

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
MONDAY, MAY 14, 2007
AT 2:00 P.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

CHRONOLOGY OF THE MEETING.....	3
ATTENDANCE DURING THE MEETING	3
ITEM-1: ROLL CALL	4
ITEM-10: INVOCATION	4
ITEM-20: PLEDGE OF ALLEGIANCE	4
CLOSED SESSION ITEMS.....	5
ITEM-150: Inviting Bids for the Construction of Miramar Water Treatment Plant Upgrade and Expansion-Contract B Project.....	6
ITEM-200: Amendments to the San Diego Municipal Code Eliminating the Surplus Undistributed Earnings (“Waterfall”) as Codified in San Diego Municipal Code Section 24.1502 and as Referred to in Sections 24.1501, 24.1503, 24.1504, and 24.1507, all relating to the City Employees’ Retirement System.....	9
ITEM-201: McKinnon Residence, Project No. 51161	10
ITEM-S400: Pursuant to the San Diego Municipal Code Section 22.0710, the City Auditor and Comptroller’s Office is Requesting a Hearing on the City’s Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2003	15
ITEM-S401: Del Mar Heights Road Maintenance Assessment District Formation.....	16
ITEM-S402: North Park Maintenance Assessment District – Reballot.....	19
ITEM-250: Notice of Pending Final Approval - Metropolitan Wastewater Department (MWW) Business Process Reengineering Report	24
ITEM-251: Notice of Pending Final Approval -Fleet Services Business Process Reengineering Report	25

ITEM-252: **Notice** of Pending Final Map Approval - Palazzo..... 26

REPORT OUT OF CLOSED SESSION 27

NON-DOCKET ITEMS 27

ADJOURNMENT 27

CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 2:02 p.m. Council President Peters recessed the meeting at 2:58 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 3:03 p.m. with all Council Members present. The meeting was adjourned by Council President Peters at 3:27 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-present

FILE LOCATION:

MINUTES



ITEM-10:

INVOCATION

Invocation was given by Father Tommie Jennings of Christ the King Catholic Church.

FILE LOCATION:

MINUTES



ITEM-20:

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Hueso.

FILE LOCATION:

MINUTES

CLOSED SESSION ITEMS:

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

**CS-1 *Teri L. Sharp v. City of San Diego*
San Diego Superior Court Case No. 862393**

REFERRED TO CLOSED SESSION OF TUESDAY, MAY 15, 2007

DCA Assigned: J. Serrano

This matter involves a lawsuit to quiet title to a public walkway easement located on the Western edge of the single family residence situated at 3478 Argonne Street in the Clairemont area of San Diego, California. The owner of the lot subject to the easement contends the City has abandoned the walkway. The walkway connects to the Marian Bear Public Park.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:58 p.m. – 2:58 p.m.)

Council President Peters closed the hearing.

**CS-2 *Philip K. Paulson v. City of San Diego, et al.*
United States District Court Case No. 89cv820 GT (POR)**

***Steve Trunk and Philip K. Paulson v. City of San Diego, et al.*
United States District Court Case No. 06cv1597**

REFERRED TO CLOSED SESSION OF TUESDAY, MAY 15, 2007

DCA Assigned: D. Karlin and G. Schaefer

In 1989, Philip K. Paulson initiated the above-entitled action against the City of San Diego relating to the presence of a Latin memorial cross within the Mt. Soledad Veterans Memorial. In Closed Session, the City Attorney will update the City Council on the litigation's status and discuss a recently filed motion for attorney's fees and costs.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:58 p.m. – 2:58 p.m.)

Council President Peters closed the hearing.



ITEM-150: Inviting Bids for the Construction of Miramar Water Treatment Plant Upgrade and Expansion-Contract B Project.

(Scripps Miramar Ranch Community Area. District 5.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-1070) ADOPTED AS AMENDED AS RESOLUTION R-302605

Approving the plans and specifications for the construction of Miramar Water Treatment Plant Upgrade and Expansion-Contract B (Project);

Authorizing the Mayor, or his designee, after advertising for bids in accordance with the law, to award the Project contract to the lowest responsible and reliable bidder in an amount not to exceed \$71,680,000, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$68,930,000 from Water Fund 41500, CIP-73-284.0, Miramar Water Treatment Plant Upgrade and Expansion and \$2,250,000 from Water Fund 41500, CIP-73-331.0, Annual Allocation-Water Pooled Contingency for construction, contingency and project related costs provided that the City Auditor first furnishes one or more certificates certifying that funds necessary for expenditure under established contract phases are, or will be, on deposit with the City Treasurer;

Authorizing the expenditure of an amount not to exceed \$68,930,000 from Water Fund 41500, CIP-73-284.0, Miramar Water Treatment Plant Upgrade and Expansion and \$2,250,000 from Water Fund 41500, CIP-73-331.0, Annual Allocation-Water Pooled Contingency solely and exclusively for the purpose of

providing funds for the Project and related costs, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds are, or will be, on deposit with the City Treasurer;

Authorizing the expenditure of an amount not to exceed \$500,000, solely and exclusively, for the use of City Forces for coordinating and effecting operational changes and Miramar Water Treatment Plant shut-down during construction of the Project;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserve;

Finding that this activity is adequately addressed in EIR No. 99-0704, for the Miramar Water Treatment Plant Upgrade and Expansion Project and there is no change in circumstance, additional information, or project changes to warrant additional environmental review and that this activity is not a separate project for purposes of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(c).

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 9/13/2006, NR&C voted 4 to 0 to approve. (Councilmembers Faulconer, Atkins, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

As a part of the Water Department Capital Improvements Program, the Miramar Water Treatment Plant (WTP) is scheduled for expansion from the current capacity of 140 million gallons per day (MGD) to 215 MGD to meet the water demand of its service area. In addition to increasing treatment capacity, the facility will upgrade the treatment processes. This will improve operations and maintenance at the facility, and will meet the new drinking water standards set by the U.S. Environmental Protection Agency and as mandated by the California Department of Health Services (DHS) Compliance Order. Failure to meet the DHS Compliance Order dates may result in fines levied against the City of San Diego.

This phase of the Miramar WTP project (Contract B) is covered under a Resource Protection Ordinance (RPO) Permit No. 99 0704 and Final Program EIR (LDR No. 99-0704), which was approved and certified by City Council on March 13, 2002.

Contract B represents the fourth of six components of the Miramar WTP Upgrade & Expansion project. It consists of demolition of the original filters, demolition of the existing Operation Building, demolition of the existing flocculation/sedimentation basins (3 and 4), construction of four (4) new flocculation/sedimentation basins (5, 6, 7, and 8) and site piping, grading, electrical and mechanical work.

The requested action is to approve plans and specifications for the construction of Miramar WTP Upgrade and Expansion - Contract B as advertised by contract services and authorize the expenditure of \$71,680,000. Construction is anticipated to begin in fall of 2007, and complete by fall of 2009.

City Forces will be utilized on this project for coordinating and effecting operational changes and Miramar WTP shut-down during construction. The work scope also includes closing and opening large diameter valves, monitoring flow in the existing clearwells and day to day coordination with the project team. Their knowledge, experience and participation on the project are essential to the success of the project. The cost for this work is estimated at \$500,000 for the duration of the project.

FISCAL CONSIDERATIONS:

The total cost for Miramar WTP Upgrade and Expansion - Contract B is \$71,680,000. Of the \$500,000 requested for the project in FY 2007, \$350,000 will be financed with proceeds from the Subordinated Water Revenue Notes, Series 2007A. The remaining \$150,000 will be cash funded.

The project will be phase funded in FY 2008, 2009 and 2010. The Water Department expects to reimburse 80% of the costs for FY 2008 - FY 2010 (\$71,180,000) from future debt issuances. The Miramar Water Treatment Plant Upgrade and Expansion is one of the CIP projects the Water Department will fund with revenues generated by the rate increases approved by the City Council on February 26, 2007. The Auditor's Certificate will be issued prior to contract award.

PREVIOUS COUNCIL COMMITTEE ACTION:

This item was approved by the Natural Resources & Culture Committee on 9/13/2006.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The City of San Diego Water Department has partnered with the community since the start of the Miramar Water Treatment Plant (MWTP) Upgrade and Expansion Project.

In 1999, the Water Department worked with community members to form the Miramar Water Treatment Plant Community Advisory Group (CAG), which is comprised of area residents living and working in the area to help mitigate project impacts. Regular CAG meetings are held to provide project updates and discuss various concerns. Smaller meetings and phone conferences

are also held with other nearby residents to address any pertinent issues. In addition, a CIP Hotline is regularly maintained to answer any questions and provide any information to the public. Door hangers, fact sheets, MWTP WaterWorks newsletters, and updates on the City of San Diego Web site and community newsletters also add to outreach efforts on behalf of the project.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Citywide Water Customers, CDM, Inc. (Design Consultant), MWH (Construction Management Consultant), Scripps Ranch Community Advisory Group, San Diego County Water Authority and California Department of Health Services.

Barrett/Haas

FILE LOCATION: CONT-WESTERN SUMMIT CONSTRUCTORS, INC.

COUNCIL ACTION: (Time duration: 3:03 p.m. – 3:17 p.m.)

MOTION BY MADAFFER TO ADOPT WITH AN AMENDMENT THAT \$26.2 MILLION EXPENDITURE BE AUTHORIZED AND STAFF SHALL COME BACK IN 2008 FOR REVIEW. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-200: Amendments to the San Diego Municipal Code Eliminating the Surplus Undistributed Earnings (“Waterfall”) as Codified in San Diego Municipal Code Section 24.1502 and as Referred to in Sections 24.1501, 24.1503, 24.1504, and 24.1507, all relating to the City Employees’ Retirement System.

(See Report from the City Attorney dated 2/2/2007; memorandum from Mayor Sanders and Council President Peters dated April 5, 2007; and Independent Budget Analyst Reports No. 07-05, 07-26, and 07-43.)

(Continued from the meeting of April 10, 2007, Item 332, April 17, 2007, Item S500, and May 1, 2007, Item 331, last continued at the request of Councilmember Madaffer, for further review.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 3/5/2007, Item 203. (Council voted 8-0):

(O-2007-93) CONTINUED TO TUESDAY, JUNE 5, 2007

Amending Chapter 2, Article 4, Division 15, of the San Diego Municipal Code, by repealing Section 24.1502, and amending Sections 24.1501, 24.1503, 24.1504, and 24.1507, all relating to the "Waterfall".

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:05 p.m. – 2:18 p.m.)

MOTION BY ATKINS TO CONTINUE TO TUESDAY, JUNE 5, 2007, FOR FURTHER REVIEW. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-201: McKinnon Residence, Project No. 51161.

Matter of approving, conditionally approving, modifying or denying an application for a Coastal Development Permit, Easement Abandonment (sewer easement), and Site Development Permit (Deviation from Environmentally Sensitive Lands, Steep Slopes, regulations regarding drainage) to demolish an existing one-story residence to construct a 11,043 square foot, two-story single family residence with basement on a 63,646 square foot (1.46 acre) site at 3300 Kellogg Way containing Environmentally Sensitive Lands (steep slopes) in the RS-1-4 Zone within the Peninsula Community Plan, Coastal Overlay Zone (appealable), Coastal Height Limit Overlay Zone, Council District 2.

(See Report to the City Council No. 07-088. Peninsula Community Plan Area. District 2.)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-912) ADOPTED AS RESOLUTION R-302606

Adoption of a Resolution certifying that the information contained in Negative Declaration No. 51161 has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.), as amended and the State guidelines thereto (California Code of Regulations Section 15000 et seq.) that the declaration reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the approval of a site development permit/coastal development permit and an easement vacation for the McKinnon Residence project;

Declaring that the Council finds, based upon the Initial Study and any comments received, that there is no substantial evidence that the project will have a significant effect on the environment and therefore the Negative Declaration is approved;

Directing the City Clerk to file a Notice of Determination (NOD) with the Clerk of the Board of Supervisors for the County of San Diego regarding the above project.

Subitem-B: (R-2007-913) ADOPTED AS RESOLUTION R-302607

Adoption of a Resolution vacating the portion of Easement Abandonment No. 404901 located within the Peninsula Community Plan area in connection with CDP No. 147413/SDP No. 147529, as more particularly described in the legal description marked as Exhibit "A," and shown on Drawing No. 20641-B, marked as Exhibit "B," which are by this reference incorporated herein and made a part hereof;

That said easement abandonment is conditioned upon abandonment of the on-site public sewer main and construction of a replacement private sewer lateral and

issuance of CDP No. 147413/SDP No. 147529. In the event this condition is not completed within three years following the adoption of this resolution, then this resolution shall become void and be of no further force or effect;

Declaring the City Engineer to advise the City Clerk of the completion of the aforementioned condition and the City Clerk shall cause a certified copy of this resolution, with attached exhibits, attested by her under seal, to be recorded in the Office of the County Recorder.

Subitem-C: (R-2007-914) GRANTED PERMIT; ADOPTED AS
RESOLUTION R-302608

Adoption of a Resolution granting the permit, with appropriate findings to support Council action with respect to Coastal Development Permit No. 147413 – San Diego Municipal Code (SDMC) Section 126.0708; and Site Development Permit No. 147529 – SDMC Section 126.0504.

OTHER RECOMMENDATIONS:

Planning Commission on February 15, 2007, voted 5-0-2 to approve staff's recommendation; no opposition.

Ayes: Griswold, Otsuji, Garcia, Ontai, Naslund
Not present: Schultz
One vacancy

The Peninsula Community Planning Group has recommended approval of this project.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

Should the City Council approve the Planning Commission recommendation of approval to demolish an existing one-story, single-family residence, and to construct a two-story, single-family residence at 3300 Kellogg Way, subject to abandonment of the on-site public sewer main, and construction of a replacement private sewer lateral?

STAFF RECOMMENDATION:

CERTIFY Negative Declaration No. 51161; APPROVE Coastal Development Permit No. 147413; APPROVE Site Development Permit No. 147529; APPROVE Easement Abandonment No. 404901.

EXECUTIVE SUMMARY:

This project proposes to demolish an existing one-story, non-historic, single-family home (built in 1951), and to construct a two-story single-family home with an attached two-car garage, and four off-street guest parking spaces, in the La Playa Area of the Peninsula Community on a 63,646 square foot (1.46 acre) developed lot within the RS-1-4 Zone of the Coastal Overlay Zone (appealable), First Public Roadway, and Coastal Height Limit Overlay Zone. The subject lot is located in a gated community at 3300 Kellogg Way in the southern portion of the Peninsula Community overlooking San Diego Bay and Shelter Island east of the project site.

The developed lot contains Steep Hillides as regulated by the Environmentally Sensitive Lands (ESL) regulations of the San Diego Municipal Code (SDMC). These regulations normally prohibit a project from directing drainage into ESL. However, for this site location due to topography, direction of existing site drainage into the ESL, and configuration of the private road of Kellogg Way, staff believes that the requirement to direct drainage away from the steep slopes would cause undue hardship on the owner and is therefore recommending to grant the deviation, as processed through a Site Development Permit, in accordance with the procedures of the SDMC ESL regulations.

The project also involves abandonment of a public sewer easement and six-inch public sewer main, which run directly under the existing residence. Approval of the easement abandonment, pursuant to SDMC Section 112.0131, requires approval by the City Council, following a recommendation of the Planning Commission. In accordance with the Municipal Code, all discretionary actions must be consolidated and processed together, resulting in consideration of the Coastal Development Permit, Site Development Permit, and Easement Abandonment by the City Council. If the project did not involve the easement abandonment, it would have been considered by a Hearing Officer as a Process 3 action.

The project scope includes landscaping, storm water runoff controls, installation of a residential fire sprinkler system, and construction of a new sewer lateral for the adjacent residence. The project site is up-gradient from, and not affected by, the U.S. Navy site to the south. Development of the project includes approximately 220 feet of retaining wall, up to 13 feet high along the slopes behind the required setbacks, and six feet high or less within the setback (rear and side), screened with landscaping.

FISCAL CONSIDERATIONS:

None with this action. All costs associated with the processing of this project are paid from a deposit account maintained by the applicant.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On January 2005, the Peninsula Community Planning Board voted 12-0-1 to recommend approval. On February 17, 2007, the Planning Commission voted 5-0 to recommend approval to City Council.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Dan McKinnon, owner
Steven Doctor, agent for owner

Waring/Escobar-Eck/CW

LEGAL DESCRIPTION:

The project site is located in the RS-1-4 (Residential-Single-Unit) zone within the Coastal Overlay Zone (Appealable), Coastal Height Limitation Overlay Zone and Peninsula Community Plan Area and is more particularly described as a portion of Pueblo Lots 105, 106 and 107 of Miscellaneous Map No. 36 (APN 532-410-17).

Staff: Cory Wilkinson – (619) 557-7900
Andrea Contreras Dixon – Deputy City Attorney

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

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 3:17 p.m. – 3:22 p.m.)

MOTION BY FAULCONER TO ADOPT THE RESOLUTIONS IN SUBITEMS A AND B AND GRANT THE PERMIT IN SUBITEM C WITH DIRECTION TO INCLUDE AN INDEMNIFICATION AND A HOLD HARMLESS AGREEMENT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S400: Pursuant to the San Diego Municipal Code Section 22.0710, the City Auditor and Comptroller's Office is Requesting a Hearing on the City's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2003.

(See Report to the City Council 07-065 and City of San Diego's Fiscal Year 2003 Comprehensive Annual Financial Report.)

(Continued from the meetings of April 23, 2007, Item 202, and May 7, 2007, Item 201, last continued at the request of Councilmember Faulconer, for further review.)

CITY AUDITOR AND COMPTROLLER'S RECOMMENDATION:

Take the following actions:

CONTINUED TO TUESDAY, MAY 22, 2007

Receiving and filing the Fiscal Year 2003 City's Comprehensive Annual Financial Report (CAFR);

Directing the City Attorney to prepare the appropriate resolution in accordance with Charter Section 40.

SUPPORTING INFORMATION:

Consistent with the remedial recommendation contained in the Report of the Audit Committee of the City of San Diego (Kroll Report) dated August 8, 2006, staff has provided numerous drafts of the CAFR to the City Council for their review and comment prior to the April 16, 2007 City Council meeting where this document will be discussed. At this meeting staff is recommending that it be received by the City Council as final. This document has been approved by the City's Disclosure Practices Working Group (DPWG) and the certificate of approval has been attached to this agenda item.

The public may obtain a copy of the City's 2003 CAFR on the City website at no charge.

FISCAL CONSIDERATIONS: None.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

October 16, 2006 Council Meeting.

Levin/Goldstone

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
RESOLUTIONS:

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:18 p.m. – 2:18 p.m.)

MOTION BY FAULCONER TO CONTINUE TO TUESDAY, MAY 22, 2007, FOR FURTHER REVIEW. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S401: Del Mar Heights Road Maintenance Assessment District Formation

(See Report to the City Council No. 07-069 Rev. Torrey Pines Community Plan Area. District 1.)

(Continued from the meeting of May 7, 2007, Item 202, at the request of the City Attorney, to meet noticing requirements).

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1088) ADOPTED AS RESOLUTION R-302609

Initiating proceedings for the formation of the Del Mar Heights Road Maintenance Assessment District.

Subitem-B: (R-2007-1090) ADOPTED AS RESOLUTION R-302610

Approving the Engineer's report submitted in connection with the proposed formation of the Del Mar Heights Road Assessment District.

Subitem-C: (R-2007-997 Cor. Copy) ADOPTED AS RESOLUTION R-302611

Resolution of Intention to form the Del Mar Heights Road Maintenance Assessment District and to levy and collect Fiscal Year 2008 Annual Assessments on Del Mar Heights Road Maintenance Assessment District.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

This City Council action is to start the process to form a new maintenance assessment district to maintain landscaping improvements along certain sections of Del Mar Heights Road. Under the guidelines of Proposition 218, all property owners receiving benefit from the improvements within the district have an opportunity to vote in favor or in opposition to the formation of this maintenance assessment district: community driven or developer driven. This request is community driven.

STAFF RECOMMENDATION:

1. Adopt the resolution initiating proceedings for the formation of the Del Mar Heights Road Maintenance Assessment District;
2. Adopt the resolution preliminarily approving the engineer's report submitted in connection with the proposed formation of the Del Mar Heights Road Maintenance Assessment District;
3. Adopt the resolution of intention to form the Del Mar Heights Road Maintenance Assessment District and to levy and collect Fiscal Year 2008 annual assessments on the Del Mar Heights Road Maintenance Assessment District.

SUMMARY:

This action authorizes the ballot protest proceedings to form the Del Mar Heights Road Maintenance Assessment District. If approved by the property owner vote, this action also authorizes the Fiscal Year 2008 assessment and budget. The District is located in the Torrey Pines Community Planning Area along the Del Mar Heights Road corridor bounded by Crest Canyon Open Space park to the north, Torrey Pines State Reserve to the south, the City of Del Mar to the west, and Interstate 5 to the east.

The purpose of the District is to fund the enhanced maintenance of landscaped and hardscaped improvements including identified medians, curbs, and gutters.

FISCAL CONSIDERATIONS:

Approximately \$ 51,034 will be assessed to the property owners within the District in Fiscal Year 2008. The City owns one assessable parcel in the District. The General Fund impact is \$22.90 for FY 2008. The District will be entitled to a contribution from the Gas Tax Fund 30219 in the amount of \$4,188. These funds are included in the proposed Fiscal Year 2008 Budget Process. The proposed Fiscal Year 2008 budget for the District is as follows:

	<u>FY 2008</u>	<u>Maximum Authorized</u>
EXPENSES		
Personnel	\$1,500	\$4,505
Landscape Contract	\$7,178	\$34,183
Incidentals	\$801	\$1,841
Administration	\$3,000	\$3,686
Utilities (energy, water utilities & storm drain fee)	\$0	\$719
Repayment to MAD Formation Fund (one-time expense)	<u>\$30,000</u>	<u>\$0</u>
TOTAL EXPENSES	\$42,479	\$44,934
REVENUES		
Assessments	\$51,034	\$52,590
City Contributions - Gas Tax	<u>\$4,188</u>	<u>\$5,824</u>
TOTAL REVENUES	\$55,222	\$58,414
FUND BALANCE (Carryover & Reserve)		
Allocated Reserve/Carryover (20% of operating budget)	\$8,495	\$8,987
Required Minimum Reserve (10% of operating budget)	<u>\$4,248</u>	<u>\$4,493</u>
TOTAL FUND BALANCE	\$12,743	\$13,480

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The majority of the assessments will be borne by residences within the community. The community submitted a petition and was granted use of City formation funding in September 2005. The Torrey Pines Planning Group endorsed the formation at its October 12th 2006 meeting. The Del Mar Heights Rd. Advisory Group has supported the effort and, in conjunction with the Planning Group, held a community outreach and information meeting on March 8, 2007. Some community opposition to this formation has been expressed.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The key stakeholders in the area are the local residences, the Del Mar Union High School District, Safeway Stores Inc., Longs Drug Inc., and several smaller businesses. Information and outreach efforts are being made to all stakeholders.

Reynolds/LoMedico/ CB

Staff: Clay Bingham – (619) 533-6724
Pedro De Lara, Jr. – Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:19 p.m. – 2:53 p.m.)

MOTION BY MADAFFER TO ADOPT. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S402: North Park Maintenance Assessment District – Reballot.

(See Report to the City Council No. 07-068 Rev. North Park Community Area. District 3).

(Continued from the meeting of May 7, 2007, Item 203 at the request of the City Attorney, to meet noticing requirements.)

STAFF RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2007-1091) ADOPTED AS RESOLUTION R-302612

Initiating the proceedings for the augmentation of the North Park Maintenance Assessment District.

Subitem-B: (R-2007-1092) ADOPTED AS RESOLUTION R-302613

Preliminary approving the Engineer's Report submitted in connection with the proposed augmentation of the North Park Maintenance Assessment District.

Subitem-C: (R-2007-1000 Cor. Copy) ADOPTED AS RESOLUTION R-302614

Resolution of Intention to augment the North Park Maintenance Assessment District and to levy and collect Fiscal Year 2008 Annual Assessments on North Park Maintenance Assessment District.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

This City Council action will increase the Fiscal Year 2008 assessments for the North Park Maintenance Assessment District. The District is generally located north of Upas and Juniper Streets, south of Monroe Avenue, west of Interstate 805, and east of Georgia Street.

Projects authorized by the current District have largely been completed. In response to the limited services the current District can provide, and in reaction to community outreach which identified a need for enhanced future community improvements and services within the District, community representatives have requested that the City initiate proceedings to allow for an increase in assessments beyond the amount currently authorized.

STAFF RECOMMENDATION:

~~Authorize the commencement of the 45 day balloting period as required by law and schedule a public hearing for July 10, 2007.~~

1. Adopt the resolution initiating proceedings for the augmentation of the North Park Maintenance Assessment District.
2. Adopt the resolution preliminarily approving the engineer's report submitted in connection with the proposed augmentation of the North Park Maintenance Assessment District.
3. Adopt the resolution of intention to augment the North Park Maintenance Assessment District and to levy and collect Fiscal Year 2008 annual assessments on the North Park Maintenance Assessment District.

EXECUTIVE SUMMARY:

Authorize the commencement of the 45-day balloting period as required by law and schedule a public hearing for July 10, 2007.

FISCAL CONSIDERATIONS:

Approximately \$533,937 will be assessed to property owners within the District in Fiscal Year 2008. The City owns 78 assessable parcels in the District, and it is estimated that the General Fund impact will increase from \$3,136.50 to \$4,426.46. The District will be entitled to a contribution from Gas Tax Fund 30219 in the amount of \$20,221. These funds have already been requested as part of the Fiscal Year 2008 budget process. The proposed Fiscal Year 2008 Budget for the District is as follows:

	FY 2008	Maximum
	<u>(1)(2)</u>	<u>(2)(3)</u>
OPENING FUND BALANCE		
Carryover Fund Balance	\$480,449	--
EXPENSES		
Personnel	\$ 38,952	\$ 38,952
Contractual Services	\$205,205	\$205,205
Neighborhood Services	\$442,507	\$442,507
Miscellaneous Services	\$ 17,084	\$ 17,084
Incidentals	\$ 31,352	\$ 31,352
Utilities	<u>\$ 50,751</u>	<u>\$ 50,751</u>
TOTAL EXPENSES	<u>\$785,851</u>	<u>\$785,851</u>

REVENUES

Assessments	\$534,175	\$534,175
Interest	\$ 15,500	\$ 15,500
City Contributions – Gas Tax	<u>\$ 18,134</u>	<u>\$ 18,134</u>
TOTAL REVENUES	\$567,809	\$567,809

CLOSING FUND BALANCE **\$262,407** **--**

- 1) FY 2008 IS THE City’s Fiscal Year 2008, which begins July 1, 2007 and ends June 30, 2008.
- 2) Individual line item expenses may be higher or lower than shown on an annual basis.
- 3) Maximum authorized annual assessment subject to cost-indexing provisions contained in Assessment Engineers Report.

Annual assessments were calculated by an assessment engineer for parcels within the District and are based on each parcel’s equivalent benefit unit (EBU), which is equivalent to one single family dwelling unit. This rate is impacted by parcel land use, benefit, acreage of non-residential properties, and location of properties. The proposed rate for Fiscal Year 2008 would be \$30.28 per EBU.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The District was originally established in April 1996, balloted for compliance with Proposition 218 in 1998, with provisions for additional improvements to be maintained by the District. The additional improvements were determined through a process of community participation and input, and property owners approved the re-engineering of the District with 61.5% of the weighted vote.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The membership of the North Park Maintenance Assessment District Citizen's Advisory Committee (NP CAC), consists of representatives from the following community organizations: Greater North Park Planning Committee, North Park Community Association, Altadena Neighborhood Association, El Cajon Boulevard Business Improvement District, North Park Law Enforcement Committee, San Diego County Apartment Association, North Park Redevelopment Project Area Committee, Burlingame Neighborhood Association and North Park Main Street. The committee also provides for one (1) Homeowner/Resident position. The committee member organizations passed resolutions in support of re-engineering the District on the following dates:

1. North Park Project Area Committee: December 13, 2005
2. North Park Main Street: December 14, 2005
3. Greater North Park Planning Committee: January 17, 2006
4. North Park Community Association: January 25, 2006
5. Burlingame Neighborhood Association: February 3, 2006
6. El Cajon Business Improvement Association: February 13, 2006
7. Altadena Neighborhood Association: February 24, 2006
8. San Diego County Apartment Association: April 3, 2007

Additionally, the North Park Maintenance Assessment District CAC passed the following motions:

1. February 12, 2007 - Approved Fiscal Year 2008 Reballot Budget
2. March 12, 2007 - Approved North Park Assessment Engineer's Report

The North Park Maintenance Assessment District CAC has been gathering input and reviewing improvement areas and service levels for the past 17 months. In a survey of property owners located within the District in early 2006, nearly 80% of respondents were in favor of the re-engineering of a new district with a broader range of permissible improvements and services. Additionally, a "North Park Town Hall" meeting was conducted on April 8, 2006 in part to discuss the proposed re-engineering of the District and gather additional community input.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

In addition to the major stakeholder organizations mentioned above, residential property owners are approximately assessed 74% and commercial property owners 24% of the total revenue collected in the District. Under the proposed action, resident property owners will see an annual increase of \$11.59, while commercial property owner's increases will vary depending upon the relative acreage of their parcels.

LoMedico/Reynolds/CB

Staff: Clay Bingham – (619) 533-6724
Pedro De Lara, Jr. - Deputy City Attorney

FILE LOCATION: STRT-M-413 (2008) (34)

COUNCIL ACTION: (Time duration: 2:53 p.m. – 2:57 p.m.)

MOTION BY ATKINS TO ADOPT. Second by Young. 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 Approval - Metropolitan Wastewater Department (MWWD) Business Process Reengineering Report.

(See Report to the City Council No. 07-077.)

Notice is hereby given that City staff has completed a business process reengineering study of the Metropolitan Wastewater Department functions. A copy of the Report to the City Council is available for public viewing at the Office of the San Diego City Clerk. The report's recommendations include:

1. Reorganization of the Department with support functions consolidated into a single division,
2. Relocation of the Stormwater Pollution Prevention Division to the General Services Department,
3. Streamlining of processes,
4. Reduction of management and supervisory positions, and
5. Modifications to shifts and schedules to decrease overtime and improve efficiencies.

This report will be approved and implemented unless the Council President or any four members of the Council request a public hearing on the report. Such hearing must take place and a determination made as to approve or reject the report within a review period of 60 days or five Council Meetings. At the conclusion of the review period and no hearing having been held, the Mayor will proceed with implementation of the BPR changes.

If you have questions about the Metropolitan Wastewater Department Business Process Reengineering Report, please feel free to contact Rick Reynolds at (619) 236-5953.

ITEM-251: **Notice** of Pending Final Approval -Fleet Services Business Process Reengineering Report.

(See Report to the City Council No. 07-080.)

Notice is hereby given that City staff has completed a business process reengineering study of the Fleet Services Department functions. A copy of the Report to the City Council is available for public viewing at the Office of the San Diego City Clerk. The report's recommendations include:

6. Consolidation of the City's three fleet organizations into one Fleet Services Division within the General Services Department.
7. Expansion of the structured Internal Service Fund for vehicle operations and vehicle replacement programs to the public safety fleets.
8. Expansion of a variety of specialized expertise to the public safety fleets: acquisition and fitting, management information system, parts management, safety and budgeting.
9. A more efficient repair/maintenance process.
10. Closure of the General Services' Central Operations Station.
11. The Miramar Place facility will continue specialization in refuse packers only.
12. The Fire-Rescue facility will specialize in heavy duty Fire-Rescue apparatus only.
13. Elimination of Voluntary Furlough participation.

This report will be approved and implemented unless the Council President or any four members of the Council request a public hearing on the report. Such hearing must take place and a determination made as to approve or reject the report within a review period of 60 days or five Council Meetings. At the conclusion of the review period and no hearing having been held, the Mayor will proceed with implementation of the BPR changes.

If you have questions about the Fleet Services Business Process Reengineering Report, please feel free to contact Rick Reynolds at (619) 236-5953.

ITEM-252: **Notice** of Pending Final Map Approval - Palazzo.

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 "Palazzo" (T.M. No. 219822/PTS No. 33906), located on the north side of Torrey Pines Road easterly of the intersection of La Jolla Parkway in the La Jolla 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 3:27 p.m.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 3:27 p.m. – 3:27 p.m.)