

MINUTES

OF THE

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

SPECIAL BUDGET MEETING

JUNE 18, 1997

CALL TO ORDER

A Special Meeting of the Sacramento City council was called to order by Mayor Serna at 7:00 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

Present: Council members Cohn, Fargo, Hammond, Kerth, Pannell, Steinberg, Waters, Yee and Mayor Serna

Absent: None

PLEDGE OF ALLEGIANCE was led by Mayor Serna

11.0 STAFF REPORTS

11.1 Budget Items

Continued from 6-17-97 [2:00 p.m.]

- A. Charter Offices
 - B. Non-departmental:
 - 1. Technology Pool Funds
 - 2. Utility users rebate report
-

Item A.

Betty Masuoka, Deputy City Manager, briefly summarized the Charter Offices budgets, and the proposed cuts in each budget.

Mayor Serna said he wanted to bring the Charter Officers up to par in the pay scale.

Councilman Pannell requested an administrative and compensation audit of the City's staff.

Ms. Masuoka replied that the Broadbanding effort was looking at all exempt positions.

Mayor Serna said he wanted a report back on the Charter Offices before the adoption of the budget.

Councilman Cohn said he wanted the Public Information Officer (PIO) position transferred from the department of Public Works to the City Manager's office.

Mayor Serna asked how many PIO's there were in the City. Ms. Masuoka replied probably 6 or 7, as each department probably had this position.

Mayor Serna expressed concern about who would be the City's PIO during emergencies.

Councilman Steinberg said he wanted to know if there was a way to restore Bina Lefkovitz's position as it acted as a liaison between the City and local schools.

Ms. Masuoka said this responsibility would be assigned to Neighborhood Services, and Ms. Lefkovitz would act as a consultant to the City.

Councilman Yee expressed concern that any position would be cut from the City Treasurer's office. Kimberlee Alling, Deputy City Treasurer, assured Mr. Yee that the proposed cut would not, in any way, adversely affect the Treasurer's office.

Councilwoman Fargo questioned Valerie Burrowes, the City Clerk, about her proposed cut.

Ms. Burrowes responded that the Clerk's office proposed funding most of one position in her office from the elections budget, as this employee's responsibilities were predominantly elections-related.

Ms. Fargo stated that she felt the PIO position should be focused on City-wide issues rather than for each department.

Councilman Waters said he felt all the Charter Officers salaries should be looked at closely. He suggested that funding be set aside for possible increases. He said all had received stunning evaluations and requested a report back on all Charter Officer salaries so that they could be brought up to par.

Mr. Waters stated that he felt Michael Picker was wearing two hats, as the Mayor's Chief of staff and the City's PIO, but that the Public Information Officer should be completely independent of the Mayor's office.

Mayor Serna stated that Michael Picker was grossly underpaid for his responsibilities.

Mr. Waters stated that what he wanted was someone to be committed to the job of PIO.

Councilman Kerth stated that he did not want to affect Mr. Picker's job as PIO.

Mr. Kerth stated that he wanted the City Treasurer to return to the Council if he changed his mind about cutting a position.

Mr. Steinberg said he had a problem with the PIO being in the City Manager's office. He said he would rather restore the school liaison position.

A motion was made by Councilman Cohn, seconded by Councilman Waters to transfer the PIO position from Public Works to the City Manager's Office for use by all City departments as directed by the City Manager, and without changing Mr. Picker's job description. The motion carried with a 7-0 roll call vote, with Council members Hammond and Steinberg abstaining.

Mayor Serna stated that he wanted Mr. Picker to maintain his role as PIO.

Mr. Edgar replied that he was the Chief Emergency Officer for the City and that during emergencies, Mr. Picker worked for him. He said this situation would have to be worked out.

Item B 1:

Ms. Masuoka stated that the non-departmental budget was status quo. She recommended placing 10% or \$20.2 million in the Economic Uncertainty Fund, and \$1.95 million in the Administrative Contingency Fund to address salary changes.

Councilman Pannell asked about the number of computers in the City and the number of technicians available to support them.

Staff informed Mr. Pannell that most departments had their own departmental data analysts; the staff from Administrative Services worked with any section of the City that needed assistance.

Item B 2:

Ms. Masuoka spoke briefly about the proposed reductions to this program.

A motion was made by Councilman Pannell, seconded by Councilman Steinberg to adopt Resolution 97-346 related to the City-wide technology pool; and to approve staff's recommendations for reductions to the Utility Users Program. The motion carried with a 7-0 roll call vote with Council members Hammond and Pannell being absent.

RESOLUTION 97-346

CITYWIDE TECHNOLOGY POOL

Additional Staff Report Items

- C. Reports Back/Wrap Up
 - D. Neighborhood/Planning and Development Services (cont. From 6/10/97, item 11.2)
 - 1. Alternative reductions to Older Adult Services
 - 2. Alternative reductions to Youth/Teen Recreation Programs
 - 3. Report on the creation of the Neighborhood Planning Development Services Department
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Item D 1:

Jack Crist, Deputy City Manager, stated that based on the Council's direction at the June 10 hearing, staff was recommending alternative reductions to Youth/Teen Recreation programs and a modification to the original proposed reduction for the Older Adult Services. Under this alternative, there would be no reductions to the City's current funding to the Hunger Commission, the Camellia Center and the Ombudsman program. Staff was proposing that a portion of the funds resulting from reduction in the Utility User Tax Rebate to cable TV and telephone services be directed to restore the funding levels to the community based organizations (CBO's). Approximately \$73,800 would be appropriated for this purpose.

Councilman Steinberg said he was definitely supportive of restoring this funding. He argued that basic cable was most important for many seniors, and felt that funding could come from the City's contingency reserve.

Councilman Yee stated that he did not believe everyone should have cable.

Councilwoman Fargo said she felt cable t.v. was a luxury. She asked staff if they knew who was receiving it.

Margaret Freeman, Revenue Manager, replied that the only question asked of an applicant was their income, and the typical rebate was about \$113.

Ms. Fargo said staff's recommendation was reasonable.

Mayor Serna clarified that there would be no rebate unless a person's income was \$25,000 or less. He asked staff to comment on Mr. Steinberg's suggestion to take funding from the City's contingency reserve.

Betty Masuoka, Deputy City Manager, replied funding from the contingency reserve should only be for one-time expenses; this would not fit into that category.

Councilman Cohn stated that information and communication was critical in today's world, but felt that eighty cents per month should not make a difference to most people.

Mr. Kerth spoke against subsidizing people for cable.

Mr. Steinberg argued that \$36.00 per year was a significant amount of money for many people.

Councilman Waters said the Federal government regulated the rates for cable, not the local authority.

Mr. Cohn stated that if the motion included exempting the life-line service and basic cable, he could support it.

Public Testimony:

Adrienne Rogers, from Catholic Social Services, requested Council to consider funding a portion of the Utility User Tax Rebate for programs.

Joan Parks, Donna Zick, Betty Perry and Willa Kern urged Council to adopt staff's recommendations.

Mr. Steinberg said there was no question on which was the higher priority; however, he felt staff should continue to explore other options.

A motion was made by Councilman Steinberg, seconded by Councilwoman Hammond to adopt staff's recommendation on the alternative reductions to the Youth/Teen recreation program; to continue the rebate for limited basic cable and lifeline to the elderly to include Channel 14; to fully fund all the CBO programs; and to make up the balance of required funding from the administrative contingency. The motion carried with a 9-0 roll call vote.

Item D 3:

Staff was directed to continue to work on issues related to the proposed department.

Continued from 6-17-97 [7:00 p.m.]

- E. Downtown Department: (D-1)
1. Convention Center status and fund balance
 2. Convention Center Business Plan
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Mayor Serna stated that he did not like the solution presented by staff in their report, but felt that recriminations were not in order. What was necessary was to market the Convention Center.

Sam Burns, Director of Community and Visitor Services, said that this was not a road map, but rather a guide that could change to stay up with the times.

Barbara Bonebrake, Community Center Management Officer, presented the Convention Center status and fund balance analysis report to Council. She said the report measured the performance of the Center against benchmark indicators which included the number of events by event type; room nights of demand from Center events; user fee revenue; and TOT revenue, city-wide. She spoke about each of these benchmarks and discussed how they assisted staff in the evaluation of the Center's performance.

Ms. Bonebrake directed Council to page 9 of the staff report which showed a fund balance analysis. She said actions proposed by staff were consistent with City policies to provide maximum service to the public at minimum cost through the pursuit of operational efficiencies and the exploration of revenue-generating ideas.

Ms. Bonebrake said three policy issues were presented to Council for their consideration:

- (1) Interfund borrowing: staff recommended an advance from the Risk Management Fund, not to exceed a total of \$12.5 million over the next six years, which would allow the Community Center Fund to borrow only the amount needed to meet its annual debt service funding requirements and provide the additional advantage of avoiding external borrowing costs. Interest on the borrowed funds would accrue at the City's Pool A rate. Repayment was anticipated to begin in FY 2003/04.
- (2) ADA defunding: On June 3, 1997, Council approved the concept of a "Public Use Funding Pool" for the American With Disabilities Act (ADA) facility improvements. Under this policy, the Community Center Fund would continue to contribute \$50,000 annually to the Public Use "pool" for ADA improvements. This policy allowed for the continued progress on the City's highest priority project, the Convention Center Theater, and required the Community Center Fund to continue to contribute to the City efforts to implement ADA improvements.
- (3) Efficiencies: Conceptual approval by the City Council for the proposed Downtown Department may enable the City to realize additional savings to the Community Center Fund by sharing administrative expenses throughout the proposed department including Parking Funds and Sacramento Housing and Redevelopment Agency (SHRA) share of tax increment in the Downtown area.

According to Ms. Bonebrake the Convention Center Business Plan's highlights were the identification of critical challenges, policy issues, contingent fiscal strategies, and the development of performance benchmarks and specific goals. She said the new policy directives included: establishing performance monitoring; initiating an annual fee review; adopting a Convention Shuttle policy; and implementing a parking plan.

Ms. Bonebrake said the Convention Center's marketing plan would be two-fold: within the Center there would be paid advertising, with the Bureau being the marketing arm.

Sam Burns said that he would become much more active in marketing the Center.

Councilman Cohn asked what the original projections had been for the Convention Center.

Betty Masuoka, Deputy City Manager, replied that in the late 1980's staff did not project any deficits.

Mr. Cohn asked why Council should believe staff's projection now.

Bill Edgar, City Manager, stated that in the past, staff had really miscalculated the revenues; however, he and Ms. Masuoka felt very comfortable with the current predictions.

Mr. Burns stated that his staff was also comfortable with the revenue projections.

Ms. Masuoka replied that the revenue growth rate was predicated on when the City would get new hotel rooms.

Mr. Cohn suggested that the revenues from the Memorial Auditorium be kept separate so that it did not fall into disrepair again. He also suggested that staff be more specific about the Downtown Shuttle. He felt there should be a regular route, with regular stops at downtown hotels and then out to Point West hotels. He felt it would be a good marketing tool.

Mr. Cohn said the region would be celebrating "Gold Rush Days" during the Labor Day Week-end in 1998 and hoped that the downtown shuttle would be in place well before this event.

Mr. Burns replied that staff was working on this project.

Mayor Serna asked if the staff's projections on Exhibits A-1 and A-2 were conservation.

Ms. Bonebrake responded they were realistic.

Mayor Serna asked what percentage of the available bookings were booked. Ms. Bonebrake replied 70% of the dates; 13 major events and 55 smaller events. She added that staff was basing its projections on Exhibit A-1 on smaller hotels, but more rooms.

Mayor Serna asked what portion of user fees made up their budget; Ms. Bonebrake replied 50%.

Councilwoman Fargo said she felt the shuttle was very important and that it should include Richards Boulevard. She said she felt staff's TOT revenue predictions were very conservative, as there were hotels being built right now. She asked what occupancy rate these figures were based on.

Ms. Bonebrake replied they were based on 70% occupancy rate.

Ms. Fargo said that consideration should be given to provide discounts to State and local public employees for special events in order to fill hotel rooms. She asked where the efficiencies were listed for staff and supplies.

Ms. Bonebrake replied they were listed in the addendum proposal on page 115.

Councilman Kerth asked what the specific goals of the Business Plan were. Ms. Bonebrake replied they were listed on page 38.

Mr. Kerth asked the number of major conventions booked for 1997/98; Ms. Bonebrake replied 17 were booked.

Councilman Steinberg said he had a concern about borrowing internally from the Risk Management Fund, and asked about external borrowing.

Ms. Masuoka replied that internal borrowing would allow the City to be more flexible. She said the City had actuary and external auditors who help determine the resources.

Mr. Edgar said that if this conversion was made the City's Convention Fund, Golf Fund and Parking Fund would have a hiatus to get back in balance.

Councilman Waters agreed that staff should look to borrow money in-house. He asked the amount of money needed from Risk this year.

Ms. Masuoka replied \$1.3 million.

A motion was made by Councilwoman Fargo, seconded by Councilman Cohn to adopt Resolutions 97-347, 97-348 and 97-349 and for staff to report back in 60 days on shuttle and tax exemptions. The motion carried with a 7-0 roll call vote, with Council members Hammond and Pannell being absent.

RESOLUTION 97-347

RESOLUTION AMENDING THE 1996/97 - 2000/01
COMMUNITY CENTER CAPITAL IMPROVEMENT
PROGRAM FOR FISCAL YEAR 1996/97

RESOLUTION 97-348

RESOLUTION AMENDING THE COMMUNITY CENTER
OPERATING BUDGET AND THE COMMUNITY CENTER
CAPITAL IMPROVEMENT PROGRAM FOR FY 1997/98

RESOLUTION 97-349

RESOLUTION APPROVING THE PROPOSED POLICY
ISSUES RELATIVE TO THE MARKETING AND THE
OPERATION OF THE SACRAMENTO CONVENTION CENTER

12.0 CITIZENS ADDRESSING COUNCIL AGENCY OR AUTHORITIES BY PERSONAL APPEARANCE OR TELEPHONICALLY ON MATTERS NOT ON THE AGENDA

NONE

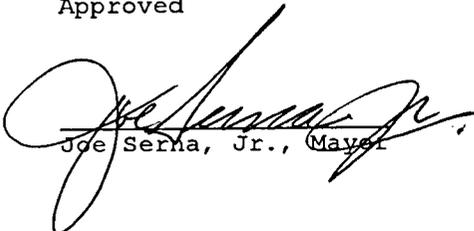
13.0 ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 11:20 p.m.

Submitted


Valerie A. Burrowes, City Clerk

Approved


Joe Serna, Jr., Mayor