

**MINUTES OF A MEETING OF
THE LEMON GROVE CITY COUNCIL**

**The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency
May 5, 2015**

Call to Order

Members present: Mary Sessom, George Gastil, Jerry Jones, Jennifer Mendoza, and Racquel Vasquez.
Members absent: None.

City Staff present: Graham Mitchell, City Manager; Carol Dick, Development Services Director; Daryn Drum, Division Fire Chief; Susan Garcia, City Clerk; James P. Lough, City Attorney; Mike James, Public Works Director; Lt. May, Sheriff's Department; Tamara O'Neal, Interim City Engineer; Rick Sitta, Fire Chief; Malik Tamimi, Management Analyst, and Cathleen Till, Finance Director.

Public Comment

Teresa Rosiak Proffit reported on her daughter's kidnapping and return. She urged the City Council to hire additional Sheriff's Deputies.

Bob Jones commented the City's water usage for landscaping and the possibility of wells to provide water.

Stephen Browne commented on a recent incident in his neighborhood. He also reported on the Sheriff's response and believes that the City should hire more Sheriff's Deputies.

1. Consent Calendar

- A. Approval of City Council Minutes**
April 21, 2015 Regular Meeting
- B. Ratification of Payment Demands**
- C. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda**
- D. Claim Denial**
- E. Award Contract for Traffic Signal and Communications Systems Maintenance, Emergency Repairs, and Related Construction Services**

Action: Motion by Councilmember Gastil, seconded by Mayor Pro Tem Vasquez to approve the Consent Calendar passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2015-3328: Resolution of the City Council of the City of Lemon Grove, California Awarding a Contract for Traffic Signal and Communication System Maintenance, Emergency Repairs, and Related Construction Service

2. Resolution Approving Limitations on the Two-Year EDCO Corporation Rate Schedule

Graham Mitchell reported that EDCO provides solid waste disposal services for City residents under a franchise granted by the City Council. EDCO has been operating under the same City Council-approved rate ceiling since 2013.

The purpose of this agenda item is to present a resolution that approves a new two-year EDCO Rate Ceiling for Fiscal Years 2015-16 and 2016-17.

Earlier this year, staff met with EDCO staff regarding a request to increase the maximum waste collection and recycling rates from July 1, 2015 through June 30, 2017. In summary, EDCO requests that the basic residential service rate increases from \$20.44 to \$21.10 per month and basic commercial service rate increases from \$102.74 to \$106.74 per month.

Various cost factors have impacted the solid waste industry, including EDCO. These costs include landfill tipping fees, cost of fuel and labor, and the loss in offsetting revenue from the sale of recycled materials.

Public Speaker(s)

There were no requests from the public to speak.

Action: Motion by Councilmember Jones, seconded by Councilmember Mendoza, to adopt the resolution passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2015-3329: Resolution of the City Council of the City of Lemon Grove, California Authorizing an Amendment to the Franchise Agreement with EDCO Corporation to Grant an Amended Maximum Rate Limitation

3. California Home Financing Authority

Graham Mitchell stated that in 2013, the City began participation in the HERO, PACE, and Figtree PACE programs. Staff presents a third program for City Council consideration that provides property owners a third option with a different financing mechanism.

California Home Finance Authority (CHF), which is in the process of formally changing its name to Golden State Finance Authority, is a joint exercise of powers authority (the Authority JPA). CHF has established two Property Assessed Clean Energy (PACE) financing programs for residential, commercial, industrial and agricultural properties to address high up-front costs for property owners who wish to improve their properties through installation of measures that will generate renewable energy or reduce their energy and water use. CHF contracts with Ygrene Energy Fund CA LLC (Ygrene) to serve as the program administrator and to operate the Ygrene Works for the California PACE financing program.

To participate in the CHF PACE programs, the City must become an Associate Member of CHF. Associate membership requires no dues or other costs to the City.

Public Speaker(s)

There were no requests from the public to speak.

Action: Motion by Councilmember Jones, seconded by Mayor Pro Tem Vasquez to adopt the resolutions passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2015-3331: Resolution of the City Council of the City of Lemon Grove, California Consenting to Inclusion of Properties within the City's Jurisdiction in the California Home Finance Authority Community Facilities District No. 2015-1 (Clean Energy) to Finance Renewable Energy Improvements, Energy Efficiency and Water Conservation Improvements and Electric Vehicle Charging Infrastructure and Approving Associate Membership in the Joint Exercise of Powers Authority Related Thereto

Resolution No. 2015-3332: Resolution of the City Council of the City Of Lemon Grove, California Consenting to Inclusion of Properties within the City's Jurisdiction in the California Home Finance Authority, Program to Finance Renewable Energy Generation, Energy and Water Efficiency Improvements and Electric Vehicle Charging Infrastructure and Approving Associate Membership in the Joint Exercise of Powers Authority Related Thereto

4. Public Hearing to Consider General Plan Amendment GPA150-0001 and Zoning Amendment ZA150-0001 (Request to Amend the General Plan Land Use Designation from Transportation and Retail Commercial to Medium/High Residential Density and to Amend the Zoning District from General Commercial (GC) to Residential Medium/High (RMH) on the South Side of Broadway between 8305 Broadway and 8373 Broadway)

Carol Dick explained that the project consists of amending the General Plan Land Use Designation of properties between and including 8305 and 8373 Broadway from Transportation and Retail Commercial to Medium/ High Density Residential and amending the Zoning District from General Commercial (GC) to Residential Medium/High (RMH). This project was initiated by the City to address existing nonconforming uses and to promote the conversion of existing nonconforming uses to the predominant existing residential uses in the area.

The properties are located in an area surrounded by transportation uses, Broadway, SR94, SR125, commercial and residential uses. The area was significantly affected by the design and construction of SR125. Several single family residential properties were identified with the transportation land use designations because it was thought that the properties would be used for the construction of the freeway. Those properties were not used or taken and the land use designation modification from Transportation to Residential Medium/High is part of this request.

The background information from the 1996 General Plan process identifies several existing land uses along the south side of Broadway from SR125 to the east City boundary consisting of commercial, residential and light industrial/warehouse land use designations. The existing development has remained essentially the same in this area with the exception of the construction of a mini-storage facility. The project area is approximately 7.2 acres and involves 10 legal lots.

With the recent listing for sale and marketing of the auto repair lot, City staff believes there is an opportunity to pursue more compatible land use designations in this area. The auto repair business (composed of eight businesses) has been the subject of numerous complaints from neighbors located both in the City of Lemon Grove and the County of San Diego.

Public Speaker(s)

Lin Martin, agent for the property owner, expressed his support for the proposed zoning amendment.

Action: Motion by Councilmember Gastil, seconded by Councilmember Mendoza, to close the public hearing and adopt the resolution passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2015-3330: Resolution of the City Council of the City of Lemon Grove, California Approving General Plan Amendment GPA15-0001 Amending the General Plan Land Use Designation from Transportation and Retail Commercial to Residential Medium/High Density for Ten Properties Located on the South Side of Broadway as Shown on Exhibit A

Action: Motion by Councilmember Mendoza, seconded by Mayor Pro Tem Vasquez, to introduce Ordinance No. 427 and conduct the first reading by title only passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Ordinance No. 427: An Ordinance of the City Council of the City of Lemon Grove, California Approving Zoning Amendment ZA15-0001 Amending the Zoning District from General Commercial (GC) To Medium/High Residential, Lemon Grove, California

5. Draft Fiscal Year 2015-2016 General Fund and General Reserve Fund Budget

Cathy Till reported that For FY 2014-15, staff anticipates that the City will generate \$12.1 million in combined revenue and interfund transfers and will expend \$11.3 million—generating a surplus of approximately \$737,200, which is significantly more than the surplus projected in the FY 2014-15 mid-year budget (\$358,600).

The budget anticipates revenues to be 2 percent more in FY 2015-16 than FY 2014-15, an increase of approximately \$242,600. The proposed budget also shows an increase in the expenditure plan of \$467,700 over FY 2014-15.

The presented draft budget results in a surplus of \$512,100 in FY 2015-16, increasing the General Fund balance from \$2,394,700 to \$2,906,800.

General Fund revenue is anticipated to increase from the mid-year budget of \$11.6 million to \$12.1 million. This is an increase of approximately \$423,900. The primary reasons for the increase are sales tax (+\$376,000) and development fees (+\$108,000), partially offset by a decrease in property tax (-\$92,300) due to a higher delinquency factor than was used in the mid-year budget. Other smaller variances, both positive and negative, make up the difference between the mid-year budget and the anticipated budget.

Of the major revenue sources, sales tax revenue has experienced the most fluctuation over the past ten years. In FY 2015-16, staff projects that the City will collect \$5.40 million in sales tax. That is approximately \$715,000 more than the high of \$4.68 million that the City collected in FY 2006-07. It should be noted that approximately \$200,000 of this is a one-time true up payment due to the wind down of the “Triple Flip” program. Property tax has been steadily increasing since the low of \$1.82 million in FY 2010-11, and is projected to be \$2.23 million in FY 2015-16. Vehicle license fees have also increased at an average rate of 1 percent since FY 2005-06.

In FY 2015-16, overall General Fund revenues are projected to be \$11.8 million dollars, which is an all-time high for the City, exceeding pre-recession revenues by approximately \$281,200. Revenue is expected to increase by \$264,400 in FY 2015-16 over anticipated FY 2014-15 revenue.

Sales tax is projected to grow by \$324,000, or 6.4 percent, due to a one-time payment of approximately \$200,000 (due to the scheduled termination of the "Triple Flip" program) as well as continued strong sales in the auto and construction sectors. One of staff's concerns for the future, given the City's reliance on these two predominant sources of revenue, is the potential that at least one of these sectors will flatten out or even decrease. It is already projected that sales tax will decrease approximately \$200,000 in FY 2016-17 due to the end of the "Triple Flip" program. Property tax is projected to grow at a rate of 4.2 percent, or \$89,900, in FY 2015-16. Development fees are expected to decrease by \$145,000, but this could change depending on building activity in FY 2015-16. Other revenue sources reflect small variances between FY 2014-15 and FY 2015-16.

The proposed budget shows an increase in the expenditure plan of \$467,700. Staff costs increased by \$131,300 due to the two new positions created in FY 2014-15 and step increases.

Services and supplies increased \$209,400, which is due primarily to increases in the City Manager, Fire and Public Works departments.

In addition, contractual obligations increased \$94,200 primarily driven by an increase in the Sheriffs Department's contract.

Public Speaker(s)

Brenda Hammond commented on law enforcement and the prisoner release program.

Teresa Rosiak Proffitt commented on City Council's law enforcement discussion.

After the discussion, the City Council directed staff to prepare a revised budget for City Council consideration at the June 2nd meeting.

6. Planning Commission

Graham Mitchell explained that on January 20, 2015, staff presented an agenda item entitled "Planning Commission Analysis." This agenda item followed up on a similar November 4, 2014 item. During the January 20th report, staff addressed four specific questions asked during the November 4th meeting:

What are the alternative ways to solicit community input on a project?

How can we engage citizens proactively?

If the Planning Commission were dissolved, how would that be implemented?

What would be the impact on the City Council agenda schedule?

Staff also included information on appeals, potential unintended consequences of items addressed in the report, and information about project streamlining.

At the conclusion of the January 20th discussion, a motion passed directing staff to solicit input from former and current Planning Commissioners and former Councilmembers and to present one or two alternatives to the current Planning Commission. The plan was to rely on City Council comments and input received from former Councilmembers and former and current Planning Commissioners.

Staff determined that the most effective way to solicit opinions of former Planning Commissioners and former Councilmembers was through a questionnaire. The questionnaire allowed respondents to answer the same questions and to spend time needed to answer thoroughly. The questionnaire also allows the City Council to see the responses first-hand, rather than a summary of verbal interviews conducted by staff.

Councilmember Mendoza provided a report on Planning Commissions throughout the State.

Action: Motion by Mayor Sessom, seconded by Councilmember Gastil, to follow the staff report proposal on page 5 to repurpose the Planning Commission, ensuring that public participation is protected and enhanced, and to establish an implementation schedule passed, by the following vote:

**Ayes: Sessom, Gastil, Jones,
Noes: Mendoza, Vasquez**

7. Ordinance No. 428 Amending Chapters 18.08 and 8.48 of the Lemon Grove Municipal Code with Reference to the Lemon Grove Best Management Practices (BMP) Manual

Malik Tamimi stated that on May 8, 2013, the Regional Water Quality Control Board (RWQCB) adopted Order No. R9-2015-0001 (Permit). The Permit went into effect on June 27, 2013 and requires that the City develop a Jurisdictional Runoff Management Program (JRMP) no later than June 27, 2015. The development of the JRMP requires an update to City Municipal Code Chapter 18.08 (Excavation and Grading) and Chapter 8.48 (Stormwater Management and Discharge Control). A Lemon Grove Best Management Practices Manual was developed in support of the JRMP and for reference in the aforementioned chapters. The recommended updates to the ordinance; as required by the Permit, are consistent with updates being made by other cities in the County.

Action: Motion by Councilmember Jones, seconded by Councilmember Gastil, to introduce Ordinance No. 428 and conduct the first reading by title only passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Ordinance No. 428: An Ordinance of the City Council of the City of Lemon Grove, California Amending Chapter 8.48 (Stormwater Management and Discharge Control) and Chapter 18.08 (Excavation And Grading) of the Lemon Grove Municipal Code with Reference to the Lemon Grove Best Management Practices (BMP) Manual

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d))

Councilmember Jones reported on meetings at SANDAG, Lemon Grove Clean-up Day, Congresswoman Davis' art competition, the Chamber Legislative Committee, and his participation in the District Attorney's Citizens Academy.

Councilmember Mendoza reported on Lemon Grove Clean-up Day, a Thrive Lemon Grove meeting, and a meeting with seniors at St. John of the Cross Plaza.

Mayor Pro Tem Vasquez attended a Heartland Training Facility Authority meeting, Congresswoman Davis' art competition, La Maestra's Community Health Center's 25th Anniversary, and a LAFCO meeting.

Closed Session

Pursuant to Government Code Section 54957.6: Conference with Labor Negotiators
Agency Designated Representative: Graham Mitchell, City Manager
Employee Organization: Local 2728 of the International Association of Firefighters

Pursuant to Government Code Section 54957: Public Employee Performance Evaluation
Title: City Manager

Closed Session Report: No reportable action was taken.

Adjournment

There being no further business to come before the City Council, Housing Authority, Sanitation District Board, Lemon Grove Roadway Lighting District Board, and the Lemon Grove Successor Agency the meeting was adjourned at 9:30 p.m.

Susan Garcia

Susan Garcia, City Clerk