



City of Del Mar Staff Report



TO: Honorable Mayor and City Council Members

FROM: Mayor Dave Druker
Council Member Sherryl Parks
Prepared by: Kristen M. Crane, Assistant City Manager

DATE: April 15, 2019

SUBJECT: February 2019 City Council Goals and Priorities Workshop Recap

REQUESTED ACTION/RECOMMENDATION:

It is recommended that the City Council receive this report, review the draft summary document of City Council priorities for Fiscal Year 2019-2020 (Attachment A), and provide comments and direction to staff.

DISCUSSION/ANALYSIS:

On February 23 and 26, the City Council held a two-day workshop focused on Goals and Priorities. Earlier in January, the City Council held a two-day retreat in which the Council completed a SWOT (strengths, weaknesses, opportunities, threats) analysis and discussed core values and value statements (Attachment B).

The focus of the workshop was an in-depth review of the City Council's full list of priority special projects for the remainder of this current fiscal year and looking ahead to Fiscal Year 2019-2020. The outcomes from this workshop will feed into the budget development process for Fiscal Years 2019-2020 and 2020-2021. Attachment C includes the minutes of the February workshop for a detailed overview.

Narrowing down the list of special projects and priorities is challenging. There are many competing priorities; opportunities to harness and challenges to address. As the Council identified the list of special projects to focus on completing, there were also other important items which had to be deferred based on staff capacity.

Among the special projects, some are capital improvement projects (CIP) related to City infrastructure, while others are more focused on an initiative, such as affordable housing. There are also other types of projects which fall into the domain of general City operations but they are not routine or ongoing, such as developing a new policy or program.

In identifying projects, Council is also mindful of the reality that unexpected situations arise which necessitate an urgent response that can sometimes be very time consuming. For example, the Anderson Canyon bluff failure that occurred several years ago.

City Council Action:

This item was moved to the Consent Calendar for consideration.

Council approved the February 2019 City Council Goals and Priorities Workshop Recap on consent.

As a follow-up item from the workshop, the City Council requested to develop a summary report that could be shared with the community to communicate the goals and priorities that have been identified. This will serve as an important tool for all stakeholders, including the community at-large, the advisory committees, and City staff.

Attachment A includes a listing of the Council's identified goals and priorities, along with the Mission Statement, Vision Statement, and four overall goals and objectives. These have been in place since at least 2011, and were revisited and reaffirmed by the City Council as part of the January retreat. These four goals speak to the overall manner in which the City serves the community and provides service.

Attachment A also lists the Core Values and Value Statements and ten "Big Issues/Council Goals" identified during the January retreat, plus three additional goals identified during the February workshop. The Council identified the core values and value statements as factors that influence the City's overall general approach. These "Big Issues/Council Goals" are more project/issue specific, identifying what the Council considers to be the most pressing priorities for the City. The "big issues/Council goals" identified during the January retreat include:

1. Sea Level Rise Adaptation Plan Implementation
2. Affordable Housing
3. Railroad Issues (safe crossings, rails off bluffs)
4. Community Communications
5. Measure Q Implementation (Downtown Streetscape, undergrounding, Shores Park)
6. Short Term Rentals
7. Climate Action Plan
8. Shores Park
9. Technology
10. Fairgrounds (traffic plan, affordable housing, local coastal program)
11. Do a good job managing the review process for major development projects
12. Commitment to a vibrant Downtown/thriving businesses
13. Weave art throughout the City

In addition, Attachment A lists the City Council's identified special projects, organized according to "big issues/Council goals." Whereas the "big issues" are long-term, multi-faceted topics, the special projects are more specific objectives that strategically help toward achieving the broader goals. For example, "exploration of Community Choice Energy" is a special project directly related to implementation of the Climate Action Plan.

If there is Council consensus, Attachment A will become part of the Fiscal Year 2019-2020 and 2020-2021 budget document and will also be posted on the City's website and shared with the community via the City Manager's Weekly Update and as a news item.

FISCAL IMPACT:

The fiscal impact associated with individual priority projects will be incorporated into the proposed operating budget for Fiscal Years 2019-2020 and 2020-2021.

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ENVIRONMENTAL IMPACT:

There is no environmental impact associated with this item.

NEXUS TO CITY COUNCIL GOALS AND PRIORITIES:

The primary purpose of the City Council Goals and Priorities workshop in February 2019 was to identify Council goals for the next fiscal year.

ATTACHMENTS:

Attachment A – City Council Priority Projects for Fiscal Year 2019-2020
Attachment B – Del Mar Core Values and Value Statements and SWOT Analysis
Attachment C – Minutes from February 23 and 26, 2019 City Council Workshop

City Council Priorities for Fiscal Years 2019-2020 and 2020-2021

CITY COUNCIL MISSION STATEMENT

The mission of the Del Mar City Council is to serve as the representative body that determines the local and regional needs of its citizens, sets goals, makes general policy, and exercises the responsibility to retain and enhance the special character of Del Mar based on the Community Plan.

CITY VISION STATEMENT

The vision for the City of Del Mar is to be a residential community with a vibrant downtown and a tranquil place of natural beauty where residents and visitors feel safe and enjoy opportunities for recreation and entertainment.

OVERALL GOALS AND OBJECTIVES

- GOAL 1:** Preserve and enhance the community character of the City with emphasis on natural resources.
- GOAL 2:** Manage the City's resources in a fiscally sound and prudent manner in order to protect the public's health, safety, and welfare.
- GOAL 3:** Communicate effectively with and engage the community.
- GOAL 4:** Provide leadership to influence decisions that impact the local and regional communities.

DEL MAR CORE VALUES & VALUE STATEMENTS

1) Fiscal Soundness

- We value working within our financial means.
- We value effective and efficient use of our resources
 - Select work efficiently
 - Monitor and make sure we are using resources effectively
 - Evaluate the quality of outcomes
 - Revise as-needed
 - Maintain adequate reserves

2) Communication & Transparency

- Provide effective and transparent communication to garner community awareness, engagement, and support.

3) Respect & Empathy

- We treat each other and the public with respect, dignity and fairness, based on mutual trust and communication; and encourage that for the community as a whole.

4) Environmental Stewardship & Sustainability

- Pursue opportunities to protect and restore natural resources.
- Do “our part” to address and adapt to climate change.

5) Leadership

- Intrinsic: We defend and pursue community values to set and adopt goals that ensure that which is important to the community.
- Extrinsic: We provide leadership on behalf of the community to influence regional, state, and federal decisions that impact us.

6) Serve the Community

- We listen and are responsive to the changing needs of our community.
- Implement the Community Plan.
- Provide government services in an efficient and equitable manner.

Big Issues/Council Goals and Identified Special Projects for Fiscal Year 2019-2020

1. **Sea Level Rise Adaptation Plan Implementation**
 - Sea Level Rise Program and Local Coastal Program Amendments
 - SCOUP Permit for Sand Replenishment and expanded Beach Sand Maintenance Program

2. **Affordable Housing**
 - Current Housing Element Implementation (5th Cycle)
 - Task 1 – Create educational materials for condominium conversions
 - Task 2 – Create educational materials to incentivize accessory dwelling units (ADUs)
 - Task 3 – Implement Professional Commercial/North Commercial Zone Amendments to accommodate 20 units/acre
 - Task 4 – Explore housing partnerships with Fairgrounds
 - Develop 6th Cycle Housing Element

3. **Railroad Issues (safe crossings, rails off bluffs)**
 - NCTD/SANDAG Study of Lateral Bluff Trails and Safe Pedestrian Crossings
 - Long-term planning efforts to remove the railroad off the bluffs
 - Work with Lagoon Committee and Torrey Pines Planning Group to evaluate five tunnel alternatives identified by SANDAG to identify a preferred option

4. **Community Communications**
 - Continue to enhance communications with the community on City initiatives

5. **Measure Q Implementation (Undergrounding)**
 - Undergrounding Project - Proceed with implementation and design of pilot project and identified first priority area. *(Subject to final approval by the City Council)*

6. **Short Term Rentals**
 - Implement Short-Term Rentals Ordinance and Local Coastal Program Amendment

7. **Climate Action Plan**
 - Exploration of Community Choice Energy

8. **Shores Park Master Plan**
 - Continue development of Shores Park Master Plan

9. **Technology**
 - Identify opportunities for maximizing use of existing City-owned technologies and possible future technology endeavors

10. **Fairgrounds Relationship (traffic plan, affordable housing, local coastal program)**

11. **Do a Good Job Managing the Review Process for Major Development Projects**
 - Initiate a Development Impact Fee Study

12. **Commitment to a Vibrant Downtown and Thriving Businesses**
 - Develop and implement a Façade Improvement Program (DMVA)
 - Explore methods to allow “pop-up” uses in the Downtown Area

13. **Weave Art throughout the City**

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STRENGTHS	TOP FOUR
Talented and productive staff/city attorney	Talented & productive staff
Positive work environment	Strong leadership - courage at regional engagement
Ability to be flexible/responsive	Forward looking - proactive
Highly involved citizens	Leveraging many resources to accomplish goals (staff, financial, technology, volunteers, & environment)
Financially sound	Community character
Community character (External environment/Intrinsic values)	
Safe community	
Grassroots approach to big issues	
Strong leadership - No issue too big to take on	
Ability to be a regional beacon	
Strong property values	
Geography	
Doing more with less resources (than other cities)	
Environmental stewardship	
Forward looking, planning for the future	
Collaboration at all levels (Council, staff, volunteers, & public)	
Effort toward fairness & equality	
Measure "Q'	
WEAKNESSES	TOP FOUR
Lack of Trust (among City Council, between City Council and community, and between community and staff)	Communication/Lack of trust
Workload (too many projects at once, potential for staff burnout, limits strategic thinking, causes reactive behavior)	Workload (exposure to risks, lack of clarity on prioritization of goals, and budget constraints)
Committee system	Technology (use of new technology; and underutilization of existing technology)
Smallness of City	Committee management
Employee recruitments/retention	
Budget limitations	
Exposure to attacks (claims/lawsuits, ballot measures, & monied interests)	
Lack of clarity on goals	
Weak internal/external communications (staff, committees, & Council)	
Geography	
Technology (outdated & underutilized)	
Weak financial systems (lack ability to provide monthly, quarterly, and annual reports timely)	

OPPORTUNITIES	TOP FIVE
Uniqueness	Taking advantage of changing utility environment (CCE)
Grants	Grants: Shovel-ready plans
Partnering with other cities/others	Partnering with other cities/others
Measure Q	Fairgrounds
Universities/location	Legislative representatives (building consensus on a "strike ready" legislative agenda)
Fairgrounds	
Legislative representatives	Technology
Technology	
Community/citizens	
Tourism	
Media coverage	
Changing utility environment	
Public transportation	
"Right development"	

THREATS	TOP FIVE
Climate change (loss of sand, bluff, property values, revenue, & community)	Aging City infrastructure (ex. Sewer, water, bridges)
State/regional mandated policies that conflict with local community priorities	Recession (revenues, volunteers, donations)
Mismatch between our natural environment and our use of it (water, climate, geology)	Fairgrounds (uncertainty in business ops; potential impacts to public safety)
Redevelopment leading to homogenization (increased property values, and decrease in socio-economic diversity)	Climate change
Erosion of credibility as facts blend with opinion	Dealing with misinformation in the community (fact vs. fiction/opinion)
Environmental threats (drought, earthquake, nuclear contamination, storms, and wildfires)	Rail Issues
Fairgrounds	State & federal mandates encroaching on local resources and control (ex. affordable housing)
Technology effects (drones, Air BNB, scooters, etc.)	Pressure to change community character
Aging infrastructure (City and regional)	
Recession	
Public records request volume	



**DEL MAR CITY COUNCIL
SPECIAL MEETING MINUTES
SATURDAY, FEBRUARY 23, 2019, 9:00 A.M.
L'Auberge Del Mar, 1540 Camino del Mar, Del Mar, CA 92014
TUESDAY, FEBRUARY 26, 2019, 9:00 A.M.
L'Auberge Del Mar, 1540 Camino del Mar, Del Mar, CA 92014**



**FEBRUARY 23, 2019
SPECIAL MEETING – DAY 1
9 A.M. – L'Auberge Del Mar**

CALL TO ORDER/ROLL CALL

Mayor Druker called the meeting to order at 9:05 am

Present: Mayor Dave Druker; Deputy Mayor Ellie Haviland; and Council Members Terry Gaasterland, Sherryl Parks, and Dwight Worden

Staff Present: City Manager Scott Huth; Assistant City Manager Kristen Crane, Administrative Services Director/City Clerk Ashley Jones; Planning and Community Development Director Kathleen Garcia; Public Works Director Joe Bride; Community Services Director/Lifeguard Chief Jon Edelbrock; and Environmental Sustainability/Special Projects Manager Clement Brown

COUNCIL OPENING REMARKS

Mayor Druker reviewed the agenda and plan for the day. Deputy Mayor Haviland reported that the SANDAG Board unanimously voted to take a different approach on how to develop and set priorities for the SANDAG Regional Plan.

PUBLIC ORAL COMMUNICATIONS

- 1) Bertha Leone, Vice Chair of the Sustainability Advisory Board (SAB) – Spoke on behalf of the SAB about the importance of the SAB priorities submitted as a red dot to the City Council prior to the retreat meeting.
- 2) Zach Groban, Chair of Business Support Advisory Committee (BSAC) – Spoke on behalf of the BSAC and encouraged the City Council to continue to make activities that support business and revitalize downtown a priority.
- 3) Joel Holliday, 1233 Crest Road, Del Mar – Asked the City Council to continue to make efforts regarding short-term rentals a priority.
- 4) Bud Emerson, 1070 Klish Way, Del Mar - Talked about the significance of community involvement in Del Mar, and expressed concern regarding the effect of short-term rentals on the community and asked the Council to continue to make short-term rental related efforts a priority.
- 5) Harold Feder, 1406 Crest Road, Del Mar - Spoke in support of comments made by Joel Holliday and Bud Emerson, and expressed support for short-term rental efforts being a top priority for Del Mar.
- 6) Jim Watkins, asked the Council to support businesses and downtown revitalization efforts as a priority.

REPORT FROM FINANCE COMMITTEE

Tom McGreal, Chair of the Finance Committee, presented an overview of the City's expenditures/revenues for Fiscal Year 2018-2019.

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Council questions focused on clarification on Finance Committee recommendations, revenue growth assumptions, establishment of a special projects fund, and application of the Finnell Plan.

The Mayor opened this item to public comment and the following individuals spoke:

- 1) Tom Tullie, expressed concern about past application of the Finnell Plan, and ensuring that expenditures growth be kept in line with revenues.
- 2) Jas Grewell, expressed support for spending within the City's means. She suggested that the City may need to cut expenses if necessary, and that using full-time staff rather than consultants may be less expensive.
- 3) Jeff Sturgis, expressed concerns about growth of budget and lack of resources to support the growth, preparing for a recession should be a priority.
- 4) Greg Rothnem, inquired about reasons for the anticipated decline in revenues.

The Mayor closed this item to public comment.

City Manager Huth provided some insight on budget management activities/controls from an internal perspective. Additional discussion focused on issues associated with the use of consultants and part-time, temporary staff vs. full-time, regular staff.

Council discussion focused on management of resources for Measure Q and other special projects; separate funding for special projects; appreciation for the Finance Committee's work on analyzing the City's budget; need for better understanding of macro financial trends; enhanced long-range forecasting to ensure resources are aligned with goals/priorities; Measure Q planning; how to best communicate budgetary changes and constraints to the community; and need to identify efforts/activities that benefit the community that could be achieved with little or no cost to the City.

REVIEW OF NON-CAPITAL IMPROVEMENT PROJECTS

Environmental Sustainability/Special Projects Manager Brown and City Manager Huth provided a presentation on the proposed list of City Council goals and priorities for the remainder of current fiscal year, and next fiscal year. Information provided focused on description of projects, available/needed resources, and reasons for recommendations.

Council questions focused on clarification on project scopes, and current status and resources needed for each.

Council discussion focused on the merits and ideas for each project, opportunities to maximize resources, potential timing and activities associated with each project, as well as possible outside funding opportunities (if applicable).

LUNCH RECESS

Council recessed for lunch from 12:27-12:58 p.m.

Following lunch, the Council continued review of non-capital improvement projects.

Council consensus was for the Del Mar Visitor Association (DMVA) Council liaisons, Ellie Haviland and Terry Gaasterland, to reach out to DMVA to discuss options for implementing a Façade Improvement Program in Del Mar.

Council discussed the concept of having a general goal of “Climate Action Plan Implementation”, in which a certain amount of resources would be allocated and the SAB would determine how to be use those resources; Alvarado house relocation and when the City could reasonably consider this matter; projects that have been removed from the special projects list and determined to be operational; items recommended to be deferred; proposed new operational items and scope for each; possible new special projects to be added to the list for FY 2019-20 and scope for each.

Council requested that staff prepare an updated list based on feedback from the Council for review the second day of the retreat on Tuesday, February 26. They asked that list be organized by fiscal year, project name, and relation to major Council goals.

ADJOURNMENT

At 3:45 p.m., the Mayor adjourned the meeting to 9:00 a.m., February 26, 2019, at L’Auberge Del Mar, 1540 Camino Del Mar, Del Mar, California, 92014.

FEBRUARY 26, 2019 RESUME SPECIAL MEETING – DAY 2 9 A.M. – L’Auberge Del Mar

CALL TO ORDER/ROLL CALL

Mayor Druker called the meeting to order at 9:03 a.m.

Present: Mayor Dave Druker; Deputy Mayor Ellie Haviland; and Council Members Terry Gaasterland, Sherryl Parks and Dwight Worden

Staff Present: City Manager Scott Huth; Assistant City Manager Kristen Crane, Administrative Services Director/City Clerk Ashley Jones; Planning and Community Development Director Kathleen Garcia; Public Works Director Joe Bride; and Environmental Sustainability/Special Projects Manager Clement Brown

PUBLIC ORAL COMMUNICATIONS

- 1) Ann Feeney, SAB Chair - Provided information about and spoke in support of the proposed SAB work plan provided as a red dot prior to the special meeting.
- 2) Don Mosier, Climate Action Plan (CAP) Facilitator, Spoke in support of working toward achieving the CAP goals; provided some insight as to the success of the solar system located at City Hall/Town Hall; and encouraged allocation of annual energy savings toward CAP goals.
- 3) Tracy Martinez, 2152 David Way, Del Mar - Suggested that the City start an affordable housing committee.
- 4) Glen Warren, 227 27th Street, Del Mar - Spoke about short-term rentals and their impacts on the community, and the importance of short-term rental regulations.

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- 5) Lynn Gaylord, 2820 Ocean Front, Del Mar – Spoke in support of comments provided by Glen Warren, encouraged the Council to remember why the City incorporated, and asked that they protect the character of the community.
- 6) Jen Grove, DMVA Executive Director - Spoke in favor of Council goals and priorities that support the business community, public art program, pedestrian/bike circulation, parking management plan, and asked that the Council consider pop-up vendor regulations to allow for them, and opportunities for DMVA to provide assistance.
- 7) Bonnie Grossman, Arts Advisory Committee Chair - Spoke in support of goals/priorities that support the Art Committee's work plan, including allocation of staff time and some monetary resources.
- 8) Bill Michalsky, Drawer O, Del Mar – Expressed support for comments made by prior speakers pertaining to short-term rentals.

REVIEW OF OUTCOMES FROM DAY 1

City Manager Huth and Environmental Sustainability and Special Projects Manager Brown provided an overview of the outcomes from February 23, which included an updated list of FY 2018-19 and FY 2019-20 goals and priorities based on City Council feedback.

Council comments and discussion focused on how to best reaffirm the Council's commitments and goals; any items that may not have been included on the list that should be; items that have been determined to be operational rather than a separate special project; how to best communicate values/goals to public (both operational and special project items); asking the San Dieguito Lagoon Committee and Torrey Pines Planning Committee review tunnel alternatives for removing the rail from the bluffs and provide recommendations to the City Council; City committee engagement on goals; and how to best address zone code issues associated with determining the Shoreline Protection Area (SPA) line and Floor Area Ratio (FAR).

DISCUSS WHAT IS REQUIRED TO COMPLETE EACH PROJECT & DETERMINE THE GOALS

Council and staff discussed the projects included on the operational and special projects tables and the details of each as-needed; Council provided clarification and direction to staff as appropriate; confirmed items on the deferral list contained in Table 3.3 of the meeting handouts; items to consider adding to the list(s); how to best communicate the Council values, goals, and priorities to the public; and they added vital downtown and community beautification through art to the list of Big Issues/Council Goals.

It was the consensus of the Council that Mayor Druker, Council Member Parks, and key staff get together and create the framework for how to best present this information to the community, and discuss at a regular Council meeting in April, 2019.

LUNCH RECESS

The Council recessed for lunch from 11:50 a.m. to 12:09 p.m.

REVIEW CIP PROJECTS

Public Works Director Bride provided an overview of the Capital Improvement Projects (CIP) on the list for FY 2018-19 and 2019-2020, and included as Exhibit 2 in the meeting handouts.

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Council discussion focused on as-needed clarification on the scope of the identified projects; questions pertaining to available staff hours and resources; potential changes to the list; projects on the recommended deferral list; potential dedication of staff time/resources analyzing creation of an assessment district for installation of public sewer and lateral connections on San Dieguito/Oribia Road; ways to best explain/communicate the street maintenance program schedule to the community (which streets are being paved, when, and how that is determined); potential for annual presentation by the Public Works Director to the City Council; drainage issues on Penny Lane; and consensus on the list of projects for FY 2018-19 and FY 2019-20.

Additionally discussed were city advisory committee impacts on staff time and resources; ideas and opportunities for how to better manage city advisory committees with regard to meeting schedules and work plan; and how to ensure committee efficiency and nexus to Council goals and priorities. It was Council consensus to explore the idea of having the committees go dark in August and December each year, or to reduce the annual number of meetings from 12 to 10 per year. The Council also discussed adding a standing item to the regular Council meeting agenda to discuss better management and improved efficiencies for City committees. There was also discussion about Council working with staff to look at number of members and charters for each committee and work with Council liaisons to recommend changes to Council as appropriate.

PREPARE FOR BUDGET

The Council discussed looking at implementation of the Finnell Plan, and asked staff to review and make recommendations; opportunities for increasing revenues; creating a separate fund for special projects (i.e. sea level rise adaptation plan implementation, affordable housing, etc.); opportunities for budget reductions; staffing needs; need for 10 year long-range forecast; review of budget (major expenditures/revenues sources and pensions, salaries, benefits, FTE's) over the last 6 years, and expected changes in the coming two-year budget; discussion about use of the pension set-aside fund; comprehensive discussion and policy adoption by Council pertaining to utility undergrounding.

ADJOURNMENT

The Mayor adjourned the meeting at 2:16 p.m.

Ashley Jones, Administrative Services
Director/City Clerk