

COUNTY OF SACRAMENTO
CITY OF SACRAMENTO

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September 6, 1988

For Joint Meeting of:
September 15, 1988

TO: Members, Sacramento Board of Supervisors
Members, Sacramento City Council

FROM: Brian Richter, County Executive
Walter J. Slipe, City Manager

SUBJECT: FINANCING AND SCOPE OF WORK PROGRAM OF THE SACRAMENTO
AD-HOC CHARTER COMMISSION

At the suggestion of the Board of Supervisors on August 16, 1988 and with the concurrence of the City Council this joint meeting was established to reach a final joint legislative agreement of the financing and scope of study to be undertaken by the Sacramento Ad-Hoc Charter Commission.

RECOMMENDATION

It is our recommendation that the Board of Supervisors and the Sacramento City Council:

1. Approve the \$500,000 funding agreement (attachment 1) between the Sacramento Metropolitan Cable Television Commission and the City and County of Sacramento for the purpose of interim financing the activities of the Sacramento Ad-Hoc Charter Commission;
2. Approve the full \$1,000,000 work program as recommended by the Local Government Reorganization and the Sacramento Ad-Hoc Charter Commission; but
3. Utilize only a portion of the \$500,000 to permit the Sacramento Ad-Hoc Charter Commission to implement only Phase I of the work program, not to exceed \$170,000 plus any upward adjustment based on actual consultant bids to undertake this portion of the study; and,
4. Instruct the Sacramento Ad-Hoc Charter Commission to report back with the results of Phase I and their recommendations and estimated additional financing to proceed with the project at a joint meeting with the Board of Supervisors and the City Council at 2:00 p.m., Thursday, January 5, 1989 in the Board of Supervisors Chambers.

BACKGROUND

In June 1988, the Local Government Reorganization Commission submitted their recommendations and observations, which among other suggestions, requested that the Board of Supervisors and City Council:

- establish and adequately staff a Charter Commission to prepare a Charter Amendment to improve the delivery of local City and County services which would be submitted to the voters no later than November 1989; and,
- empower the Charter Commission to develop such a Charter Amendment by utilizing opinion polls, public hearings and study of two models of local government structural change recommended by the Local Government Reorganization Commission. The Local Government Reorganization Commission also indicated it preferred one of the models, the Local Control/Metropolitan Plan, to receive priority consideration by the Charter Commission.

After review, both your chief executive officers agreed to the importance of the Commission suggestions and recommended that our respective legislative bodies approve the recommendations and finance the project from funds due the City and County from the Sacramento Metropolitan Cable Television Commission. We also noted, as did the Local Government Reorganization Commission, its Executive Director and your chief legal counsels, that this project would cost approximately \$1,000,000 and ought to be fully financed.

SUMMARY OF CITY/COUNTY ACTIONS TO DATE

In summary, the following actions have been taken by the legislative bodies:

- the Cable Commission financed only \$500,000 of the \$1,000,000 requested by the City and County and needed for the project;
- the Board of Supervisors established the Sacramento Ad-Hoc Charter Commission, appointed its 10 members, recognized the limited funding of \$500,000 and recommended a joint meeting of the City Council and the Sacramento Ad-Hoc Charter Commission to make a final joint decision regarding the scope of the study and its financing;
- the City Council agreed with the recommendations of the Local Government Reorganization Commission including the scope of the study and appointed its five representatives to the Sacramento Ad-Hoc Charter Commission. It did not approve the financial agreement with the Cable Commission and deferred (at the recommendation of its Budget and Finance Committee) the issue of fully financing the project until this joint City and County legislative session. The Budget and Finance Committee further recommended that the City Council ultimately approve:

1. the project scope estimated to cost \$1,000,000 as recommended by the Local Government Reorganization Commission;
2. Approve the \$500,000 financing agreement with the Cable Television Commission and defer financing the balance of the project costs until the Sacramento Ad-Hoc Charter Commission has more definitive costs and the final results of an initial opinion poll; and,
3. authorize the Sacramento Ad-Hoc Charter Commission to implement Phase I of the full study, secure the results of an opinion poll, "flesh out" the two governmental structural concepts, request proposals to undertake the full fiscal, policy and legal analysis and report back to the City Council with a recommendation for further financing and action. Further, the Sacramento Ad-Hoc Charter Commission is only authorized to undertake this phase of the full study not to exceed approximately \$170,000.

-- the Sacramento Ad-Hoc Charter Commission does not believe the study can be fully successful if it is reduced in scope but agrees with the recommendations of the City Council's Budget and Finance Committee. On August 24, it approved undertaking only Phase I of the original work program, to accept a funding limit of approximately \$170,000 and to report back when more definitive information is available regarding voter acceptance of government change and consultant costs are known in January 1989.

We previously stressed the importance of this study, that it ought to be undertaken as soon as possible and our belief that the costs will most likely approximate \$1,000,000. Reducing the scope of this important effort will deny you the depth of fiscal and policy information, which we believe is necessary and appropriate for you and the general public, to make decisions regarding changes, if any, in the governance of Sacramento.

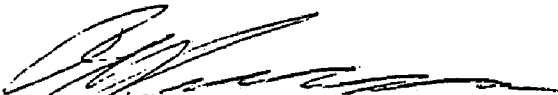
However, these early concerns about the study costs and the potential voter acceptance of merging City and County government by both the Board of Supervisors and City Council are understandable and appropriate. The Budget and Finance Committee and the Sacramento Ad-Hoc Charter Commission have a good suggestion to resolve these issues. Permitting the Commission to proceed with Phase I of the full study will result in more definitive information and budget projections upon which both the City Council and the Board of Supervisors can make a more informed decision about proceeding with the project. At that time, if you determine the project ought to go forward, the additional funding which will need to be appropriated will be based on a better estimate of project costs and voter's desires.

Finally, the Phase I budget attached to the Sacramento Ad-Hoc Charter Commission transmittal appears adequate to accomplish that phase if the

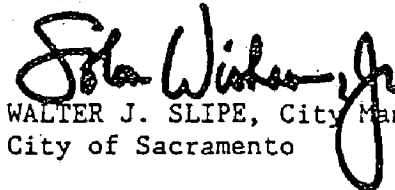
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consultant costs could be fully quantified. However, since the consultant cost for this phase must be bid before actual costs are known we recommend you approve a funding ceiling of \$170,000 but adjusted by the actual costs of conducting the Phase I consultant services if the bid amount exceeds the current estimates.

Respectfully Submitted,


BRIAN RICHTER, County Executive
County of Sacramento

Respectfully Submitted,


For: WALTER J. SLIPE, City Manager
City of Sacramento

RES:adj

cc: Sacramento Ad-Hoc Charter Commission
City of Folsom
City of Galt
City of Isleton

Attachments

1. Funding Agreement
2. Resolution - County of Sacramento (\$500,000 Repayment)
3. Resolution - City of Sacramento (\$500,000 Repayment)
4. Resolution - County of Sacramento (\$1,000,000 Work Program)
5. Resolution - City of Sacramento (\$1,000,000 Work Program)

88-632.cc

CHARTER COMMISSION
FUNDING AGREEMENT

THIS AGREEMENT is made this ____ day of August, 1988 by and between SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION, a joint powers agency, ("Commission"), COUNTY OF SACRAMENTO, a political subdivision of the State of California, ("County"), and CITY OF SACRAMENTO, a municipal corporation, ("City").

WHEREAS, Commission is indebted to County by reason of Commission's indemnity obligations pursuant to Cable Television Ordinance section 5.50.710 ("Indemnity Debt") in an amount in excess of One Million One Hundred Eight Thousand Dollars (\$1,108,000) and Commission is indebted to City by reason of Commission's indemnity obligations pursuant to Cable Television Ordinance section 5.50.710 in an amount in excess of Six Hundred Twenty Three Thousand Dollars (\$623,000); and

WHEREAS, County and City have authorized the creation of the SACRAMENTO AD HOC CHARTER COMMISSION ("Charter Commission") to consider, evaluate and propose to the electorate measures relating to the possible reorganization of local government in County and City; and

WHEREAS, County and City desire to properly provide for the funding of the activities of the Charter Commission; and

WHEREAS, Commission has the fiscal and administrative facilities to properly administer such funding of the Charter Commission on behalf of the County and City; and

WHEREAS, County and City desire to utilize Commission to

CHARTER COMMISSION FUNDING AGREEMENT

provide the requisite fiscal and administrative facilities of the Charter Commission;

NOW THEREFORE THE PARTIES HERETO DO COVENANT AND AGREE AS FOLLOWS:

1. Repayment of Indebtedness by Commission. Effective upon the execution hereof, Commission shall be deemed to have paid to County, as repayment of existing Indemnity Debt, the sum of Three Hundred Forty Thousand Dollars (\$340,000) and Commission shall be deemed to have paid to City, as repayment of existing Indemnity Debt, the sum of One Hundred Sixty Thousand Dollars (\$160,000).

2. Repayments Deposited with Commission. Effective upon the execution hereof, the debt repayments described in paragraph 1 hereof shall be deemed to be deposited with Commission to be maintained by Commission as an identifiable fund in trust for the purposes of this Agreement.

3. Purposes of Funds Deposited. The funds deposited with Commission by County and City pursuant to paragraph 2 of this Agreement shall administered by Commission and disbursed upon direction of Charter Commission, and any lawfully constituted successor organization thereto, to pay any lawful expense of said Charter Commission or successor organization.

4. Limitation of Commission Liability. County and City agree to hold Commission, its officers, employees, agents and attorneys, harmless from and fully protected against any and all claims, liabilities, losses, damages, costs, fees or penalties and reasonable attorneys' fees and costs, asserted against, relating

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CHARTER COMMISSION FUNDING AGREEMENT

to, imposed upon or incurred by Commission at any time hereafter by reason of, arising in any manner out of, based in any way upon, or in any way in connection with this Agreement and/or Commission's performance hereunder. Without limiting the foregoing, under no circumstances shall Commission be liable for the lawfulness and/or propriety of expenditures directed to be made by Charter Commission.

5. Termination of Agreement. This Agreement may be terminated by County and City at any time by the giving of written notice to Commission with a copy to Charter Commission, provided that said termination shall not be effective until notice is given by the latter of County and City.

6. Expiration of Agreement. Unless otherwise extended by the parties hereto in writing, this Agreement shall expire EIGHTEEN MONTHS after the date hereof.

7. Application of Remaining Funds. Upon the termination and/or expiration hereof, all funds remaining in the fund specified hereunder shall be deemed paid to Commission for expenditure pursuant to its Agreement of Formation and the indebtedness of Commission to County and City shall be deemed increased by such amount in such respective amounts as shall be proportional to the respective deposits of County and City pursuant to paragraph 2 hereof, that is, sixty eight percent (68%) of said amount shall be added to Commission's indebtedness to County and thirty two percent (32%) of said amount shall be added to Commission's indebtedness to City.

CHARTER COMMISSION FUNDING AGREEMENT

8. Exhaustion of Commission Resources. In the event that, at any time during or after the term of this Agreement, the assets of the Commission (apart from the resources specified hereunder) shall have been exhausted by any lawful expenditure or expenditures, including without limitation the payment of costs of defense, attorneys' fees, judgments, awards, and/or settlements in connection with Commission's obligations to indemnify its constituent entities pursuant to Cable Television Ordinance section 5.50.710, County's and City's obligation as to any proportion of any remaining obligations of Commission to which County and City would otherwise be obligated shall be increased by the amount by which the amount of funds repaid to County and/or City exceed the respective prorata repayment of all Indemnity Debt of all constituent entities.

9. Construction. The existence, validity, construction and operation of this Agreement, and all of its covenants, agreements, representations, warranties, terms and conditions shall be determined in accordance with the laws of the State of California exclusive of its conflicts of law rules.

10. Attorney's Fees. In the event of any controversy, claim or dispute between the parties hereto, affecting or relating to the purpose or the subject matter of this Agreement, the prevailing party shall be entitled to recover from the nonprevailing party all of his reasonable expenses, including, without limitation, reasonable attorneys' fees.

In witness whereof, this Agreement is executed at Sacramento,

CHARTER COMMISSION FUNDING AGREEMENT

California as of the date first above written.

SACRAMENTO METROPOLITAN CABLE
TELEVISION COMMISSION, a Joint
Powers Agency


Chairman, Board of Directors

COUNTY OF SACRAMENTO, a Political
Subdivision of the State of California

Chairman, Board of Supervisors

CITY OF SACRAMENTO, a Municipal
Corporation

Mayor

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH THE SACRAMENTO METROPOLITAN CABLE TELEVISION COMMISSION AND THE COUNTY OF SACRAMENTO TO PROVIDE FUNDING FOR THE SACRAMENTO AD-HOC CHARTER COMMISSION

WHEREAS, the Sacramento Metropolitan Cable Television Commission agreed to repay up to \$500,000 of prior litigation debt due the City and County of Sacramento; and,

WHEREAS, the Sacramento City Council finds and determines that it is important that the Sacramento Ad-Hoc Charter Commission explore possibilities for more efficient delivery of local government services through local government reorganization; and,

WHEREAS, Phase I of the Sacramento Ad-Hoc Charter Commission study will provide such definitive information at a cost of \$170,000 plus legal and public opinion survey consultant costs; and,

WHEREAS, the Sacramento City Council desires to utilize a portion of this available financing to undertake Phase I of the Sacramento Ad-Hoc Charter Commission study.

NOW, THEREFORE, BE IT RESOLVED by the Sacramento City Council that the Mayor is authorized to execute the \$500,000 repayment agreement between the City of Sacramento, County of Sacramento and the Sacramento Metropolitan Cable Television Commission.

MAYOR

ATTEST:

CITY CLERK