

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
MONDAY, APRIL 30, 2007
AT 2:00 P.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 2:03 p.m. Council President Peters recessed the meeting at 3:17 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 3:24 p.m. with Council Member Maienschein not present. The meeting was adjourned by Council President Peters at 4:13 p.m.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Peters-present
 - (2) Council Member Faulconer-present
 - (3) Council Member Atkins-present
 - (4) Council Member Young-present
 - (5) Council Member Maienschein-present
 - (6) Council Member Frye-present
 - (7) Council Member Madaffer-present
 - (8) Council Member Hueso-present
- Clerk-Maland (dlc)

FILE LOCATION: MINUTES

ITEM-1: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-not present

FILE LOCATION: MINUTES



ITEM-10: INVOCATION

Invocation was given by Pastor John Powell of Point Loma Community Church.

FILE LOCATION: MINUTES



ITEM-20: PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Frye.

FILE LOCATION: MINUTES

CLOSED SESSION ITEMS:

Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a):

**CS-1 J&J Properties, LLC v. San Diego Housing Commission, et al.
San Diego Superior Court Case No. GIC 85880**

DCA Assigned: C. Fitzgerald

This lawsuit involves the enforcement of Single Room Occupancy (SRO) hotel regulations codified by the San Diego Municipal Code against Plaintiff/Cross-Defendant J&J Properties, LLC, for the closure of the Hotel Churchill and the ejection of long term tenants.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 3:17 p.m. – 3:17 p.m.)

Council President Peters closed the hearing.

**CS-2 *Coastal Law Enforcement Action Network v. City of San Diego;*
Air California Adventure, LLC;
David Jebb - (Complaint);
City of San Diego v. Air California Adventure, LLC;
Air California Adventure, Inc.;
David Jebb; Maya Jebb - (Cross Complaint)
San Diego Superior Court Case No. GIC 861914**

DCA Assigned: M. Dickenson

This matter is a challenge under the California Coastal Act relating to the City's lease of the property known as the Torrey Pines Gliderport. The City Attorney will update the Mayor and City Council on the status of the litigation in Closed Session and communicate a settlement offer.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 3:17 p.m. – 3:17 p.m.)

Council President Peters closed the hearing.



[ITEM-200:](#) Water and Sewer Monthly Billing Report.

HEARING HELD/DIRECTION GIVEN

(See Report to the City Council No. 07-071.)

STAFF'S RECOMMENDATION:

Information item only. No action requested.

STAFF SUPPORTING INFORMATION:

On April 30, 2002, as part of the approval of water rate increases proposed by the City Manager, the Mayor and City Council directed the Water Department to begin billing all water and sewer customers on a monthly basis by December 2003. The Department was instructed to convert to monthly billing without adding staff.

After reviewing the capabilities of the City's current billing system, a number of alternatives were considered. The alternative selected was to provide an estimate of water consumption for every other bill. Monthly billing began on September 2, 2003. There were one-time conversion costs of \$1.3 million, with additional annual operating costs of \$570,000. No additional revenue was generated. Under the monthly billing system a customer receives a bill based upon actual consumption, followed by an estimated bill the next month. The following month each customer's meter is again read and the consumption is verified. The department has continued to review and adjust all single-family dwelling accounts every six months since March 2005 in order to off set any additional charges that may have resulted from the shift from bi-monthly to monthly billing (this is called the tier-rate adjustment). For the latest six-month adjustment completed March 2006, the average adjustment for each account was \$2.03. Approximately 68 percent of single-family dwellings received an adjustment. For FY 2006 the total tier-rate adjustments equaled \$501,416. The Department's total water sales for that period was approximately \$254 million. Thus the tier-rate adjustment accounted for 2/10 of one percent of total water sales.

The department continues to review monthly billing practices on a regular basis. We have received information from SDDPC concerning the costs to adjust all accounts every two months rather than six months as described above. We have also received information from SDDPC concerning the costs to revert back to billing on a bi-monthly basis. As such, the following information is provided to the City Council.

- Option 1 No change to the existing process.

- Option 2 Revert back to billing on a bi-monthly basis, eliminating the need to move the frequency of the tier-rate adjustments.

The one-time cost estimate for Option 2 ranges from \$111,800 to \$167,700. This option would also reduce expenses by approximately \$622,000 annually. The costs and savings would be shared equally by the Water and Wastewater Funds. It should be noted that a typical monthly bill for water and sewer currently is \$76.13. A shift to bi-monthly billing would result in a bill of \$152.26 every two months for water and sewer service. We estimate that this option could be implemented in the March/April 2008 time frame, but it will be dependant on implementation of the final proposed Shames settlement which requires billing credits to the sewer portion of the bills. Consideration must also be made to the possible implementation of the new Enterprise Resource Planning system and its effect on the current billing system and practices.

Option 3 Do not revert back to bi-monthly billing. Shift the frequency of the tier-rate adjustment from every six months to every two months.

There are two methods of increasing the frequency of the tier-rate adjustments. The less complex and easier to understand method is recommended. Under this method single-family dwellings would receive their tier-rate adjustment, if any, two months after every actual read of their meter. The one-time cost estimate for implementing this method ranges from \$28,620 to \$38,637. Estimated additional annual costs range from \$4,420 to \$5,724. Under this option there would be no reduction in the annual expenses to the Water and Wastewater Funds. We estimate that this option could be implemented in November 2007. Again, the timing of any changes needs to be considered in relationship to implementation of the final Shames settlement and possible implementation of the new Enterprise Resource Planning system.

Barrett/Haas

Staff: Mike Bresnahan - (619) 533-5450

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:06 p.m. – 2:49 p.m.)

MOTION BY FRYE TO DIRECT MAYOR'S STAFF TO SHIFT THE TIER RATE ADJUSTMENT FROM EVERY SIX MONTHS TO EVERY TWO MONTHS NO LATER THAN NOVEMBER OF 2007. IN ADDITION, TO MOVE BACK TO BI-MONTHLY BILLING NO LATER THAN MARCH OR APRIL OF 2008 TIMEFRAME AND DIRECT CITY ATTORNEY TO PREPARE THIS FOR AN ADOPTION ITEM. Second by Maienschein. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-201: Proposed Revisions to the Disclosure Practices Working Group (DPWG).

(See memorandum from Jay Goldstone dated 4/20/2007.)

MAYOR SANDERS' RECOMMENDATION:

Take the following actions:

HEARING HELD/DIRECTION GIVEN

Discuss proposed changes to the Disclosure Practices Working Group (DPWG);

Directing the City Attorney to prepare an ordinance amending the San Diego Municipal Code¹ consistent with the changes to the DPWG approved by the City Council.

¹ San Diego Municipal Code, Chapter 2: Government, Article 2, Administrative Code, Division 41: Securities Disclosure.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:49 p.m. – 3:17 p.m.)

MOTION BY FRYE TO ADOPT STAFF'S RECOMMENDATION AND DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE AMENDING THE SAN DIEGO MUNICIPAL CODE¹ CONSISTENT WITH THE CHANGES TO THE DPWG APPROVED BY THE CITY COUNCIL. Second by Faulconer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-not present, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-202: First Amendment to Agreement with Actuarial Service Company, P.C.

MAYOR SANDERS' RECOMMENDATION:

Introduce the following ordinance:

(O-2007-129) TRAILED TO TUESDAY, MAY 1, 2007

Introduction of an Ordinance amending Ordinance No. O-19522 (New Series) entitled "An Ordinance Adopting the Annual Budget for the Fiscal Year 2006-2007 and Appropriating the Necessary Money to Operate the City of San Diego for Said Fiscal Year," by authorizing the City Auditor and Comptroller to appropriate and to transfer up to \$690,000 from the City's General Fund Unallocated Reserve to the General Fund, Department 601, to pay for actuarial services rendered by Actuarial Service Company, P.C. in connection with evaluation of the actuarial soundness of the City's Retirement System.

SUPPORTING INFORMATION:

June 19, 2006, the City entered into a contract with Actuarial Service Company, P.C. in the amount of \$210,000 to provide actuarial consulting services with respect to issues pertinent to an evaluation of the actuarial soundness of the City's retirement system, as outlined in the contract on file in the Office of the City Clerk as Document Number C-14160. The City requires further services from the firm consistent with the attached scope of services. The compensation will be increased to a not-to-exceed total of \$900,000.

FISCAL CONSIDERATIONS:

This amendment will increase the City's expenses by \$690,000. This amount is to be distributed among City funds based on the Fiscal Year 2007 pensionable salaries. The General Fund allocation of \$492,039 will be from the General Fund Unallocated Reserves. Other funds will absorb the expense within existing appropriations.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Mayoral Action approved by 1544 on file with the City Clerk as Document Number C-14160, authorizing the City to enter into the agreement with Actuarial Service Company, P.C. in an amount not to exceed \$210,000.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: -

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable): -

Goldstone

Aud. Cert. 2700657.

NOTE: This item is not subject to Mayor's veto.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:24 p.m. – 4:07 p.m.)

MOTION BY FAULCONER TO TRAIL TO TUESDAY, MAY 1, 2007, TO ALLOW STAFF TO PROVIDE ADDITIONAL INFORMATION REGARDING BUDGET IMPACTS. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-250: **Notice** of Pending Final Map Approval – Terrazzo Bougainvillea – Unit 1.

Notice is hereby given that the City Engineer has reviewed and will approve on the date of this City Council meeting that certain final map entitled “Terrazzo Bougainvillea – Unit 1.” (T.M. No. 42-1235/PTS No. 89352), located northeasterly of Toyon Mesa Court and Rancho Toyon Place in the Del Mar Mesa Community Plan Area in Council District 1, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- 1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- 2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- 3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this City Council meeting stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the map approval findings or need additional information about the map or your appeal rights, please feel free to contact Anne Hoppe at (619) 446-5290.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 4:19 p.m. in honor of the memory of:

Dr. Michael Clark as requested by Council Member Atkins;
Reverend Glenn Allison as requested by Council Member Atkins; and
June Hanson Riddle as requested by Council President Peters.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 4:07 p.m. – 4:19 p.m.)