\$24.87	\$26.11	\$27.42
		Jr. Lifeguard Administrative Technician					
PTS	83	Recreation Leader III	\$22.78	\$23.92	\$25.12	\$26.37	\$27.69
		Senior Lifeguard					
PTS	86	Temporary Code Compliance Officer Assistant	\$23.47	\$24.65	\$25.88	\$27.17	\$28.53
PTS	88	Senior Lifeguard + EMT	\$23.94	\$25.14	\$26.40	\$27.72	\$29.10
PTS	102	Temporary Management Assistant	\$27.52	\$28.90	\$30.34	\$31.86	\$33.45
PTS	123	Temporary Fire Prevention Technician	\$33.92	\$35.62	\$37.40	\$39.27	\$41.23

TEMPORARY/PART-TIME/SEASONAL EMPLOYEES  
 SALARY SCHEDULE 6  
 EFFECTIVE JANUARY 1, 2023

Pay Grade		Job Classification	Step A	Step B	Step C	Step D	Step E
PTS	41	Lifeguard Intern	\$15.50	\$16.28	\$17.09	\$17.94	\$18.84
		Junior Lifeguard Intern					
		Junior Lifeguard Instructor I (non-lifeguard)					
PTS	58	Lifeguard	\$17.76	\$18.65	\$19.59	\$20.56	\$21.59
		Junior LG Instructor II					
		Management Intern					
		Temporary Administrative Assistant					
		Parking Enforcement Officer					
Recreation Leader I							
PTS	63	Lifeguard + EMT	\$18.67	\$19.60	\$20.58	\$21.61	\$22.69
		Junior LG Instructor II + EMT					
		Recreation Leader II					
PTS	75	Temporary Maintenance Worker I	\$21.04	\$22.09	\$23.20	\$24.35	\$25.57
PTS	76	Temporary Firefighter/Paramedic	\$21.25	\$22.31	\$23.43	\$24.60	\$25.83
PTS	77	Temporary Planning Technician	\$21.46	\$22.53	\$23.66	\$24.84	\$26.09
		Temporary Engineering Technician					
PTS	82	Temporary Administrative Technician	\$22.56	\$23.68	\$24.87	\$26.11	\$27.42
		Jr. Lifeguard Administrative Technician					
PTS	83	Recreation Leader III	\$22.78	\$23.92	\$25.12	\$26.37	\$27.69
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PTS	102	Temporary Management Assistant	\$27.52	\$28.90	\$30.34	\$31.86	\$33.45
PTS	123	Temporary Fire Prevention Technician	\$33.92	\$35.62	\$37.40	\$39.27	\$41.23





# STAFF REPORT

## CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** December 9, 2022  
**ORIGINATING DEPT:** Community Development Department  
**SUBJECT:** **City Council Consideration and Potential Adoption of Resolution 2022-132 Extending COVID-19 Temporary Use Permits (TUPs) For Outdoor Dining Only Through December 31, 2023**

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### **BACKGROUND:**

On March 16, 2020, pursuant to Section 2.28.060(A)(1) of the Solana Beach Municipal Code (SBMC), the Director of Emergency Services/City Manager proclaimed a state of local emergency in the City of Solana Beach due to COVID-19, which was ratified by the City Council through adoption of Resolution 2020-036. Since that time, there have been numerous Orders and Guidance by the California Department of Public Health (CDPH) and the Health Officer of the County of San Diego to curtail the spread of COVID-19. In June 2020, the City Council adopted Resolution 2020-087 which established a COVID-19 Temporary Use Permit process and requirements for temporary outdoor dining. In December 2021, the City Council adopted Resolution 2021-135 extending the COVID-19 TUP Policy through September 6, 2022. In July 2022, the City Council adopted Resolution 2022-085 extending the COVID19-TUP Policy through January 1, 2023.

The item before the City Council is to consider the adoption of Resolution 2022-132 (Attachment 1) to further extend COVID-19 Temporary Use Permits for outdoor dining through December 31, 2023.

### **DISCUSSION:**

Since the City Council's approval of the COVID-19 TUP Policy, the City of Solana Beach (City) has conditionally approved 33 COVID-19 TUP applications, 24 of which are for businesses with outdoor dining services. Of the 24 businesses with outdoor

COUNCIL ACTION:

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dining, 19 of those are utilizing parking areas, two of which (Pillbox Tavern & Saddle Bar) are utilizing public parking spaces. The other five businesses with outdoor dining are utilizing public and/or private sidewalk areas for the outdoor dining. No new TUP applications have been filed since the April 2021 extension. Temporary outdoor dining activities continue to be utilized by most of the businesses. Other uses that were permitted to conduct outdoor activities due to COVID-19 requirements such as nail salons and hair salons have since eliminated their outdoor activities.

There continues to be a desire by the businesses, business districts, Chamber of Commerce and the public to continue temporary outdoor dining activities. Consequently, Council included in the Fiscal Year (FY) 2022-23 Work Plan the evaluation of maintaining this outdoor dining City-wide in a manner that minimizes conflict with parking.

It should also be noted that Assembly Bill (AB) 61, approved by Governor Newsom on October 8, 2021, impacts certain outdoor dining from January 1, 2022 until January 1, 2024. Per AB 61, under Government Code section 65907(a), to the extent that outdoor expansion mitigates COVID-19 pandemic restrictions on indoor dining, required parking spaces must be reduced by the number of spaces that the local jurisdiction determines are needed to accommodate an expanded outdoor dining area. The current COVID-19 TUP Policy meets the requirements as imposed under Government Code section 65907(a) in allowing outdoor expansion and parking reduction to mitigate Covid-19 pandemic restrictions.

During the Council discussion on November 9, 2022 regarding outdoor dining regulations, Council gave Staff direction to prepare a resolution extending the existing TUP Policy for outdoor dining uses only through December 31, 2023 and appointed a City Council subcommittee to work with Staff to develop and draft revised outdoor dining regulations under which these dining areas may be conditionally permitted to remain on a permanent basis. Since the meeting on November 9<sup>th</sup>, the outdoor seating area adjacent to the Saddle Bar has been removed.

### **CEQA COMPLIANCE STATEMENT:**

The proposed City Council action is not subject to the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, Sections: 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Because there is no possibility that the Resolution may have a significant adverse effect on the environment, the action is exempt from CEQA.

### **FISCAL IMPACT:**

There are no direct fiscal impacts related to the adoption of the Resolution.

**OPTIONS:**

- Approve Staff recommendation adopting Resolution 2022-132.
- Approve Staff recommendation with modifications.
- Do not approve Staff recommendations.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution 2022-132.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation.



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Gregory Wade, City Manager

1. Resolution 2022-132

## RESOLUTION 2022-132

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, EXTENDING THE COVID-19 TEMPORARY USE PERMIT POLICY

**WHEREAS**, on June 10, 2020, the City Council adopted Resolution 2020-087 approving, among other actions, a COVID-19 Temporary Use Permit Policy to allow specified uses to operate outdoors; and

**WHEREAS**, on November 18, 2020, the City Council adopted Resolution 2020-148 extending the COVID-19 Temporary Use Permit Policy to allow specified uses to operate outdoors; and

**WHEREAS**, on April 28, 2021, the City Council adopted Resolution 2021-049 extending the COVID-19 Temporary Use Permit Policy to allow specified uses to operate outdoors through January 1, 2022; and

**WHEREAS**, on December 8, 2021, the City Council adopted Resolution 2021-135 extending the COVID-19 Temporary Use Permit Policy to allow outdoor dining through September 6, 2022; and

**WHEREAS**, on July 13, 2022, the City Council adopted Resolution 2022-085 extending the COVID-19 Temporary Use Permit Policy to allow outdoor dining through January 1, 2023; and

**WHEREAS**, the City Council wishes to continue to support and encourage economic growth and the business community in the City while being responsive to the COVID-19 pandemic and County Public Health Orders; and

**WHEREAS**, the current COVID-19 TUP Policy meets the requirements as imposed under Government Code section 65907(a) in allowing outdoor expansion and parking reduction to mitigate COVID-19 pandemic restrictions.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.

2. That Council authorizes an extension of the COVID-19 Temporary Use Permit Policy for outdoor dining establishments only, through December 31, 2023.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of December, 2022, at a regular meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** December 9, 2022  
**ORIGINATING DEPT:** City Clerk / Elections Official  
**SUBJECT:** **November 8, 2022 General Election Results**

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## **BACKGROUND:**

In accordance with California Elections Code (EC) Section 1301 and Solana Beach Resolution 2022-076, the City’s General Municipal Election was held on November 8, 2022 and, as per Resolution 2022-077, the City’s Elections Official commissioned the County Registrar of Voters to conduct the election and canvassing of the ballots.

### *District Elections*

On July 10, 2018, the City Council (Council) adopted Ordinance 488 establishing a By-District Election Process in four Council Districts and an Elective Office of Mayor. The November 8, 2022 General Election was the second election transitioning to district elections for District 2 Councilmember and District 4 Councilmember, both for a full term of four years.

### *Ballot Measure*

On July 13, 2022, the Council voted to submit a City measure to the voters at the November 8, 2022 General Municipal Election. The San Diego County Registrar of Voters labeled the Ballot Measure as Measure S, and it appeared on the ballot.

Per EC 10262, upon receipt of the results of the official canvass, the City’s Elections Official shall certify the results to the governing body, which shall be no later than the next regularly scheduled Council meeting following presentation of the 30-day canvass of the returns, or at a special meeting for this purpose. Furthermore, EC 10263 requires that upon the completion of the canvass, and before installing the new officers, the governing body of the city shall adopt a resolution reciting the facts of the election and such other matters as are enumerated in EC 10264. This section requires that as soon as the results of the election are declared, the Elections Official of the governing body shall enter into its records a statement of the results, which will Exhibit A of Resolution 2022-130 (Attachment 1) once it is finalized.

This item is before Council to consider adoption of Resolution 2022-130 ratifying the results of the November 8, 2022 General Municipal Election.

CITY COUNCIL ACTION: \_\_\_\_\_  
 \_\_\_\_\_

**DISCUSSION:**

*Election Results Certification Status*

Pursuant to California Elections Code 10263, Council shall adopt Resolution 2022-130 reciting the facts of the City’s General Municipal Election held on November 8, 2022. The San Diego County Registrar of Voters will have completed the canvassed returns of the election and provided a certification of their results by or on December 8, 2022. The certification of the election results (Attachment 2) is required for the City Clerk to officiate the installation of newly elected officials.

At the time of writing this report, the certification of the canvass has not been received, which is due 30 days from the election date. The certification will be submitted once it is received.

Unofficial results of Solana Beach Measure S are provided below.

<i>Office</i>	<i>Candidate</i>	<i>Unofficial Votes</i>	<i>Unofficial %</i>
City Councilmember District 2	Kristi Becker	856	70.05%
	Kristin Brinner	366	29.95%
City Councilmember District 4	Jill MacDonald	1,331	100%

Unofficial results of Solana Beach Measure S are provided below.

Measure S Ballot Title	<u>Unofficial</u> Votes		
To maintain and prevent cuts to City of Solana Beach services, such as: maintaining streets, parks, beaches, infrastructure, storm drains; fire protection, paramedic and 911 emergency response; police patrols, crime prevention, traffic management, graffiti/ trash removal; addressing homelessness; and other city services, shall an ordinance establishing a 1¢ sales tax be adopted, providing approximately \$3,000,000 annually for general city services until ended by voters, with independent audits and all money locally controlled?	YES	4,312	66.66%
	NO	2,157	33.34%

**Official results will be forthcoming and will be made available upon receipt.**



*Installation of Officers & Seating*

The installation of new councilmember officers will follow the adoption of the certified election results. Prior to district elections, the order that each member was seated at the dais was according to the vote count. With new District seats, the vote count is immaterial, therefore, it is recommended that the seating of newly elected terms be placed at the end of the dais, as in the past, and then in the order of the District Number, unless the City Council votes to determine a different seating arrangement.

<u>Dais Seat 1</u>	<u>Dais Seat 2</u>	<u>Dais Seat 3</u>	<u>Dais Seat 4</u>	<u>Dais Seat 5</u>
Mayor	Current Councilmember	Current Councilmember	Newly Elected District 2	Newly Elected District 4

**FISCAL IMPACT:**

The total cost of this election of Candidate Seats was estimated at approximately \$70,000. The San Diego County Registrar of Voters will continue their financial assessment of the entire election and submit a final bill for the City's cost in or around February 2023.

The estimated cost/deposit for the District Councilmember candidate statement was \$2,000. If the individual cost for candidate statements is less than the initial deposit to the candidates, then a refund will be made to the candidates. If the individual cost is more than the initial charge, then the City will request that the candidates pay the additional amount.

**WORK PLAN:** N/A

**OPTIONS:**

- Approve Staff recommendation.
- Approve Staff recommendation with alternative amendments / modifications.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council adopt Resolution 2022-130 approving the certification of the results for the November 8, 2022 General Municipal Election.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation.



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Gregory Wade, City Manager

Attachments:

1. Resolution 2022-130 Certifying the Election Results
2. Certificate of Official Election Results – pending

## RESOLUTION 2022-130

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 8, 2022, DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW

**WHEREAS**, a General Municipal Election was held and conducted in the City of Solana Beach, California, on Tuesday, November 8, 2022 as required by law; and,

**WHEREAS**, notice of the election was given in time, form and manner as provided by law; that voting precincts were properly established; that election officers were appointed and that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for holding of election in general law cities; and,

**WHEREAS**, pursuant to City Resolution 2022-077 (adopted June 22, 2022) and Resolution 2022-093 (adopted July 13, 2022) requesting the Board of Supervisors of the County of San Diego to Consolidate a General Municipal Election, the San Diego County Registrar of Voter's Election Department canvassed the returns of the election and certified the results on the 8<sup>th</sup> day of December, 2022, and the results are received, attached and made a part hereof as "Exhibit A".

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolves as follows:

SECTION 1. That the City of Solana Beach had \_\_\_ registered voters eligible to vote in the November 8, 2022 municipal election. Pursuant to the California Voter's Choice Act (VCA) relating to elections in California, every active voters in San Diego County was sent a mail ballot, that within the City of Solana Beach one mail ballot drop-off location (available mid-October through election day) and one in-person polling precinct (available Nov 5 – November 8) were established in the City of Solana Beach for the purpose of holding the election.

SECTION 2: That the whole number of ballots cast in Solana Beach was \_\_\_\_\_.

SECTION 3. That the whole number of *vote-by-mail* votes cast was \_\_\_\_\_ and the whole number of *polling place* votes cast was \_\_\_\_\_, making a total of \_\_\_\_\_ votes cast in the City.

SECTION 4. That the names of persons voted for at the election for Members of the City Council District 2 and District 4 and the total number of votes received for each candidate are as follows:

City Councilmember <u>District 2</u>	Kristi Becker	____ votes <i>Pending certification</i>	%
	Kristin Brinner	____ votes <i>Pending certification</i>	%
City Councilmember <u>District 4</u>	Jill MacDonald	____ votes <i>Pending certification</i>	%

SECTION 5 . The City Council does declare and determine that \_\_\_\_ was elected as City Councilmember District 2 for a full term of four years and that Jill MacDonald was elected as City Councilmember District 4 for a full term of four years.

SECTION 6 . That Ballot Measure S voted on at the election officially received the total number of votes as follows:

	Votes FOR Yes	Votes AGAINST No
To maintain and prevent cuts to City of Solana Beach services, such as: maintaining streets, parks, beaches, infrastructure, storm drains; fire protection, paramedic and 911 emergency response; police patrols, crime prevention, traffic management, graffiti/ trash removal; addressing homelessness; and other city services, shall an ordinance establishing a 1¢ sales tax be adopted, providing approximately \$3,000,000 annually for general city services until ended by voters, with independent audits and all money locally controlled?	____ TBD <i>Pending certification</i>	____ TBD <i>Pending certification</i>

SECTION 7. The City Council does declare and determine that as a result of the election, a majority of the voters voting on Measure S did vote in favor of it, and the measure was carried and shall be deemed adopted.

SECTION 8. That the number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective office for which the persons were candidates and for and against Measure S are listed in Exhibit A of this resolution.

SECTION 9. The City Clerk shall enter on the records of the City Council of the City, a statement of the result of the election, showing: 1) The whole number of ballots cast in the City; 2) The names of the persons voted for; 3) For what office each person was voted for; 4) The number of votes given at each precinct to each person; 5) The total number of votes given to each person; 6) The measure voted upon; 7) The number of votes given at each precinct for and against the measure; and 8) The total number of votes for and against the measure.

SECTION 10. That the City Clerk shall make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the City Clerk shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

SECTION 11. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of December 2022 at a special meeting of the City Council of the City of Solana Beach, California by the following vote:

- AYES: Councilmembers –
- NOES: Councilmembers –
- ABSENT: Councilmembers –
- ABSTAIN: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** December 9, 2022  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** **AGREEMENTS WITH CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA) FOR IMPLEMENTATION OF MEASURE “S”**

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## **BACKGROUND:**

The City of Solana Beach (City) voters approved Measure “S” and is expected to be certified by the San Diego County Registrar of voters on December 8, 2022 and ratified by the City Council on December 9, 2022.

This voter-approved transaction and use tax is not operative on other than the first day of a calendar quarter, or prior to the first day of the first calendar quarter, commencing more than 110 days after the adoption of the ordinance. The earliest operative date possible is April 1, 2023 due to the various statutory deadlines in play for transaction and use taxes. Additionally, certain agreements must be executed with the California Department of Tax and Fee Administration (CDTFA) to provide for reimbursement of the CDTFA for certain costs it incurs and for the CDTFA to perform all functions incident to the administration and operation of the City’s approved Transactions and Use Tax Ordinance.

This item is before the City Council (Council) to disclose the purpose of these agreements and to consider adoption of Resolution 2022-137 (Attachments 1) authorizing the City Manager to execute the agreements with the California Department of Tax and Fee Administration (CDTFA) for implementation of the Local Transactions and Use Tax, and 2022-140 (Attachment 2) authorizing the examination of Sales or Transaction Use Taxes records.

## **DISCUSSION:**

The CDTFA administers California's sales and use, fuel, tobacco, alcohol, and cannabis taxes, as well as a variety of other taxes and fees that fund specific state programs. CDTFA administered programs collect over \$70 billion annually which in turn supports

CITY COUNCIL ACTION:

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local essential services such as transportation, public safety and health, libraries, schools, social services, and natural resource management programs through the distribution of tax dollars going directly to local communities.

Resolution 2022-137 authorizes the City Manager to enter into two agreements with the CDTFA required for implementation of the Local Transactions and Use Tax:

- The “Preparatory Agreement” provides that the City reimburse the CDTFA for costs related to preparatory work which includes the costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer the transactions and use tax ordinance. These costs include both direct and indirect costs as specified in Section 11256 of the Government Code. Cost for set up will be borne by the City, not to exceed \$175,000.
- The “Administration Agreement” provides that the CDTFA shall perform exclusively all functions incident to the administration and operation of the City’s Transactions and Use Tax Ordinance.

Resolution 2022-140 authorizes certain City officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the CDTFA for the City.

**CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

State collection of Measure “S” sales tax revenues avoids duplication of effort and is an efficient and effective means in collecting the tax. Cost of set up and ongoing administration will be paid through deductions against Measure “S” sales tax revenues.

**WORK PLAN:**

This item is consistent with the Fiscal Sustainability Strategic Priority of the Council Work Plan.

**OPTIONS:**

- Approve Staff recommendation.
- Provide alternative direction.



**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council:

1. Approve Resolution 2022-137 authorizing the City Manager to execute the necessary agreements with the California Department of Tax and Fee Administration (CDTFA) for implementation of the Local Transactions and Use Tax.
2. Approve Resolution 2022-140 authorizing the examination of Sales or Transaction Use Taxes records.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager

Attachments:

1. Resolution 2022-137
2. Resolution 2022-140
3. Approved Resolution 2022-093 approving form of Ordinance 526

**RESOLUTION 2022-137**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX.**

**WHEREAS**, on July 13, 2022, the City Council approved Ordinance No. 526 amending the City Municipal Code and providing for a one percent local transactions and use tax to be placed on the ballot for November 8, 2022 general election (Measure S); and

**WHEREAS**, Measure S was approved by 66.66% of the voters; and

**WHEREAS**, on December 9, 2022, the City Council ratified the Certification of the Election Results required to pass Ordinance 526, and

**WHEREAS**, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

**WHEREAS**, the Department will be responsible to administer and collect the transactions and use tax for the City; and

**WHEREAS**, the Department requires that the City enter into a “Preparatory Agreement” and an “Administration Agreement” prior to implementation of said taxes, and

**WHEREAS**, the Department requires that the City Council authorize the agreements;

**NOW THEREFORE BE IT RESOLVED**, by the City Council of the City of Solana Beach, California, does hereby resolve as follows:

1. That the above recitations are true and correct.
2. That the “Preparatory Agreement” attached as Exhibit A and the “Administrative Agreement” attached as Exhibit B are hereby approved and the City Manager is hereby authorized to execute each agreement.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Solana Beach, California, this 9<sup>th</sup> day of December 2022, by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –

ABSENT: Councilmembers –  
ABSTAIN: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

## RESOLUTION 2022-140

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS USE TAXES RECORDS.**

**WHEREAS**, pursuant to Ordinance Number 526 of the City of Solana Beach, and Revenue and Taxation Code section 7270, the City entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

**WHEREAS**, the City Council of the City of Solana Beach deems it desirable and necessary for authorized officers, employees and representatives of the City to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the City pursuant to that contract; and

**WHEREAS**, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

**NOW THEREFORE BE IT RESOLVED**, by the City Council of the City of Solana Beach, California, does hereby resolve as follows:

1. That the above recitations are true and correct.
2. That the Finance Director/Treasurer, City Manager, Assistant City Manager, Senior Accountant, or other officer or employee of the City designated in writing by the City Manager to the California Department of Tax and Fee Administration is hereby appointed to represent the City with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the City by the Department pursuant to the contract between the City and the Department.
3. The information obtained by examination of Department records shall be used only for purposes related to the collection of City transactions and use taxes by the Department pursuant to that contract, and for purposes related to the following governmental functions of the City:
  - a. Annual and periodic budget planning
  - b. Economic Development planning and analysis

- c. Transportation planning and analysis
- d. Business Development planning and analysis

The information obtained by examination of Department records shall be used only for those governmental functions of the City listed above.

- 4. That HDL Companies is hereby designated to examine the sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the City by the Department. The person or entity designated by this section meets all of the following conditions, which are also included in the contract between the City and HDL Companies:
  - a. has an existing contract with the City to examine those sales or transactions and use tax records;
  - b. is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to the officer or employee authorized under Section 1 of this resolution to examine the information.
  - c. is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
  - d. is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

**BE IT FURTHER RESOLVED** that the information obtained by examination of Department records shall be used only for purposes related to the collection of City transactions and use taxes by the Department pursuant to the contract between the City and the Department [and for those purposes relating to the governmental functions of the City listed in section 3 of this resolution:

- 5. That this resolution supercedes all prior resolutions of the City Council of the City of Solana Beach adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Solana Beach, California, this 9<sup>th</sup> day of December 2022, by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSENT: Councilmembers –  
ABSTAIN: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

## RESOLUTION 2022-093

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, ORDERING THE SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 8, 2022, A MEASURE TO ESTABLISH A ONE-CENT GENERAL PURPOSE TRANSACTIONS AND USE (SALES) TAX; AUTHORIZING THE SUBMITTAL OF BALLOT ARGUMENTS IN FAVOR OF THE MEASURE; PROVIDING FOR REBUTTAL ARGUMENTS; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS**

**WHEREAS**, over 95% of residents highly value the quality of life here in Solana Beach; and

**WHEREAS**, over the past decade, the City of Solana Beach's revenues have not kept pace with the growing costs associated with providing municipal services and facilities. Although the City has been proactive in responding to this challenge by reducing its costs, deferring maintenance projects, cutting back on basic services where feasible, and through effective financial management practices, the practical reality is that existing revenues will not support the high quality services that residents have come to expect on an ongoing basis; and

**WHEREAS**, in order to continue to provide the level of service residents expect and deserve, as part of this year's budget process, the City conducted extensive community engagement efforts to make sure to reflect the City services and priorities that residents rely on the most; and

**WHEREAS**, the City of Solana Beach should have local control over local funding to ensure residents receive the services they expect and deserve; and

**WHEREAS**, if local road and infrastructure maintenance needs are not met now, they will be a lot more expensive to repair in the future; and

**WHEREAS**, the City maintains over 46 miles of roads within Solana Beach, locally controlled funding would allow the City to keep up with basic repairs and maintenance to streets as well as sidewalks, storm drains and public facilities; and

**WHEREAS**, residents recently prioritized City services including maintaining local streets and repairing potholes, storm drains, and other infrastructure, providing quick responses to 911 emergencies, fire protection and paramedic services, keeping trash and pollution out of local waterways and off our beaches, keeping neighborhoods, parks, and other public areas safe and clean, managing traffic congestion, reducing property related crimes and theft; and

**WHEREAS**, survey results also indicate that Solana Beach voters have a high opinion of the quality of life in Solana Beach, the City's performance in providing municipal services, and are interested in supporting a locally-controlled sales tax measure to help maintain and improve the quality of City services on an ongoing basis; and

**WHEREAS**, Revenue & Taxation Code section 7285.9 authorizes the City Council for the City of Solana Beach to levy, increase or extend a general transactions and use tax if the ordinance proposing the tax is approved by a two-thirds vote of all members of the City Council, and the tax is approved by a simple majority (50%+1) vote of the qualified voters of the City voting in an election on the issue; and

**WHEREAS**, by a two-thirds vote, the City Council has approved Ordinance 526 attached hereto as Exhibit "A" adding Chapter 3.30 to the Solana Beach Municipal Code (the "Sales Tax Ordinance") for general purposes subject to the approval of the majority of voters in the City; and

**WHEREAS**, a General Municipal Election for Tuesday, November 8, 2022, has been called by Resolution No. 2022-076, adopted on June 22, 2022 and Resolution No. 2022-077, adopted on June 22, 2022, requested that the Board of Supervisors of the County of San Diego to Consolidate a General Municipal Election to be held on Tuesday, November 8, 2022, with the Statewide General Election to be held on that date; and

**WHEREAS**, pursuant to Revenue and Taxation Code Section 7285.9 and California Elections Code Section 9222, the City Council desires to submit this Sales Tax Ordinance to the electorate at the General Municipal Election that was previously called; and

**WHEREAS**, the City Council desires to authorize the City Clerk to carry-out all actions necessary to ensure placement of the Sales Tax Ordinance on the General Municipal Election ballot that has been consolidated with the Statewide General Election Ballot; and

**WHEREAS**, Elections Code section 9282 authorizes the filing of written arguments for and against measures placed on the ballot, with priority determined according to state law.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California does resolve as follows:

1. The above recitals are true and correct and incorporated herein as findings.
2. That the City Council finds and determines that this activity is not a "Project" as defined under Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines because it is a financing decision without commitment to a specific project that may result in a potentially significant physical impact on the



environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the actions proposed are not subject to CEQA.

3. That pursuant to the requirements of the laws of the State of California relating to General Law Cities, there has been called and ordered to be held in the City of Solana Beach, California, on Tuesday, November 8, 2022, a General Municipal Election.
4. That the City Council orders submitted to the voters at said General Municipal Election, the following question:

<p><b>SOLANA BEACH STREETS/PARKS/BEACHES/SERVICES MEASURE</b></p> <p>To maintain and prevent cuts to City of Solana Beach services, such as: maintaining streets, parks, beaches, infrastructure, and storm drains; fire protection, paramedic and 911 emergency response; police patrols, crime prevention, traffic management, graffiti/ trash removal; addressing homelessness; and other city services, shall an ordinance establishing a 1¢ sales tax be adopted, providing approximately \$3,000,000 annually for general city services until ended by voters, with independent audits and all money locally controlled?</p>	<p>Yes</p> <hr style="width: 50%; margin: 0 auto;"/> <p>No</p>
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5. That the Ordinance to be placed before the voters is attached as Exhibit "A" hereto and incorporated into this resolution by reference. The City does not request the Registrar of Voters to print the entire text of the Ordinance in the voter information materials. That the ballots to be used at the election shall be in the form and content as required by law.
6. That the vote requirement for the Ordinance to pass is a majority (50% +1) of the votes cast.
7. That by adopting this resolution, the City Council hereby approves the form of the attached Ordinance 526, and the submission of said ordinance to the voters of the City at the November 8, 2022, General Municipal Election, such ordinance to become effective in accordance with state law upon the approval of a majority (50%+1) of the voters voting on the measure in the election.
8. That the City Clerk is authorized, instructed, and directed to coordinate with the Registrar of Voters of the County of San Diego to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and

paraphernalia that may be necessary in order to properly and lawfully conduct the election.

9. That the polls for the election shall be open as provided in Resolution No. 2022-076 and applicable law.
10. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.
11. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form, and manner as required by law.
12. That the City Council authorizes the City Clerk to administer said election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.
13. That the City Clerk shall certify to the passage and adoption of this resolution by a two-thirds vote of all members of the City Council and enter it into the book of original resolutions.
14. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar of Voters of the County of San Diego and to issue instructions to the Registrar of Voters to take any and all steps necessary to hold the election and propose this measure.
15. That the City requests for this measure to be treated by the County of San Diego pursuant to Resolution No. 2022-077, wherein the City: requested that the County agree to consolidate the General Municipal Election with the Statewide General election; requested that the County permit the Registrar of Voters to perform and render all services and proceedings, and to procure and furnish any and all official ballots, notices, printed matter and all supplies and equipment and paraphernalia incidental to and connected with the conduct of the subject election; requested that the Registrar of Voters canvass the returns and hold the election as if it were only one election with one form of ballot; requested that the County Board of Supervisors issue instructions to the Registrar of Voters to take any and all steps for the holding of the consolidated election and canvas the returns; agreed to reimburse the County in full for the services performed by the San Diego County Registrar of Voters by the City of Solana Beach upon presentation of a proper invoice, including reimbursement for any additional costs to consolidate the election; and agreed to indemnify and save free and harmless the County, its officers, agents and employees from expense or liability, including reasonable attorneys' fees, as a result of an election contest arising after conduct of this election so long as the basis for

any such claim arises from the conduct of the City or as a result of the reasonable reliance by County upon information provided by City.

16. Ballot arguments shall be accepted for and against this measure in the manner required by law. An argument shall not exceed 300 words in length. The arguments may be changed or withdrawn until and including the date fixed by the City Clerk, in accordance with Elections Code section 9286(b), after which no arguments for or against the measure may be submitted to the City Clerk. The arguments shall be accompanied by the Form of Statement to Be Filed by Author(s) of Argument as supplied by the City Clerk.
17. Due to the community interest in this issue, the City Council authorizes a process permitting a community submittal of the argument. Under Elections Code Section 9282, a ballot argument on this measure may only be submitted by an individual voter eligible to vote on the measure, a bona fide association of citizens, or any combination of voters or associations.
18. Pursuant to section 9285 of the Elections Code of the State of California, when the City Clerk has selected the arguments for and against a measure that will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the measure to the authors of any argument against, and copies of the argument against to the authors of any argument in favor. The author or a majority of the authors of an argument may prepare and submit rebuttal arguments not exceeding 250 words or may authorize, in writing, any other person or persons to prepare, submit, or sign the rebuttal argument. These provisions for rebuttal arguments are only applicable to the November 8, 2022 general election and after that election shall expire.

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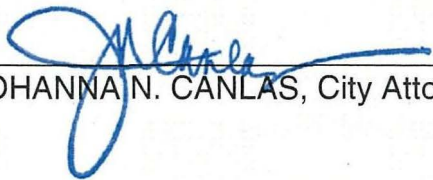
19. That the City Clerk is directed to transmit a copy of the proposed Ordinance in Exhibit "A" to the City Attorney. That the City Attorney is directed to prepare an impartial analysis of the proposed Ordinance pursuant to Elections Code Section 9280. That the impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

**PASSED AND ADOPTED** this 13th day of July, 2022, at a regularly scheduled meeting of the by the City council of the City of Solana Beach by the following vote:

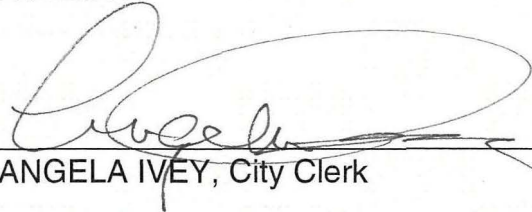
AYES: Councilmembers – Heebner, Harless, Zito, Edson, Becker  
NOES: Councilmembers – None  
ABSENT: Councilmembers – None  
ABSTAIN: Councilmembers – None

  
\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

ATTEST:

  
\_\_\_\_\_  
ANGELA IVEY, City Clerk

**Exhibit A  
Resolution 2022-093**

**ORDINANCE 526**

**AN ORDINANCE OF THE CITY OF SOLANA BEACH, CALIFORNIA, ADDING A NEW CHAPTER 3.30 TO THE SOLANA BEACH MUNICIPAL CODE ESTABLISHING AND IMPOSING A ONE CENT GENERAL TRANSACTIONS AND USE (SALES) TAX FOR LOCAL STREET AND INFRASTRUCTURE MAINTENANCE, CRIME PREVENTION, EMERGENCY RESPONSE, TRAFFIC MANAGEMENT AND TO MAINTAIN AND HELP IMPROVE THE QUALITY OF OTHER MUNICIPAL SERVICES TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION**

**WHEREAS**, over 95% of residents highly value the quality of life here in Solana Beach; and

**WHEREAS**, over the past decade, the City of Solana Beach's revenues have not kept pace with the growing costs associated with providing municipal services and facilities. Although the City has been proactive in responding to this challenge by reducing its costs, deferring maintenance projects, cutting back on basic services where feasible, and through effective financial management practices, the practical reality is that existing revenues will not support the high quality services that residents have come to expect on an ongoing basis; and

**WHEREAS**, in order to continue to provide the level of service residents expect and deserve, as part of this year's budget process, the City conducted extensive community engagement efforts to make sure to reflect the City services and priorities that residents rely on the most; and

**WHEREAS**, City of Solana Beach should have local control over local funding to ensure residents receive the services they expect and deserve; and

**WHEREAS**, if local road and infrastructure maintenance needs are not met now, they will be a lot more expensive to repair in the future; and

**WHEREAS**, the City maintains over 46 miles of roads within Solana Beach, locally controlled funding would allow the City to keep up with basic repairs and maintenance to streets as well as sidewalks, storm drains and public facilities; and



**WHEREAS**, residents recently prioritized City services including maintaining local streets and repairing potholes, storm drains, and other infrastructure, providing quick responses to 911 emergencies, fire protection and paramedic services, keeping trash and pollution out of local waterways and off our beaches, keeping neighborhoods, parks, and other public areas safe and clean, managing traffic congestion, reducing property related crimes and theft; and

**WHEREAS**, survey results also indicate that Solana Beach voters have a high opinion of the quality of life in Solana Beach, the City's performance in providing municipal services, and are interested in supporting a locally-controlled sales tax measure to help maintain and improve the quality of City services on an ongoing basis; and

**WHEREAS**, Revenue and Taxation Code Section 7285.9 authorizes the City Council for the City of Solana Beach to levy, increase or extend a general transactions and use tax if the ordinance proposing the tax is approved by a two-thirds vote of all members of the City Council, and the tax is approved by a simple majority (50%+1) vote of the qualified voters of the City voting in an election on the issue; and

**WHEREAS**, the proposed Chapter 3.30 of the Solana Beach Municipal Code, set forth below, establishes a transactions and use tax to be administered by the California Department of Tax and Fee Administration consistent with City Council direction and state law.

**NOW THEREFORE**, subject to approval by an affirmative, simple majority vote of the people as required by law, the People of the City of Solana Beach do ordain as follows:

### **SECTION 1. FINDINGS**

The facts set forth in the recitals are true and correct and incorporated herein by this reference. The recitals constitute findings in this matter and, together with the staff report, other written reports, public testimony and other information contained in the record, are an adequate and appropriate evidentiary basis for the actions taken in this Ordinance.

### **SECTION 2. ADDITION OF CHAPTER 3.30**

The Solana Beach Municipal Code is hereby amended to add Chapter 3.30 as set forth below, thereby enacting a one-cent general local transactions and use tax within the City of Solana Beach, to be administered by the California Department of Tax and Fee Administration:

### **CHAPTER 3.30: SOLANA LOCAL STREETS, INFRASTRUCTURE, EMERGENCY RESPONSE AND MUNICIPAL SERVICES GENERAL TRANSACTIONS AND USE TAX**

**Sections:**

- 3.30.010 Title.**
- 3.30.020 Operative date.**
- 3.30.030 Purpose.**
- 3.30.040 Contract with state.**
- 3.30.050 Transactions tax rate.**
- 3.30.060 Place of sale.**
- 3.30.070 Use tax rate.**
- 3.30.080 Adoption of provisions of state law.**
- 3.30.090 Limitations on adoption of state law and collection of use taxes.**
- 3.30.100 Permit not required.**
- 3.30.110 Exemptions and Exclusions.**
- 3.30.120 Amendments of Revenue and Taxation Code.**
- 3.30.130 Enjoining collection forbidden.**
- 3.30.140 Amendments by City Council.**
- 3.30.150 Use of proceeds.**
- 3.30.160 Independent Annual Audit.**
- 3.30.170 Severability.**
- 3.30.010 Title.**

**3.30.010 Title.**

The Ordinance codified in this chapter shall be known as the “Solana Beach Local Streets, Infrastructure, Emergency Response and Municipal Services General Transactions and Use Tax.” The City of Solana Beach hereinafter shall be called “City.” This Ordinance shall be applicable in the incorporated territory of the City.

**3.30.020 Operative Date.**

“Operative Date” means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance, the date of adoption being set forth below.

**3.30.030. Purpose.**

This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a general retail transactions and use tax, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2, which authorizes the City to adopt this tax ordinance which shall be operative if a majority vote of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a general retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a general retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California

Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State sales and use taxes.

D. To adopt a general retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

**3.30.040 Contract with State.**

Prior to the Operative Date, City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax Ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the Operative Date, it shall nevertheless so contract, and in such a case the Operative Date shall be the first day of the first calendar quarter following the effective date of such a contract.

**3.30.050 Transactions Tax Rate.**

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this Ordinance.

**3.30.060 Place of Sale.**

For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated for the purpose of a transactions tax proposed by this Ordinance shall be determined under rules and regulations prescribed and adopted or to be prescribed and adopted by the California Department of Tax and Fee Administration or under the Revenue and Taxation Code.

**3.30.070 Use Tax Rate.**

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in said territory at the rate of one percent of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.



**3.30.080 Adoption of Provisions of State Law.**

Except as otherwise provided in this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

**3.30.090 Limitations on Adoption of State Law and Collection of Use Taxes.**

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action be taken by or against this City or any agency, officer, or employee thereof, rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.
3. In those sections, including but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
  - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property that would not otherwise be exempt from this tax while such sales, storage, use or other consumption remains subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code; or
  - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.
4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715 (except in relation to the Code of Civil Procedure and the Civil Code), 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase in Section 6203 of the Revenue and Taxation Code.

C. The word "City" shall be substituted for the word "state" in Revenue and Taxation Code Sections 6041 and 6044.

**3.30.100 Permit/Registration Not Required.**

A. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

B. If a marketplace facilitator is registered or required to register with the California Department of Tax and Fee Administration under Chapter 2 (commencing with Section 6051), Chapter 3 (commencing with Section 6201), or under any other law that imposes a fee administered pursuant to Part 30 (commencing with Section 55001) of the Revenue and Taxation Code, no additional registration is required by this Ordinance.

**3.30.110 Exemptions and Exclusions.**

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

- a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Chapter 2 of Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this Ordinance.

5. For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property;

1. The gross receipts from the sale of which have been subject to a transactions tax under any State-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Ordinance.

5. For the purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the



unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subsection (7) of this section, a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a City imposing, or retailer liable for, a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumptions of which is subject to the use tax.

### **3.30.120 Amendments of Revenue and Taxation Code.**

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance as codified in this chapter; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

### **3.30.130 Enjoining Collection Forbidden.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

### **3.30.140 Amendments by City Council.**

The following amendments to this Ordinance as codified in this chapter must be approved by the voters of the City: increasing the tax rate; revising the methodology for calculating the tax, such that a tax increase would result; imposing the tax on transactions and uses

not previously subject to the tax (unless such amendment occurs automatically by operation of law); or terminating the tax. The City Council may otherwise amend this Ordinance as codified in this chapter without submitting the amendment to the voters for approval in any manner that does not constitute a tax “increase” as that term is defined in Government Code section 53750(h).

**3.30.150 Use of Proceeds.**

The proceeds from the tax imposed by this Ordinance shall be for unrestricted general revenue purposes of the City and shall be received into the general fund of the City. Nothing in this Ordinance shall constitute the tax imposed under this Ordinance as a special tax, or bind the City to use the proceeds for any specific purpose or function; the City Council shall retain discretion to expend the proceeds of the tax for any lawful purpose of the City.

**3.30.160 Independent Annual Audit.**

The proceeds resulting from this transactions and use tax shall be become subject to the same independent annual audit requirements as other general fund revenue. The independent auditor's report, which shall include an accounting of the revenues received and expenditures made from the transactions and use tax, will be presented annually to the City Council and made available for public review.

**3.30.170 Severability.**

If any provision of this Ordinance as codified in this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. Such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The People of the City of Solana Beach hereby declare that they would have adopted this Ordinance as codified in this chapter irrespective of the invalidity of any particular portion thereof and intend that the invalid portions should be severed, and the balance of the Ordinance be enforced.

**SECTION 3. ENVIRONMENTAL REVIEW**

The adoption of this Ordinance is not a “project” subject to the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code Sections 21000 *et seq.*). CEQA Guideline 15378(b)(4) provides that the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment are not projects subject to the requirements of CEQA.

**SECTION 4. IMPLEMENTATION**

This Ordinance authorizes City of Solana Beach officers and employees to take all steps necessary to implement this Ordinance in the manner required by law, including any applicable amendments to the laws of the State of California.

**SECTION 5. ADOPTION**

Pursuant to Elections Code Section 9217, this Ordinance shall be considered as adopted upon the date that the vote by the electorate of the City of Solana Beach is declared by the City Council, and shall become effective ten (10) days after that date.

**SECTION 6. CERTIFICATION**

The City Clerk shall certify to the adoption of this Ordinance by the voters, cause it to be published as required by law, and forward a copy of the adopted Ordinance to the California Department of Tax and Fee Administration.

It is hereby certified that this Ordinance was duly adopted by the voters at the November 8, 2022 election and took effect 10 days following adoption of a resolution declaring the results of the election at a meeting of the City Council of the City of Solana Beach held on *[INSERT DATE]*; by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

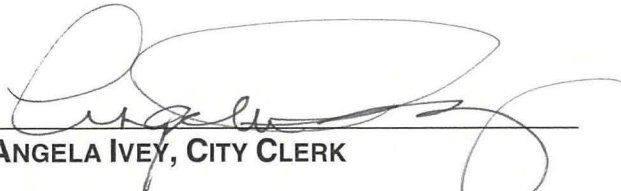
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ANGELA IVEY, City Clerk

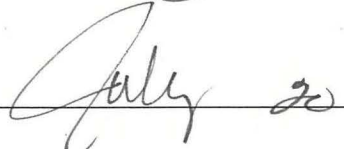


## RESOLUTION CERTIFICATION

STATE OF CALIFORNIA }  
COUNTY OF SAN DIEGO } SS.  
CITY OF SOLANA BEACH }

I, ANGELA IVEY, City Clerk of the City of Solana Beach, California, **DO HEREBY CERTIFY** that the foregoing is a full, true and correct copy of **Resolution 2022-093** *approving a measure to establish a one-cent general purpose transactions and use (sales) tax to the qualified voters of the City at the General Municipal election to be held on November 08, 2022* as duly passed and adopted at a Regular Solana Beach City Council meeting held on the 13<sup>th</sup> day of July, 2022 and is the original on file in the City Clerk's Office.

  
ANGELA IVEY, CITY CLERK

CERTIFICATION DATE: , 2022





# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** December 9, 2022  
**ORIGINATING DEPT:** City Manager/Community Development  
**SUBJECT:** **Council Consideration and Adoption of Resolution 2022-139 Authorizing the City Manager to Execute a United States Army Corps of Engineers (USACE) Project Partnership Agreement (PPA)**

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## **BACKGROUND:**

Since 2001, the City has been proactively seeking to develop solutions to shoreline erosion and has been collaborating with the City of Encinitas, USACE, and California State Parks, Division of Boating and Waterways to jointly develop this important coastal resiliency project, the Solana Beach & Encinitas Coastal Storm Damage Reduction Project (also known as the San Diego County Coastal Storm Damage Reduction Project – “Project”). In 2016, the Final Joint Environmental Impact Statement/Environmental Impact Report (EIS/EIR) was certified for the Project.

In December 2016, the Project received Congressional authorization through the Water Resources Development Act (WRDA) of 2016. The Project is intended to improve coastal resiliency by reducing storm damages and coastal erosion over the 50-year Congressional authorization period. The authorized Project, led by the U.S. Army Corps of Engineers (USACE), will reduce beach and bluff erosion and restore approximately eight miles of public beaches in the cities of Solana Beach and Encinitas. The project will consist of the initial placement of approximately one million cubic yards on the cities’ beaches which would be re-nourished on a regular cycle every five to 10 years through the federally authorized period which will run through the year 2075.

In 2021, funding to initiate the Pre-Construction Engineering Design (PED) Phase was secured. PED includes conducting a full year of pre-construction monitoring of natural resources, video monitoring of waves and surfing conditions, beach and borrow site analyses and bathymetry, water quality sampling and preparation of construction design and contract bidding documents. The PED phase is scheduled to conclude in Fall 2023 followed immediately by the start of the long-awaited construction phase of the Project.

CITY COUNCIL ACTION:

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On August 24, 2022, the City Council approved Resolution 2022-108 authorizing submittal of a request to SANDAG for the full allocation of the Beach Sand Mitigation Funds held in trust for the City. The City's request for the balance of these funds, which currently totals \$746,150, was approved by the SANDAG Board of Directors on October 28, 2022. In addition, the cities of Solana Beach and Encinitas have been awarded a grant from California State Parks in the amount of \$11.5 million dollars to assist in funding the local (i.e., non-federal) share for initial construction of the Project. Additionally, the USACE has received \$30.5 million dollars for the federal share of the Project for initial construction. At this point, therefore, the Project's initial construction phase is fully funded, and the project is now considered "shovel ready".

Formal commencement of the Project's construction phase requires that the Cities (both Solana Beach and Encinitas as the local sponsors) execute a Project Partnership Agreement (PPA) with the USACE. The PPA is included as Attachment 2 to this Staff Report.

The purpose of this Staff Report is to request City Council consideration and adoption of Resolution 2022-139 (Attachment 1) authorizing the City Manager to execute the construction phase PPA with the USACE.

## **DISCUSSION:**

The PPA is intended to be a 50-year agreement between the USACE, the City of Solana Beach and the City of Encinitas. The USACE provided a draft PPA to the Cities for review in Summer 2022 and there have been several team coordination calls with the USACE to discuss the PPA. The PPA includes details regarding the project description, cost sharing, work in kind allowances, and local sponsor obligations. The PPA will be signed by Los Angeles District Commander, Colonel Julie Balten, and the City Managers of Solana Beach and Encinitas. To keep the project moving forward to initiate construction in 2023, the USACE has requested that all parties sign and execute the PPA before the end of the 2022 calendar year.

### **Project Description**

The Project will construct protective beach sand berms along two segments of shoreline within the Oceanside littoral cell in northern San Diego County, with associated renourishment cycles, using compatible sand from one or more offshore borrow sites identified by SANDAG. This important 50-year coastal resiliency project will benefit not only Solana Beach but also adjacent jurisdictions to the south and north over the Project lifetime.

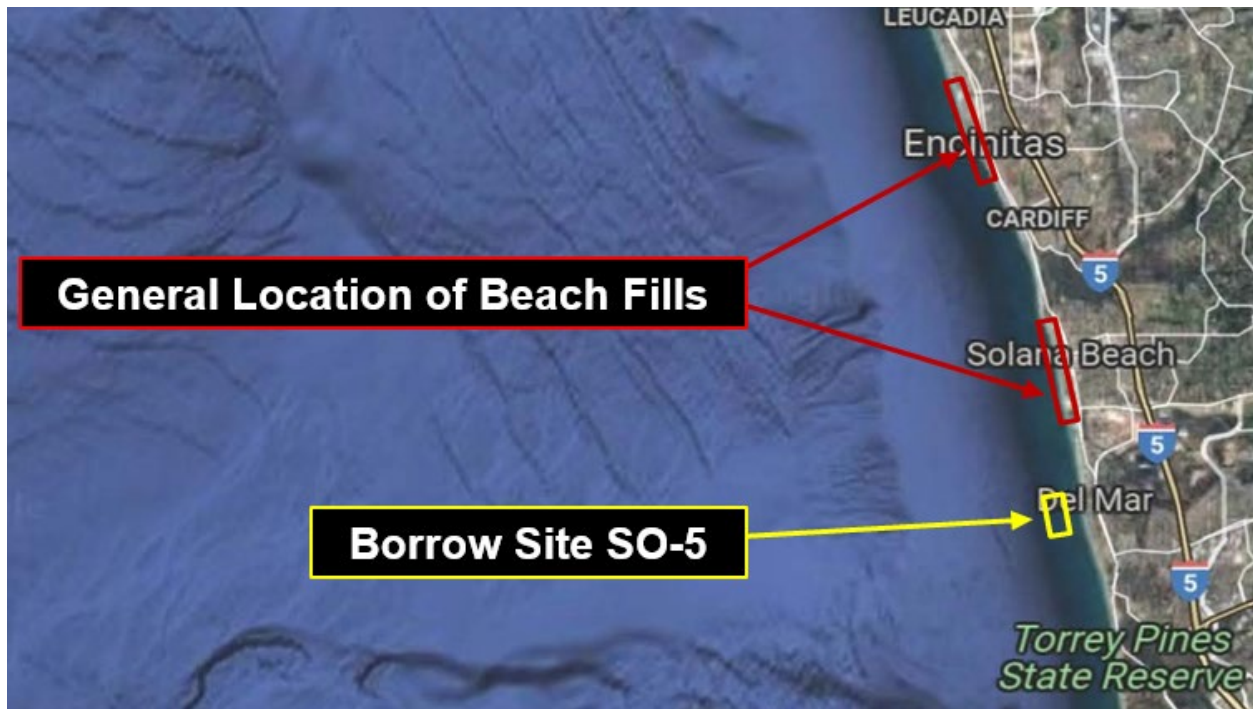
In Solana Beach, the Project will consist of the placement of a 150-foot-wide beach berm extending along a 7,200-foot-long stretch of shoreline in Solana Beach using approximately 700,000 cubic yards of compatible sediment, with renourishment on average every 5-10 years, with approximately 290,000 cubic yards of compatible sediment for each renourishment over a 50-year period of Federal participation. Initial

placement of beach sand in Solana Beach will occur from just south of Tide Park to the City's southern boundary with Del Mar as shown below:



In Encinitas, the Project will consist of a fifty-foot-wide protective beach berm extending along 7,800 feet of shoreline in Encinitas using approximately 340,000 cubic yards of compatible sediment, with renourishment on the average of every 5 years, with approximately 220,000 cubic yards of compatible sediment over a 50-year period of Federal participation.

Sediment for the respective beach berms will be dredged from a designated borrow site off the coast of Del Mar where a large quantity of compatible, high quality beach sand is available. This borrow site, known as SO-5, was used for SANDAG's second Regional Beach Sand Project (RBSP II) and has been analyzed for sediment grain size and compatibility with the receiver sites. The general locations of the beach fill areas and the borrow site are illustrated on the following page:



### Estimated Project Cost

The estimated cost for initial Project construction is \$43,331,000. This cost was updated by the USACE in October 2022 to reflect updated inflation assumptions and related contingencies and, therefore, supersedes previous cost estimates. The federal share for initial construction is \$28,165,100 and the non-federal (i.e., local and state) share would be \$15,166,000, representing 65% and 35% of the cost, respectively. The non-federal share will be partially funded by an \$11,500,000 State awarded grant from State Parks. Staff will be bringing the State Parks Grant agreement to City Council at a future Council meeting.

The cities of Encinitas and Solana Beach will be required to provide matching funds for the State Parks Grant of 15% or approximately \$1.7 million total. However, since the non-federal share is \$15,166,000, \$3,666,000 will need to be funded by the non-federal sponsor (i.e., the cities) beyond the \$11.5 million local State Parks Grant amount. Given that we are now in the construction phase, the construction costs will be allocated according to the quantity of sand provided, or 67% for Solana Beach and 33% for Encinitas. As such, Solana Beach will be responsible for \$2,456,220 of the remaining non-federal cost share while Encinitas will be responsible for \$1,209,780. Using the \$746,150 of Sand Mitigation Funds approved for use by SANDAG, Solana Beach will still need to contribute approximately \$1,710,070 towards initial construction. This City maintains a Sand Replenishment and Coastal Access Fund funded by transient occupancy tax (TOT) as well as separate funds for Sand Mitigation and Public Recreation Impact Mitigation fees as well as its Capital Improvement Program (CIP) from which to provide the City's ultimate cost-share amount.

## Construction Activities

Construction operations are anticipated to take up to 80 days including approximately 55 days in Solana Beach and 25 days in Encinitas. Construction of the beach berm will proceed from north to the south. Project operations are expected to occur on the beach for up to 12-hours per day, 7 days per week. The Solana Beach Municipal Code (SBMC) Section 7.34.100(A)(1) states that construction is allowed to occur in the City from 7am to 7pm Monday through Friday and from 8am to 7pm on Saturdays. Per the SBMC 7.34.100(A)(2), no construction is allowed to occur on Sundays or holidays. To maximize operational efficiencies and cost savings, offshore dredge operations are anticipated to occur up to 24 hours per day, 7 days per week. The on-beach operations including the use of vehicles and heavy equipment to move pipe segments, create shore parallel dikes for the seawater to drain and create the beach berms would occur up to 12 hours per day and up to 7 days per week. Per SBMC 7.34.100(B)(2)(b), an exception to the construction hours limits is allowed and is requested as part of Resolution 2022-139.

It is worth noting that both the SANDAG Regional Beach Sand (RBSP) I Project (2001) and the SANDAG RBSP II Project (2011) both utilized a 24-hour per day, 7 day per week operational schedule. While this Project is not going to utilize a 24-hour per day beach operation schedule, on-beach construction may occur on Sundays and before 7am on Saturdays thus an exception per SMBC 7.34.100(B)(2)(b) is warranted. The beach is a “nonresidential zone” and, although no building or structures are being erected, there are no dwellings laterally within 1,500 feet of the beach. All structures are above the beach on top of the coastal bluff.

Specific construction activities for the Project include the following:

- Dredging Operations

Due to the distance from the open-ocean location of the borrow site to the beach placement areas, dredging will be performed using a trailing suction hopper dredge with pump ashore capability. Fletcher Cove is approximately 1.5 miles from the borrow site. Due to the combination of large hopper dredge volume and small dredge production rate, it is expected the hopper dredge will average 2 to 4 trips each day. Sandy material will be dredged only from the SO-5 borrow area off the coast of Del Mar. Moonlight Beach is approximately 6 miles from the borrow site which represents approximately a one-hour round trip (excluding dredging and pump-out). As previously noted, dredging will occur on a 24-hour, 7 days a week basis. Beach sand placement activities are proposed to occur seven days a week (including holidays) and up to 12 hours per day.

- Beach Sand Placement Operations

Beach sand placement operations involve placing a pipeline through the surf zone to the beach. The hopper dredge requires a mooring platform to dock. The pipeline is connected to the mooring platform and the hopper dredge transfers the dredge material to the pipeline monobuoy at this mooring platform.

A dike system will be implemented at the beach sand placement locations to control runback of sand into the nearshore thereby capturing the maximum amount of sand to widen the public beach. The dike system will be seaward of the discharge point and parallel to the shoreline. Dredged material will be discharged into the impoundment area created by the dike, and the return water then directed parallel to shore prior to reaching the nearshore. The berm will be maintained daily using material from the adjacent beach and dredged material that has settled in the vicinity. Additional berms may also be implemented perpendicular to the shoreline, as needed, to facilitate creation of an impoundment area for the discharged sediment. Additional methods, such as the use of slotted discharge pipes, multiple discharge points or other approved means, may be implemented to minimize loss of dredged material.

- Safety Operations

The project sites are popular recreational areas with limited vertical access points due to bluffs. Access routes to the beach during mobilization and demobilization will be coordinated with the local agencies to minimize residential, marine safety, and environmental concerns. During mobilization, the project will use bulldozers and front loaders to bring pipeline segments onto the beach. Safety controls such as flag-people and barriers will be established to protect the public from active equipment. Sand ramps will be required over the placed pipeline at 500 ft intervals to facilitate public vertical access to the beach. At all times when traversing the beach, equipment will follow a 10 miles per hour maximum speed limit and be led by a spotter to identify any hazardous conditions ahead of the equipment. The spotter and equipment operator will be in communication using hand-held radios. During dredging operations, potential hazards exist at the discharge location and downstream of the discharge site on the beach so temporary fencing will be installed around the discharge area and to monitor for pedestrians attempting to walk through the site. A 150-ft minimum buffer will be established between construction work and the public. In the receiver areas, the discharge exits the pipe at high rates of speed. Multiple bulldozers will be operating to build the berm elevation of the beach. At the end of construction operations, any tall scarps will be leveled.

The purpose of this Staff Report and Resolution 2022-139 is to request Council authorization to allow the City Manager to execute the attached USACE PPA and to allow a noise exception for construction to occur on the beach for up to 12-hours per day, 7 days per week. Again, offshore dredging operations are planned to occur up to 24 hours per day, 7 days per week.

#### State Parks Right-of-Entry Permit for Construction Staging Area

For initial construction, there is a need for a nearby construction staging area. The cities of Solana Beach and Encinitas are jointly processing a right of entry (ROE) permit with State Parks to utilize an approximately 0.8-acre portion of the southwest side of the Cardiff/Seaside Parking Lot for short-term/temporary construction staging. The estimated duration for use for the construction staging area at the Cardiff State Beach parking lot is

50 days, however, the ROE would be valid for a period of one year. Equipment to be stored in the parking lot includes a bulldozer and front-end loader and pipeline segments.

As the short-term temporary use of the parking lot for construction staging would utilize parking spaces that may otherwise generate revenue for State Parks and their concessionaire, the ROE permit fee would be \$9,500 to offset the loss of income (due to use of 119 parking spaces) plus a \$1,700 fee to State Parks for administrative cost recovery for a total fee for the ROE permit would be \$11,200. If an extension to the ROE permit is needed, the cost will be \$190 for each additional day it is needed.

Any fueling or maintenance activities would occur at the staging areas, and the contractor would be required to provide and comply with a Spill Prevention, Control, and Containment (SPCC) plan for spill prevention and containment.

The ROE permit has been requested for the period beginning October 1, 2023, through September 30, 2024. Included as part of Resolution 2022-139, therefore, is the authorization of the City Manager to execute a ROE permit with State Parks, in a form and conditions acceptable to the City.

#### **CEQA COMPLIANCE STATEMENT:**

Signing a PPA is not a project under the California Environmental Quality Act (CEQA) and issuance of a construction noise exception is fully supported by SBMC 7.34.100. A Final EIS/EIR was certified for the Project in 2016.

#### **FISCAL IMPACT:**

The current project cost is \$43,331,000. The Project cost share per the PPA is 65% Federal and 35% non-Federal. The non-Federal costs have been shared between the City of Solana Beach, the City of Encinitas and State Parks, Division of Boating and Waterways. The total local/state cost share amount is \$15,166,000. The non-federal project cost is split between the cities of Solana Beach and Encinitas in proportion to the volumes of sand placed in each City. The Solana Beach cost is \$10,161,000 and the Encinitas cost is \$5,005,000. The State Parks Grant will be allocated to the Cities according to the relative cost to each City. In addition, the City will use the \$746,150 of Sand Mitigation Funds received from SANDAG and could supplement additional funding from the City's Sand Replenishment TOT Fund, or other identified and/or budgeted funds, to support the City's share of the required local sponsor match. Work in kind (non-cash) contributions will also continue to be maximized throughout the life of this Project.

The City's Sand Replenishment TOT (transient occupancy tax) Fund had fund balance of approximately \$1.1 million as of June 2022. Additionally, the City collects Sand Mitigation and Public Recreation Impact Mitigation fees for construction of bluff retention devices along the coast. This fund has a current balance of approximately \$100,000. It should be noted that the Sand Replenishment TOT Fund also helps to fund Coastal Access and City facility projects such as the Marine Safety, Fletcher Cove Concrete Repair and the Fletcher Cove Access Ramp Repair projects. As such, the City may need to supplement



its local share for initial construction with CIP funds. As of June 2022, the unreserved CIP Fund balance was \$1,670,350.

**WORK PLAN:**

Signing a Project Partnership Agreement with the USACE supports implementation of Community Character Priorities and the ongoing protection of beach sand replenishment projects as identified in the Work Plan Items A.2, Local Coastal Program; and A.3, Beach Sand Replenishment and Retention Program.

**OPTIONS:**

- Approve Staff recommendation.
- Deny Staff recommendation.
- Provide other direction to Staff.


**DEPARTMENT RECOMMENDATION:**

That the City Council consider adoption of Resolution 2022-139:

1. Authorizing the City Manager to act on behalf of the City of Solana Beach, in consultation with the City Attorney, to execute the USACE Project Partnership Agreement (PPA);
2. Authorizing the City Manager to issue a noise exception for construction activities consistent with SBMC Section 7.34.100(B)(2)(b) to ensure Project construction begins on schedule in late 2023; and
3. Authorizing the City Manager to execute a Right-of-Entry (ROE) Permit with the State Department of Parks and Recreation for use of construction staging area on a portion of the Cardiff State Beach/Seaside Parking Lot in a form and with conditions acceptable to the City.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation.

  
\_\_\_\_\_  
Gregory Wade, City Manager

Attachments:

1. Resolution 2022-139
2. USACE Project Partnership Agreement

## RESOLUTION 2022-139

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE USACE PROJECT PARTNERSHIP AGREEMENT, ISSUE A CONSTRUCTION HOURS EXCEPTION AND EXECUTE A RIGHT-OF-ENTRY PERMIT FOR THE USACE COASTAL STORM DAMAGE REDUCTION PROJECT (PROJECT)

**WHEREAS**, the City of Solana Beach (City) has a strong record of proactively managing its public beaches and shoreline through a comprehensive shoreline management program aimed at preserving the public beach, protecting critical public infrastructure and implementing coastal resiliency solutions; and

**WHEREAS**, coastal beach and bluff erosion is an existing challenge faced by the City and all cities in the region due to historic sand sources being largely cut off from reaching the coast due to existing development and urbanization in general; and

**WHEREAS**, coastal erosion is anticipated to be exacerbated by future rising seas and the City is closely monitoring ocean levels as measured at the local tide station in La Jolla operated by the National Oceanic Atmospheric Administration; and

**WHEREAS**, coastal erosion has affected critical public infrastructure in the City including public coastal access, public beaches, roadways, public utilities, parking areas, pedestrian paths, other critical public infrastructure and private property; and

**WHEREAS**, the City desires to protect the public beach and existing critical infrastructure in place and key City goals are to restore the public beach and protect important public assets, resources and infrastructure; and

**WHEREAS**, this Project is listed as a key mitigation measure in the City's Climate Action Plan (CAP) Adaptation Strategy to address impacts of sea level rise on the shoreline; and

**WHEREAS**, in 2016, the City completed the Feasibility Phase of the U.S. Army Corps of Engineers (USACE) Solana Beach and Encinitas Coastal Storm Damage Reduction Project (i.e., San Diego County Coastal Storm Damage Reduction Project); and

**WHEREAS**, in 2020, the City signed a Design Agreement with the USACE to initiate the Pre-Construction Engineering Design Phase (PED) during which one year of baseline monitoring data is being collected for the Project from Fall 2022-Fall 2023; and

**WHEREAS**, construction of the Project is expected to begin in late 2023 or early 2024 immediately following the conclusion of the PED Phase of the Project; and

**WHEREAS**, the Project is an important long term coastal resiliency effort in the City and surrounding region with an initial federal authorization period of 50 years through 2074 and will benefit eight miles of shoreline in Solana Beach and Encinitas; and



**WHEREAS**, the USACE requires that the Cities, as local sponsors, share Project costs in a cost share arrangement that is 65% Federal and 35% Non-Federal; and

**WHEREAS**, as the City has received a construction grant from State Parks to help fund its local cost share match in anticipation of the 2023 Project start; and

**WHEREAS**, the USACE requires a Project Partnership Agreement (PPA) be executed with all parties for the construction phase; and

**WHEREAS**, on-beach operations may occur outside of the City's standard construction hours in SBMC 7.34.100 necessitating the issuance of an exception to allow operational flexibility during Project construction.

**NOW, THEREFORE**, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. That the City Manager is authorized to act on behalf of the City of Solana Beach, in consultation with the City Attorney, to execute the USACE Project Partnership Agreement (PPA).
3. That the City Manager is authorized to issue a noise exception for construction activities consistent with SBMC Section 7.34.100(B)(2)(b) to ensure Project construction begins on schedule in late 2023.
4. That the City Manager is authorized to execute a Right-of-Entry (ROE) Permit with the State Department of Parks and Recreation for a construction staging area on a portion of the Cardiff State Beach/Seaside Parking Lot in a form and with conditions acceptable to the City.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of December 2022 at a special meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSTAIN: Councilmembers –  
ABSENT: Councilmembers –

\_\_\_\_\_  
LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
JOHANNA N. CANLAS, City Attorney

\_\_\_\_\_  
ANGELA IVEY, City Clerk

PROJECT PARTNERSHIP AGREEMENT  
BETWEEN  
THE DEPARTMENT OF THE ARMY  
AND  
**THE CITY OF ENCINITAS AND THE CITY OF SOLANA BEACH**  
FOR  
**THE SAN DIEGO COUNTY STORM DAMAGE RISK REDUCTION PROJECT,**  
**SAN DIEGO COUNTY, CALIFORNIA**

THIS PROJECT PARTNERSHIP AGREEMENT (“Agreement”) is entered into this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the Department of the Army (hereinafter the “Government”), represented by the District Commander for the Los Angeles District and the City of Encinitas and the City of Solana Beach (hereinafter the “Non-Federal Sponsors”), represented by its City Managers.

WITNESSETH, THAT:

WHEREAS, initial construction and periodic nourishment of the San Diego County Storm Damage Risk Reduction Project (hereinafter the “Project”, as defined in Article I.A. of this Agreement) was authorized by Section 1401(3)(6) of the Water Resources Development Act of 2016;

WHEREAS, Section 103 of the Water Resources Development Act (WRDA) of 1986, Public Law 99-662, as amended (33 U.S.C. 2213), specifies the cost-sharing requirements applicable to the Project; and

WHEREAS, the Government and the Non-Federal Sponsors have the full authority and capability to perform in accordance with the terms of this Agreement and acknowledge that Section 221 of the Flood Control Act of 1970, as amended (42 U.S.C. 1962d-5b(c)), provides that this Agreement shall be enforceable in the appropriate district court of the United States.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

A. The term “Project” means construction of protective beach berms along two segments of shoreline within San Diego County, California, with associated renourishment cycles, using sand from offshore borrow sites, specifically, construction of a fifty-foot-wide protective beach berm extending along 7,800 feet of shoreline in Encinitas (Segment 1) using approximately 340,000 cubic yards of compatible sediment, with renourishment on the average of every 5 years, with approximately 220,000 cubic yards of compatible sediment over a 50-year period of Federal participation, for a total of nine additional nourishments, and construction of a 150-foot-wide beach berm extending along a 7,200-foot-long stretch of shoreline in Solana Beach (Segment 2) using approximately 700,000 cubic yards of compatible sediment, with

renourishment on average every 10 years, with approximately 290,000 cubic yards of compatible sediment, over a 50-year period of Federal participation, for a total of four additional nourishments, as generally described in the Final Integrated Feasibility Report/Environmental Impact Statement and Environmental Impact Report for the Encinitas-Solana Beach Coastal Storm Damage Reduction Project dated April 2015 and revised July 2016, and the Report of the Chief of Engineers, dated April 26, 2016 and approved by the Senior Official Performing the Duties of the Assistant Secretary of the Army (Civil Works) on June 22, 2017 (hereinafter the “Decision Document”).

B. The term “HTRW” means hazardous, toxic, and radioactive wastes, which includes any material listed as a “hazardous substance” (42 U.S.C. 9601(14)) regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (hereinafter “CERCLA”) (42 U.S.C. 9601-9675) and any other regulated material in accordance with applicable laws and regulations.

C. The term “periodic nourishment” means the placement of suitable beach berm material after initial construction of the Project at appropriate intervals during the 50 year period of Federal participation that begins on the date of initiation of construction of the Project, as generally described in the Decision Document.

D. The term “construction costs” means all costs incurred by the Government and Non-Federal Sponsors in accordance with the terms of this Agreement that are directly related to design and construction of the Project and cost shared. The term includes the Government’s costs and the Non-Federal Sponsors’ creditable contributions pursuant to the terms of the Design Agreement executed on September 9, 2020; the Government’s engineering, design, and construction, including monitoring, costs; the Government’s supervision and administration costs; the Non-Federal Sponsors’ creditable costs for providing real property interests, placement area improvements, and relocations and for providing in-kind contributions, if any; costs for mitigation, including monitoring and adaptive management, if applicable; and the costs of historic preservation activities except for data recovery for historic properties. The term does not include any costs for operation, maintenance, repair, rehabilitation, or replacement; HTRW cleanup and response; dispute resolution; participation by the Government and the Non-Federal Sponsors in the Project Coordination Team to discuss significant issues and actions; audits; betterments; or the Non-Federal Sponsors’ cost to negotiate this Agreement.

E. The term “real property interests” means lands, easements, and rights-of-way, including those required for relocations and borrow and dredged material placement areas. Acquisition of real property interests, may require the performance of relocations.

F. The term “relocation” means the provision of a functionally equivalent facility to the owner of a utility, cemetery, highway, railroad, or public facility when such action is required by applicable legal principles of just compensation. Providing a functionally equivalent facility may include the alteration, lowering, raising, or replacement and attendant demolition of the affected facility or part thereof.

G. The term “placement area improvements” means the improvements required on real property interests to enable the ancillary placement of material that has been dredged or excavated during construction, operation, and maintenance of the Project, including, but not limited to, retaining dikes, wasteweirs, bulkheads, embankments, monitoring features, stilling basins, and dewatering pumps and pipes.

H. The term “functional portion thereof” means a portion of the Project that has been completed and that can function independently, as determined in writing by the District Commander for Los Angeles District (hereinafter the “District Commander”), although the remainder of the Project is not yet complete.

I. The term “in-kind contributions” means those materials or services provided by the Non-Federal Sponsors that are identified as being integral to the Project by the Division Commander for South Pacific Division (hereinafter the “Division Commander”). To be integral to the Project, the material or service must be part of the work that the Government would otherwise have undertaken for design and construction of the Project. The in-kind contributions also include any initial investigations performed by the Non-Federal Sponsors to identify the existence and extent of any HTRW that may exist in, on, or under real property interests required for the Project; however, it does not include HTRW cleanup and response.

J. The term “betterment” means a difference in construction of an element of the Project that results from the application of standards that the Government determines exceed those that the Government would otherwise apply to construction of that element.

K. The term “fiscal year” means one year beginning on October 1<sup>st</sup> and ending on September 30<sup>th</sup> of the following year.

L. The term “Maximum Cost Limit” means the statutory limitation, as applicable, on the total cost of the Project, as determined by the Government in accordance with Section 902 of WRDA 1986, as amended (33 U.S.C. 2280) and Government regulations issued thereto. Depending on the Project authorization, there may be a separate Maximum Cost Limit for initial construction and for periodic nourishment.

## ARTICLE II - OBLIGATIONS OF THE PARTIES

A. In accordance with Federal laws, regulations, and policies, the Government shall undertake initial construction and periodic nourishment of the Project using funds appropriated by the Congress and funds provided by the Non-Federal Sponsors. In carrying out its obligations under this Agreement, the Non-Federal Sponsors shall comply with all requirements of applicable Federal laws and implementing regulations, including but not limited to, if applicable, Section 601 of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto; the Age Discrimination Act of 1975 (42 U.S.C. 6102); and the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Army Regulation 600-7 issued pursuant thereto.

B. The Non-Federal Sponsors shall contribute 35 percent of construction costs for initial construction of the Project, and 50 percent of construction costs for periodic nourishment, allocated by the Government to coastal storm risk management; 100 percent of construction costs allocated by the Government to beach improvements with exclusively private benefits; 100 percent of construction costs allocated by the Government to improvements and other work located within the Coastal Barrier Resources System that the Government has determined are ineligible for Federal financial participation; and 100 percent of the construction costs allocated by the Government to the prevention of losses of undeveloped private lands, as follows:

1. In accordance with Article III, the Non-Federal Sponsors shall provide the real property interests, placement area improvements, and relocations required for construction, operation, and maintenance of the Project. If the Government determines that the Non-Federal Sponsors' estimated credits for real property interests, placement area improvements, and relocations will exceed 35 percent of construction costs for initial construction or 50 percent of construction costs for periodic nourishment allocated to coastal storm risk management, the Government, in its sole discretion, may acquire any of the remaining real property interests, construct any of the remaining placement area improvements, or perform any of the remaining relocations with the cost of such work included as a part of the Government's cost of construction. Nothing in this provision affects the Non-Federal Sponsors' responsibility under Article IV for the performance and costs of any HTRW cleanup and response related thereto.

2. If providing in-kind contributions as a part of its 35 percent cost share, the Non-Federal Sponsors shall obtain all applicable licenses and permits necessary for such work. As functional portions of the work are completed, the Non-Federal Sponsors shall begin operation and maintenance of such work. Upon completion of the work, the Non-Federal Sponsors shall so notify the Government within 30 calendar days and provide the Government with a copy of as-built drawings for the work.

3. For construction costs allocated to coastal storm risk management for initial construction and for each cycle of periodic nourishment, after considering the contributions provided pursuant to the Design Agreement and the estimated amount of credit that will be afforded to the Non-Federal Sponsors pursuant to paragraphs B.1. and B.2., above, the Government shall determine the estimated amount of funds required from the Non-Federal Sponsors to meet its cost share for the then-current fiscal year. No later than 60 calendar days after receipt of notification from the Government, the Non-Federal Sponsors shall provide the full amount of such funds to the Government in accordance with Article VI.C. For construction costs allocated to beach improvements with exclusively private benefits, to improvements and other work located within the Coastal Barrier Resources System that the Government has determined are ineligible for Federal financial participation, and to the prevention of losses of undeveloped private lands, the Non-Federal Sponsors, in accordance with Article VI.F., must provide funds sufficient to cover the costs of such work in advance of the Government performing the work.

4. No later than August 1<sup>st</sup> prior to each subsequent fiscal year during initial construction or a cycle of periodic nourishment, the Government shall provide the Non-Federal Sponsors with a written estimate of the amount of funds required from the Non-Federal Sponsors

during that fiscal year to meet its cost share. No later than September 1<sup>st</sup> prior to that fiscal year, the Non-Federal Sponsors shall provide the full amount of such required funds to the Government in accordance with Articles VI.C. and VI.F, as applicable.

C. To the extent practicable and in accordance with Federal law, regulations, and policies, the Government shall afford the Non-Federal Sponsors the opportunity to review and comment on contract solicitations, including relevant plans and specifications, prior to the Government's issuance of such solicitations; proposed contract modifications, including change orders; and contract claims prior to resolution thereof. Ultimately, the contents of solicitations, award of contracts, execution of contract modifications, and resolution of contract claims shall be exclusively within the control of the Government.

D. The Government, as it determines necessary, shall undertake actions associated with historic preservation, including the identification and treatment of historic properties as those properties are defined in the National Historic Preservation Act of 1966, as amended (54 U.S.C. 300101-307108). All costs incurred by the Government for such work (including the mitigation of adverse effects other than data recovery) shall be included in construction costs and shared in accordance with the provisions of this Agreement. If historic properties are discovered during construction and the effect(s) of construction are determined to be adverse, strategies shall be developed to avoid, minimize, or mitigate these adverse effects. In accordance with 54 U.S.C. 312507, up to 1 percent of the total amount authorized to be appropriated for the Project may be applied toward data recovery of historic properties and such costs shall be borne entirely by the Government. In the event that costs associated with data recovery of historic properties exceed 1 percent of the total amount authorized to be appropriated for the Project, in accordance with 54 U.S.C. 312508, the Government will seek a waiver from the 1 percent limitation under 54 U.S.C. 312507 and upon receiving the waiver, will proceed with data recovery at full Federal expense. Nothing in this Agreement shall limit or otherwise prevent the Non-Federal Sponsors from voluntarily contributing costs associated with data recovery that exceed 1 percent.

E. When the District Commander determines that initial construction of the Project, or a functional portion thereof, is complete, the District Commander shall so notify the Non-Federal Sponsors in writing within 30 calendar days of such determination, and the Non-Federal Sponsors, at no cost to the Government, shall operate, maintain, repair, rehabilitate, and replace the Project, or such functional portion thereof. Such activities will generally consist of flood operation, inspection, and coordination. The Government shall furnish the Non-Federal Sponsors with an Operation, Maintenance, Repair, Rehabilitation, and Replacement Manual (hereinafter the "OMRR&R Manual") and copies of all as-built drawings for the completed work. Operation and maintenance include, but are not limited to, completing surveys of beach profiles, initiating action to accomplish renourishment when required, and eliminating hazardous conditions such as beach scarps where possible. The Government's undertaking of a cycle of periodic nourishment has no effect on the Non-Federal Sponsors' continuing responsibility for operation, maintenance, repair, rehabilitation, and replacement of the Project. If a cycle of periodic nourishment changes those responsibilities, the Non-Federal Sponsors, at no cost to the Government, shall commence any additional responsibilities upon notification from the Government.

1. The Non-Federal Sponsors shall conduct its operation, maintenance, repair, rehabilitation, and replacement responsibilities in a manner consistent with the Project's authorized purpose and in accordance with applicable Federal laws and regulations, and the Government's specific directions in the OMRR&R Manual. The Government and the Non-Federal Sponsors shall consult on any subsequent updates or amendments to the OMRR&R Manual.

2. The Government may enter, at reasonable times and in a reasonable manner, upon real property interests that the Non-Federal Sponsors now or hereafter owns or controls to inspect the Project, and, if necessary, to undertake any work necessary to the functioning of the Project for its authorized purpose. If the Government determines that the Non-Federal Sponsors is failing to perform its obligations under this Agreement and the Non-Federal Sponsors does not correct such failures within a reasonable time after notification by the Government, the Government, at its sole discretion, may undertake any operation, maintenance, repair, rehabilitation, or replacement of the Project. No operation, maintenance, repair, rehabilitation, or replacement by the Government shall relieve the Non-Federal Sponsors of its obligations under this Agreement or preclude the Government from pursuing any other remedy at law or equity to ensure faithful performance of this Agreement.

F. At least annually and after storm events, the Non-Federal Sponsors, at no cost to the Government, shall monitor and perform surveillance of the Project to determine losses of material and provide results of such surveillance to the Government.

G. Not less than once each year, the Non-Federal Sponsors shall inform affected interests of the extent of risk reduction afforded by the Project.

H. The Non-Federal Sponsors shall ensure participation in and compliance with applicable Federal floodplain management and flood insurance programs. The Non-Federal Sponsors may execute agreements with other non-Federal entities to ensure such participation and compliance.

I. In accordance with Section 402 of WRDA 1986, as amended (33 U.S.C. 701b-12), the Non-Federal Sponsors shall prepare a floodplain management plan for the Project within one year after the effective date of this Agreement and shall implement such plan no later than one year after completion of initial construction of the Project. The Non-Federal Sponsors may execute agreements with other non-Federal entities to ensure such preparation and implementation. The plan shall be designed to reduce the impacts of future coastal events in the project area, including but not limited to, addressing those measures to be undertaken by non-Federal interests to preserve the level of coastal storm risk reduction provided by such work. The Non-Federal Sponsors shall provide an information copy of the plan to the Government.

J. The Non-Federal Sponsors shall ensure publication of floodplain information in the area concerned and shall provide this information to zoning and other regulatory agencies for their use in adopting regulations, or taking other actions, to prevent unwise future development and to ensure compatibility with the Project. The Non-Federal Sponsors may execute agreements with other non-Federal entities to ensure such publication and provision.

K. The Non-Federal Sponsors shall prevent obstructions or encroachments on the Project (including prescribing and enforcing regulations to prevent such obstructions or encroachments) that might reduce the level of coastal storm risk reduction the Project affords, hinder operation and maintenance of the Project, or interfere with the Project's proper function.

L. For shores, other than Federal shores, protected pursuant to this Agreement using Federal funds, the Non-Federal Sponsors shall ensure the public use of, and access to, such shores by all on equal terms in a manner compatible with the authorized purpose of the Project.

M. The Non-Federal Sponsors shall provide and maintain necessary access roads, parking areas, and other associated public use facilities, open and available to all on equal terms, as described in the Decision Document.

N. The Non-Federal Sponsors shall not use Federal program funds to meet any of its obligations under this Agreement unless the Federal agency providing the funds verifies in writing that the funds are authorized to be used for the Project. Federal program funds are those funds provided by a Federal agency, plus any non-Federal contribution required as a matching share therefor.

O. In addition to the ongoing, regular discussions between the parties regarding Project delivery, the Government and the Non-Federal Sponsors may establish a Project Coordination Team to discuss significant issues or actions. The Government's costs for participation on the Project Coordination Team shall not be included in construction costs that are cost shared but shall be included in calculating the Maximum Cost Limit. The Non-Federal Sponsors' costs for participation on the Project Coordination Team shall not be included in construction costs that are cost shared and shall be paid solely by the Non-Federal Sponsors without reimbursement or credit by the Government.

P. The Non-Federal Sponsors may request in writing that the Government perform betterments on the Non-Federal Sponsors' behalf. Each request shall be subject to review and written approval by the Division Commander. If the Government agrees to such request, the Non-Federal Sponsors, in accordance with Article VI.F., must provide funds sufficient to cover the costs of such work in advance of the Government performing the work. In addition, the Non-Federal Sponsors are responsible for providing, at no cost to the Government, any additional real property interests, relocations, and placement area improvements determined by the Government to be required for construction, operation, and maintenance of such work.

### ARTICLE III - REAL PROPERTY INTERESTS, PLACEMENT AREA IMPROVEMENTS, AND RELOCATIONS

A. The Government, after consultation with the Non-Federal Sponsors, shall determine the real property interests required for construction, operation, and maintenance of the Project. The Government shall provide the Non-Federal Sponsors with general written descriptions, including maps as appropriate, of the real property interests that the Government determines the



Non-Federal Sponsors must provide for construction, operation, and maintenance of the Project, and shall provide the Non-Federal Sponsors with a written notice to proceed with acquisition. Prior to initiating acquisition and in accordance with Article IV.A., the Non-Federal Sponsors shall investigate to verify that HTRW does not exist in, on, or under the real property interests required for construction, operation, and maintenance of the Project. Subject to the requirements in Article IV.B., the Non-Federal Sponsors shall acquire the real property interests and shall provide the Government with authorization for entry thereto according to the Government's construction schedule for the Project. The Non-Federal Sponsors shall ensure that real property interests provided for the Project are retained in public ownership for uses compatible with the authorized purposes of the Project.

B. The Government, after consultation with the Non-Federal Sponsors, shall determine the placement area improvements required for construction, operation, and maintenance of the Project, provide the Non-Federal Sponsors with general written descriptions, including maps as appropriate, of such improvements, and provide the Non-Federal Sponsors with a written notice to proceed with such improvements. The Non-Federal Sponsors shall construct the improvements in accordance with the Government's construction schedule for the Project.

C. The Government, after consultation with the Non-Federal Sponsors, shall determine the relocations required for construction, operation, and maintenance of the Project, provide the Non-Federal Sponsors with general written descriptions, including maps as appropriate, of such relocations, and provide the Non-Federal Sponsors with a written notice to proceed with such relocations. The Non-Federal Sponsors shall perform or ensure the performance of these relocations in accordance with the Government's construction schedule for the Project.

D. To the maximum extent practicable, no later than 30 calendar days after the Government provides the Non-Federal Sponsors with written descriptions and maps of the real property interests, placement area improvements, and relocations required for construction, operation, and maintenance of the Project, the Non-Federal Sponsors may request in writing that the Government acquire all or specified portions of such real property interests, construct placement area improvements, or perform the necessary relocations. If the Government agrees to such a request, the Non-Federal Sponsors, in accordance with Article VI.F., must provide funds sufficient to cover the costs of the acquisitions, placement area improvements, or relocations in advance of the Government performing the work. The Government shall acquire the real property interests, construct the placement area improvements, and perform the relocations, applying Federal laws, policies, and procedures. The Government shall acquire real property interests in the name of the Non-Federal Sponsors except, if acquired by eminent domain, the Government shall convey all of its right, title and interest to the Non-Federal Sponsors by quitclaim deed or deeds. The Non-Federal Sponsors shall accept delivery of such deed or deeds. The Government's provision of real property interests, placement area improvements, or performing relocations on the Non-Federal Sponsors' behalf does not alter the Non-Federal Sponsors' responsibility under Article IV for the performance and costs of any HTRW cleanup and response related thereto.

E. In acquiring the real property interests for the Project, the Non-Federal Sponsors assures the Government that it will comply with the following:

(1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under 42 U.S.C. 4622, 4623 and 4624;

(2) relocation assistance programs offering the services described in 42 U.S.C. 4625 shall be provided to such displaced persons;

(3) within a reasonable period of time prior to displacement, comparable replacement dwellings will be available to displaced persons in accordance with 42 U.S.C. 4625(c)(3);

(4) in acquiring real property, the Non-Federal Sponsors will be guided, to the greatest extent practicable under State law, by the land acquisition policies in 42 U.S.C. 4651 and the provisions of 42 U.S.C. 4652; and

(5) property owners will be paid or reimbursed for necessary expenses as specified in 42 U.S.C.4653 and 4654.

#### ARTICLE IV - HTRW

A. The Non-Federal Sponsors shall be responsible for undertaking any investigations to identify the existence and extent of any HTRW regulated under applicable law that may exist in, on, or under real property interests required for construction, operation, and maintenance of the Project.

B. In the event it is discovered that HTRW exists in, on, or under any of the real property interests needed for construction, operation, and maintenance of the Project, the Non-Federal Sponsors and the Government shall provide written notice to each other within 15 calendar days of such discovery, in addition to providing any other notice required by applicable law. If HTRW is discovered prior to acquisition, the Non-Federal Sponsors shall not proceed with the acquisition of such real property interests until the parties agree that the Non-Federal Sponsors should proceed. If HTRW is discovered after acquisition of the real property interests, no further Project activities within the contaminated area shall proceed until the parties agree on an appropriate course of action.

C. If HTRW is found to exist in, on, or under any required real property interests, the parties shall consider any liability that might arise under applicable law and determine whether to initiate construction, or if already initiated, whether to continue, suspend, or terminate construction.

1. Should the parties initiate or continue construction, the Non-Federal Sponsors shall be solely responsible, as between the Government and the Non-Federal Sponsors, for the performance and costs of HTRW cleanup and response, including the costs of any studies and investigations necessary to determine an appropriate response to the contamination. The Non-

Federal Sponsors shall pay such costs without reimbursement or credit by the Government. In no event will the Government proceed with that construction before the Non-Federal Sponsors has completed the required cleanup and response actions.

2. In the event the parties cannot reach agreement on how to proceed or the Non-Federal Sponsors fails to discharge its responsibilities under this Article upon direction by the Government, the Government may suspend or terminate construction. Additionally, the Government may undertake any actions it determines necessary to avoid a release of such HTRW with the Non-Federal Sponsors responsible for such costs without credit or reimbursement by the Government.

D. In the event of a HTRW discovery, the Non-Federal Sponsors and the Government shall initiate consultation with each other within 15 calendar days in an effort to ensure that responsible parties bear any necessary cleanup and response costs as required by applicable law. Any decision made pursuant to this Article shall not relieve any third party from any HTRW liability that may arise under applicable law.

E. To the maximum extent practicable, the Government and Non-Federal Sponsors shall perform their responsibilities under this Agreement in a manner that will not cause HTRW liability to arise under applicable law.

F. As between the Government and the Non-Federal Sponsors, the Non-Federal Sponsors shall be considered the owner and operator of the Project for purposes of CERCLA liability or other applicable law.

#### ARTICLE V - CREDIT FOR REAL PROPERTY INTERESTS, PLACEMENT AREA IMPROVEMENTS, RELOCATIONS, AND IN-KIND CONTRIBUTIONS

A. The Government shall include in construction costs, and credit towards the Non-Federal Sponsors' share of such costs, the value of Non-Federal Sponsors provided real property interests (except interests in lands subject to shore erosion that are publicly owned on the effective date of this Agreement or, if required for in-kind contributions covered by an In-Kind Memorandum of Understanding between the Government and Non-Federal Sponsors (hereinafter the "In-Kind MOU"), that were publicly owned on the effective date of the In-Kind MOU), placement area improvements, and relocations, and the costs of in-kind contributions determined by the Government to be required for the Project.

B. To the maximum extent practicable, no later than 3 months after it provides the Government with authorization for entry onto a real property interest or pays compensation to the owner, whichever occurs later, the Non-Federal Sponsors shall provide the Government with documents sufficient to determine the amount of credit to be provided for the real property interests in accordance with paragraph C.1. of this Article. To the maximum extent practicable, no less frequently than on a quarterly basis, the Non-Federal Sponsors shall provide the Government with documentation sufficient for the Government to determine the amount of credit to be provided for other creditable items in accordance with paragraph C. of this Article.

C. The Government and the Non-Federal Sponsors agree that the amount of costs eligible for credit that are allocated by the Government to construction costs shall be determined and credited in accordance with the following procedures, requirements, and conditions and subject to audit in accordance with Article X.B. to determine reasonableness, allocability, and allowability of costs.

1. Real Property Interests.

a. General Procedure. For each real property interest (except interests in lands subject to shore erosion that are publicly owned on the effective date of this Agreement), the Non-Federal Sponsors shall obtain an appraisal of the fair market value of such interest that is prepared by a qualified appraiser who is acceptable to the parties. Subject to valid jurisdictional exceptions, the appraisal shall conform to the Uniform Standards of Professional Appraisal Practice. The appraisal must be prepared in accordance with the applicable rules of just compensation, as specified by the Government. For crediting purposes, appraisals of interests in lands subject to shore erosion acquired from private parties after the effective date of this Agreement must consider special benefits in accordance with the Uniform Appraisal Standards for Federal Land Acquisition (2016) (hereinafter “Uniform Appraisal Standards”).

(1) Date of Valuation. For any real property interests (other than interests in lands subject to shore erosion) owned by the Non-Federal Sponsors on the effective date of this Agreement and required for construction performed after the effective date of this Agreement, the date the Non-Federal Sponsors provides the Government with authorization for entry thereto shall be used to determine the fair market value. For any real property interests required for in-kind contributions covered by an In-Kind MOU (other than interests in lands subject to shore erosion that were publicly owned on the effective date of the In-Kind MOU), the date of initiation of construction shall be used to determine fair market value. The fair market value of real property interests acquired by the Non-Federal Sponsors after the effective date of this Agreement shall be the fair market value of such real property interests at the time the interests are acquired.

(2) Except for real property interests acquired through eminent domain proceedings instituted after the effective date of this Agreement, the Non-Federal Sponsors shall submit an appraisal for each real property interest to the Government for review and approval no later than, to the maximum extent practicable, 60 calendar days after the Non-Federal Sponsors provides the Government with an authorization for entry for such interest or concludes the acquisition of the interest through negotiation or eminent domain proceedings, whichever occurs later. If, after coordination and consultation with the Government, the Non-Federal Sponsors are unable to provide an appraisal that is acceptable to the Government, the Government shall obtain an appraisal to determine the fair market value of the real property interest for crediting purposes.

(3) The Government shall credit the Non-Federal Sponsors the appraised amount approved by the Government. Where the amount paid or proposed to be paid by the Non-Federal Sponsors exceeds the approved appraised amount, the Government, at the

Non-Federal Sponsors' request, shall consider all factors relevant to determining fair market value and, in its sole discretion, after consultation with the Non-Federal Sponsors, may approve in writing an amount greater than the appraised amount for crediting purposes.

b. Eminent Domain Procedure. For real property interests acquired by eminent domain proceedings instituted after the effective date of this Agreement, the Non-Federal Sponsors shall notify the Government in writing of its intent to institute such proceedings and submit the appraisals of the specific real property interests to be acquired for review and approval by the Government. If the Government provides written approval of the appraisals, the Non-Federal Sponsors shall use the amount set forth in such appraisals as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

(1) If the Government provides written disapproval of the appraisals, the Government and the Non-Federal Sponsors shall consult to promptly resolve the issues that are identified in the Government's written disapproval. In the event that the issues cannot be resolved, the Non-Federal Sponsors may use the amount set forth in its appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding. Except as provided in paragraph C.1.b.(2) below, the fair market value for crediting purposes shall be either the amount of the court award for the real property interests taken or the amount of any stipulated settlement or portion thereof that the Government approves in writing.

(2) For interests in lands subject to shore erosion, the Government will credit the amount of the court award or stipulated settlement only to the extent that the court award or stipulated settlement considered special benefits in accordance with the Uniform Appraisal Standards. If the court award or stipulated settlement did not consider special benefits, fair market value for crediting purposes shall be limited to the amount determined by an appraisal that considers special benefits.

c. Waiver of Appraisal. Except as required by paragraph C.1.b. of this Article, the Government may waive the requirement for an appraisal pursuant to this paragraph if, in accordance with 49 C.F.R. Section 24.102(c)(2):

(1) the owner is donating the real property interest to the Non-Federal Sponsors and releases the Non-Federal Sponsors in writing from its obligation to appraise the real property interest, and the Non-Federal Sponsors submits to the Government a copy of the owner's written release; or

(2) the Non-Federal Sponsors determines that an appraisal is unnecessary because the valuation problem is uncomplicated and the anticipated value of the real property interest proposed for acquisition is estimated at \$25,000 or less, based on a review of available data. When the Non-Federal Sponsors determines that an appraisal is unnecessary, the Non-Federal Sponsors shall prepare the written waiver valuation required by 49 C.F.R. Section 24.102(c)(2) and submit a copy thereof to the Government for approval. When the anticipated value of the real property interest exceeds \$10,000, up to a maximum of \$25,000, the Non-Federal Sponsors must offer the owner the option of having the Non-Federal Sponsors appraise the real property interest.

d. Incidental Costs. The Government shall include in construction costs and credit towards the Non-Federal Sponsors' share of such costs, the incidental costs the Non-Federal Sponsors incurred in acquiring any real property interests required pursuant to Article III for the Project within a five-year period preceding the effective date of this Agreement, or at any time after the effective date of this Agreement, that are documented to the satisfaction of the Government. Such incidental costs shall include closing and title costs, appraisal costs, survey costs, attorney's fees, plat maps, mapping costs, actual amounts expended for payment of any relocation assistance benefits provided in accordance with Article III.E., and other payments by the Non-Federal Sponsors for items that are generally recognized as compensable, and required to be paid, by applicable state law due to the acquisition of a real property interest pursuant to Article III.

2. Placement Area Improvements. The Government shall include in construction costs and credit towards the Non-Federal Sponsors' share of such costs, the value of placement area improvements required for the Project. Only placement area improvements constructed after the effective date of this Agreement are eligible for credit, unless such placement area improvements were required for in-kind contributions covered by an In-Kind MOU. The value shall be equivalent to the costs, documented to the satisfaction of the Government, that the Non-Federal Sponsors incurred to provide any placement area improvements required for the Project. Such costs include actual costs of constructing the improvements; planning, engineering, and design costs; and supervision and administration costs, but shall not include any costs associated with betterments, as determined by the Government.

3. Relocations. The Government shall include in construction costs and credit towards the Non-Federal Sponsors' share of such costs, the value of any relocations performed by the Non-Federal Sponsors that are directly related to construction, operation, and maintenance of the Project. Only relocations performed after the effective date of this Agreement are eligible for credit, unless such relocations were required for in-kind contributions covered by an In-Kind MOU.

a. For a relocation other than a highway, the value shall be only that portion of relocation costs that the Government determines is necessary to provide a functionally equivalent facility, reduced by depreciation, as applicable, and the salvage value of any removed items.

b. For a relocation of a highway, which is any highway, roadway, or street, including any bridge thereof, that is owned by a public entity, the value shall be only that portion of relocation costs that would be necessary to accomplish the relocation in accordance with the design standard that the **State of California** would apply under similar conditions of geography and traffic load, reduced by the salvage value of any removed items.

c. Relocation costs, as determined by the Government, include actual costs of performing the relocation; planning, engineering, and design costs; and supervision and administration costs. Relocation costs do not include any costs associated with betterments, as

determined by the Government, nor any additional cost of using new material when suitable used material is available.

4. In-Kind Contributions. The Government shall include in construction costs and credit towards the Non-Federal Sponsors' share of such costs, the value of in-kind contributions that are integral to the Project.

a. The value shall be equivalent to the costs, documented to the satisfaction of the Government, that the Non-Federal Sponsors incurred to provide the in-kind contributions, which may include engineering and design; construction; and supervision and administration, but shall not include any costs associated with betterments, as determined by the Government. Appropriate documentation includes invoices and certification of specific payments to contractors, suppliers, and the Non-Federal Sponsors' employees.

b. No credit shall be afforded for the following: interest charges, or any adjustment to reflect changes in price levels between the time the in-kind contributions are completed and credit is afforded; the value of in-kind contributions obtained at no cost to the Non-Federal Sponsors; any in-kind contributions performed prior to the effective date of this Agreement unless covered by an In-Kind MOU; or costs that exceed the Government's estimate of the cost for such in-kind contributions.

5. Compliance with Federal Labor Laws. Any credit afforded under the terms of this Agreement is subject to satisfactory compliance with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (labor standards originally enacted as the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act, and the Copeland Anti-Kickback Act), and credit may be withheld, in whole or in part, as a result of the Non-Federal Sponsors' failure to comply with its obligations under these laws.

D. Notwithstanding any other provision of this Agreement, the Non-Federal Sponsors shall not be entitled to credit or reimbursement for real property interests that were previously provided as an item of local cooperation for another Federal project or that are required for beach improvements with exclusively private benefits, improvements or other work located within the Coastal Barrier Resources System that the Government has determined are ineligible for Federal financial participation, or for the prevention of losses of undeveloped private lands.

## ARTICLE VI – PAYMENT OF FUNDS

A. As of the effective date of this Agreement, total construction costs are projected to be \$43,331,000 with the Government's share of such costs projected to be \$28,165,000 and the Non-Federal Sponsors' share of such costs projected to be \$15,166,000. Construction costs allocated to coastal storm risk management for initial construction are projected to be \$43,331,000, with the Government's share of such costs projected to be \$28,165,100 and the Non-Federal Sponsors' share of such costs projected to be \$15,166,000, which includes creditable real property interests, relocations, and placement area improvements projected to be

\$86,000, creditable in-kind contributions projected to be \$0, and the amount of funds required to meet its cost share projected to be \$15,080,000. Construction costs allocated to coastal storm risk management for periodic nourishment are projected to be \$398,588,000, with the Government's share of such costs projected to be \$199,294,000, and the Non-Federal Sponsors' share of such costs projected to be \$199,294,000, which includes creditable real property interests, relocations, and placement area improvements projected to be \$4,053,000, creditable in-kind contributions projected to be \$0, and the amount of funds required to meet its cost share projected to be \$195,241,000. Construction costs allocated to beach improvements with exclusively private benefits are projected to be \$0 for initial construction and \$0 for periodic nourishment. Construction costs allocated to improvements or other work located within the Coastal Barrier Resources System that the Government has determined are ineligible for Federal financial participation are projected to be \$0 for initial construction and \$0 for periodic nourishment. Construction costs allocated to the prevention of losses of undeveloped private lands are projected to be \$0 for initial construction and \$0 for periodic nourishment. Average annual costs for operation, maintenance, repair, replacement, and rehabilitation of the Project are projected to be \$0. Costs for betterments are projected to be \$0. These amounts are estimates only that are subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsors.

B. While undertaking initial construction and periodic nourishment, the Government shall provide the Non-Federal Sponsors with monthly reports setting forth the estimated construction costs and the Government's and Non-Federal Sponsors' estimated shares of such costs; costs incurred by the Government, using both Federal and Non-Federal Sponsors funds, to date; the amount of funds provided by the Non-Federal Sponsors to date; the estimated amount of any creditable real property interests, placement area improvements, and relocations; the estimated amount of any creditable in-kind contributions; and the estimated amount of funds required from the Non-Federal Sponsors during the upcoming fiscal year.

C. The Non-Federal Sponsors shall provide the funds required to meet its share of construction costs allocated to coastal storm risk management by delivering a check payable to "FAO, USAED, Los Angeles District (L1)" to the District Commander, or verifying to the satisfaction of the Government that the Non-Federal Sponsors has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsors, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

D. The Government shall draw from the funds provided by the Non-Federal Sponsors to cover the non-Federal share of construction costs allocated to coastal storm risk management as those costs are incurred. If the Government determines at any time that additional funds are needed from the Non-Federal Sponsors to cover the Non-Federal Sponsors' required share of such construction costs, the Government shall provide the Non-Federal Sponsors with written notice of the amount of additional funds required. Within 60 calendar days from receipt of such notice, the Non-Federal Sponsors shall provide the Government with the full amount of such additional required funds.



E. Upon completion of initial construction and each cycle of periodic nourishment, including resolution of all relevant claims and appeals and eminent domain proceedings, the Government shall conduct a final accounting and furnish the Non-Federal Sponsors with the written results of such final accounting. Should such final accounting determine that additional funds are required from the Non-Federal Sponsors, the Non-Federal Sponsors, within 60 calendar days of receipt of written notice from the Government, shall provide the Government with the full amount of such additional required funds by delivering a check payable to “FAO, USAED, Los Angeles District (L1)” to the District Commander, or by providing an Electronic Funds Transfer of such funds in accordance with procedures established by the Government. Such final accounting does not limit the Non-Federal Sponsors’ responsibility to pay its share of construction costs, including contract claims or any other liability that may become known after the final accounting. If a final accounting determines that funds provided by the Non-Federal Sponsors exceed the amount of funds required to meet its share of construction costs, the Government shall refund such excess amount, subject to the availability of funds for the refund.

F. If there are beach improvements with exclusively private benefits, improvements or other work located within the Coastal Barrier Resources System that the Government has determined are ineligible for Federal financial participation, the prevention of losses of undeveloped private lands, or the Government agrees to acquire or perform, as applicable, real property interests, placement area improvements, relocations, or betterments on the Non-Federal Sponsors’ behalf, the Government shall provide written notice to the Non-Federal Sponsors of the amount of funds required to cover such costs. No later than 60 calendar days of receipt of such written notice, the Non-Federal Sponsors shall make the full amount of such required funds available to the Government through either payment method specified in Article VI.E. If at any time the Government determines that additional funds are required to cover such costs, the Non-Federal Sponsors shall provide those funds within 30 calendar days from receipt of written notice from the Government. If the Government determines that funds provided by the Non-Federal Sponsors exceed the amount that was required for the Government to complete such work, the Government shall refund any remaining unobligated amount.

## ARTICLE VII - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsors fails to fulfill its obligations under this Agreement, the Government may suspend or terminate construction of the Project unless the Assistant Secretary of the Army (Civil Works) determines that continuation of such work is in the interest of the United States or is necessary in order to satisfy agreements with other non-Federal interests.

B. If the Government determines at any time that the Federal funds made available for construction of the Project are not sufficient to complete such work, the Government shall so notify the Non-Federal Sponsors in writing within 30 calendar days, and upon exhaustion of such funds, the Government shall suspend construction until there are sufficient funds appropriated by the Congress and funds provided by the Non-Federal Sponsors to allow construction to resume. In addition, the Government may suspend construction if the Maximum Cost Limit is exceeded.

C. If HTRW is found to exist in, on, or under any required real property interests, the parties shall follow the procedures set forth in Article IV.

D. In the event of termination, the parties shall conclude their activities relating to construction of the Project. To provide for this eventuality, the Government may reserve a percentage of available funds as a contingency to pay the costs of termination, including any costs of resolution of real property acquisition, resolution of contract claims, and resolution of contract modifications.

E. Any suspension or termination shall not relieve the parties of liability for any obligation incurred. Any delinquent payment owed by the Non-Federal Sponsors pursuant to this Agreement shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.

#### ARTICLE VIII - HOLD AND SAVE

The Non-Federal Sponsors shall hold and save the Government free from all damages arising from design, construction, operation, maintenance, repair, rehabilitation, and replacement of the Project, except for damages due to the fault or negligence of the Government or its contractors.

#### ARTICLE IX - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

#### ARTICLE X - MAINTENANCE OF RECORDS AND AUDITS

A. The parties shall develop procedures for the maintenance by the Non-Federal Sponsors of books, records, documents, or other evidence pertaining to costs and expenses for a minimum of three years after the final accounting. The Non-Federal Sponsors shall assure that such materials are reasonably available for examination, audit, or reproduction by the Government.

B. The Government may conduct, or arrange for the conduct of, audits of the Project. Government audits shall be conducted in accordance with applicable Government cost principles and regulations. The Government's costs of audits shall not be included in construction costs, but shall be included in calculating the Maximum Cost Limit.

C. To the extent permitted under applicable Federal laws and regulations, the Government shall allow the Non-Federal Sponsors to inspect books, records, documents, or other evidence pertaining to costs and expenses maintained by the Government, or at the Non-Federal Sponsors' request, provide to the Non-Federal Sponsors or independent auditors any such information necessary to enable an audit of the Non-Federal Sponsors' activities under this Agreement. The Non-Federal Sponsors shall pay the costs of non-Federal audits without reimbursement or credit by the Government.

## ARTICLE XI - RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsors each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other. Neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights a party may have to seek relief or redress against that contractor.

## ARTICLE XII - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by registered or certified mail, with return receipt, as follows:

If to the Non-Federal Sponsors:

City of Encinitas (attn.: City Manager)  
505 Vulcan Avenue  
Encinitas, CA 92024

City of Solana Beach (attn.: City Manager)  
635 Hwy 101  
Solana Beach, CA 92025

If to the Government:

District Commander  
U.S. Army Corps of Engineers, Los Angeles District  
915 Wilshire Boulevard  
Los Angeles, CA 90017

B. A party may change the recipient or address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

### ARTICLE XIII - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

### ARTICLE XIV - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not a party to this Agreement.

### ARTICLE XV – JOINT AND SEVERAL RESPONSIBILITY OF THE NON-FEDERAL SPONSORS

The obligations and responsibilities of the Non-Federal Sponsors shall be joint and several, such that each Non-Federal Sponsor shall be liable for the whole performance of the obligations and responsibilities of the Non-Federal Sponsors under the terms and provisions of this Agreement. The Government may demand the whole performance of said obligations and responsibilities from any of the entities designated herein as one of the Non-Federal Sponsors.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

DEPARTMENT OF THE ARMY

CITY OF ENCINITAS

BY: \_\_\_\_\_

Julie A. Balten, PMP  
Colonel, U.S. Army

Commander and District Engineer

BY: \_\_\_\_\_

Pamela Antil  
City Manager, Authorized by City of  
Encinitas City Council

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

CITY OF SOLANA BEACH

BY: \_\_\_\_\_

Gregory Wade  
City Manager, Authorized by City of  
Solana Beach City Council

DATE: \_\_\_\_\_



# STAFF REPORT CITY OF SOLANA BEACH

**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Gregory Wade, City Manager  
**MEETING DATE:** December 9, 2022  
**ORIGINATING DEPT:** Finance  
**SUBJECT:** **General Fund Update (Unaudited) for FY 2021/22**

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## **BACKGROUND:**

The City of Solana Beach (City) expects to have its Annual Comprehensive Financial Report (ACFR) completed by mid-January. In the interim, Staff is presenting financial information for the General Fund for Fiscal Year (FY) 2021/22.

This item is before the City Council (Council) to accept and file the General Fund Update (Unaudited) for FY 2021/22 and to consider adoption of Resolution 2022-123 (Attachment 1) revising appropriations in the FY 2021/22 Budget.

## **DISCUSSION:**

Staff is presenting unaudited General Fund revenue and expenditure financial information for FY 2021/22. The following discussion is intended to highlight the areas of the budget – both revenues and expenditures – where the largest impacts were realized. If there are specific questions regarding any areas of the budget that Council may have, Staff will be prepared to address them.

The information presented is unaudited and certain assumptions were made as to revenues and expenditures that may still be adjusted. Staff will return to Council at a future Council meeting to present the audited ACFR.

## **Revenues**

Revenues (unaudited) for the General Fund are summarized in Table 1 on the next page and are provided in detail in Attachment 2.

CITY COUNCIL ACTION:

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**TABLE 1**  
**GENERAL FUND REVENUES**

GENERAL FUND REVENUE	ADOPTED BUDGET	TRANFRS/ADJSMTS	REVISED BUDGET	ACTUAL	VARIANCE WITH REVISED BUDGET POSITIVE (NEGATIVE)	
					\$	%
TAXES	15,873,700.00	950,000.00	16,823,700.00	17,757,623.43	933,923.43	5.6%
LICENSES AND PERMITS	453,000.00	187,500.00	640,500.00	685,178.67	44,678.67	7.0%
FINES AND PENALTIES	381,500.00	(175,000.00)	206,500.00	242,051.61	35,551.61	17.2%
USE OF REVENUE AND PROPERTY	251,000.00	(25,000.00)	226,000.00	(188,106.23)	(414,106.23)	-183.2%
INTERGOVERNMENTAL REVENUES	2,169,500.00	-	2,169,500.00	2,055,731.80	(113,768.20)	-5.2%
SERVICE CHARGES	791,000.00	77,500.00	868,500.00	1,043,513.14	175,013.14	20.2%
OTHER REVENUE	2,774,400.00	(528,460.00)	2,245,940.00	2,136,718.56	(109,221.44)	-4.9%
<b>TOTAL GENERAL FUND REVENUE</b>	<b>22,694,100.00</b>	<b>486,540.00</b>	<b>23,180,640.00</b>	<b>23,732,710.98</b>	<b>552,070.98</b>	<b>2.4%</b>

In June 2021, the City Council approved a General Fund revenue budget totaling \$22,694,100 for FY 2021/22. The mid-year budget update was presented to Council on March 9, 2022. Staff analyzed actual revenue received and anticipated that the City would receive an additional \$486,540 in revenues for the fiscal year, primarily in the Sales Tax and Short-Term Vacation Rental revenue categories.

The revised General Fund revenue budget for FY 2021/22 was \$23,180,640. Actual revenues collected for the fiscal year equal \$23,732,711, an increase over the revised budget of \$552,071 or 2.4%.

The following section contains the highlights of the FY 2021/22 General Fund Budget:

## Revenues

- **Sales Tax:** Actual Sales Tax revenue was \$282,965 higher than the revised budget projections. The increase is primarily attributed to a strong recovery from prior year lows in restaurant, general consumer goods, and fuel sectors. Some of this increase was also due to inflationary pressure on the cost of taxable goods.
- **Short-Term Vacation Rentals TOT:** Short-Term Vacation Rental (STVR) TOT revenue was \$421,868 or 89% more than the revised budget. The variance reflects an increase in the number of vacation rental units in the city, as well as an increase in the demand for short term vacation rentals.
- **Development Related:** Planning and Zoning, Engineering Fees, and Public Facilities Fees revenue categories totaled \$286,361 higher than the revised budget. The variance was due to an overall higher than expected increase in permit activity in FY 22.
- **Investment Earnings:** Investment earnings category in FY 22 recorded a net loss of \$188,106 or \$414,106 less than the revised budget. The shortfall is primarily due to the Government Accounting Standards Board (GASB) statements #31 & #72 requirement that the City book the annual change in the market value of the investment portfolio to Investment Earnings revenue. In the latter half of FY 22, interest rates rose sharply. Fixed income values have an inverse relationship

to interest rates and, as such, the market value of the City’s General Fund portfolio decreased by \$415,700.

**Expenditures**

Expenditures (unaudited) for the General Fund are summarized in Table 2, below, and are provided in detail in Attachment 3 by function and Attachment 4 by object classification.

GENERAL FUND REVENUE	TABLE 2 GENERAL FUND EXPENDITURES				VARIANCE WITH REVISED BUDGET POSITIVE (NEGATIVE)	
	ADOPTED BUDGET	TRANFRS/ADJSMTS	REVISED BUDGET	ACTUAL	\$	%
GENERAL GOVERNMENT	4,105,360.00	701,560.00	4,806,920.00	4,497,421.95	307,875.43	6.4%
COMMUNITY DEVELOPMENT	1,466,920.00	100,000.00	1,566,920.00	1,380,439.54	186,480.46	11.9%
PUBLIC SAFETY	11,235,030.00	24,400.00	11,259,430.00	11,227,621.98	31,808.02	0.3%
PUBLIC WORKS	2,655,185.00	93,984.00	2,749,169.00	2,535,941.46	213,227.54	7.8%
COMMUNITY SERVICES	760,065.00	12,990.00	773,055.00	764,024.23	9,030.77	1.2%
TRANSFERS OUT	916,100.00	249,640.00	1,165,740.00	1,165,740.00	-	0.0%
<b>TOTAL GENERAL FUND REVENUE</b>	<b>21,138,660.00</b>	<b>1,182,574.00</b>	<b>22,321,234.00</b>	<b>21,571,189.16</b>	<b>750,044.84</b>	<b>3.4%</b>

Overall, expenditures from the General Fund totaled \$21,571,189 in FY 2021/22, which was \$432,529 more than expenditures of \$21,138,660 adopted as part of the two-year budget for FYs 2022 and 2023 in June 2021. The expenditure budget was revised to \$22,321,234 in March 2022. Expenditures were \$750,044.84, or 3.4%, less than the revised expenditure budget amount.

The following section contains the expenditure highlights of the FY 2021/22 Budget:

- **Salaries and Fringe Benefit Costs:**
  - Actual salaries and benefit costs totaled \$9,298,058, which was \$599,821 less than the revised budget.
  - Regular Salaries and Fringe Benefits were under spent by a combined total of \$812,929, primarily due to vacancies in the Fire, Human Resources, Public Works, and Engineering Departments. These savings were partially offset by increased expenses in the Part-Time and Overtime cost categories.
- **Professional Services:**
  - The professional services category realized savings in nearly all departments throughout City Hall. Overall professional services totaled \$6,855,545 in FY 22, which was \$601,244 less than the revised budget.
  - Legal Services: Actual expenditures for legal professional services were \$408,738 as compared to the amended budget amount of \$475,000, resulting in a savings for this budget unit of \$66,262.



- **Building**: There was a savings of \$68,615 in Building professional services as actual expenditures equaled \$381,385 compared to the revised budget amount of \$450,000. This budget unit is used to pay EsGil, the City’s third-party building permit and plan check services provider. EsGil receives 75% of certain building permit and development related revenues.
- **Law Enforcement**: Overall costs for Law Enforcement services from the San Diego Sheriff’s Department were \$66,902 less than the revised budget. These savings were due to vacancy credits received throughout the fiscal year.
- **Public Works**: Total savings of \$269,106 was realized in Professional Services for the Public Works Department in the following areas: \$2,884 in Engineering, \$40,303 in Environmental Services, \$17,355 in Street Maintenance, \$122,307 in Traffic Safety, \$13,336 in Street Sweeping, \$48,354 in Park Maintenance, and \$24,567 in Public Facilities.
- **Materials, Supplies and Services**: All other Materials, Supplies and Services expenditure categories realized cumulative savings of \$126,680 for the fiscal year.
- **Internal Service Charges**:
  - **Internal Charges**: These service charges are allocated from each department to two internal service funds established to pay for the cost of the City’s Insurance and Worker’s Compensation programs. Service charges were greatly reduced during fiscal years 2020 and 2021 with the economic uncertainty surrounding the COVID pandemic. Internal service charges were increased in FY22 to help “catch-up” from the reduced charges in the prior years.

**Schedule of Revenues, Expenditures, and Changes In Fund Balance**

The General Fund’s beginning fund balance at July 1, 2021 was \$11,642,931. With the unaudited revenue and expenditures reported for the Fiscal Year 2021/22, the projected unaudited fund balance will be \$13,804,453 as detailed in Table 3.

**TABLE 3  
 GENERAL FUND - FUND BALANCE**

BEGINNING FUND BALANCE AT 07/01/2021	\$	11,642,931
REVENUES		23,732,711
EXPENDITURES		21,571,189
NET SURPLUS (DEFICIT)	\$	2,161,522
<b>ENDING FUND BALANCE AT 6/30/2021</b>	<b>\$</b>	<b>13,804,453</b>

It is important to note that much of the projected General Fund surplus in FY 2021/22 is the result of one-time savings. Salary and Benefit savings of \$812,929 is due to vacancies in several departments that have since been, or are in the process of being, filled. Additionally, savings of \$1,589,400 were realized in the Public Safety category as one-time federal recovery funds were received in FY 2021/22 and allocated towards Public Safety costs.

**Payment to PARS Trust**

In FY 2014/15, the City Council approved and established a combined PARS Pension and OPEB Trust. Through FY 2020/21, Council has allocated a total of \$2,913,126 to the Trust by using a portion of each of the FY's General Fund surpluses as detailed in Table 4.

**TABLE 4  
 PARS CONTRIBUTIONS**

FISCAL YEAR	PROJECTED SURPLUS	PENSION	OPEB	TOTAL
2015	\$ 907,284	\$ 500,000	\$ -	\$ 500,000
2016	613,462	316,209	135,000	451,209
2017	1,123,432	347,094	85,376	432,470
2018	1,121,884	357,098	87,689	444,787
2019	1,768,986	623,724	253,516	877,240
2020	1,046,698	283,926	198,000	481,926
2021	1,378,485	485,075	204,000	689,075
2022	2,161,522	-	138,000	138,000
2023*	-	-	137,000	137,000
TOTAL	\$ 10,121,753	\$ 2,913,126	\$ 1,238,581	\$ 4,151,707

\* Budgeted

As part of the adoption of the FY 2021/22 and 2022/23 Budget, the City continued its funding policy for the OPEB PARS Trust (\$138,000 in FY 2021/22 and \$137,000 in FY 2022/23) to match the Actuarial Determined Contribution (ADC).

To continue funding the Pension portion of the PARS Trust, Staff is recommending that Council again consider setting aside a portion of the FY 2021/22 projected surplus to fund the Pension Trust. Staff has prepared a resolution that will be updated if Council concurs and determines the General Fund amounts that will be used to fund the PARS Pension Trust. Since the Pension Trust provides funds for employee benefits and employee benefits are paid by both General Fund and non-General Fund funds, an allocation method will be used to ensure all funds which pay employee benefits contribute to the Trust payments. The General Fund portion of the contribution will be budgeted and paid from the FY 2022/23 Unreserved General Fund balance.

## **Annual Pavement Management Program**

At the June 22, 2022 City Council meeting, Staff presented a budget update for fiscal year 2022/23, including an updated Capital Improvement Plan. That plan called for \$694,000 to be allocated to the FY23 Annual Pavement Management Program. After discussion, Council included an additional \$156,000 of General Fund monies to the pavement program, for a total project appropriation of \$850,000. Council also discussed the possibility of adding more funds to the project from the FY22 budget surplus. Staff is recommending that Council consider setting aside a portion of the FY 2021/22 projected surplus to fund additional work on the FY23 Annual Pavement Management Program.

### **CEQA COMPLIANCE STATEMENT:**

Not a project as defined by CEQA.

### **FISCAL IMPACT:**

Staff is recommending the following budget appropriations be made to the FY 2021/22 Budget. These appropriations are for audit purposes only, no additional payments or charges to the City will be made as a result of these adjustments.

### **General Fund**

- Increase of \$14,500 in Other Charges in the Finance Department budget unit to reflect additional charges for tax admin from the State and County.
- Increase of \$9,500 in Part-Time Salaries in the Finance Department budget unit to account for additional services needed for business certificate renewals and ERP implementation.
- Increase of \$12,000 in Internal Charges in the Finance Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
- Increase of \$35,000 for Part-Time wages in the Marine Safety budget unit for an increased demand in seasonal lifeguards in 2021 and 2022.
- Increase of \$45,000 in Internal Charges in the Marine Safety Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
- Increase of \$2,500 for Professional services in the Shoreline Management Department for additional environmental services in FY 22.
- Increase of \$6,500 in Internal Charges in the Engineering Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
- Transfer of \$62,000 from the Traffic Safety department to the Internal Charges in the Street Maintenance Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
- Increase of \$2,000 in Internal Charges in the Community Services Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.

### **Other Funds**

- Increase of \$875 in the Equipment Replacement internal service fund for drafting software for the Engineering department.
- Increase of \$550 in the Pension Stabilization internal service fund professional services for an increase in the allocation of banking fees.
- Increase of \$100 in the MID 9E ISLA Verde fund Other Charges for an increase in the allocation of banking fees.
- Increase in the San Elijo #2 MID fund of \$850 for increased professional service costs.
- An increase of \$218,500 in salary, benefits, services, and supplies in the Public Safety Special Revenue fund to account for overtime costs for City firefighters who staffed either City of Del Mar or City of Encinitas fire stations in accordance with the Fire Resource Pool agreement or for firefighters who worked strike teams fighting fires outside the County. The City will be fully reimbursed by the cities or other agencies for these costs.
- An increase of \$6,000 in salary, benefits, services, and supplies in the Public Safety Special Revenue fund to account for Marine Safety costs that are reimbursable by other agencies.

If authorized by Council, Staff is recommending the following budget adjustments be made to the FY 2022/23 Budget.

### **PARS Trust Funds**

- Budget appropriations, as determined by the Finance Department, if Council authorizes funds be used from the projected FY 2021/22 General Fund surplus to fund the PARS Pension Trust.

### **Annual Pavement Management Program**

- Budget appropriations, as determined by the Finance Department, if Council authorizes funds be used from the projected FY 2021/22 General Fund surplus to fund additional work on the Pavement Management Program.

**WORK PLAN:** N/A

### **OPTIONS:**

- Approve Staff recommendation.
- Provide alternative direction.

**DEPARTMENT RECOMMENDATION:**

Staff recommends that the City Council:

1. Accept and file the General Fund Update for Fiscal Year 2021/22.
2. Provide direction to Staff regarding whether to use an amount of the projected General Fund surplus to fund the PARS Irrevocable Trust for Pensions as part of a budget appropriation to the General Fund Unreserved Fund Balance, and other funds as determined by the Finance Department, in Fiscal Year 2022/23.
3. Provide direction to Staff regarding whether to use an amount of the projected General Fund surplus to add funding to the FY23 Annual Pavement Management Program as part of a budget appropriation to the General Fund Unreserved Fund Balance in Fiscal Year 2022/23.
4. Approve Resolution 2022-123 revising appropriations in the Fiscal Year 2021/22 and Fiscal Year 2022/23 budgets.
5. Authorize the City Treasurer to amend the FY 2021/2022 and FY 2022/23 Adopted Budget accordingly.

**CITY MANAGER'S RECOMMENDATION:**

Approve Department Recommendation



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Gregory Wade, City Manager

Attachments:

1. Resolution 2022-123
2. General Fund Revenues for FY 2021/22
3. General Fund Expenditures by Function for FY 2021/22
4. General Fund Expenditures by Object Code for FY 2021/22

## RESOLUTION 2022-123

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, REVISING APPROPRIATIONS IN THE FISCAL YEAR 2021/22 AND FISCAL YEAR 2022/23 BUDGETS AND AUTHORIZING THE CITY TREASURER TO AMEND THE BUDGETS ACCORDINGLY

**WHEREAS**, during the course of the fiscal year, new information becomes available to Staff which require adjustments to the adopted budget; and

**WHEREAS**, Section 3.08.040 of the Solana Beach Municipal Code limits the purchases by departments within the total departmental budget appropriations; and

**WHEREAS**, the City's Operating Budget Policies state that total expenditures of a particular fund may not exceed that which is appropriated by the City Council, without a budget amendment; and

**WHEREAS**, the City Manager, in coordination with the Finance Director, reviewed and analyzed the expenditures of the Fiscal Year 2021/22 and Fiscal Year 2022/23 Adopted Budgets, and recommend certain amendments be made to the General Fund as well as other funds.

**NOW THEREFORE BE IT RESOLVED**, by the City Council of the City of Solana Beach, California, does hereby resolve as follows:

1. That the above recitations are true and correct.
2. That the City Treasurer is authorized to amend appropriations in the 2021/22 fiscal year budget as follows:
  - a. General Fund
    - i. Increase of \$14,500 in Other Charges in the Finance Department budget unit to reflect additional charges for tax admin from the State and County.
    - ii. Increase of \$9,500 in Part-Time Salaries in the Finance Department budget unit to account for additional services needed for business certificate renewals and ERP implementation.
    - iii. Increase of \$12,000 in Internal Charges in the Finance Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
    - iv. Increase of \$35,000 for Part-Time wages in the Marine Safety budget unit for an increased demand in seasonal lifeguards in 2021 and 2022.

- v. Increase of \$45,000 in Internal Charges in the Marine Safety Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
  - vi. Increase of \$2,500 for Professional services in the Shoreline Management Department for additional environmental services in FY22.
  - vii. Increase of \$6,500 in Internal Charges in the Engineering Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
  - viii. Transfer of \$62,000 from the Traffic Safety department to the Internal Charges in the Street Maintenance Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
  - ix. Increase of \$2,000 in Internal Charges in the Community Services Department budget unit to account for the one-time increase in insurance and worker's compensation service charges.
  - b. Increase of \$875 in the Equipment Replacement internal service fund for drafting software for the Engineering department.
  - c. Increase of \$550 in the Pension Stabilization internal service fund professional services for an increase in the allocation of banking fees.
  - d. Increase of \$100 in the MID 9E ISLA Verde fund Other Charges for an increase in the allocation of banking fees.
  - e. Increase in the San Elijo #2 MID fund of \$850 for increased professional service costs.
  - f. An increase of \$218,500 in salary, benefits, services, and supplies in the Public Safety Special Revenue fund to account for overtime costs for City firefighters who staffed either City of Del Mar or City of Encinitas fire stations in accordance with the Fire Resource Pool agreement or for firefighters who worked strike teams fighting fires outside the County. The City will be fully reimbursed by the cities or other agencies for these costs.
  - g. An increase of \$6,000 in salary, benefits, services, and supplies in the Public Safety Special Revenue fund to account for Marine Safety costs that are reimbursable by other agencies.
3. That the City Treasurer is authorized to amend appropriations in the 2022/23 fiscal year budget as follows:
- a. Appropriations from the General Fund of \$\_\_\_\_\_ from the General Fund Fiscal Year 2021/22 projected surplus and proportionally to other funds to fund the PARS Pension Stabilization Trust.
  - b. Appropriations from the General Fund of \$\_\_\_\_\_ from the Fiscal Year 2021/22 projected General Fund surplus to increase funding to the FY 23 Annual Pavement Management Program.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Solana Beach, California, this 9<sup>th</sup> day of December 2022, by the following vote:

AYES: Councilmembers –  
NOES: Councilmembers –  
ABSENT: Councilmembers –  
ABSTAIN: Councilmembers –

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LESA HEEBNER, Mayor

APPROVED AS TO FORM:

ATTEST:

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JOHANNA N. CANLAS, City Attorney

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ANGELA IVEY, City Clerk



**GENERAL FUND  
REVENUES  
FY 2021-22**

GENERAL FUND REVENUE	ADOPTED BUDGET	TRANFRS/ADJSMTS	REVISED BUDGET	ACTUAL	VARIANCE WITH REVISED BUDGET	
					POSITIVE (NEGATIVE) \$	%
<b>TAXES</b>						
PROPERTY TAXES - CURRENT	8,937,000	80,000	9,017,000	9,067,724	50,723.74	0.6%
PROPERTY TAXES-DELINQUENT	30,000	-	30,000	63,710	33,710.27	112.4%
<b>TOTAL PROPERTY TAXES</b>	<b>8,967,000.00</b>	<b>80,000.00</b>	<b>9,047,000.00</b>	<b>9,131,434.01</b>	<b>84,434.01</b>	<b>0.9%</b>
SALES & USE TAX	3,560,300.00	570,000.00	4,130,300.00	4,413,264.73	282,964.73	6.9%
TRANSIENT OCCUPANCY TAX	900,000.00	150,000.00	1,050,000.00	1,086,017.32	36,017.32	3.4%
SHORT TERM VAC RENTAL TOT	475,000.00	-	475,000.00	896,867.59	421,867.59	88.8%
FRANCHISE FEES	775,000.00	-	775,000.00	873,792.16	98,792.16	12.7%
REAL PROPERTY TRANSFR TAX	200,000.00	150,000.00	350,000.00	340,394.62	(9,605.38)	-2.7%
BENEFIT FEES	450,000.00	-	450,000.00	462,668.79	12,668.79	2.8%
STREET SWEEPING	51,100.00	-	51,100.00	48,813.20	(2,286.80)	-4.5%
HOUSEHOLD HAZARDOUS WASTE	30,300.00	-	30,300.00	32,542.12	2,242.12	7.4%
NPDES FEES	260,000.00	-	260,000.00	259,221.70	(778.30)	-0.3%
RDA PASS THRU PAYMENTS	205,000.00	-	205,000.00	212,607.20	7,607.20	3.7%
<b>TOTAL OTHER TAXES</b>	<b>6,906,700.00</b>	<b>870,000.00</b>	<b>7,776,700.00</b>	<b>8,626,189.42</b>	<b>849,489.42</b>	<b>10.9%</b>
<b>TOTAL TAXES</b>	<b>15,873,700.00</b>	<b>950,000.00</b>	<b>16,823,700.00</b>	<b>17,757,623.43</b>	<b>933,923.43</b>	<b>5.6%</b>
<b>LICENSES AND PERMITS</b>						
BUSINESS REGISTRATION	120,000.00	55,000.00	175,000.00	231,374.70	56,374.70	32.2%
BUILDING PERMITS	310,000.00	57,500.00	367,500.00	423,263.97	55,763.97	15.2%
OTHER PERMITS	23,000.00	75,000.00	98,000.00	30,540.00	(67,460.00)	-68.8%
<b>TOTAL LICENSES AND PERMITS</b>	<b>453,000.00</b>	<b>187,500.00</b>	<b>640,500.00</b>	<b>685,178.67</b>	<b>44,678.67</b>	<b>7.0%</b>
<b>FINES AND PENALTIES</b>						
CVC FINES	110,000.00	(40,000.00)	70,000.00	60,184.26	(9,815.74)	-14.0%
ADMIN CITATIONS	3,500.00	-	3,500.00	10,273.66	6,773.66	193.5%
PARKING CITATIONS	90,000.00	(60,000.00)	30,000.00	80,962.25	50,962.25	169.9%
REFLEX CITATIONS	175,000.00	(75,000.00)	100,000.00	90,631.44	(9,368.56)	-9.4%
FALSE ALARM FINES	3,000.00	-	3,000.00	-	(3,000.00)	-100.0%
<b>TOTAL FINES AND PENALTIES</b>	<b>381,500.00</b>	<b>(175,000.00)</b>	<b>206,500.00</b>	<b>242,051.61</b>	<b>35,551.61</b>	<b>17.2%</b>
<b>USE OF MONEY AND PROPERTY</b>						
INTEREST EARNINGS	177,000.00	(25,000.00)	152,000.00	158,848.39	6,848.39	4.5%
GAIN/LOSS ON FAIR MARKET VALUE	-	-	-	(415,700.00)	(415,700.00)	-
PROPERTY RENTAL	74,000.00	-	74,000.00	68,745.38	(5,254.62)	-7.1%
<b>TOTAL USE OF REVENUE AND PROPERTY</b>	<b>251,000.00</b>	<b>(25,000.00)</b>	<b>226,000.00</b>	<b>(188,106.23)</b>	<b>(414,106.23)</b>	<b>-183.2%</b>
<b>INTERGOVERNMENTAL REVENUES</b>						
MOTOR VEHICLE IN LIEU	1,880,000.00	-	1,880,000.00	1,897,369.97	17,369.97	0.9%
STATE HOE	50,000.00	-	50,000.00	49,251.46	(748.54)	-1.5%
OFF TRACK BETTING	10,000.00	-	10,000.00	11,174.30	1,174.30	11.7%
PALOMAR COLLGE REIMB	7,500.00	-	7,500.00	7,371.00	(129.00)	-1.7%
FIRE REV FM OTHER AGENCES	200,000.00	-	200,000.00	48,766.00	(151,234.00)	-75.6%
MISCELLANEOUS - INTERGOV	22,000.00	-	22,000.00	41,799.07	19,799.07	90.0%
<b>TOTALS INTERGOVERNMENTAL REVENUE</b>	<b>2,169,500.00</b>	<b>-</b>	<b>2,169,500.00</b>	<b>2,055,731.80</b>	<b>(113,768.20)</b>	<b>-5.2%</b>
<b>SERVICE CHARGES</b>						
PLANNING AND ZONING	157,500.00	107,500.00	265,000.00	373,091.50	108,091.50	40.8%
BUILDING PLAN CHECK FEES	320,000.00	(50,000.00)	270,000.00	212,881.63	(57,118.37)	-21.2%
PUBLIC FACILITIES FEES	65,000.00	60,000.00	125,000.00	204,481.58	79,481.58	63.6%
ENGINEERING FEES	212,000.00	(40,000.00)	172,000.00	215,024.83	43,024.83	25.0%
FIRE FEES	36,500.00	-	36,500.00	37,701.00	1,201.00	3.3%
MISCELLANEOUS SERVICE CHARGES	-	-	-	332.60	332.60	-
<b>TOTAL SERVICE CHARGES</b>	<b>791,000.00</b>	<b>77,500.00</b>	<b>868,500.00</b>	<b>1,043,513.14</b>	<b>175,013.14</b>	<b>20.2%</b>
<b>OTHER REVENUE</b>						
COMMUNITY GRANTS	30,000.00	-	30,000.00	15,000.00	(15,000.00)	-50.0%
ADMINISTRATIVE REVENUE	505,000.00	121,540.00	626,540.00	531,375.56	(95,164.44)	-15.2%
<b>TOTAL OTHER REVENUE</b>	<b>2,774,400.00</b>	<b>(528,460.00)</b>	<b>2,245,940.00</b>	<b>2,136,718.56</b>	<b>(109,221.44)</b>	<b>-4.9%</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>22,694,100.00</b>	<b>486,540.00</b>	<b>23,180,640.00</b>	<b>23,732,710.98</b>	<b>552,070.98</b>	<b>2.4%</b>

**GENERAL FUND  
EXPENDITURES BY FUNCTION  
FY 2021-22**

GENERAL FUND EXPENDITURES	ADOPTED BUDGET	TRANFRS/ADJSMTS	REVISED BUDGET	ACTUAL	VARIANCE WITH REVISED BUDGET	
					POSITIVE (NEGATIVE) \$	%
<b>GENERAL GOVERNMENT</b>						
CITY COUNCIL	344,585.00	11,500.00	356,085.00	354,812.95	1,272.05	0.4%
CITY CLERK	519,885.00	20,000.00	539,885.00	536,953.51	2,931.49	0.5%
CITY MANAGER	528,095.00	42,655.00	570,750.00	515,714.70	55,035.30	9.6%
CITY ATTORNEY	503,435.00	-	503,435.00	436,466.71	66,968.29	13.3%
FINANCE	1,355,950.00	468,390.00	1,824,340.00	1,854,507.50	(31,790.12)	-1.7%
NON-DEPARTMENTAL	40,430.00	-	40,430.00	34,770.43	5,659.57	14.0%
HUMAN RESOURCES	400,135.00	52,575.00	452,710.00	289,907.75	162,802.25	36.0%
INFORMATION SYSTEMS	412,845.00	106,440.00	519,285.00	474,288.40	44,996.60	8.7%
<b>TOTAL GENERAL GOVERNMENT</b>	<b>4,105,360.00</b>	<b>701,560.00</b>	<b>4,806,920.00</b>	<b>4,497,421.95</b>	<b>307,875.43</b>	<b>6.4%</b>
<b>COMMUNITY DEVELOPMENT</b>						
PLANNING	775,340.00	-	775,340.00	738,307.37	37,032.63	4.8%
BUILDING SERVICES	444,390.00	100,000.00	544,390.00	473,174.18	71,215.82	13.1%
CODE/PARKING COMPLIANCE	247,190.00	-	247,190.00	168,957.99	78,232.01	31.6%
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>1,466,920.00</b>	<b>100,000.00</b>	<b>1,566,920.00</b>	<b>1,380,439.54</b>	<b>186,480.46</b>	<b>11.9%</b>
<b>PUBLIC SAFETY</b>						
LAW ENFORCEMENT	4,687,505.00	-	4,687,505.00	4,620,602.67	66,902.33	1.4%
FIRE DEPARTMENT	5,452,575.00	-	5,452,575.00	5,354,140.72	98,434.28	1.8%
ANIMAL CONTROL	92,500.00	-	92,500.00	90,391.00	2,109.00	2.3%
CIVIL DEFENSE	32,800.00	6,000.00	38,800.00	35,754.40	3,045.60	7.8%
MARINE SAFETY	968,450.00	18,400.00	986,850.00	1,124,088.19	(137,238.19)	-13.9%
SHORELINE PROTECTION	1,200.00	-	1,200.00	2,645.00	(1,445.00)	-120.4%
<b>TOTAL PUBLIC SAFETY</b>	<b>11,235,030.00</b>	<b>24,400.00</b>	<b>11,259,430.00</b>	<b>11,227,621.98</b>	<b>31,808.02</b>	<b>0.3%</b>
<b>PUBLIC WORKS</b>						
ENGINEERING	444,560.00	-	444,560.00	451,018.51	(6,458.51)	-1.5%
ENVIRONMENTAL SERVICES	446,300.00	-	446,300.00	358,006.78	88,293.22	19.8%
STREET MAINTENANCE	543,205.00	-	543,205.00	604,968.17	(61,763.17)	-11.4%
TRAFFIC SAFETY	344,200.00	48,984.00	393,184.00	258,725.21	134,458.79	34.2%
STREET CLEANING	63,800.00	-	63,800.00	49,839.37	13,960.63	21.9%
PARK MAINTENANCE	440,520.00	40,000.00	480,520.00	450,216.77	30,303.23	6.3%
PUBLIC FACILITIES	372,600.00	5,000.00	377,600.00	363,166.65	14,433.35	3.8%
<b>TOTAL PUBLIC WORKS</b>	<b>2,655,185.00</b>	<b>93,984.00</b>	<b>2,749,169.00</b>	<b>2,535,941.46</b>	<b>213,227.54</b>	<b>7.8%</b>
<b>COMMUNITY SERVICES</b>						
COMMUNITY SERVICES	124,055.00	12,990.00	137,045.00	138,774.29	(1,729.29)	-1.3%
RECREATION	636,010.00	-	636,010.00	625,249.94	10,760.06	1.7%
<b>TOTAL COMMUNITY SERVICES</b>	<b>760,065.00</b>	<b>12,990.00</b>	<b>773,055.00</b>	<b>764,024.23</b>	<b>9,030.77</b>	<b>1.2%</b>
<b>TRANSFERS OUT</b>	<b>916,100.00</b>	<b>249,640.00</b>	<b>1,165,740.00</b>	<b>1,165,740.00</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>21,138,660.00</b>	<b>1,182,574.00</b>	<b>22,321,234.00</b>	<b>21,571,189.16</b>	<b>748,422.22</b>	<b>3.4%</b>

**GENERAL FUND SUMMARY**

NET GENERAL FUND	ADOPTED BUDGET	TRANFRS/ADJSMTS	REVISED BUDGET	ACTUAL		
Revenue Total	22,694,100.00	486,540.00	23,180,640.00	23,732,710.98	552,070.98	2.4%
Expense Total	21,138,660.00	1,182,574.00	22,321,234.00	21,571,189.16	750,044.84	3.4%
<b>NET GENERAL FUND SURPLUS (DEFICIT)</b>	<b>1,555,440.00</b>	<b>(696,034.00)</b>	<b>859,406.00</b>	<b>2,161,521.82</b>		

**GENERAL FUND  
EXPENDITURES BY OBJECT  
FY 2021-22**

OBJECT CODE	EXPENSE CLASSIFICATION	ADOPTED BUDGET	TRANFRS/ADJSMTS	REVISED BUDGET	ACTUAL	VARIANCE WITH REVISED BUDGET	
						POSITIVE (NEGATIVE) \$	%
<b>SALARIES &amp; WAGES</b>							
61010	REGULAR SALARIES	5,315,670.00	168,805.00	5,484,475.00	4,931,519.06	552,955.94	11.2%
61020	PART-TIME & TEMPS	398,825.00	(13,075.00)	385,750.00	528,946.95	(143,196.95)	-27.1%
61030	OVERTIME	652,240.00	2,000.00	654,240.00	728,456.82	(74,216.82)	-10.2%
61040	SPECIAL PAY	156,990.00	(5,820.00)	151,170.00	146,863.91	4,306.09	2.9%
	<b>TOTAL SALARIES &amp; WAGES</b>	<b>6,523,725.00</b>	<b>151,910.00</b>	<b>6,675,635.00</b>	<b>6,335,786.74</b>	<b>339,848.26</b>	<b>5.4%</b>
<b>BENEFITS</b>							
62050	RETIREMENT	701,825.00	9,885.00	711,710.00	650,785.11	60,924.89	9.4%
62070	RETIREMENT-UAL PAYMENT	1,108,795.00	-	1,108,795.00	1,108,780.00	15.00	0.0%
62100	MEDICARE	108,100.00	2,385.00	110,485.00	90,205.22	20,279.78	22.5%
62110	SOCIAL SECURITY	21,240.00	1,005.00	22,245.00	20,926.46	1,318.54	6.3%
62200	HEALTH INSURANCE	1,033,880.00	18,400.00	1,052,280.00	889,693.81	162,586.19	18.3%
62440	LT DISABILITY INSURANCE	16,025.00	650.00	16,675.00	15,570.60	1,104.40	7.1%
62450	LIFE INSURANCE	17,180.00	420.00	17,600.00	13,342.27	4,257.73	31.9%
62480	RHSA % BENEFIT	41,845.00	-	41,845.00	36,058.22	5,786.78	16.0%
62550	2% DEFERRED COMP 457	66,890.00	6,395.00	73,285.00	83,807.40	(10,522.40)	-12.6%
62600	UNEMPLOYMENT INSURANCE	20,000.00	-	20,000.00	4,737.06	15,262.94	322.2%
62800	AUTO ALLOWANCE	40,325.00	-	40,325.00	43,760.75	(3,435.75)	-7.9%
62850	UNIFORM ALLOWANCE	3,000.00	-	3,000.00	2,448.74	551.26	22.5%
62950	RIDESHARE	4,000.00	-	4,000.00	2,156.00	1,844.00	85.5%
	<b>TOTAL BENEFITS</b>	<b>3,183,105.00</b>	<b>39,140.00</b>	<b>3,222,245.00</b>	<b>2,962,271.64</b>	<b>259,973.36</b>	<b>8.8%</b>
<b>MATERIALS, SUPPLIES &amp; SERVICES</b>							
63150	TRAVEL-MEETINGS	28,360.00	-	28,360.00	7,321.26	21,038.74	287.4%
63200	TRAINING	35,000.00	-	35,000.00	17,339.88	17,660.12	101.8%
63300	MEMBERSHIPS/DUE	112,400.00	-	112,400.00	107,286.67	5,113.33	4.8%
63400	CLOTHING	49,050.00	-	49,050.00	36,116.45	12,933.55	35.8%
63410	TUITION REIMBURSEMENT	10,000.00	-	10,000.00	9,348.96	651.04	7.0%
63500	PRE-EMPLOYMENT	12,000.00	-	12,000.00	10,758.00	1,242.00	11.5%
63510	RECRUITMENT	18,750.00	-	18,750.00	16,835.39	1,914.61	11.4%
64130	FIRE PREVENTION PROGRAM	6,300.00	-	6,300.00	3,072.27	3,227.73	105.1%
64150	ELECTIONS	700.00	-	700.00	-	700.00	-
64160	OFFICE SUPPLIES	6,100.00	-	6,100.00	6,846.75	(746.75)	-10.9%
64170	POSTAGE	7,200.00	-	7,200.00	1,500.00	5,700.00	380.0%
64180	BOOKS/SUB/PRINT	29,200.00	-	29,200.00	16,859.58	12,340.42	73.2%
64190	MINOR EQUIPMENT	67,150.00	15,000.00	82,150.00	69,300.59	12,849.41	18.5%
64200	SPECIAL DEPT SUPPLIES	119,070.00	6,000.00	125,070.00	121,885.32	3,184.68	2.6%
64210	SMALL TOOLS	1,700.00	-	1,700.00	462.47	1,237.53	267.6%
64270	VEHICLE OPERATING SUPPLIE	48,900.00	-	48,900.00	60,539.64	(11,639.64)	-19.2%
64280	VEHICLE MAINTENANCE	94,400.00	-	94,400.00	91,358.04	3,041.96	3.3%
65220	ADVERTISING	13,800.00	-	13,800.00	15,042.91	(1,242.91)	-8.3%
65230	COMMUNICATIONS	102,800.00	-	102,800.00	130,217.81	(27,417.81)	-21.1%
65240	UTILITIES - ELECTRIC	139,800.00	-	139,800.00	155,451.12	(15,651.12)	-10.1%
65250	RENTS/LEASES	29,760.00	-	29,760.00	28,417.57	1,342.43	4.7%
65260	MAINT OF BUILDING/GROUNDS	375,700.00	-	375,700.00	403,862.10	(28,162.10)	-7.0%
65270	UTILITIES - WATER	65,300.00	-	65,300.00	60,031.09	5,268.91	8.8%
65290	MILEAGE	3,160.00	-	3,160.00	669.20	2,490.80	372.2%
65300	PROFESSIONAL SERVICES	7,202,405.00	254,384.00	7,456,789.00	6,855,545.41	601,243.59	8.8%
65310	MAINTENANCE OF EQUIPMENT	205,200.00	-	205,200.00	169,119.57	36,080.43	21.3%
65320	CONTRIBUTION TO AGENCIES	85,700.00	11,500.00	97,200.00	100,451.40	(3,251.40)	-3.2%
65350	COMMUNITY TV PRODUCTION	57,700.00	-	57,700.00	58,781.90	(1,081.90)	-1.8%
65380	SPECIAL EVENTS	22,900.00	-	22,900.00	19,929.00	2,971.00	14.9%
65390	CONTINGENCY	37,500.00	-	37,500.00	-	37,500.00	-
65700	OTHER CHARGES	161,400.00	-	161,400.00	138,386.13	23,013.87	16.6%
65750	PUBLIC ART EXPENDITURES	4,500.00	-	4,500.00	129.30	4,370.70	-
	<b>TOTAL MATERIALS, SUPPLIES &amp; SERVICES</b>	<b>9,153,905.00</b>	<b>286,884.00</b>	<b>9,440,789.00</b>	<b>8,712,865.78</b>	<b>727,923.22</b>	<b>8.4%</b>
<b>CAPTIAL, DEBT &amp; INTERNAL SVC CHARGES</b>							
68100	TRANSFERS OUT	916,100.00	249,640.00	1,165,740.00	1,165,740.00	-	-
69100	INTRNL CHRGS - CLAIMS	227,500.00	-	227,500.00	455,000.00	(227,500.00)	(0.50)
69200	INTRNL CHRGS - WRKRS COMP	350,200.00	-	350,200.00	700,400.00	(350,200.00)	(0.50)
69300	ASSET REPLACEMENT CHRGS	65,000.00	-	65,000.00	65,000.00	-	-
69380	700 STEVENS	445,700.00	-	445,700.00	445,700.00	-	-
69600	PARS OPEB CHARGES	273,425.00	-	273,425.00	273,425.00	-	-
69650	PARS PENSION CHARGES	-	455,000.00	455,000.00	455,000.00	-	-
	<b>TOTAL CAPTIAL, DEBT &amp; INTERNAL SVC CHARGES</b>	<b>2,277,925.00</b>	<b>704,640.00</b>	<b>2,982,565.00</b>	<b>3,560,265.00</b>	<b>(577,700.00)</b>	<b>-16.2%</b>
<b>TOTAL GENERALFUND EXPENDITURES</b>		<b>21,138,660.00</b>	<b>1,182,574.00</b>	<b>22,321,234.00</b>	<b>21,571,189.16</b>	<b>750,044.84</b>	<b>3.4%</b>