

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

JUNE 3, 2003

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by the Mayor at 7:10 p.m. in the City Council Chamber located at 730 I Street.

ROLL CALL

Present: Council Members Cohn, Hammond, Jones, Pannell, Sheedy, Tretheway, Waters, Yee and Mayor Fargo

Absent: None

PLEDGE OF ALLEGIANCE was led by Mayor Fargo

10.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

None

11.0 CLOSED SESSION REPORT

12.0 PUBLIC HEARINGS

12.1 Appeal of a decision by the DRPB denying the demolition of the contributory building located within the south side historic district at 324 "U" Street (PB02-088)

A motion was made by a Council Member Yee, seconded by Council Member Waters to continue the item to July 17, 2003 at 7 p.m. The motion carried with an

8-0 voice vote, with Council Member Hammond being absent.

- 12.2 Department of Utilities Fee Adjustments and Capital Improvement Budget and 2003/2004 Operating Budget (Continued from 2:00 p.m.) (D-All)
- A. Department Presentation;
 - B. FY2003-04 Proposed Water Fund Operating and Capital Improvement Program Budgets and Water Service Rate Adjustments;
 - C. FY2003-2004 Proposed Sewer Fund Operating and Capital Improvement Program Budgets and Sewer Service Rate Adjustments FY04 and FY05; and
 - D. FY2003-04 Proposed Storm Drainage Fund Operating and Capital Improvement Program Budgets
-

Gary Reents, Director of Utilities, answered the Council questions from the afternoon session about the City of Sacramento's residential water rates compared to other municipalities and water districts in the area. Mr. Reents stated that Sacramento's rates were the second lowest overall.

Council member Cohn asked if the other entities had water meters?

Mr. Reents responded that the other agencies were in the process of installing meters, but were currently not charging "consumption" rates, except for the San Juan Water District.

Mr. Cohn requested that the listing of rates as shown this evening be e-mailed to him.

Mr. Reents added that the Northridge part of the Suburban Water District and the San Juan Water District had completed their installation of water meters; Fair Oaks was in the process, as well as Carmichael. The Arcade section of the Suburban Water District had not started yet.

Bob Thomas, City Manager, informed the Council that their decision this evening was to adopt either a one year rate or a two year rate increase for 6% each year for both water and sewer and 0% for drainage.

Mr. Reents spoke about the policy issues in each of the main divisions of the Utilities department: Water, Sewer and Drainage. He said that in both Water and Sewer there was a significant backlog of infrastructure rehabilitation/replacement needs and increased revenues were needed.

According to Mr. Reents, the department had developed a study that identified the existing and future Water, Sewer and Drainage rehabilitation and replacement needs using applicable useful life standards and replacement capital costs. He said he was recommending a 6% increase each year for the next 5 years just to keep up with the needs already in the ground. Consulting engineering firms confirmed staff's

findings.

Mr. Reents showed a map with the location of all the underground infrastructure for both water and sewer. Funds required totaled \$131.5 million for water, and \$181.7 million for Sewer. Funds available were \$4.1 million for water and \$4.9 million for sewer. Therefore only 3% of the needs were being funded.

Mike Stamper, from the Utilities department, spoke about the proposed operating budget with 491.5 FTE . He said that the increased costs were due to cost of living, implementation of water conservation best management practices and two new staff positions for the North Natomas Detention Basin Maintenance Program.

Mr. Stamper also spoke about the CIP projects in all three divisions and the 2 year rate increase requests for water and sewer of 6% each year.

The City Manager reiterated that drainage increases needed to be done by a vote of the people per Proposition 218.

Mr. Stamper showed the total increase to the city's utility rates from a current charge of \$65.64 to \$68.90. He spoke next about notices mailed and about the protests received.

Council member Jones asked if it were necessary to vote for an increase for two consecutive years. Staff advised no, it was not necessary. Mr. Jones proposed that council take action only on a one year proposal, in spite of the fact that the repairs were so backlogged.

Council member Waters spoke about the complaints he receives from residents about the high cost of their water bills which are based on the number of rooms in their homes, rather than usage.

Mayor Fargo asked if staff had calculated the rate structure if the city is forced to meter water.

Mr. Stamper replied that installation of meters would be extremely expensive for the city. They would have to paid for with a bond issue and installation stretched out over several years. Mr. Reents added that the rates would have to be raised about 78% just for meters over a 5 year implementation time frame.

Mr. Waters clarified that residents who did not have water meters would be charged for the installation of meters.

Mr. Reents said that the average amount of water used per household is about 17-18 thousand gallons per month. If you use more than the average, and you are metered, your water bill will increase.

Mr. Waters stated that he would be supporting the two-year proposal.

Mr. Cohn said that staff should look at how other cities have converted over to metered usage and billing. He asked if there was any detriment to not adopting a two year plan. City Manager Thomas asked Gus Vina, Finance Director, to speak to that question.

Gus Vina, Finance Director, stated that multiple year approval would assist the city with the bonding agencies by possibly getting a better rate; provide greater stability for CIP projects; and assist the department in better aligning its resources with its needs.

Council member Yee stated that he would be supporting the multiple year increase. Council member Pannell stated that she would support the one year increase.

Council member Sheedy stated that several of her constituents were asking her to not raise the rates. She said she would not support any increase.

Council member Tretheway spoke about the severity of the repair problem for the infrastructure system. He considered it a matter of health and safety for city residents. He said he would support the two year rate increase.

Mayor Fargo recommended that the City's and Regional Sanitation's bill be combined for those who live in the CSD1 district and receive both a bill from the city and from Regional Sanitation.

Mr. Stamper stated that there are approximately 48,000 customers in the City who live in CSD1 district.

The Mayor recommended that this issue be assigned to the City's Auditor for review. Council member Jones agreed.

An intent motion was made by Council member Cohn, seconded by Council member Tretheway to adopt staff's recommendation for the operating budget and CIP budgets. The motion carried with a 9-0 vote.

A motion was made by Council member Cohn, seconded by Council member Tretheway to adopt Resolution 2003-344 and 2003-345 approving rate increases for water and sewer as recommended by staff.

A substitute motion was made by Council member Jones, seconded by Council member Pannell to adopt the rate increases for only one year. The motion failed with a 2-7 vote with Council members Cohn, Hammond, Sheedy, Tretheway, Waters, Yee and Mayor Fargo voting no.

The main motion carried with a 7-2 vote with Council members Jones and Sheedy voting no.

Mayor Fargo recommended starting to educate the community on the storm drainage problems and Proposition 218 limitations.

RESOLUTION 2003-344

RESOLUTION ADOPTING FINDINGS AND AMENDING THE CITY OF SACRAMENTO FEE AND CHARGE REPORT TO ESTABLISH WATER SERVICE FEES

RESOLUTION 2003-345

RESOLUTION ADOPTING FINDINGS AND AMENDING THE CITY OF SACRAMENTO FEE AND CHARGE REPORT TO ESTABLISH SEWER SERVICE FEES

- 12.3 Proposed Garbage Collection, Recycling, Lawn and Garden, and Street Sweeping fees and charges adjustments for Fiscal Years 2003/04 and 2004/05.(Continued from 2:00 p.m.) (D-All)
- A. Approve the FY2003-04 proposed Solid Waste Capital Improvement Program budget; and
 - B. Amend the Fee and Charge Report to reflect an overall 6% increase effective July 1, 2003 and an overall 6% increase effective July 1, 2004 to the fees and charges associated with the Solid Waste Fund.

Harold Duffy, Integrated Waste General Manager, made the presentation. He said no additional staffing was being proposed. In order to balance their budget, 1.1 million dollars was being used from their reserves as well as monies from grants.

In answer to the question why a rate increase, he said staff was trying to narrow the gap between expenditures and revenues; keep pace with inflation; fund current and proposed operations, and capital and debt service; and also fund key capital projects such as additional equipment and ongoing landfill post closure maintenance.

Mr. Duffy spoke about revenue increasing programs such as using agreements and receiving reimbursements from surrounding jurisdictions for their use of the city's household hazardous waste facility. He spoke about new rate structures and exploring the feasibility of a new service fee to off-set the cost of new equipment related to growth. According to Mr. Duffy, staff was also performing an ongoing

audit to ensure proper billing of all accounts.

Mr. Duffy said the proposed maximum rate increase will be 6%. The garbage component will stay the same for a 90 gallon container, but would be reduced for 30 and 60 gallon containers. He provided a breakdown of the monthly rate increase. He said the larger increase to the lawn and garden service was because staff is trying to fix the structural imbalance of service cost vs revenue (rate).

He summarized by saying that adjustments to the rates reflect the actual cost for service; a larger rate differential should create more incentive to recycle; a rate increase in garbage could be mitigated by subscribing to a smaller can; and minor changes in commercial rates allow for continued competitiveness with privates.

Council member Cohn spoke about the City's process of allowing green waste to be placed in the street. He said mandatory containerization would require a vote of the people and that he felt this issue should be eventually placed back on the ballot. He said he would argue that under Proposition 218, the city should not be subsidizing pick-up of green waste from the streets. He felt that the voluntary program of containerizing green waste should be expanded and offered city-wide.

Mr. Cohn stated that he would like to vote on the proposed rate increase for only one year, extend the voluntary green waste pick-up to the entire city as soon as possible and then see if the rate increase would not have to be approved for the second year.

Mayor Fargo stated that this was indeed an issue that the general public should be able to comment about at neighborhood workshops.

Council member Waters stated that he felt that a well informed constituency would approve a containerized green waste program. Containerization would prevent flooding, and toxic wastes going into the storm drains and eventually into streams and rivers.

Mr. Duffy said that he would make sure that if the city went to containerized green waste collection, he would provide additional pickup for leaves during the heavy fall season.

Mr. Tretheway recommended getting the Utilities department involved, as leaves left in the street clog up the storm drains in the winter months.

Council member Yee said that he would not support a voluntary containerized program unless there was a high percentage of residents who agreed to do it. He said he would rather take it to a vote of the people because a dual system would cost the city more money.

Council member Pannell stated that she supported the voluntary system. She asked if new subdivisions could be mandated to containerize. Mr. Duffy stated that according to the City Attorney is was not legal.

Mr. Cohn stated that full cost recovery should be charged for green waste pick up that is not containerized. He said that the plan should now be made a transitional plan that is city-wide and voluntary.

An intent motion was made by Council member Cohn, seconded by Council member Pannell to close the hearing and to adopt the Solid Waste operational and CIP budgets as recommended. The motion carried with a 9-0 roll call vote.

A motion was made by Council member Cohn, seconded by Council member Waters to adopt Resolution 2003-346, the proposed fee increase, as amended, for one year. The motion carried with a 8-1 roll call vote with Council member Sheedy voting no.

A third motion was made by Council member Cohn, seconded by Council member Waters to require staff to develop a transitional plan for voluntary containerization city-wide by January, 2004 and to report back with the options available by September, 2003. The motion carried with a 8-1 roll call vote with Council member Yee voting no.

RESOLUTION 2003-346 AS AMENDED

RESOLUTION ADOPTING FINDINGS AND AMENDING THE CITY OF SACRAMENTO FEE AND CHARGE REPORT TO ESTABLISH ADJUSTED SOLID WASTE FEES AND CHARGES

13.0 STAFF REPORTS

13.1 THIS ITEM MOVED FROM AFTERNOON STAFF REPORTS, ITEM 5.3

Recycling in public places and implementation of a Pilot Program for "In The Parks Recycling" (D-All) [item continued from 2:00 p.m. meeting, item 5.3]

- A. Direct staff to implement a pilot, "In The Parks Recycling" program in each Council District, beginning June 3, 2003, and report results of pilot program to Council by January 1, 2004;
- B. Review summary of existing "Recycling in Public Places" locations.
- C. By Spring 2004, direct the Solid Waste Division staff to present a plan for a City wide "In The Parks Recycling" program to be phased in over a 3-year period. Program costs will be absorbed by residential rate payers through annual rate increases or other program savings;

- D. Approve modifications to the Special Events permit to require event planners to incorporate recycling at events that require garbage removal.
-

A motion was made by Council Member Waters, seconded by Council Member Fargo to continue the item until after the budget is approved. The motion carried with a 9-0 voice vote.

THIS ITEM MOVED FROM AFTERNOON STAFF REPORTS, ITEM 5.4

13.2 2003-2004 Planning and Building Budget D-All)

2003-2008 Capital Improvement Program (CIP)

- A. CIP Overview
 - B. General Government
 - C. Public Safety
 - D. Convention, Culture and Leisure
 - E. Parks and Recreation
 - F. Economic Development
 - G. Transportation
 - H. Sacramento Housing and Redevelopment Agency
 - I. North Natomas
-

Dennis Richardson, Building Director, presented an overview of the department's workload, stating that over a billion dollars in construction projects had been processed by his staff and thousands of inspections had been performed this fiscal year.

His department was working in concert with other departments in the city to affect needed efficiencies. According to Mr. Richardson, the vast majority of employees in the Planning and Building department were doing an outstanding job. The employees at the North Permit Center have been commended as providing excellent service and he was working to make the downtown section as efficient.

One area that he wanted to improve upon was keeping the council informed about projects. He said that members of the Oversight Commission were present to answer any questions. He turned the presentation over to his co-director Gary Stonehouse.

Mr. Stonehouse spoke about 13 additional positions in his department budget. He said that the department's reduction option was to reduce expenditures for consultant services. His future goals included updating the City's general plan

through 2025, planned improvements for development-related services identified by the Development Oversight Commission, and a city-wide imaging parcel-based system that could be used by the Planning department and other city departments.

Mark Abrahams, from the Development Oversight Commission, said that he supported the Planning and Building department in their efforts, and that great changes had occurred in the last year or two.

Council member Hammond spoke about an "unfortunate" project that slipped through the Planning department's design and review section. She asked if something could be done about improving that section.

Ms. Hammond also stated that workshops about the transit overlay could have been done better and said she would be happy to host a workshop in her district. In addition, she requested that improvements be made to the permit section of the department.

Council member Pannell was concerned about the proposed reduction identified in the Planning department's budget as it affected projects in her district.

Council member Sheedy spoke about the need for more people assigned to design review. She thanked Mr. Stonehouse for his assistance with the light rail ordinance.

An intent motion was made by Council member Jones, seconded by Council member Yee to approve the Planning and Building department's budget. The motion carried with a 9-0 voice vote.

14.0 SHRA

None

15.0 COUNCIL IDEAS AND QUESTIONS

15.1 Resolution supporting Healthcare for Janitors and Working Families (D-All) [Mayor]

Mayor Fargo requested that this item be heard first. She said a lot of progress had been made, but there was still more to be done. She felt that offering health benefits to janitors and their families was the right thing to do. It was important and right according to public policy.

The following people spoke in support of this resolution: Jim Gately, Dr. Loren Johnson, Dr. Denise Greene, Leticia Sanchez and Howard Lawrence.

Council members Hammond, Jones, Sheedy, and Pannell spoke in support of the resolution.

A motion was made by Council Member Hammond, seconded by Council Member Jones, to adopt Resolution 2003-347. The motion carried with an 8-0 voice vote, with Mayor Fargo voting NO.

RESOLUTION 2003-347

RESOLUTION SUPPORTING HEALTHCARE FOR JANITORS AND WORKING FAMILIES

- 15.2 Councilmember Hammond announced the following events: 1), a recruitment fair sponsored by the Police Department, on Saturday, June 7th at McClatchy Park from 11 am - 2 pm; 2), also on Saturday, June 7th, at 6:30 pm the Hollywood Park Neighborhood Association Ice Cream Social; and 3), on Sunday, June 8th the Filipino Fiesta at the Jose P. Resaul Community Center.
- 15.3 Council Member Waters asked the City Manager for a report back regarding checkered sidewalks and weight tickets for concrete delivery.
- 15.4 Council Member Cohn announced the following events: 1), the dedication of a new soccer field at the Haven Oaks School on Saturday, June 7th at 12:30 pm; 2), Pops in the Park, on Saturday, June 7th, 6:00 p.m. at the Carlson/Riverpark; Council Member Cohn will also hold sidewalk hours at the Carlson/Riverpark beginning at 3:00 p.m.; and 3), on Sunday June 8th, a jazz concert at Marshall Park beginning at 6:00 p.m.
- 15.5 Council Member Pannell announced the following events: 1), the local Sacramento Conservation Corp is holding a breakfast at Discovery Park on Friday, June 6th at 7:00 a.m.; 2), a Health Fair is being held at St. Luke's Church on Saturday, June 7th; 3), a Homeownership Fair is being held at the Pannell Center from 9:30 a.m. - 3:00 p.m. on Saturday, June 7th; and the 10th Annual Baby Shower is being held on Saturday, June 7th from 11:00 a.m. - 3:00 p.m. at the Antioch Family Life Center on Amherst Street.
- 15.6 Council Member Tretheway announced the following events: 1), a fundraiser for the Boys & Girls Club to be held on Friday, June 6th at 6:00 p.m.; 2), on Saturday, June 7th from 9:00 a.m. - 12 noon, the Gardenland Northgate Homeowners Association is holding a Northgate Neighborhood cleanup.

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

16.1 Bill Grant, city resident, spoke regarding carbonated beverages in high schools and senior centers.

17.0 ANNOUNCEMENTS

None

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 10:37 p.m.

Submitted



Shirley Concolino, City Clerk

Approved



Heather Fargo, City Clerk