

MINUTES

OF THE

SACRAMENTO CITY COUNCIL  
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO  
ECONOMIC DEVELOPMENT COMMISSION  
SACRAMENTO CITY FINANCING AUTHORITY

REGULAR MEETING

September 8, 1998

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at 2:05 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

**Present:** Councilmembers Cohn, Fargo, Hammond, Kerth, Pannell, Steinberg, Waters, Yee and Mayor Serna

**Absent:** None

1.0 **CONSENT CALENDAR** (Items 1.1 through 1.9)

A motion was made by Councilmember Hammond, seconded by Councilmember Waters, to waive the reading and adopt the Consent Calendar, Items 1.1 through 1.9. The motion carried with a 7-0 vote, with Councilmembers Fargo and Kerth being absent.

Public Review Items - Informational Only

None

Sacramento Housing and Redevelopment

None

City Council

- 1.1 Sump 29S Reconstruction (PN:XF51) - Transfer and appropriate funds and award contract to Sierra National Construction, Inc., for an amount not to exceed \$420,790. (D-3)

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Adopted Resolution 98-463 awarding Contract 98-138.

RESOLUTION NO. 98-463

RESOLUTION APPROVING THE TRANSFER AND APPROPRIATION OF FUNDS AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO SIGN AND EXECUTE A CONTRACT WITH SIERRA NATIONAL CONSTRUCTION, INC., FOR THE SUMP 29S RECONSTRUCTION PROJECT (PN:XF51) FOR AN AMOUNT NOT TO EXCEED \$420,790.

- 1.2 Withdrawal of Councilmember Call-up of 2728 Portola Way Second Residential Unit Project (Z97-026). (D-5)
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For Council information; received and filed.

- 1.3 Freeport Boulevard and Fruitridge Road Traffic Signal and Intersection Improvements Project (JN:5527) - Capital Improvement Project Establishment, Program Supplement No. 004 Approval, and Fund Appropriation in the amount of \$340,000. (D-4,5)
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Continued to October 1, 1998 [staff].

- 1.4 Resolution of Intention for North Natomas Community Facilities District No. 4 which includes approximately 2,500 gross acres of the North Natomas Community Plan area. (D-1)
- A. Establish a CDF and levy a special tax (sets hearing date on 10/20/98, 2:00 p.m. and approves boundary map)
  - B. Incur Bonded Indebtedness
  - C. Approve Bond Counsel Agreement for Legal Services
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Adopted (A) Resolution 98-464; (B) Resolution 98-465 and (C) Resolution 98-466 approving Agreement 98-132.

RESOLUTION NO. 98-464

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DECLARING ITS INTENTION TO ESTABLISH THE NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND TO LEVY A SPECIAL TAX THEREIN TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC DRAINAGE FACILITIES IN AND FOR SUCH COMMUNITY FACILITIES DISTRICT

RESOLUTION NO. 98-465

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO DECLARING ITS INTENTION TO INCUR A BONDED INDEBTEDNESS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC DRAINAGE FACILITIES IN AND FOR THE NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

RESOLUTION NO. 98-466

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO APPROVING AN AGREEMENT FOR LEGAL SERVICES FOR THE NORTH NATOMAS COMMUNITY FACILITIES DISTRICT NO. 4, CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

- 1.5 Agreement to lease 1122 11th Street (Lot H Parking Garage) to Deborah Alen and Ahmed Taha. (D-1)
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Adopted Resolution 98-467 approving Agreement 98-133.

RESOLUTION NO. 98-467

RESOLUTION AUTHORIZING THE TERMINATION OF LEASE AGREEMENT 90-187 WITH THE OWNERS OF HONEYCUTT'S BAKERY AND AUTHORIZING THE EXECUTION OF A NEW LEASE AGREEMENT WITH DEBORAH ALEN AND AHMED TAHA, dba 11TH STREET BAKERY & CAFE, FOR THE LEASE OF RETAIL SPACE AT 1122 11TH STREET

- 1.6 Stockton Boulevard and Broadway Intersection Improvements and 44th Street Widening and Reconstruction Project (PN:TN11), located at the Intersection of Stockton Boulevard and Broadway and 44th Street, between 4th Avenue and Broadway (~~2/3~~ vote required). (D-5)
- A. Approve an IPA with the Sacramento Housing and Redevelopment Agency (SHRA) in the amount of \$700,000;
  - B. Appropriate \$700,000 in SHRA funds to the project;
  - C. Appropriate \$213,188 in City Funds to cover Utilities Department and overlay costs;
  - D. Suspend competitive bidding and award the construction contract to Biondi Paving, Inc., in the amount of \$768,964.85.
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Adopted (A-C) Resolution 98-468 approving Agreement 83-003A54;  
(D)adopted staff recommendation awarding Contract 98-139.

RESOLUTION NO. 98-468

RESOLUTION APPROVING AN INDIVIDUAL PROJECT AGREEMENT AND APPROPRIATION FUNDS FOR THE STOCKTON BOULEVARD/BROADWAY INTERSECTION IMPROVEMENTS AND 44TH STREET WIDENING AND RECONSTRUCTION PROJECT (PN:TN11)

- 1.7 Request to reopen application period for Meadowview Development Committee for seven openings due to a vacant position and six term expirations on June 23, 1998 for C. Coron, S. Arrington, R. Hoze, S. Richey, R. Thompson, and M. Lewis. (D-8)
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Application period opened; applications due September 18, 1998.

- 1.8 Request to open an application period for the Capitol Area Development Authority Governing Board for one (1) position due to the September 26, 1998 term expiration scheduled for Marc Brown. (D-All)
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Application period opened; applications due September 25, 1998.

- 1.9 OH-58 Helicopter Refurbishment - Suspend formal competitive bidding, approve consultant agreement and contract with Arrow Falcon Exporters, Inc., in the amount of \$164,912. [~~requires two-thirds~~ vote] (D-All)
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Adopted staff recommendation approving Agreement 98-134..

WORKSHOP

W2.1 Long Range Plan: Next Steps

- A. Incorporate City Council comments into draft 5 year plan
- B. Review draft plan with employee unions and the community
- C. Finalize draft plan at management retreat at the end of September
- D. Place revised Plan on City Council agenda for mid-October for final review, modification and adoption

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Mayor Serna began the discussion by saying that "Next Steps" raises interesting questions for the City Council. He added that these were heady issues, and to give direction would be premature at this time. The Mayor wanted to allow time for the City Councilmembers to meet first among themselves to discuss the issues. In addition, the Mayor felt that a constitutional amendment will be needed to address the State's policy of taking funds from cities, a practice which must not continue. A new approach is needed; City Manager Edgar will be relied upon to help restructure that, contact other interested parties, such as the League of California Cities, etc. The Mayor suggested that this issue be returned in one to two weeks for further discussion.

Councilmember Waters agreed, asking when the Administrative Retreat was scheduled?

City Manager Edgar advised that would be the end of September, adding that the dates of September 15th and 22nd would be advisable, adding that he wanted input from the City Council. Mr. Edgar commented that it was time to discuss the future; he expressed the hope that this report would be a starting point for a five-year plan. Mr. Edgar wanted to identify the specific expectations of the City Council for the next five years. He stated that he would meet with employee organizations and staff and would return in mid-October.

Mr. Edgar commented that the performance of this City Council has been remarkable, particularly given the difficult fiscal circumstances of recent years. He added that the Federal and State governments have not helped; we must now consider another direction. This report is divided into where we have been, where we are, and where we are going. The organization needs and wants to know specifically what the goals of the City Council are for the next five years, to allow the management team to focus and enable Council to measure and benchmark our progress and/or completion.

Since 1992, a clear direction has been established for the City's future; the result of hard work to clarify priorities such as economic development, neighborhood revitalization and enhancement, public safety, positive youth alternatives, Citywide inclusiveness of our diverse population, fiscal viability and "reinventing" our City government and the environmental awareness of the impacts of our work.

Mr. Edgar went on to say that much time and effort has gone into trying to balance the budget. The City has restructured, downsized and flattened the organization at all levels in order to bring revenues and expenditures into line.

One new approach implemented calls for working in teams across the organization in cooperation with the community to solve problems together and focus on results. Our goal is to be the best City in the State; to be open and accessible to all of our residents and to retain our high quality of life.

Mr. Edgar discussed highlights of accomplishments over the past six years in the areas of Economic Development, Public Capital Projects, Operational Improvements, and Innovations. (For the complete text of his comments pertaining to these, please see the staff report, pages 2-3).

Despite herculean efforts to resolve our budget problems, Mr. Edgar stated that we are still hurting financially. Even though departmental budgets have been reduced by 12% to 30%, and the workforce reduced by over 600 positions over the last six years, latest projections indicate that we still have a chronic imbalance in the General Fund. Without replacing current grant funding, the gap between revenues and existing expenditures in the General Fund will grow to almost \$100 million in the next six years. It is obvious that major adjustments will need to be made, and that we may no longer depend upon State or Federal governments to return money to local government. That conclusion is particularly evident this year, when the State has declared a large surplus but is still pursuing a policy of withholding revenues from local government.

Mr. Edgar commented that we have struggled through some of the worst economic conditions in decades while still delivering quality services, completing capital projects, and experimenting with new ideas. A policy of greater community outreach and a change in the way the City conducts its business have been implemented, but we are still at a fork in the road. A more efficient system of community participation is needed. Significant management retirements in the coming months will lead to yet more anxiety and stress; it is critical for the City Council to refocus and develop a new agenda that is achievable and one in which the Council can agree.

With an uncertain future, Mr. Edgar commented that we must face the reality that we can no longer afford to continue current service levels and complete the myriad of initiatives currently underway by the City. Given a status quo approach to current expenditures, we will have to cut a total of \$20-\$30 million from the City's base budget over the next 5 years. There are difficult choices to be made as to what business the City should be in and our capacity to provide. (For greater details, please see page 5 "Citywide Agenda" section of the staff report.)

Referring to Attachment A, page 10 of the staff report, Mr. Edgar discussed various scenarios re: existing resources and expenditures projected over the next six years, along with a redefined status quo. There are serious Police Department issues, as to what we must do if the grants are not extended, resulting in a ballooning of the projected deficit to \$100 million. Another consideration includes the projections which would occur with or without the proposed sales tax .25% increase, and/or grant funding.

Referring to Attachment C, the proposed five year agenda, Mr. Edgar addressed the subject of Key Strategies (last column), saying that he felt every two years something would appear on the ballot, as to new or renewed assessments, for example such things as Measure I, the Library, Swanson's Estates Lighting, Laguna Park, and Measure A for Transportation. Thus far, he added, all City Council efforts to reach out to the community have assisted in getting measures passed.

Key strategies include Economic Development Strategy and the probable need for reinstatement of the Economic Development Department; a Sales Tax Authority; further privatization of City services; more emphasis on regional consolidation for such joint use facilities as Fire, a Bomb Squad, the Helicopter Unit, the Detox Center, the Misdemeanor Jail, joint training, such as that at McClellan, and a proactive Legislative strategy.

Mr. Edgar advised that the sales tax has increased by \$1 million to \$1.5 million per year due to the big boxes that have come in. New growth revenues in Natomas are not included in the five year plan because it is expected that new services will be funded from revenues in Natomas.

Regarding current services now provided, Mr. Edgar was not recommending a change, but a reduction of \$20-\$30 million will result in a change in delivery of services; as new parks are developed (Granite, Natomas, the Community Centers in Natomas and Meadowview), there is a smaller staff and a need to assess. Mr. Edgar stressed that we must prioritize current initiatives over the next 5 years. Some are fully funded, some are partially funded. As to the potential opportunities, they would be implemented if and when revenues become available.

Another key component to the strategy is related to Downtown office buildings and an aggressive economic development effort. (Please see Attachment C of the staff report).

In conclusion, Mr. Edgar commented that we must look at Proposition 13 in reverse, to keep what we have, revisit priorities, develop a new five year plan, and receive direction from the City Council as to what are their expectations.

Mayor Serna stated that there would be no Council direction today, but that would be given within the next two weeks, in time for City Manager's Executive Retreat. The Mayor focused on the condition of the budget from now to the years 2004-2005, saying that the \$100 million deficit was unacceptable and that we must look at the programs and policies contributing to this problem. Looking at revenues, if we have a new economic development agenda without an Economic Development Department, he remarked that we can't guess; we need professionals. The Mayor asked what could be done to use the City's land use planning powers, adding that Prop 13 forces cities to do that. Should we focus on specific projects in terms of economic development, the Mayor asked? How can cities effectively raise revenues?

Mayor Serna commented that for politicians to ask for increased taxes or assessments every few years is disastrous; the political consequences of such action are not desirable. The Mayor added that economic development equals revenues for the City; he wanted to see the City become more entrepreneurial to generate more revenues. Regarding privatization issues, we must work with Local 39. We must find ways to deal with CIP issues that have citywide benefits. Discussion must occur regarding consolidation of City/County functional services, such as Fire. Mr. Edgar advised that one anomaly on the current financial landscape is that Special Districts which serve more than one county are exempt from ERAF (Educational Revenue Augmentation Fund), for example BART, EBMUD, and the American River Fire District, which, when combined with Florin, had a windfall of property tax revenue. Mr. Edgar stated that he would not have thought annexation of a portion of the City to a district would be advantageous, yet that is what occurred, and more money equals better service from the citizens' viewpoint.

Mayor Serna remarked that democracy demands a lot of community meetings; if neighborhood groups want to continue the government connection, they must continue to meet, whether they are tired of it or not. Mr. Edgar's desire was to make the meetings more efficient. Mayor Serna stated that the City Council is interested in all citizens, including those not part of organizations. Mayor Serna stressed that he was interested in the revenue side of the budget, as to how to achieve with a sound Economic Development Department.

Councilmember Hammond commented that this appeared to be a swan song for Mr. Edgar; she recognized Mr. Edgar's position to look out for the whole City, not just individual districts. Ms. Hammond felt that the City Council's priorities in 1992 were good; many have been accomplished, in spite of the low funds. Ms. Hammond questioned how vacant lots in Oak Park and Colonial Heights could be filled in such a way as to make money for the City. She observed that fees have been raised on everything possible at budget time.

Ms. Hammond agreed with Mayor Serna that the City needs an Economic Development Department, but as to a constitutional amendment, she did not feel that would happen in the Legislature. Ms. Hammond commented that she appreciated Mr. Edgar's leadership.

Mr. Edgar commented, regarding the question of districts vs. citywide issues, when the City Council established neighborhood agendas, district projects benefit the City as a whole; given the fund restrictions, he questioned what the next five year plan would be? Mayor Serna responded that in the budget, he wanted citywide goals identified, adding that in 1969-1971 there were no districts. In 1971, districts were established and at that time the Sacramento Bee was vocal in its disapproval of that, fearing parochialism.

Mayor Serna remarked that the San Diego Plan lost out; City Council members ran from districts, but served citywide. It is inherent that City Council members maximize budget funds for their district, and become neighborhood-oriented. The question is how to balance, especially when the money is State-allotted for Citywide use. The Mayor asked the City Council members to measure citywide impacts.

Councilmember Cohn established with Mr. Edgar, regarding the interplay between the envisioned plan and the CIP budget, that the emphasis should be on major projects. He also identified that there would be an \$8-\$9 million gap if grants were lost. Mr. Cohn asked what the revenues would be if Measure M passes in November? Mr. Edgar responded that Line 26 lists the potential revenue. Mr. Cohn noted that if the sales tax increase passes and the grants are lost, the crunch related to the gap occurs in 2001-2002; that being the case, he observed that this was a useful exercise, but did not believe it to be a crisis situation as yet. Mr. Cohn urged the development of contingency plans, should Measure M (the sales tax increase) not pass.

Mr. Cohn noted that we need a plan to prioritize projects and spending; he wanted to wed this exercise with the CIP budget. He asked how specific Mr. Edgar wanted City Councilmembers to be in the next two weeks; for example, he felt we should be moving toward containerized green waste and commingled waste, making that a priority. Mr. Edgar responded that Solid Waste was in good shape; his concern was about maintaining current service levels, and how to maintain service levels with less staff for the new facilities projected.

Mr. Cohn wanted infrastructure quality projects retained, saying that maintenance was less costly in the long run. He observed that other cities are more aggressive at lobbying for transportation dollars than Sacramento; competition is statewide and nationwide. Mr. Cohn observed that a lobbyist is needed who understands the political aspect for transportation. Mr. Edgar agreed that this should be part of the Legislative strategy.

Mayor Serna urged that the best input of the City Council be given, adding that a draft plan by staff becomes a City Council plan.

Mr. Cohn used as an example drawing up a wish list for District 3; the list can be specific, but a gray area is there as to what is citywide, General Fund money vs. other types of funding such as that from SHRA, Utilities, and Solid Waste.

Councilmember Fargo was pleased that district lists will be combined and looked at on a citywide basis. She appreciated the reference to past accomplishments, such as the libraries, Measure I, etc. Ms. Fargo noted, however, that many of our financial difficulties are a direct result of State actions in stressing the cities needlessly, asking us to tighten our belts every year. Ms. Fargo urged the development of a Statewide Legislative strategy, including regional groups. For example, she urged the reinstatement of mental health facilities in California.

Ms. Fargo was convinced that the District approach works with Sacramento, adding that it is important to strengthen and stabilize the neighborhoods and the commercial strip shopping centers as well. Regarding the revenue projection chart, Ms. Fargo was uncertain as to what triggers an increase in sales tax? Mr. Edgar responded that the rate of increase is not expected to be higher than projections. However, with the addition of Costco and REI in District 2, there was an increase in the base.

Ms. Fargo asked if it would be the same for the property tax and the utility users tax? Mr. Edgar replied that it would, but advised that staff had not looked at that yet. Ms. Fargo stressed the need to identify what triggers an increase in revenues. Ms. Fargo advised that the reason she was late arriving today is that she was seeking legislation and a signature from the Governor which would reimburse the City for \$11 million. Ms. Fargo raised the issue of growth in some areas such as Natomas, saying we must identify whether development is helping us or costing us more money. For example, in Natomas, there is already increased Police activity due to theft at construction sites.

Mr. Edgar responded that in the financing plan, the assumption is that the cost of services in Natomas will be funded by growth revenues in Natomas. Ms. Fargo commented that we may need to be more aggressive regarding the school districts as to their assuming more responsibility. She added that we should also look at the assessment district that will have to be put in place to provide flood protection for people from the American River, which affects two-thirds of the city.

Mr. Edgar commented that Ms. Fargo's remarks about a Statewide legislative strategy are absolutely correct. He did not feel that the League of California Cities and SESAC are effective; he felt that the City of Sacramento and Sacramento County should take the lead, and other cities come on board to combine efforts.



Mayor Serna commented that the Governor and legislators behave like predators; they have a State surplus and are planning to give back to taxpayers at the expense of cities, which is an obscene political gimmick in an election year. Because of the loss of income, it puts public safety at risk.

Ms. Fargo advised that she had not heard the issue of ERAF (Educational Revenue Augmentation Fund); if that is the case, she suggested that we look at doing a regional park district with West Sacramento. It may also be helpful in financing the waterfront projects.

Mayor Serna felt that discussions should be focused on a plan to relieve the stressing of the General Fund; balance must be found in the issues of the districts and citywide, mainly through CIPs.

Councilmember Kerth asked for clarification as to what Mr. Edgar wanted from the City Council, questioning whether he wanted a CIP spending plan? Mr. Kerth commented that all of the CIPs were good projects. Mr. Edgar responded that we don't have enough money for operation or CIP funding for projected projects. Mr. Kerth commented that the question then becomes the establishment of priorities, specifically those that are immediate or short-range, not 20 years away.

Mr. Edgar desired the City Council's determination for the next five years, adding that we have minimal staff to address what the City Council wants delivered. Mr. Edgar did not feel the City Council was in agreement regarding CIP priorities and expectations in the next five years. Mr. Kerth remarked that the CIPs create the need for a CIP budget. Mr. Edgar reiterated that the services demanded can't be delivered with the available money and staff; for instance, park maintenance is not yet privatized.

Mr. Kerth expressed concern as to how to backfill the Police grants if they go away. Mr. Edgar said it was previously assumed that when the grants go away, the Council would release 101 officers, but it appears that is not so. Mayor Serna observed that there would be consequences attached to the loss of grants and retention of the 101 officers; he asked if a proportional number of other City workers would be impacted, with perhaps 300 members of Local 39 cut?

Mr. Kerth asked for clarification as to what is meant by "citywide focus", noting that in the past the focus was on Downtown; he asked whether this was implied? Mr. Edgar responded that it was not, adding that staff was asking for direction as to the City Council's priorities for the next five years. In 1992, the City Council identified projects they wanted done; staff now wants those projects identified for the next five years.

Mr. Kerth commented that in the CIP area, there was a short list for five years. He added that it must be remembered that just because a project is not in the five-year plan, it does not mean the work may not continue. Mr. Kerth noted that funding had recently been received from the Federal government to acquire land for Robertson Community Center. The problem is how to balance immediate needs for the next five years vs. the need to lay the groundwork for the next five years continually.

Mr. Edgar commented that he envisioned projects coming on line in waves; he recognized the need for preliminary work. Mr. Kerth responded that the City Council would need direction to begin the preliminary work as to timing, as well as seeking other grant funding

and Federal funding. Mr. Kerth agreed that the City Council seems parochial, but stressed that that was only a part of what City Councilmembers do. They sit on many other boards and commissions, which gives a larger perspective as to City/Regional needs. Mr. Kerth observed that progress is being made, the system works. He commented that the big issue is how to fix Police funding.

Mr. Edgar advised that he envisions less staff to accomplish what must be done, or, given the funding situation, using staff resources in a way that the City Council does not feel is appropriate.

Mr. Edgar, addressing both Mr. Kerth and Ms. Fargo, advised that as to the commercial strips we are in a reactionary mode; we need to aggressively push for economic growth in these strips, focusing on one or two at a time in order to really make a difference.

Mayor Serna observed that a more focused agenda is needed, yet there will not be enough staff to handle the extra work. Mr. Edgar stressed that staff never turned away from work, but wanted to be sure they were addressing the work that was in accordance with City Council's priorities.

The Mayor asked how this differs from the CIP plan? Mr. Edgar responded that there are many projects on the list; some are funded - for example, Natomas Community Center, even though it is not funded as well as desired. He emphasized the need to determine focus.

Mr. Kerth observed that the City Council had asked Mr. Edgar to do more with less, and that he had succeeded. The decrease in neighborhood activity in his district he attributed to the fact that things are being taken care of, thus the need for such meetings has lessened. Mr. Kerth commented that Mr. Edgar should be proud of his accomplishments.

Councilmember Steinberg thanked Mr. Edgar, agreeing that it was good to focus on where we are going. In 1992, an important part of setting the citywide agenda was to familiarize the City Council members with what was going on in other districts. Mr. Steinberg felt that this would be a good time to repeat that process, view the projects needed, and work in concert with the neighborhood activists.

Regarding the State Legislature and its actions impacting cities and counties, Mr. Steinberg observed that increasing numbers of people with local government backgrounds are getting into the Legislature; he promised to work on that when he becomes a member of the Legislature. Mr. Steinberg asked for research regarding other cities which have political action committees who support candidates with local government backgrounds, a developed constituency capable of influencing the results at a State level when working on important initiatives.

Mr. Steinberg asked whether the staff envisions a full-time Mayor and City Council for the future; he felt that would enhance our abilities to be as creative as possible. Mr. Steinberg also supported the "barnraising" approach, noting that our money is often leveraged by combining with the private sector, enabling projects to be done.

Regarding transportation issues, Mr. Steinberg felt that priorities were efficiently set there, and did not want to reinvent the wheel. He added that he would seek input from neighborhood activists.

Mayor Serna commented that we have no constituency in the Legislature, no one to defend the interests of cities in that venue. We are vulnerable to attack from the State. Mr. Steinberg agreed, saying that whether we go the initiative route or through the Legislature for major fundamental reform, a political action committee and organization is needed.

Councilmember Pannell commented that it was difficult for her to focus on citywide issues, since she is a new councilmember. She hoped that the pool would be completed at Meadowview, adding that since Florin Road pays taxes the landscaping needs to be done along that corridor. There are other district issues of concern to her, she added, while conceding that this discussion helps her to focus on citywide issues. Ms. Pannell wanted to retain all police officers. Mayor Serna commented that the issue is how to balance the City's limited funds with district and citywide needs. He added that we are still not out of the recession. Ms. Pannell felt that the City Council had done a fine job over the last five years.

Councilmember Yee asked whether Mr. Edgar wanted to know each Councilmember's priorities? Mr. Edgar responded that staff wanted to identify what the Council wanted done in the next five years. Mr. Yee commented that it may be possible to get Council consensus, but never total agreement. Mr. Yee agreed with Ms. Pannell regarding Police and Fire needs; for him as well, the number one priority is public safety. Mr. Yee wanted to restore the Fire houses and Police even if the grants go away. Mr. Yee commented that he had been on the City Council for six years, facing budget battles every year. He supported the proposed County sales tax increase, but would oppose a City-only tax, which he felt would be unfair to the County. Mr. Yee also stated that he would support a special tax for public safety (policing). Regarding a five-year balanced budget, he agreed that it must be done, wanted the most critical CIPS to be included. Mr. Yee expressed his appreciation of the districts that must wait for their needed projects.

Mr. Edgar commented that one example of a problematic situation was when the Central Library was build, then there was not enough money available to open and operate it. He questioned how it would be possible to retain Fire and Police with an increasing deficit? Mr. Yee responded that if we must cut Police and Fire, then we will, but that is why he would support a special tax in order to keep them.

Mr. Yee commended Mr. Edgar and the staff for saving money via privatization of operations in such areas as the Zoo, Funderland, Fairy Tale Town, and the golf course; he suggested that we may also look at privatizing the maintenance of the golf courses. Adding that one parking garage downtown had already been privatized, without any loss of full time employees, Mr. Yee suggested that could be made a condition of privatization. Money had been saved in waste pickup, in there was now a one-man crew instead of two; other steps were done in Solid Waste to save money.

Regarding the Fire Department, Mr. Yee recalled that he had opposed the City's opting for ambulance transport, but now supports it. Looking at the financial end of it, the private sector was providing the ambulance service, which for the City in the last report did not show a large profit.

Mr. Yee felt if a hard decision became necessary, we must look at the areas of golf course maintenance and parking garages. In addition, Mr. Yee wanted the City to put a measure on the ballot to look at a way for the City to at least recover costs for administering the SCERS

retirement program. Mr. Edgar advised that staff has been looking at that with the City Attorney's Office; it would take a Charter Amendment to do that. Mr. Yee observed that in looking at ways to save money and add revenues, many have already been researched by Reason Public Policy Institute.

Mayor Serna advised that this item would be agendized on September 15, 1998 and again on September 22, 1998. Mr. Edgar agreed to summarize the comments and return. Mayor Serna again stressed the need to focus on General Fund solutions, to focus the attention of constituents there.

Ms. Fargo commented that we already have a five-year CIP; she asked whether Mr. Edgar wanted the Council to consider only those CIPs that are funded by the General Fund? Mr. Edgar replied affirmatively, saying staff needs to match resources with what the City Council's needs are, perhaps in a phased approach.

Regarding the Natomas Community Center, Ms. Fargo commented that this had been desired for 20 years; the fund has been in-the-works for 15 years, is funded partly by the residents of Natomas and partly by the City General Fund. Ms. Fargo observed that the CIP "wish list" evolves and changes over time; some old ones are dropped off, some new ones appear.

Mr. Edgar noted that when a project needs leveraging, it needs to go into the CIP and funds need to be moved around. Mr. Edgar felt that the City Council as a whole does not appear to be clear as to where it wants to go. Mr. Edgar expressed concerns regarding the loss of grant funds, the inability of the City to get the sales tax, the loss of 101 police officers, not enough staff for the community centers, parks, and building maintenance that has been deferred due to the budget situation.

Ms. Fargo remarked that some items on the list are really not funded by the General Fund; she suggested that we focus on those items related to the General Fund.

Mr. Edgar considered renovation of the Sacramento Water Treatment Plant as critical, or we will run out of water. The Region is tied together, with EBMUD, etc., and while this is not a General Fund issue, it is a major priority which will require staffing to resolve. Ms. Fargo commented that we must look at each individual's finances who are participating in this venture. Mayor Serna added that this all goes back to the irresponsibility of the Governor and the Legislature. EBMUD is a citywide issue.

Deputy City Manager Masuoka commented, regarding the CIP focus, page 12 of the staff report, that the list of CIP items needing additional funding is not included in the five-year plan at this time. The spreadsheet allocated \$1 million per year; we must look at the operations/capital budget balance: \$1 million per year doesn't suffice. We must consider either where to cut expenditures or how to generate money.

Councilmember Cohn commented, regarding EBMUD, that we need expansion of the water treatment plant whether or not that proposal goes through; we must proceed, establish deadlines, pursue our own timetable. We have options. The impacts of joint projects are tremendous; Mr. Cohn expressed concerns regarding actual construction problems and mitigation. He commented that there is no easy way to get water without impacts. Mr. Edgar advised that we are moving on Fairbairn now regarding the design. Mayor Serna asked when the next

meeting of the EBMUD Working Group was to be held, but Mr. Edgar was uncertain.

Councilmember Pannell asked for clarification concerning the McClellan Public Safety Training Center, as to exactly what it is? Mr. Edgar explained that it teaches driver safety to help reduce such things as garbage truck accidents, etc.

Mayor Serna directed that today's discussion will again be agendized on September 15 and September 22; by September 22, the City Council is to provide a unified direction.

#### PUBLIC TESTIMONY

Minister A. Luis Carnes was interested in the five-year plan; she was impressed with the report and expressed her thanks to Mr. Edgar and staff. Ms. Carnes stated that she was now attending the Citizens Police Academy and was appreciative of the training offered by community-oriented policing and drug-free zones. Ms. Carnes advised that contrary to the statement made earlier by City Manager Edgar, she (and the community) are not tired of meetings, since they allow a venue to advise the City Council members of community needs. Ms. Carnes stated that she and others were currently going to the Oak Park Breakfast Club, to help get the community involved in the issues. She added that as a minister, she sees both the upside and the downside of some situations, and would give the City a B+ grade for its efforts.

Ken Wemmer, who is part of the leadership of NAAG, stated that the community is fortunate to have Mr. Edgar and the Council to cope with the problems of the future as well as here and now. Neighborhood Associations can assist; NAAG has many strengths, but needs to be more organized. Mr. Wemmer asked whether NAAG could be a prototype, to discuss what is developing north of the river, bring something similar to the south of the city, and organize minimally at the City level. Mr. Wemmer added that there were people available who can work with management staff to learn how to do it.

Mayor Serna stated that the best advice is to squarely confront problems; officials are elected to solve difficult problems. The Mayor asked what NAAG would do regarding diminishing funds, the loss of 101 police officers, park maintenance, and policy dilemmas. The Mayor commented that NAAG has the latitude to speak freely; maybe in the end we may seek an advisory vote, so that people may assess themselves. The Mayor added that he would appreciate NAAG input.

Councilmember Cohn felt there was a need to follow-up, but not invite participation, and then give the perception to constituents or neighborhood groups that the City Council is not giving the suggestions serious consideration. He added that the idea of participation from every neighborhood is welcome. Regarding NAAG, it is mainly focused in the Central City; other outlying areas do lose focus. More Central City residents show up for NAAG meetings.

This item to be agendized on September 15, 1998 and September 22, 1998 for further discussion, by direction of the Mayor.

3.0 COUNCIL IDEAS AND QUESTIONS

3.1 Mayor Serna nominated the following: (A) Transportation Programming Guide Citizens Advisory Committee (D-2) - William L. Maynard; (B) Franklin Blvd. Project Area Committee (D-5) Seann Rooney [incumbent], Resident Property Owner; Anita Barnes, Community Based Organization; Ralph Palmer [incumbent], Business Owner; Florence Biel [incumbent], Resident Property Owner; (C) Human Rights/Fair Housing Commission - Roberta W. Battle; and (D) Campaign Finance Reform Panel - nominations by Mayor and District Councilmembers: Professor Bob Waste, Chair [Mayor]; Donna Chipps [D-1]; Dick Mayberry [D-2]; Robert Harris [D-3]; William K. Wong [D-4]; Jolyn Lopez [D-5]; Dan Weitzman [D-6]; Craig Powell [D-7]; and Sam Walton [D-8].

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4.0 CITIZENS ADDRESSING COUNCIL (MATTERS NOT ON AGENDA)

None

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5.0 CLOSED SESSION

None

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ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 4:55 p.m.

Submitted

  
Valerie A. Burrowes, City Clerk

Approved

  
Joe Serna, Jr., Mayor