

Minutes of a Special Meeting of the La Mesa City Council  
Thursday, March 29, 2018 at 7:30 a.m.  
Emergency Operations Center, Fire Administration Building  
8054 Allison Avenue, La Mesa, California

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From 7:30 to 8:00 p.m., Council and staff were available for public questions, concerns, and comments.

Mayor Arapostathis called the meeting to order at 8:01 a.m.

**ROLL CALL**

PRESENT: Mayor Arapostathis; Vice Mayor Alessio; Councilmembers Baber, McWhirter and Parent.

ABSENT: None.

STAFF: City Manager Garrett; City Attorney Sabine; Assistant City Manager Humora; City Clerk Wiegelman.

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

Wendy Mihalic, resident, spoke regarding the implementation of the City's Climate Action Plan.

**ANNUAL STRATEGIC PLANNING WORKSHOP**

**I. INTRODUCTORY ITEMS, AGENDA AND SUPPORTING DOCUMENTATION**

City Manager Garrett welcomed everyone and made opening comments.

**II. REVIEW AND DISCUSSION OF CITY STRATEGIC VISION AND DIRECTIONS**

**a. CITY'S STRATEGIC PLANNING PROCESS AND TARGETS FOR ACTION**

City Manager Garrett provided a brief overview of the purpose of the workshop. She gave an overview of the history behind the City's strategic visions and directions. City Manager Garrett reviewed the City's strategic directions which include partnerships, economic development, infrastructure, citizen participation, organizational development, communications, and financial stability. She also presented the five-year goals for the City and the two-year strategic planning process.

Community Development Kusiak reported on the accomplishments and current projects of the Community Development Department. He discussed the Measure U application process, the shutdown of illegal dispensaries, the Eastridge open space compliance efforts, and improvements to the development process.

Council comments and questions ensued

City Clerk Wiegelman reported on the combined efforts of the City Clerk Department and City Manager's office to implement live streaming of City Council meetings.

Fire Chief Stowell reported on the accomplishments and current projects of the Fire Department. He discussed the new patient care reporting software, the new fire inspection software, the inventory tracking software, the reduction in call volume for medical aides due to call triage, partnering with MiraMar College to recruit fire prevention interns, the allocation of UASI funded equipment, and assisting the school district with updating their safety plans.

Council comments and questions ensued.

Police Chief Vasquez reported on the accomplishments and current projects of the Police Department. He discussed the implementation of body worn cameras, assisting the school district with updating their safety plans, and increasing city staff training for critical incident responses.

Council comments and questions ensued.

Community Services Director Richardson reported on the accomplishments and current projects of the Community Services Department. She discussed the updated parks and trails maps, the short term and long term use options for MacArthur Park, the Community Center renovations, and the efforts of the City in conjunction with San Diego County and the San Diego Foundation to be designated an Age Friendly Community by AARP.

Public Works Director Leja reported on the accomplishments and current projects of the Public Works Department. He discussed the Junior High Drive improvements, University Avenue Phase 2 improvements, the sidewalk maintenance projects, and the TransNet and SB-1 street paving plan.

Council comments and questions ensued.

### **III. REVIEW AND DISCUSSION OF THE FINANCIAL ENVIRONMENT**

#### **a. 6-YEAR FORECAST**

Finance Director Waller-Bullock presented the six-year financial forecast for the City's General Fund. Finance Director Waller-Bullock discussed the national, state and local economies, the State actions impacting the City's budget, the status of the dissolution of Redevelopment, and the

recent CalPERS board actions. She also discussed the base forecast for revenue and expenditure assumptions, inter-fund transfers, and General Fund reserves forecast. Finance Director Waller-Bullock presented 'what if' scenarios to address forecasted financial issues and provided policy questions for Council consideration.

A discussion ensued between Council and staff regarding the 'what-if' scenarios to address forecasted financial issues, the revenues and expenditures from the dissolution of Redevelopment, the property tax revenue forecast, analysis of real property trends, and examining revenue potentials.

ACTION: Following discussion, it was the consensus of the Council to direct staff to expand the general fund financial forecast to a 12 year window.

b. CALPERS RETIREMENT COST CONTAINMENT STRATEGIES

Finance Director Waller-Bullock presented the CalPERS retirement cost containment options and the strategic objectives for the containment options. She provided an overview of the CalPERS benefit plan, the significant changes to the CalPERS contribution methodology, discount rate, and amortization policy, and the implications of the CalPERS changes for the City of La Mesa. Finance Director Waller-Bullock presented a long-term forecast of the CalPERS pension contributions and discussed the actions the City of La Mesa has taken to date to help mitigate the impacts of the CalPERS changes. She stated that the City established a Section 115 Retirement Trust Fund in 2015. Finance Director Waller-Bullock discussed the benefits and risks of allocating one-time payments from 2018 through 2023 to the Section 115 Retirement Trust Fund and presented multiple policy options for Council consideration.

A discussion ensued between Council and staff regarding the unfunded liabilities forecast, the PEPRA retirement plan, the investment of the General Fund reserves, the asset mix of the Section 115 Retirement Trust Fund, the City's investment policy, and the amount of General Fund reserves to contribute to the Section 115 Trust Fund in 2018 and future years.

ACTION: Following discussion, it was the consensus of the Council to direct staff to (1) work with PARS to (a) forecast a return of investment on contributing \$1 million, \$3 million, and \$5 million to the Section 115 Retirement Trust Fund; and (b) review the asset mix of the Section 115 Retirement Trust Fund; and (2) report back to Council with their findings before the end of the fiscal year.

Mayor Arapostathis recessed the meeting at 11:12 a.m.

c. CALIFORNIA FISCAL OUTLOOK

This presentation and discussion was combined with sub-item a.

#### **IV. DISCUSSION ON MAINTAINING VITAL CITY SERVICES**

##### **a. POTENTIAL CANNABIS BUSINESS TAX INITIATIVE AND REVIEW OF STAKEHOLDER INPUT**

The meeting reconvened at 11:22 a.m. with Mayor Arapostathis, Vice Mayor Alessio, and Councilmembers Baber, McWhirter, and Parent present.

David McPherson, HdL Cannabis Compliance Director, discussed the feedback received at the cannabis stakeholder workshop held on Wednesday, February 28, 2018, the components of the proposed cannabis business tax initiative ordinance, the tax policy on cultivation, the strategy of determining the rate of tax for the various cannabis activities, the fiscal analysis of the proposed tax rates, and the cumulative cannabis taxes.

City Manager Garrett provided different policy options for Council consideration.

A discussion ensued between Council and staff regarding postponing the cannabis business tax initiative until the 2020 election, La Mesa's cannabis market versus the cannabis market of surrounding cities, the timeline for the opening of the legal medical marijuana dispensaries, medical cannabis use versus adult cannabis use, informing citizens of the purpose and intent of the proposed initiative, concerns with the available time before the November election to perform outreach, the impact of Measure U on City resources, allowing adult-use in the City, the number of questions to be placed on the ballot, drafting an adult-use regulatory ordinance, and taxing medical marijuana versus adult-use marijuana.

**ACTION:** Following discussion, it was the consensus of the Council to direct staff to draft a cannabis business tax initiative for the November 2018 election and draft an adult-use regulatory ordinance by July 15, 2018.

Mayor Arapostathis recessed the meeting at 12:32 p.m.

#### **V. ACTIVE COUNCIL SUBCOMMITTEE REPORTS**

The meeting reconvened at 1:16 p.m. with Mayor Arapostathis, Vice Mayor Alessio, and Councilmembers Baber, McWhirter, and Parent present.

City Manager Garrett reviewed the active subcommittees and provided a recap of the recent actions by the Downtown Events and Marketing Subcommittee.

The Citizen Emergency Preparedness Subcommittee reported on the subcommittee's recent activities and provided updates on shelter operation

training, Community Emergency Response Team (CERT) training, the CERT program, outreach efforts to inform the community about emergency preparedness, and assisting schools with updating their safety drills.

Council comments and questions ensued.

The Civic Center Master Plan Subcommittee reported on the subcommittee's recent activities and provided a recap of the actions taken at the February 27, 2018 City Council meeting regarding the old police station site and civic center site.

Council comments and questions ensued.

The Design Review Board Subcommittee stated that they recommend either (1) the member composition of the Design Review Board be changed; or (2) the Design Review Board be eliminated and the duties shifted to the Planning Commission.

Council comments and questions ensued.

The Downtown Village Specific Plan Subcommittee stated that staff is working on the Downtown Village Specific Plan and that the subcommittee is looking forward to reviewing the Plan.

The Housing Affordability Subcommittee stated that staff is researching available policy options for accessory dwelling units and will be reporting back to the subcommittee in the near future.

The MacArthur Park Subcommittee introduced Community Services Director Richardson who provided an update on the community garden, dog park, picnic area, and the lease agreement for the renovation and operation of the old golf course club house. She stated that the netting from the old driving range was removed and Boy Scouts have installed split rail fencing to create trails within the park as a part of their Eagle Scout projects.

Council comments and questions ensued.

## **CLOSING DISCUSSION AND COMMENTS**

The Mayor and Members of the City Council made closing comments, thanked staff for their efforts and thanked members of the public for attending the meeting.

City Manager thanked Council and staff for their contributions to a successful workshop.

## **ADDITIONAL ITEMS: PERFORMANCE MEASURES**

Performance Measures were available for review in the workshop agenda packet.

## **ADJOURNMENT**

Mayor Arapostathis adjourned the meeting at 1:58 p.m.

Megan Wiegelman, CMC  
City Clerk