

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 15, 1998

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at 7:06 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

9.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

9.1 Fruitridge Manor Neighborhood Association - Neighborhood Report. (D-6)

Dave Tamayo, President, Fruitridge Neighborhood Association, presented the report.

Mr. Tamayo commented that this neighborhood was in transition and could either improve or deteriorate. The Association wanted to keep the neighborhood moving up. Mr. Tamayo thanked Council member Steinberg for his assistance regarding neighbors dissatisfaction with the service at Lucky's Market.

Mr. Tamayo spoke in support of Safe Streets. Mr. Tamayo expressed his thanks to City staff for help with the drug problems on 33rd Avenue. The Police Department also helped the neighborhood organize to protect citizens from a registered sex offender under Megan's Law.

Mr. Tamayo advised that the Association was trying to work with the school to open the playground and park, by finding funding, and working with the City on that issue. He reported that the Association was working with SCAN, toward making its voice more effective. He urged City support for that.

Council member Steinberg thanked Mr. Tamayo for coming to City Hall and noted that this was one of the last areas in District 6 that was not formally organized. Mr. Steinberg advised that there was a meeting in Peter Burnett Elementary School Cafeteria on September 16th at 7:00 p.m.

Mr. Tamayo commented that he was happy to participate in the revitalization of Stockton Boulevard, and that there was some development underway in the neighborhood.

For Council information; received and filed.

10.0 PUBLIC HEARINGS

None

11.0 STAFF REPORTS

11.1 Report on the Sacramento Dress Rehearsal for the year 2000 US Census. (D-All)

Deputy City Manager Martinez presented the report.

Mr. Martinez advised that the City of Sacramento was selected to participate in the Dress Rehearsal for the Census due to the diversity of our community.

Mr. Martinez introduced various members of the Complete Count Committee, and various Census Bureau members. Mr. Martinez also acknowledged SACOG's help. Mr. Martinez commented on the staff of Congressional Representatives' non-partisan approach.

Moises Carrasco, Regional Director, U.S. Bureau of the Census, Seattle, WA commented that he appreciated the support his team had received from the City of Sacramento. Mr. Carrasco noted that many levels of government were involved. He reported that there would be another briefing later to report the results of the Dress Rehearsal.

Mike Burns, Assistant Regional Census Manager, Seattle, WA, expressed his thanks for inviting the Census Bureau here and introduced Alice Greene, Area Manager, U.S. Department of Commerce, Bureau of the Census; Bob Klingman, Media Specialist; Tim Olson, Coordinator; and Ed Salazar, Partnership Specialist/California, adding that Mr. Salazar had done an exceptional job.

Alice Greene advised that early activities concerning the Dress Rehearsal began in FY 1997, with recruitment, hiring, and training of supervisory and non-supervisory staff for targeted canvassing; targeted multi-unit checking; and specific places/group quarters update and verification. All of this had been completed ahead of schedule and under budget. Space was also located for the local Census office.

Mike Burns advised that one great success of the venture was the focus on Welfare-to-Work. Terry Carpenter, Census Bureau Welfare-to-Work, had done a great job. The Hammer Award from Vice President Gore was presented to the Private Industry Council and the Census Bureau. It signified innovative work done in the government arena.

Recruiting success was tied to pay rates and the work force reflected the diversity of the community. He stated that there was a quick response in six weeks, with a fifty three per cent mail response. He reported that

over two million dollars went to salaries which therefore went back into the economy.

Gary Ziegenfuss, Administrative Analyst II, Office of the City Manager, continued the report. He reviewed the purpose, membership, activities and

"lessons learned" for the LUCA (Local Update of Census Addresses) and for the Complete Count Committee.

Mayor Serna asked whether any other entity had been chosen for the Dress Rehearsal, and was advised that Columbia, SC and the Menomonee Indian Reservation in Wisconsin were also participants.

Ed Salazar continued the presentation and expressed his thanks to the Mayor and City Council. Mr. Salazar noted that a successful census could be aided by outreach. Mr. Salazar advised that outreach was done through in-kind services, with a no-or-low budget.

Mayor Serna expressed his thanks to staff and visitors for the presentation, and to the Census Bureau for selecting the City of Sacramento as a Census city. The Mayor added that an accurate count of the census had a direct benefit in that it returned a fair share of tax dollars to the City. Mayor Serna thanked the Complete Count Committee and presented Resolutions to Moises Carrasco, Michael Burns, Alice Greene, and Ed Salazar. In turn, Mr. Carrasco presented Certificates of Appreciation to the Mayor and City Council members.

Council member Cohn established that the final count for the Dress Rehearsal would be available after December 31, 1998.

Various other involved participants received recognition: City Manager Edgar, Deputy City Manager Martinez, Gary Ziegenfuss, Linda Gage, and SACOG for its assistance.

For Council information; received and filed.

THIS ITEM WAS CONTINUED FROM THIS AFTERNOON'S AGENDA 4.4

- 11.1A Long Range Plan: Next Steps [continued from 9/8/98, item W2.1].
- A. Incorporate City Council comments to draft 5 year plan
 - B. Review draft plan with employee unions and the community
 - C. Finalize draft plan at management retreat September 24-26
 - D. Place revised Plan on City Council agenda for mid-October for final review.

Mayor Serna provided a brief recap of the difficulties Sacramento faced as a city, which were originally discussed at the Council meeting of September 8, 1998. The Mayor stressed the need for statewide legislation to prohibit the Governor from balancing the State budget by taking revenue from the cities.

Mayor Serna stressed the need for the city to initiate a more entrepreneurial approach for financial solutions. In addition, he urged the restoration of the Economic Development Department and the aggressive search for new revenues using the Land Use Authority.

City Manager Edgar wanted to determine the City Council's focus and priorities, so that a way could be found to balance current service levels and initiatives with current resources. Mr. Edgar commented that

the City needed to position itself for the uncertainty of the future for local governments, and to look at strategies which would enable quick action. Mr. Edgar defined the goals as: 1) to continue to deliver the current level of City services; and 2) to complete the initiatives that are currently on our plate. It was not staff's intention to reduce services, he added.

Mr. Edgar advised that Deputy City Manager Lee had been assigned to develop a citywide economic development strategy. The City needed a criteria for the privatization of certain City services, including regionalization.

Vice Mayor Cohn commented that this was a potential equity issue, regarding fees for new developments covering growth costs vs. the cost over the long run to provide services for the new developments. Mr. Edgar responded that growth never paid for itself. Additional monies were realized at the beginning from various fees, but five, ten, or fifteen years in the future, ongoing services exceeded revenues generated. School systems were not being supported by revenues collected.

Council member Fargo commented that in the North Natomas development, the City was looking at a surplus. Mr. Edgar conceded that in North Natomas that was correct, but revenue from that area was more than projected because the land use had changed. "Big boxes" were generating additional dollars. The City must look at the services required, Mr. Edgar added, and spend more time looking at the revenue side of the issues.

Ms. Fargo commented that there will soon be an Old Sacramento restaurant added. The Downtown Tax Increment money might be needed for other purposes such as flood control and sewer systems.

Ms. Fargo suggested the City might need to use downtown tax increment and Transient Occupancy Tax (TOT) for flood control. If the City doesn't get Congressional support, it may not be feasible to build new houses south of the river. Ms. Fargo urged looking at maintaining joint-use park acres, fields, and school grounds. She emphasized the need to focus on the revenue side, but also to continue to improve the Building Department and maintain fair fees.

Mayor Serna wanted the City Council to remain focused on General Fund issues, adding that if the TOT was raised, it must go before the voters for approval. The Mayor stressed public safety, advising that a full 82% of the General Fund operating budget was allotted for Fire and Police services and that was still not enough. Mayor Serna stressed that the answer was not to keep asking taxpayers for more money in taxes.

Council member Cohn agreed that we must be more entrepreneurial. He felt that any special assessment requested for old, existing sewers would meet with community opposition. Mr. Cohn asked if Council's next step was to expand the CIP to include operating programs. He was unsure also regarding infill development, as to whether planning and fees were tailored to that policy. Mr. Cohn suggested that the City try to have transportation impact fees tailored to traffic congestion and transit, noting that expansion/growth diluted Regional Transit (RT) service elsewhere. Mr. Cohn asked whether City Manager Edgar wanted to be advised as to what Council's highest priorities were, or simply wanted ideas about balancing the General Fund?

Mr. Edgar responded that the main issue revolved around the fact that in the CIP, \$1 million per year was allocated for General Fund activities, but that amount would not cover those projects desired. Mr. Edgar expressed concern about cutting the base operating budget by \$20-\$30

million, which would mean that the current level of operating services would be cut while the City was growing. It was his desire to identify City Council's priorities. Mr. Edgar indicated that there were existing Master Plans for some, but not all, of the projects. In the meantime, there was much deferred maintenance.

Mr. Cohn commented, regarding transportation, that we needed better advocacy to get Federal and grant funding.

Council member Waters advised that from an economic development basis, he was not aware that the City had a surplus from new development yet in five or more years, service and maintenance costs would exceed revenues. He asked what specific services, other than police, would be needed then. Mr. Edgar replied that it must be looked at in terms of industrial, residential, and commercial, but separating out residential, there would be a problem in five years. Mr. Waters stressed that if we were to become a first-class city, we needed growth.

Mayor Serna commented that it was necessary to be more specific concerning the statement that "growth never pays for itself." He did not agree. He felt that it paid for itself in the long term, yet stressed he did not want to adopt policies that cost more than they returned.

Council member Kerth stated he was uncertain as to what Mr. Edgar was seeking tonight and asked whether this was a wake-up call. Mr. Edgar reiterated that he wanted priorities for the General Fund CIP over the next five years, since there was a budget of only \$1 million per year.

Mr. Kerth observed that the old main streets needed renewing. As to the Transportation Committee, Sacramento had no projects ready for funding. Since a lot of Federal Transportation money would be available in the year 2000, we must get ready now, Mr. Kerth stressed.

Mr. Kerth raised the issue of the management of the SCERS retirement system, which would yield an extra \$100 million for the General Fund if voters approved the proposed changes there. Mr. Kerth wanted to work out a program to take that issue to the voters.

Mayor Serna commented that these were controversial issues. The Cable fund money was available too. The General Fund was the source of public safety money, he added. The Mayor felt that these issues must be addressed and agendized.

Mr. Edgar advised, regarding the use of SCERS surplus funds, that staff urged the transfer of SCERS enrollment to PERS, then use of the surplus funds to "write down" the rates in the future.

Mr. Kerth commented, regarding the Cable issue, that Sacramento did more than other cable jurisdictions. He stated the City should set priorities.

Council member Yee noted that when the SCERS retirement funds were underfunded, the City had an obligation to supplement them. He asked why this couldn't be done in reverse. Assistant City Attorney Carnazzo advised that this was a one-way transaction. Mr. Yee stated that payments needed to be guaranteed to retirees. Mr. Edgar responded that for those who had a defined benefit, the City could buy an annuity. The problem was with those members of SCERS who were still working. Mr. Yee stressed that the City must provide sufficient finances to meet our obligation to those covered by SCERS. Mr. Edgar advised that City Treasurer Friery had worked on that issue. Mr. Yee wanted to keep the funds in an investment

account and use the interest. He indicated the City could out-source the administration of SCERS.

Mr. Edgar advised that the City could only out source the investment portion, the administration costs must be paid by the City. Assistant City Attorney Carnazzo advised that this was addressed in the Charter. The City must pay costs labeled as administrative. Mr. Yee remarked that it might take a Charter Amendment. Mr. Edgar advised that in order to go to the ballot, the issue must have the concurrence of the employee organizations, including the SCERS Board.

Mr. Yee commented that Workers Compensation was another area which could be looked at regarding out-sourcing the whole program. There was a potential \$1 - \$1.2 million in savings if that function were privatized. Mr. Edgar cautioned care in that area because of a provision in the Charter. Mr. Yee responded that he was not suggesting that we do that, just that a possibility was there if needed.

Mayor Serna established with Mr. Edgar that there were currently 500-600 employees still in SCERS. Mr. Edgar advised that those employees could come into PERS, and an annuity be negotiated for SCERS retirees. Deputy City Manager Masuoka advised that when this issue was last discussed, staff was directed to get approval from SCERS members. Mr. Edgar noted that a retiree was no longer an employee, but informally, it was not good to have retirees campaigning against the City. Mr. Cohn suggested re-establishing a working group to consider the issues. Mayor Serna agreed, but with a narrow purpose: just focus on revenue generation for the General Fund.

Council member Steinberg agreed with the Mayor. He felt that there was insufficient time in a City Council meeting to discuss these issues and that a working group was needed. Mr. Steinberg observed that all revenue ideas had potential. The fundamental problem was the system of governmental finance. Mr. Steinberg wanted a separate discussion on legislative strategy. He suggested that perhaps Council could meet jointly with other cities and city councils.

Mayor Serna advised that he had a memorandum for 10 big city mayors, to agendize a constitutional amendment to prohibit the Governor from taking our funds.

Mr. Steinberg felt there was a need to discuss multi-county functional consolidation benefits. He urged a fair balance and distribution of the Cable Franchise Fee which belongs to the General Fund of the City and the County. Mr. Steinberg agreed that the Economic Development department needed to be reinstated and energized.

Mr. Edgar commented that the City might want to take a 5-year strategy as a framework, then return with recommendations. He added that there might need to be a series of focus groups to address each area in question.

Mr. Kerth expressed his approval of the big city mayor idea and urged all City Council members to get together. Mayor Serna agreed, but suggested the meeting be held at the League of California Cities, since they tend to focus on smaller cities. Mayor Serna observed that older cities are having the most problems, since they suffer from urban flight.

Mr. Kerth discussed the flood control issue, saying that SAFCA was formed to address that. He asked if we could charge for flood protection as a utility, adding that the public was beginning to notice the disparity in flood protection: some are paying more for less.

Mr. Edgar suggested that if SAFCA were reduced to the City limits, almost everyone would be in the flood zone area. He commented that SAFCA was trying to build a backbone system and that there was a need for change. Mr. Kerth commented that there was on-going mitigation with environmental work and more work with maintenance. He stated that they needed permanent staff to address these.

Council member Fargo discussed that formation of Ad Hoc groups. She felt it would aid in reaching solutions. She added that very few projects in the CIP budget were in the General Fund, and this would help focus on those that were. Ms. Fargo felt that the real focus needed to be on services vs. facilities. She asked if there were any information that could be applied which was gleaned from Sacramento Decisions? Ms. Masuoka responded that staff had gotten information regarding the balance of services desired by the community. She added that no one program was considered sacred in terms of cuts. There could be a change in the mix of services or how they were carried out.

Mayor Serna commented that the working group method would work, but potential solutions must come to Council with the full agreement of working group members. Mr. Edgar commented that staff needed to know specific details about certain things and suggested considering overlapping groups.

PUBLIC TESTIMONY

Tom Bright expressed approval of the idea of local revenue protection, but commented that remarks about a Federal surplus were not true. He stated that Social Security was raided and now must be made up in other ways. Mr. Bright advised that in Carmel, CA no expansion was allowed. He said that as property "gentrifies", service requirements diminished.

This information was received and filed.

- 11.2 Citywide Sponsorship Program - *CAPITAL SPIRIT*. [continued from 9/1/98, item 4.2] (D-All)
- A. Authorize solicitation of proposals in the Non-alcoholic Beverages and Telecommunications categories under the proposed RFP process.
 - B. Authorize advertising of a notice of opportunity to major companies doing business in Sacramento in primary sponsorship categories.

Deputy City Manager Tom Lee presented the initial part of the report, which provided a status update on the development of *Capital Spirit*, the Citywide Sponsorship Program, and the sponsorship packages for the Non-alcoholic Beverages and Telecommunications categories. Information was also provided on the sponsor solicitation and selection process, as well as a status update on the development of the Convention Center sponsorship package and other major sponsorship categories.

Mayor Serna established with Mr. Lee that the issue before the Council was an RFP. The Mayor commented that a process was being set up and asked why another advisory committee was needed. Mr. Lee advised that some neighborhood groups raised issues. The Mayor commented that if the proposals were addressed on a case-by-case basis, the City Council would not lose control over this issue. He added that it was the City's responsibility to select appropriate names for City buildings.

Council member Waters requested an explanation of the phrase "authorize advertising of a notice of opportunity to major companies doing business in Sacramento in primary sponsorship categories" from the report.

Michelle Nelson, Senior Management Analyst, explained that it sets up what companies would be interested. Mr. Waters requested more detail as to financial considerations. Ms. Nelson advised that sponsorships for the Non-Alcoholic Beverages and Telecommunications packages outlined in the report had been valued at between \$400,000 and \$800,000 per year, depending upon the entitlements sought.

Kevin Bartram, representing The Wilkinson Group, advised that since some City departments already had connections with businesses, staff was asking for departments to hold back on discussions furthering partnerships. He stated that staff further requested communication with them regarding contracts the departments have with long term business relationships.

Mayor Serna asked for clarification of sponsorship and using the company's name on the project.

Ms. Nelson explained that details would need to be worked out for each situation, and could be looked at as part of this program.

Mr. Bartram advised that he would not make a formal presentation and was present to answer any questions Council may have.

Vice Mayor Cohn commented that the Mayor hit the key point, that any amount of money would come to the Council for approval. Mr. Cohn did not want to rename any historic buildings. He asked if community events co-sponsored by the City would be included in the marketing agreement of a soft drink sponsorship.

Mr. Bartram commented that this concerned marketing potential, but not exclusivity. Vice Mayor Cohn asked if events such as "Pops in the Park" might be forced to offer a specific product.

Mr. Bartram stated there would be an incentive for the additional sponsorship but that competition was still there and free to make contract offers.

Council member Waters commented that when he was first introduced to this program a few months ago, he was, and still is, 100% in favor of it, including the signage. He stated that the City Council can still make decisions regarding the naming of buildings.

Mr. Waters asked what would occur if someone already had a contract in place with the City. Ms. Nelson responded that it would remain in place until the contact ran out and then would be folded into the sponsorship program.

Mr. Waters asked whether existing fund-raisers and sponsors would get credit for past support. Ms. Nelson responded that his staff had already met with existing partners and gave them a "heads up." He explained that the sponsorship program brought more value to the City.

Mr. Waters asked about an operations manager with years of experience. Ms. Nelson responded that performance was one of the criteria by which sponsors would be reviewed.

Mr. Bartram advised that a company's history of working with the City would be considered. He stated that there was a balance there, if a company has an existing relationship.

Mr. Waters expressed concerns about moving too fast, including small businesses, controlling the bids, and regulating product prices. He

stressed that he did not want to disregard small companies who had consistently aided the City in the past, nor to take choices away from the community.

Mr. Bartram assured him that pricing would be looked at as part of the offer. He stated that each category would open opportunities for small businesses. In the case of larger categories, larger companies would be encouraged to use small business partners.

Mr. Waters stated that he felt loyalty was owed to companies who had historically been good to the City of Sacramento.

Council member Steinberg urged proceeding with the RFP. He suggested that the Council needed to know what opportunities would be presented to the City. Mr. Steinberg asked if the City would have the option to do business with several companies, or would it be exclusive? Mr. Bartram responded that in some cases, more than one was a possibility, but using competing companies dropped the value. Companies paid extra for the exclusivity. Mr. Steinberg asked if the City were only considering price. Ms. Nelson replied that there were a variety of criteria and staff would be seeking the best overall value, as determined by the City Council.

Council member Pannell commented that there could be the need for several sponsors for the proposed pools in her district. Mr. Bartram stated that there would be a separate deal for that.

Council member Fargo inquired as to what other cities have successfully pursued a similar program. Mr. Bartram advised that Los Angeles County had, for its beaches; Indianapolis, New York and Chicago had for Parks and Recreation; and Vancouver, BC, Ocean City, MD, and Huntington Beach had for a more city-wide basis. Mr. Bartram added that most municipalities have done some of it, but Sacramento was trying to bring it all together to maximize the potential for sponsors.

Ms. Fargo asked why community events such as festivals were not included. Mr. Bartram advised that staff was looking at things the City controls. Including community events would require working with so many groups it would not be feasible. Ms. Fargo asked about snack bars supporting sports facilities. Mr. Bartram replied that that would be profit-sharing. Ms. Fargo suggested the Old Sacramento Management Board and the Arts Consortium and was advised that staff was working with them. Ms. Fargo suggested that another opportunity might be the Olympic Field Trials and major events at the Convention Bureau. It was suggested that the Olympic Trials were too timely, and decisions had to be made.

Mayor Serna advised staff to talk to John McCassey, Executive Director of the Sports Commission. He asked whether the Sports commission shared the profit from scoreboard advertising.

Ms. Fargo asked what the reaction was at the community meetings which were referred to in the report. Ms. Nelson advised that only six people attended the meeting out of the three hundred that were contacted by mail. She said there were some philosophical differences with sponsorship in general, some positive responses, and concerns about not being involved in the decisions.

Mr. Bartram gave a brief overview of concerns expressed and assured that these were responded to. He stated that signs in the parks were a big concern, and that this was not an issue.

Council member Fargo asked if there would be a change in the City's naming rights policy. Ms. Nelson responded negatively. Mr. Bertram assured everyone that special naming would only be in certain special instances.

Mayor Serna stated that it would be foolish to go about re-naming buildings or parks, and established with Mr. Bartram that he was a long time Sacramento resident with a "vested interest."

PUBLIC TESTIMONY

Jon Bergeron, Sacramento resident, did not approve of this proposal, fearing that it would take control of government action away from the voters. He reasoned that if the City Council did not need to get financial approval from the voters, they could get necessary funding from the sponsors.

Ernie Lehr, representing SCAN, stated that contact with the neighborhood residents and efforts to work with them had been ineffective. He emphasized that he wanted to see the Mission and Goals. He wanted to know how the sponsors were to be contacted, and said he would be back before the Council after the SCAN meeting tomorrow.

Bonnie Snyder stated she felt that the approach had some merit, but that the mechanisms and procedures should be in place first, that at this time, it was premature. Ms. Snyder asked whether the City Attorney's office had examined the proposal, and if it would be subject to CEQA review, City review boards, or advisory committees? Ms. Snyder added that no one had consulted the Citizens Advisory Committee. She asked whether any marquees or signs would comply with existing requirements. She reiterated that this may be premature, noting that the contracts were for a term of 5 years.

Ken Adams, Co-Counsel of the Green Party, spoke against the proposal, fearing that State and Federal funds would be lost. Mr. Adams offered to lobby for return of our dollars, so as not to give the money to corporations. Mayor Serna commented that cities did not have a constituency.

Don Babbitts remarked that William Land Park and the Crocker Art Gallery names could not be changed, as they were protected. The RFP identified candidates for renaming which were within parks. Mr. Babbitts noted that some parks were named for sports supporters, and requested that they not be changed. Mr. Babbitts added that naming was a sensitive subject. As to a beverage RFP, he stated that for the parks it was inconsistent with the Charter regarding the prohibition of commercial activity in parks.

Council member Waters clarified that Hank Applequist was a coach. He did not believe that this proposal would infringe on long-time names in the parks.

Council member Yee assured Mr. Babbitts that talks would take place with community groups.

Mr. Babbitts expressed concerns that the City would lose non-profit groups, since this was competition for money. Mr. Yee asked if there were sponsors out there now. Mr. Babbitts said there was competition for the dollars, and that a lot more than just the City was involved.

Mr. Yee asked if sponsorship of Little Leagues would be affected.

Dave Wilkinson, representing The Wilkinson Group, acknowledged that he heard the concerns of the community. He advised that his desire was not to impact those areas in a negative way. Mr. Yee asked whether this was written into the criteria in some way. Mr. Wilkinson commented that sponsorship was becoming a major marketing vehicle, presenting greater opportunities now. Mr. Yee advised that the City Council would hold a hearing and approve of any proposals.

Mayor Serna added that Council would be voting on contracts. The city would not compete with small sponsoring businesses. He added that this was a matter of trust.

Mr. Waters remarked, regarding Land Park's ball diamonds, that this would not affect small group sponsorships.

Luree Stetson, President of the Land Park Community Association, advised that she had met with Mr. Wilkinson and felt there could be more clarity in this RFP and more specificity. Ms. Stetson expressed concern about this, and wanted verbiage in the resolution to narrow it down. Ms. Stetson inquired as to who on the staff would decide regarding the revenues coming in. She stressed that the community did not want visible blight via advertising in the parks. In addition, Ms. Stetson felt that staff was not taking seriously the comments that the community associations were making. She stated that either the process or a lack of creativity was the problem.

Mayor Serna commented that he wanted input from the associations as to how to fix the \$100 million shortfall expected in a few years.

Council member Pannell asked whether, if all park benches needed to be replaced, the community associations would object if names were on them. Mr. Bartram responded that in the report, there were many lists of how to integrate sponsors and that bench markers were one potential instance. Ms. Stetson advised that the association would object. It did not want billboards in the park.

Council member Cohn advised that in District 3, money had been raised in that manner for years. If done in good taste on benches, plaques, and fountains it helped maintain parks. Mr. Cohn suggested that street lights could be acquired in this manner as well, with a sponsorship plaque attached.

Roxanne Miller, Heritage Inc., expressed her trust of the City Council. She referred to the staff report regarding the Sacramento Heritage having contracted the consultant. She felt the proposal was not well defined and expressed concern that no money amounts were reported. She suggested that the City might have revenue sources that should not be under the consultant's umbrella.

Ms. Miller stated her appreciation of the discussion about the fiscal condition of the City. She urged more input from the advisory boards. She recommended that the proposal be delayed because she said the RFP needed more work, that charities and non-profits would be impacted, and local business needed support. She also suggested that Huntington Beach was now a corporation beach rather than a public one.

Council member Hammond did not like the comparison with Huntington Beach. She urged going forward, utilizing the existing committees.

A motion was made by Council member Hammond, seconded by Council member Steinberg, to adopt staff recommendations with an amendment stating that

this motion would not authorize the renaming of existing City parks, Community Centers, historic structures, or City buildings.

A discussion followed regarding the verbiage of the amendment, and concerns about re-naming historic buildings and previously named parks. Concerns were voiced that wording was too broad, that proposals should go to the neighborhoods, and that any contract would still come before the Council.

The motion to adopt Resolution 98-478, as amended, passed with a 9-0 roll call vote.

AMENDED RESOLUTION NO. 98-478

RESOLUTION APPROVING THE SOLICITATION OF PROPOSALS IN THE NON-ALCOHOLIC BEVERAGE AND TELECOMMUNICATION CATEGORIES AND AUTHORIZING ADVERTISEMENT OF A NOTICE OF OPPORTUNITY TO MAJOR COMPANIES DOING BUSINESS IN SACRAMENTO IN PRIMARY SPONSORSHIP CATEGORIES

- 11.3 Waterfront Restaurant Project - Site A. (D-1)
- A. Approve Phase 1 - Driving of Piles in preparation for tenant improvements by a private developer.
 - B. Authorize allocation of Developer Assistance Funds in the amount of \$620,000 to commence pile driving.
 - C. Suspend formal competitive bidding for Phase 1 Construction and authorize City Manager to award construction contract to John F. Otto Construction for \$620,000. [requires two-thirds vote]

Michelle Nelson, Senior Management Analyst, presented the report, which provided an update on restaurant projects proposed for the Old Sacramento waterfront area. To comply with certain permitting restrictions and to expedite construction within the development window for this year, this report recommended that the City act on A-C, above, in advance of negotiated lease to commence pile-driving activity for the restaurant proposed on Site A.

Council member Kerth recalled that the price was much lower when this work was discussed before. Ms. Nelson advised that these were actual bids, whereas the initial figure was only an estimate. Mr. Kerth noted that the original estimate was \$400,000; now the figure was \$800,000. He asked what happens to the project's budget under those circumstances. Ms. Nelson advised that it went up to \$2.2 million.

City Manager Edgar commented that the last time this issue came to the working group, the Council was advised that the bid came in twice what staff had anticipated. Due to other issues in the performa, Council did not want to go that high, and capped the amount at just getting the piles done.

Mr. Kerth asked whether the pad for both restaurants would be on one site. Ms. Nelson explained that this work pertained to only one site, including piles and mitigation required for that one site. Mr. Kerth commented that part of the thinking was that this was our window of opportunity. Only one site was being done now, which was much different than the issue addressed by the working group. It was his understanding that all piles were to go in this year for both restaurants at a cost of \$400,000. Now we were looking at double the cost for only one site, and not to be completed this year.

Ms. Nelson responded that Rio City Cafe was not ready with its plans. Mayor Serna advised that the project was budgeted for this. Ms. Nelson advised that the \$2.2 million was the amount quoted from the beginning. Mr. Kerth argued that the whole deal was to include a two restaurant deal.

Ms. Nelson advised that staff was working to get the deal, so the City would not be subsidizing and would be able to come up with funding. The deputy city manager indicated that he was planning to bond to help with the funding.

Council member Waters asked whether \$1.4 million was the cost of driving piles. Ms. Nelson advised that each site would have approximately the same number of piles. She suggested that the cost of the Rio City Cafe piles would be \$500,000. Mr. Waters established with Ms. Nelson that there would be 46 piles. He asked what guarantee there was that the City would not be stuck with 46 piles sticking up out of the water with no pad. Mayor Serna pointed out that we needed approval from the State and the permit was only good until next August.

Council member Yee advised that the risk was discussed by the Ad Hoc committee. He stated that if the City did not proceed, they might lose the opportunity. Regarding Gordon Biers, Mr. Yee was concerned about the return on our investment. He asked when we will be sure regarding the costs for the platform. Ms. Nelson advised that staff was working now with Gordon Biers.

Council member Fargo inquired as to the funding source for this project. Deputy City Manager Lee advised that the source was Developer Assistance funds. He noted that the City was creating an asset along the river which would attract additional tourists and business. He stressed the market was there.

Ms. Fargo noted that permit approvals were still pending from the Army Corps of Engineers, Reclamation Board and Department of Fish and Game. She asked when these permits would be approved. Ms. Nelson advised that approval was expected by the first part of October.

Ms. Fargo inquired as to where on Garden Highway the staging area was located, and what the plans for traffic mitigation were. Ms. Nelson advised that there was no answer as yet.

David Beverage, with John F. Otto, advised that the staging platform was on a barge, near the Virgin Sturgeon. Ms. Fargo suggested that the developer work with the traffic department regarding access to avoid major congestion.

A motion was made by Council member Fargo, seconded by Council member Cohn, to adopt Resolution 98-479. The motion carried with a 9-0 roll call vote.

RESOLUTION NO. 98-479

RESOLUTION APPROVING PHASE 1 WATERFRONT RESTAURANT IMPROVEMENTS AND AUTHORIZING THE ALLOCATION OF DEVELOPER ASSISTANCE FUNDS TO CIP XXX-XXX-XXXX IN THE AMOUNT OF \$808,034 AND AUTHORIZING THE SUSPENSION OF COMPETITIVE BIDDING AND AWARDED THE CONSTRUCTION CONTRACT TO JOHN F. OTTO CONSTRUCTION COMPANY

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12.0 SHRA

None

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13.0 COUNCIL IDEAS AND QUESTIONS

13.1 Council member Waters requested that the City Manager agendize a discussion for the City Council to discuss Proposition 9 (an energy issue). Many cities were opposing Proposition 9 because it would reduce funding to local governments, would increase the cost of bonds, and cause other negative impacts to city functions.

13.2 Council member Fargo suggested that a rule be established that whenever Council meetings continue past 11:00 p.m., no calls be taken from the public concerning items not on the agenda.

13.3 Council member Fargo suggested that as a dollar-stretching measure, we look at hiring a Volunteer Manager for the City, to deal with overall issues, overseeing the volunteers as to where they may be directed and would prove most useful.

13.4 Council member Pannell inquired as to whether the City had any projects being prepared for the year 2000 Transportation funds that were expected to be available, and if so, were any in her district?

Council member Kerth responded that some projects had been identified, but were not yet ready for funding. He advised that there were none pending in her district.

13.5 Council member Cohn congratulated Lindsay Davenport upon her winning \$700,000 in the U.S. Women's Open tennis tournament. She would return next week at Gold River, he advised.

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

14.1 Carole Blalock addressed the issue surrounding Lt. Pat Dowden of the Police Department, spoke in defense and support of Lt. Dowden and referenced several letters of support which she had received from other concerned citizens.

14.2 Esther Dowden, Lt. Pat Dowden's mother, spoke in support of her son and commented that when potential police recruits observe how the Police Department treated its own seasoned officers, it became difficult to attract new recruits.

14.3 William Langell spoke in support of Lt. Pat Dowden, stating that the Lieutenant was a first-class, hard-working person. He expressed surprise at Chief Venegas' action. Even though policing methods may differ, Mr. Langell felt that good officers should not be "purged".

14.4 Tom Bright spoke in support of Lt. Dowden, citing his experience and wisdom and his value to the Police force and the City.

14.5 Domingo Rodnick commented that he was in the military for 20 years. During that time, it was rare for him to meet people who had won the Silver Star, much less a person such as Lt. Dowden who has won two Silver Stars. Mr. Rodnick felt this treatment of Lt. Dowden would discourage his own son from joining the Police Department.

14.6 Elena Padilla advised Council of a Code Enforcement problem she was having regarding a neighbor's home which was rat-infested and posed a threat to her own safety.

Council member Kerth advised that this was an on-going case. Staff was aware of the problem and was working on it. Mr. Kerth believed it may be a vector problem, a Public Health issue for the County to address.

Mayor Serna referred the issue to the City Manager.

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15.0 **ANNOUNCEMENTS**

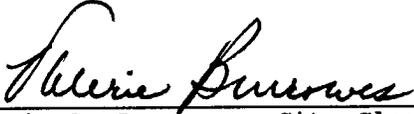
None

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ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 12:00 a.m.

Submitted



Valerie A. Burrowes, City Clerk

Approved



Jimmie R. Yee, Mayor