



1

OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 101
915 I STREET
SACRAMENTO, CA
95814-2684

916-449-5704

August 11, 1988

Budget & Finance Committee
Sacramento, California

Honorable Members In Session:

Subject: **Various Matters Concerning the Establishment of an Ad Hoc Charter
Commission**

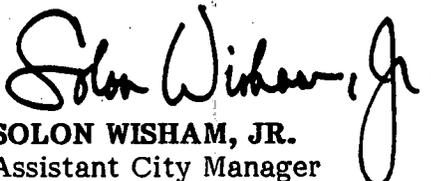
SUMMARY

The attached report by the City Manager recommends that the City Council review three options concerning the formation and funding of the Sacramento Ad Hoc Charter Commission. None of these options are entirely consistent with the attached recommendations of the Executive Director of the Sacramento Metropolitan Cable Television Commission and the Chairman of the Local Government Reorganization Commission (LGRC). Both reports are important, however, it is the opinion of the City administration that the City Council must give additional consideration to the task identified by the LGRC and the need of funding to support that work program.

RECOMMENDATION

It is recommended that the Budget & Finance Committee review the attached report and make recommendations for consideration by the full Council on August 23, 1988.

Respectfully submitted,


SOLON WISHAM, JR.
Assistant City Manager

Attachment

All Districts
August 23, 1988



OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 101
915 I STREET
SACRAMENTO, CA
95814-2684

August 11, 1988

916-449-5704

City Council
Sacramento, California

Honorable Members In Session:

Subject: **Various Matters Concerning the Establishment of an Ad Hoc Charter
Commission**

SUMMARY

This report provides the City Council with a City administration review of a report by the Executive Director of the Sacramento Metropolitan Cable Television Commission and a report from Roy Brewer, Chairman of the Local Government Reorganization Commission (LGRC). Further, the City Council is provided with three options concerning funding of the Sacramento Ad Hoc Charter Commission.

BACKGROUND

The attached report from Robert Smith, Executive Director of the Sacramento Metropolitan Cable Television Commission provides the City Council with an update on actions of the Cable Commission on the joint request of the City Council and the Board of Supervisors concerning funding for expenses of the Ad Hoc Charter Commission. The Cable Commission voted to prepay one-half of the \$1,000,000 request by the Council and the Board. The Cable Commission acted on August 4, 1988 and has offered a contract to the City and County in the amount of \$500,000 (\$340,000 County - \$160,000 City) for funding the Ad Hoc Charter Commission.

A report from Roy Brewer, Chairman of the Local Government Reorganization Commission (LGRC) is attached for your review. Mr. Brewer, on behalf of the LGRC, urges the City Council and the Board of Supervisors to request a reconsideration of the Cable Commission's action which ultimately reduced the initial amount of funding request by 50%.

The City Manager and the County Executive feel strongly that the series of tasks identified by the Ad Hoc Charter Commission will require a commitment of at least \$1,000,000 in order to meet the full requirements of a valid study of local government reorganization. A reduction of the required amount by 50% without a determination of how the remaining funds are to be applied leaves too much uncertainty on the product that is to be provided by the Charter Commission. I believe that the City Council and the Board of Supervisors are faced with at least three clear choices at this time. The City Council and the Board of Supervisors can:

1. Approve a project in the amount of \$1,000,000 which includes a phasing of the work of the Charter Commission providing for reporting milestones at an anticipated expenditure of \$500,000 or less which is consistent with the amount approved by the Metropolitan Cable Commission. The selection of this option requires the development of a new budget and program by the Charter Commission and a new funding agreement with the Metropolitan Cable Television Commission.
2. Reject the reduced offer of funds by the Cable Commission and request a reconsideration of the project that was initially submitted by the City and County.
3. Abandon the effort to form and fund a Sacramento Ad Hoc Charter Commission and notify all parties of the action of the City Council and Board of Supervisors.

FINANCIAL DATA

The Cable Commission approved a repayment of \$160,000 of funds owed to the City of Sacramento. This amounts to 50% of the original request approved by the City Council on August 2, 1988.

RECOMMENDATION

The work program requirements as outlined by the Local Government Reorganization Commission are estimated to cost \$1,000,000. I believe that it is a reasonable estimate and I am reluctant to support an offer by the Metropolitan Cable Television Commission for a reduced amount of funds without the City Council having an opportunity to review other alternatives. It is recommended that the City Council review and evaluate the three options identified in this report and select an alternative which reflects a realistic view of the tasks to be completed which will benefit the voters of the metropolitan area of the county. To do less would be a disservice to the public.

Respectfully submitted,



WALTER J. SLIPE
City Manager

Attachments

All Districts
August 23, 1988

SACRAMENTO METROPOLITAN



1010 8TH STREET, SACRAMENTO, CA 95814 • (916) 440-6661

ROBERT E. SMITH
EXECUTIVE DIRECTOR

August 8, 1988

TO: Members, Sacramento City Council

FROM: Bob Smith, Executive Director

SUBJECT: CABLE COMMISSION - REPORT BACK - REQUEST BY COUNTY AND CITY TO CONSIDER EARLY REPAYMENT OF \$1,000,000

On July 13, 1988, the Board of Supervisors established a 15 member Sacramento Ad-Hoc Charter Commission (10 members to be appointed by the Board and 5 to be appointed by the City Council) and requested that the Sacramento Metropolitan Cable Television Commission consider early prepayment of \$670,000 of prior County litigation debt. The Board action did not specify how it would use these funds.

On August 2, 1988, the City Council agreed with the Board's action and appointed its 5 members of the Sacramento Ad-Hoc Charter Commission. It also requested early prepayment of prior debt in the amount of approximately \$330,000.

On August 4, 1988, the Sacramento Metropolitan Cable Television Commission, which owes approximately \$1,700,000 for litigation expenses incurred by the City and County prior to January, 1988, considered these requests totaling \$1,000,000 and approved the attached contract to prepay only \$500,000 of that amount (\$340,000 County and \$160,000 City).

Attached is an agreement, prepared by Commission Counsel, between the Cable Commission and the City and County providing for direct payment of the actual expenses, not to exceed \$500,000, of the Sacramento Ad-Hoc Charter Commission which will then be credited against these debt obligations. Any residual amounts upon project completion will revert to the litigation reserve of the Cable Commission to protect against further unanticipated court costs of the constituent entities. However, this agreement does not provide that the Cable Commission is responsible for the decisions or actions of the Sacramento Ad-Hoc Charter Commission nor supervise their expenditures. It also provides for termination by the City and County (by joint action) upon written notice to the Cable Commission.

In a separate action the Cable Commission agreed to continue the loan of its Executive Director and provide accounting, fiscal, personnel and administrative support to and upon reimbursement from the Sacramento Ad-Hoc Charter Commission.

Cable Commission Report Back
Page 2
August 8, 1988

It is therefore my recommendation that the Sacramento City Council:

Approve the attached resolution authorizing the Mayor to execute the attached agreement authorizing prepayment of prior litigation debt through payment of actual expenses of the Sacramento Ad-Hoc Charter Commission by the Sacramento Metropolitan Cable Television Commission not to exceed \$500,000 (\$340,000 County and 160,000 City).

Respectfully Submitted,



BOB SMITH, Executive Director
Sacramento Metropolitan Cable
Television Commission

RES:adj

Attachment:

Agreement between the Cable Commission and City and County of Sacramento

cc: Brian Richter, County Executive
Walter J. Slipe, City Manager
Roy Brewer, Chairman, Local Government Reorganization Commission
Sacramento Metropolitan Cable Television Commission
Folsom City Council
Galt City Council

88-557

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

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 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

LOCAL GOVERNMENT REORGANIZATION COMMISSION

917 7TH STREET • SACRAMENTO • CA • 95812-1017 • 916/446-8018

COMMISSION

Phil Angelides
Olga Batey
Roy E. Brewer, Chair
Warren Knieriem Jr.
John German
Dr. Donald Gerth
Ann Kohl
Wendell Phillips
James Shelby
Karolyn Simon, Vice Chair
Tina Thomas

EX-OFFICIO MEMBERS

Rod Carmody
Illa Collin
Terry Kastanis
Augustin Zuniga

LEGAL COUNSEL

Bill Holliman

S
B
John Caron,
Research Assistant
Beth Williams,
Administrative Assistant

August 9, 1988

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

FROM: Roy Brewer, Chairman

SUBJECT: LIMITED FUNDING FOR THE SACRAMENTO AD-HOC CHARTER
COMMISSION

On behalf of the Local Government Reorganization Commission, please accept our sincerest appreciation for the thoughtful consideration and thorough debate both the City Council and Board of Supervisors have given to the Commission's recommendations.

As you are aware, the Sacramento Metropolitan Cable Television Commission on August 4, granted \$500,000 of the \$1,000,000 requested by both jurisdictions and recommended by your respective executive officers. I am pleased that the Cable Commission granted at least partial funding needed for this important study.

Attached is a revised budget reflecting the reduced financing. The legal and consultant costs as well as contingencies have been significantly reduced from the original \$1,000,000 estimate submitted to you in July. As noted by our staff, the City Manager and County Executive, these contract costs were problematical and could not be accurately estimated until bids are actually received by the Sacramento Ad-Hoc Charter Commission.

However, I do not believe that the study can be "scaled back" and accomplished with just \$500,000. If a charter amendment is to be successful, even one which only merges some limited functions of the existing City and County governments, it must be accompanied by a full and thorough fiscal and policy analysis detailing to the voters the economic impact of the decision they are asked to approve. To glean even a limited functional merger will require an in-depth fiscal and policy analysis of all functions of the City and County. This task, according to preliminary discussion with potential financial consultants, will be very expensive.

The future governance of Sacramento is too important to attempt a search for solutions with inadequate financing. Therefore, I urge the City Council and Board of Supervisors to fully finance the

Sacramento Ad-Hoc Charter Commission Funding

Page 2

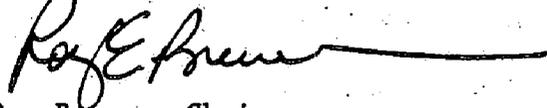
August 9, 1988

project even if it requires a request for reconsideration by the Cable Commission. I further urge the jurisdictions to establish those expenditure reporting milestones which ensure that the project is accomplishing its goals at the least possible cost.

The Local Government Reorganization Commission's interests in efficiencies are precisely those of the City and County and we encourage reporting requirements upon the Sacramento Ad-Hoc Charter Commission which give the highest comfort levels that the funding is spent wisely. At the same time the project is too important to be given less resources than are necessary to accomplish such an essential task.

Again, thank you for the full consideration you have given to the Commission's intense effort last Spring. Regardless of the outcome I am sure your decision will be in the best interests of the Sacramento community.

Sincerely,



Roy Brewer, Chairman
Sacramento Local Government
Reorganization Commission

cc. Brian Richter, County Executive
Walter J. Slipe, City Manager
Local Government Reorganization Commission
Folsom City Council
Galt City Council
Isleton City Council

88-560.cct

RESOLUTION No.

Adopted by The Sacramento City Council on date of

A RESOLUTION CONCERNING THE FINANCE AND PROGRAM OF THE SACRAMENTO AD HOC CHARTER COMMISSION

WHEREAS, the City Council on August 2, 1988 approved the formation of the Sacramento Ad Hoc Charter Commission and the required budget of \$1,000,000 for the work program; and

WHEREAS, the City Council approved a request to the Sacramento Metropolitan Cable Commission for the release of City funds in the amount of \$330,000 for the City's share of the \$1,000,000 budget; and

WHEREAS, the Sacramento Metropolitan Cable Television Commission on August 4, 1988 decided to reduce the amount of their prepayment to the City to \$160,000, thereby reducing the overall Charter Commission budget to \$500,000; and

WHEREAS, the City Council believes that a reduced amount requires a change in the work program of the Charter Commission.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Sacramento that:

1. The City Council approves of a total expenditure of \$500,000 for a phased work program of the Sacramento Ad Hoc Charter Commission; and
2. The Sacramento Ad Hoc Charter Commission will return to the City Council and the Board of Supervisors with an amended work program providing for reporting milestones with the expenditure of \$500,000 or less; and
3. The City Manager is hereby directed to work with the County Executive in the development of a new funding agreement with the Sacramento Metropolitan Cable Television Commission.

MAYOR

ATTEST:

CITY CLERK

RESOLUTION No.

Adopted by The Sacramento City Council on date of

**A RESOLUTION CONCERNING THE FINANCE AND PROGRAM
OF THE SACRAMENTO AD HOC CHARTER COMMISSION**

WHEREAS, the City Council on August 2, 1988 approved the formation of the Sacramento Ad Hoc Charter Commission and the required budget of \$1,000,000 for the work program; and

WHEREAS, the City Council approved a request to the Sacramento Metropolitan Cable Commission for the release of City funds in the amount of \$330,000 for the City's share of the \$1,000,000 budget; and

WHEREAS, the Sacramento Metropolitan Cable Television Commission on August 4, 1988 decided to reduce the amount of their prepayment to the City to \$160,000, thereby reducing the overall Charter Commission budget to \$500,000; and

WHEREAS, the City Council believes that the reduced amount of funding made available by the Sacramento Metropolitan Cable Television Commission is unacceptable because it fails to reflect a realistic amount for the tasks that have been identified for completion by the Charter Commission.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Sacramento that the City Council respectfully rejects the offer of funds from the Cable Commission in the reduced amount of \$500,000 and requests a reconsideration of the project funding at the amount initially submitted by the City and County of Sacramento.

MAYOR

ATTEST:

CITY CLERK

