

MINUTES

OF THE

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

REGULAR MEETING

November 13, 1997

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at 2:05 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

Present: Councilmembers Cohn, Fargo, Kerth, Waters, Pannell, Steinberg, Yee and Mayor Serna

Absent: Councilmember Hammond

1.0 CONSENT CALENDAR (Items 1.1 through 1.11) except Item 1.9

A motion was made by Councilmember Pannell, seconded by Councilmember Fargo, to waive the reading and adopt the Consent Calendar, Items 1.1 through 1.11, except Item 1.9, which was pulled for separate consideration. The motion carried with a 7-0 vote, with Councilmembers Cohn and Hammond being absent.

Public Review Items - Informational Only

None

Sacramento Housing and Redevelopment

None

City Council

- 1.1 Authorize negotiation and leasing of property without competitive bidding for the installation of Wells Fargo Bank automatic teller machines at Meadowview Community Center, located at 2450 Meadowview Road. (requires two-thirds vote) (D-8)

Adopted Resolution 97-630 approving Agreement 97-172.

RESOLUTION NO. 97-630

A RESOLUTION PROVIDING NOTICE OF INTENTION TO LEASE PROPERTY WITHOUT COMPETITIVE BIDDING FOR THE MEADOWVIEW COMMUNITY CENTER LOCATED AT 2450 MEADOWVIEW ROAD, PURSUANT TO TITLE 12, CHAPTER 2 OF THE SACRAMENTO CITY CODE; AND AUTHORIZING THE EXECUTION OF ATM LEASE WITH WELLS FARGO BANK, N.A., A NATIONAL BANKING ASSOCIATION, TO LEASE SPACE AT THE MEADOWVIEW COMMUNITY CENTER TO INSTALL AND OPERATE AUTOMATIC TELLER MACHINES

- 1.2 Approval of Addendum No. 2 to City Agreement No. 92-009, the Pocket Road Landscaping Reimbursement Agreement, for a five year extension; authorize the City Manager to execute the addendum. (D-7)

Adopted staff recommendations.

- 1.3 Memorandum of Understanding between the California State Military Department and City of Sacramento. (D-All)

Adopted Resolution 97-622 approving Agreement 97-173.

RESOLUTION NO. 97-622

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CALIFORNIA STATE MILITARY DEPARTMENT TO PROVIDE SUPPORT AND LOGISTICAL SERVICES TO THE SACRAMENTO POLICE DEPARTMENT

- 1.4 Request to open an application period for the Paratransit, Inc., Board of Directors for the 12-31-97 term expiration scheduled for Kellie Smith. (D-All)

Application period opened; applications due December 5, 1997.

- 1.5 Salary Adjustments for Charter Officers: (D-All)
A. Approving City Manager's report dated November 3, 1997, relating to salary adjustments for certain charter officers.
B. Resolution amending Resolution No. 96-232 relating to salary schedules

Adopted (A) Resolution 97-623 and (B) Resolution 97-624.

RESOLUTION NO. 97-623

A RESOLUTION APPROVING THE CITY MANAGER'S REPORT DATED NOVEMBER 3, 1997, RELATING TO SALARY ADJUSTMENTS FOR CERTAIN CHARTER OFFICERS

RESOLUTION NO. 97-624

A RESOLUTION AMENDING RESOLUTION NO. 96-232 RELATING TO SALARY SCHEDULES

- 1.6 Confirmation of Mayoral nominations to the Sacramento Heritage, Inc. Board of Directors: Incumbents George Branson, Kevin W. Pressey and Carol M. Roland-Nawi (nominated 11-4-97) (D-All)
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Confirmed nominations.

- 1.7 Confirmation of Roberto Borrego, At-Large representative to Youth Commission (nominated 11-4-97) (D-All)
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Confirmed nomination.

- 1.8 Change Order #1 to City Agreement No. 97-068 for Cable bid in the amount of \$25,135.01 for Police Department to move to 900 8th Street. (D-All)
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Adopted Resolution 97-625.

RESOLUTION NO. 97-625

RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY CLERK TO EXECUTE CHANGE ORDER NO.1 TO AGREEMENT NO. 97-068 WITH VALLEY COMMUNICATIONS IN THE AMOUNT OF \$25,135.01.

- 1.9 Proposed Waterfront Hotel. (D-1)
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City Manager Edgar commented that it was staff's understanding that this approach is what the City Council desired: to include both submittals for the hotel; allow the proposers, within a certain period of time, to submit their best and final offers; then staff is to return with its recommendation.

Councilmember Pannell requested that language be amended in the draft presented by staff, with the goal of having a level playing field. Mr. Pannell suggested the following changes:

1. Regarding updates to the submittal, add "hotel developers shall have the opportunity to present their proposals to the Selection Committee prior to making a presentation to the City Council".
2. Regarding "Selection criteria used in the process shall be the same as stated in the RFSI, the additional emphasis on the following criteria: demonstration of economic feasibility". Mr. Pannell requested the addition of these changes in language, and with that indicated he would accept the resolutions.

Mayor Serna inquired as to what the impact would be regarding these changes in language?

Mary Wray, Senior Downtown Development Manager, Downtown Department, agreed to clarify/add language.

A motion was made by Councilmember Pannell, seconded by Councilmember Fargo, to adopt City Resolution 97-626 and Redevelopment Agency Resolution 97-036, as amended.

Councilmember Kerth remarked that this language was not part of the original; he clarified with Mr. Pannell that his intent was for the submittals to be made to those City Council members who are on the Selection Committee. Mr. Pannell reiterated that it was his desire to assure a level playing field.

The motion carried with a 7-0 vote, with Councilmembers Cohn and Hammond being absent.

CITY RESOLUTION NO. 97-626

WATERFRONT HOTEL DEVELOPMENT ESTABLISH
DEADLINE AND UPDATED PROPOSAL SUBMISSION
REQUIREMENTS

REDEVELOPMENT AGENCY RESOLUTION NO. 97-036

WATERFRONT HOTEL DEVELOPMENT ESTABLISH
DEADLINE AND UPDATED PROPOSAL SUBMISSION
REQUIREMENTS

- 1.10 Request to open an application period for the City Planning Commission for the 02-02-98 term expirations scheduled for J. Valencia, L. Myers and J. Yee. (D-All)

Application period opened; applications due December 12, 1997.

- 1.11 Summer Food Service Program - approve participation in the 1998 Summer Food Service Program, amend the FY 1997-98 Budget, and execute agreements with: (D-All)
- A. Elk Grove Unified School District
 - B. Del Paso Heights School District
 - C. Elverta School District

Adopted Resolution 97-627 approving Agreements 97-174, 97-175, and 97-176.

RESOLUTION NO. 97-627

RESOLUTION AUTHORIZING VARIOUS MATTERS
RELATED TO THE 1998 SUMMER FOOD SERVICE
PROGRAM

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2.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

- 2.1 Resolution recognizing Larry Deisler (D-8)

Mayor Serna presented Resolutions to Larry Deisler, Director, Sacramento Job Corps Center, and Christopher Brown, Culinary Arts Instructor, Sacramento Job Corps Center (Item 2.2) at the same time.

During Mr. Deisler's tenure, numerous community services have been performed by Job Corps students, putting their newly-found vocational skills to practice including community and municipal structure renovations; buildings and park facility renovations; restoration of the Upper Beach Lake Wildlife Sanctuary; assisting with public safety projects in depressed neighborhoods; volunteering as big sisters and big brothers to area elementary school children; participating frequently in community area graffiti removal projects.

Mr. Brown has served on numerous boards, been a member of numerous associations, including Board member of the California Capitol Chef's Association; Board member of the Sacramento Chapter of the American Culinary Federation; Faculty member of Food Service Management at American River College; Executive Chef in charge of food and beverage sales at Cal Expo; Chef and consultant at Mayarhofen, Austria's Hotel

Strass Sports Bar & Grill; Head Chef of Courtyard Catering; Assistant Chef of David Berkeley Catering; and Head Chef of the Yolo Fliers Country Club.

Councilmember Pannell applauded Mr. Deisler and Mr. Brown for the positive changes they have brought to the neighborhood. Mr. Pannell advised that Mr. Brown was particularly supportive at the Christmas party for underprivileged children, serving over 400 dinners. Mr. Pannell commented that he appreciated the 5-year association, valuing the friendship of both men.

Larry Deisler, Job Corps Director, accepted the Resolution, remarking that he had approached Mr. Pannell for guidance as to what the Job Corps could do in the community, and found Mr. Pannell to be very helpful.

Chris Brown echoed Mr. Deisler's remarks, acknowledged the support given by staff, and added that "it's all about the kids".

The Mayor commented that the Job Corps does a great job.

City Manager Edgar recalled that it was a real battle originally to site the Job Corps, but all are now agreed that it has proven to be a great asset to the community.

2.2 Resolution recognizing Christopher Brown (D-8)

See Item 2.1, above.

2.3 Presentation of show tickets by Disney characters Mickey and Minnie Mouse for the forthcoming production of "Spirit of Pocahontas"

Stephanie Baker, representing Feld's Entertainment, introduced Mickey and Minnie Mouse from Walt Disney's World on Ice. Mickey and Minnie presented gifts to Councilmembers. Ms. Baker extended an invitation to Council to attend the "Spirit of Pocahontas" show, and advised that 300 free tickets had been distributed for children to attend.

Mayor Serna noted that the tickets were distributed to children of all districts.

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3.0 PUBLIC HEARINGS

None

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4.0 STAFF REPORTS

4.1 Investment report for the quarter ended September 30, 1997 and the month ended September 30, 1997 with a resolution reaffirming the City of Sacramento's Investment Policy and Delegation of Authority to the City Treasurer. (D-All)

Kimberlee Alling, Deputy City Treasurer, Banking and Operations, presented a brief report.

Chapter 783, Statutes of 1995, requires the City Treasurer to render a quarterly investment report to the City Manager, the internal auditor and the City Council within 30 days following the end of each quarter. In addition, Chapter 749, Statutes of 1996, requires the City Treasurer to render a monthly investment transaction report and the City Council to delegate investment authority to the City Treasurer for a one-year period.

Chapter 749, Statutes of 1996 and Chapter 783, Statutes of 1995, were enacted to help avoid a repeat of the December 1994 Orange County investment fiasco which resulted in losses exceeding \$1.7 billion for Orange County and other local government entities. For more detailed information regarding specific investment funds, see staff report.

There was no discussion on this item.

A motion was made by Councilmember Kerth, seconded by Councilmember Yee, to adopt Resolution 97-628. The motion carried with a 7-0 vote, with Councilmembers Cohn and Hammond being absent.

RESOLUTION NO. 97-628

A RESOLUTION REAFFIRMING THE CITY OF
SACRAMENTO'S INVESTMENT POLICY AND THE
DELEGATION OF AUTHORITY TO THE CITY
TREASURER

- 4.2 Resolution opposing proposed June 1998 Ballot Initiative regarding contracting out transportation engineering work by State or local government and related legislation. (Law and Legislation 10/21/97 and 11/04/97) (D-All)

Fran Halbakken, Public Works, Technical Services, presented the report.

The Professional Engineers in California Government (PECG) has sponsored an initiative which would change contracting procedures for architectural, engineering (A/E) and related services. The initiative, which has qualified for the June 1998 statewide ballot, would require the City to submit A/E contracts to the State Controllers Office for a cost analysis comparison of private sector costs and state civil service costs to perform the services. A/E contracts would be affected if the project involves an expenditure of state funds or if the state has any form of ownership or responsibility.

This issue went before Law and Legislation Committee on October 21, 1997 and November 4, 1997. Law and Legislation recommends to City Council approval of the resolution opposing the pending ballot initiative and proposed legislation regarding contracting out for design and engineering services by state or local government. The Law and Legislation Committee supported, in concept, the goals of PECG in limiting the contracting out of engineering work for state government. However, the Committee stated that this initiative could not be supported due to its affect on local entities, such as the City of Sacramento.

Ms. Halbakken referred to page 6 of the staff report, section 3 (b through e), which detail specific areas of concern.

Staff reviewed the initiative language, and the Assembly and Senate Bill language, which raised questions as to how the City would be directly affected. Possible areas that would be impacted are projects which interface with Cal Trans over the next 20 years.

Ms. Halbakken advised that staff believes the Controllers Office would become a project bottleneck; the City would lose control of the project and would have less input into the results. Quality of the end product may suffer, since the initiative requires selection of the low bidder, without any consideration for reputation or experience of the bidder. Staff urged Council to oppose the initiative as written.

Mayor Serna asked if the City would need to go through Cal Trans to do local engineering projects? Ms. Halbakken responded that if the State is involved in a project in any way, or if there is State funding, it would fall under this initiative. It could affect State Gas Tax, ISTEPA funds, and potentially every transportation funding source the City has.

Mayor Serna asked City Attorney Jackson whether City Council could officially take a position on an initiative? Mr. Jackson replied affirmatively, saying the Council could legally take a position pro or con, that there is no distinction between taking a position on an initiative, or State legislation, or proposing action on our own.

Councilmember Steinberg discussed at Law and Legislation Committee to focus as to how the initiative would affect the City. Mr. Steinberg referred to a memo written by Deputy City Attorney Robinson, which concluded that the initiative would not apply to CEQA or Subdivision Map Act review, but arguably would apply to the City's share of the State Gas Tax.

Mr. Steinberg raised the issue of ambiguity; Mr. Robinson opined that the initiative would receive a broad vs. narrow interpretation, which could affect the City in that case. Mr. Steinberg urged advocating a position which would exempt local agencies from the Gas Tax impact by stating clearly that the initiative does not apply to local contracts.

A motion was made by Councilmember Pannell, seconded by Councilmember Yee, to support staff recommendations.

Councilmember Yee noted his understanding that it is all right for the City to take a position regarding the initiative; he urged that this be expanded to include the understanding that no City funds may be expended to support the issue.

City Attorney Jackson cautioned that during the legislative process on this initiative, the City Council could not expend any resources which would in any way influence the vote.

Mr. Yee asked for clarification of the initiative as to what the position would be for projects without state funding; Ms. Halbakken responded by quoting directly from the initiative (see staff report). Staff's interpretation is that the initiative, as written, has a broad definition; she cited the possibility of impact to City projects when, for example, an encroachment may be needed along a state route, etc.

Mr. Yee asked whether the initiative would apply when taking on a private project? Ms. Halbakken replied that anything involving a state buy-off would be affected, such as schools, flood control, etc. Mr. Yee underscored that it would be anything needing review by the state.

Councilmember Kerth questioned the source of Mr. Steinberg's remarks? Mr. Steinberg indicated that a letter from the Taxpayer's Association which sponsored this initiative was sent to Mayor/Council office. Mr. Kerth expressed concern regarding the language of the initiative, believing there was too much leeway as it is written to include our projects. Mr. Robinson interjected that he had also received the letter; his task was to determine ambiguity. Mr. Robinson opined that the initiative is clearly ambiguous.

Councilmember Cohn remarked that regardless of the opinions, the risk is present that the Court could decide that the initiative does apply; the policy concern is that it not apply. Mr. Cohn urged seeking a Legislative Analyst opinion that the initiative does not apply to the City; he desired to add a clause to the resolution to that effect.

Councilmember Pannell preferred not to do that, but indicated his support for sending a separate letter to the Legislative Analyst clearly stating Council's position. Councilmember Yee agreed.

Councilmember Fargo urged that Council action be separated into two issues: 1) to oppose the initiative as written (supporting staff recommendation; 2) seek assurance from the Legislative Analyst that the initiative does not affect the City.

A motion was made by Councilmember Steinberg, seconded by Councilmember Cohn, for the City Attorney and the Chair of Law & Legislation to send a letter to the Legislative Analyst and proponents and opponents of the initiative to add language which clearly states that the "Government Cost Savings and Taxpayers Protection Amendment Initiative" does not apply to local projects.

John Baker, Regional Manager of Kleinfelder, Inc., and 1997-98 President of Consulting Engineers, spoke in opposition of the initiative and for the staff recommendation/resolution. There is now a coalition of 400 opposing companies; Mr. Baker commented that this would be a devastating initiative, which would fundamentally change how public works and engineering projects are done. School projects would particularly be in jeopardy.

Mr. Yee questioned how the cost to the City would be increased by the initiative, asking Mr. Baker to explain. Mr. Baker replied that delays would increase costs, since every project must go through the State Controller's office. Additionally, there would be higher design costs. Mr. Yee questioned Mr. Baker as to whether there would be an unlevel playing field, to which he responded that it was clear that the State's comparison study cost would be an additional direct cost, which would add to the costs of a private contractor.

Mr. Kerth asked Mr. Baker to repeat his name for the initiative: he responded that it was referred to as "The Competition Killer".

Steve Hopcraft, representing Taxpayers for Competitive Bidding, commented that this was clearly "an uphill battle". The California Supreme Court ruled in support of the initiative in May, 1997. Mr. Hopcraft believed that the State Legislative analysis disagrees with City staff's interpretation. He stressed three main points as: 1) competitive bidding; 2) cost comparison analysis; and 3) contractor responsibility. Mr. Hopcraft urged Council not to take action today on this issue.

Mr. Yee pressed for an estimate from Mr. Hopcraft as to what the costs are for the State to do a project; Mr. Hopcraft responded that he was not a State employee; the State Supreme Court ruled in May that if there are cost savings, projects could be contracted out. Mr. Hopcraft noted that Government Code 19.130(a) lays out costs.

The motion to support staff recommendations to adopt Resolution 97-629 carried with an 8-0 vote, with Councilmember Hammond being absent.

RESOLUTION NO. 97-629

RESOLUTION OPPOSING THE CALIFORNIA
GOVERNMENT COST SAVINGS AND TAXPAYER
PROTECTION INITIATIVE AND PENDING
LEGISLATION SB479 AND AB376, AS CURRENTLY
WRITTEN

The motion to clarify and/or amend language to exempt local projects from the "Government Cost Savings and Taxpayer Protection Amendment Initiative" passed with a 7-1 roll call vote, with Councilmember Hammond being absent and Councilmember Yee voting no.

- 4.3 Report back on status of potential Commingled Recycling Program and implementation of variable can rates. (oral report) (D-All)

Reina Schwartz, Manager, Solid Waste, presented a short verbal report.

Various approaches being considered are: 1) implementation of a variable-rate structure; 2) a commingled automatic recycle; 3) co-collection, using a single large split container for the handling of which the collection trucks would be fitted with a baffle; 4) blue-bag collection as an alternative for recyclables. Staff is in the process of completing the financial analysis.

Mayor Serna requested that staff bring back any relevant Workers' Compensation issues, including driver-related workers' comp history. The Mayor established with Ms. Schwartz that the technology is currently available for use of the split single can; he requested a history of how they function when staff returns.

Councilmember Cohn remarked that Sacramento County has already gone to single-container use, and has containerized greenleaf pickup.

Regarding the use of variable-sized cans (30,60,90 gallon sizes), the Council meeting is scheduled for December 16, 1997. Mr. Cohn asked whether the City would have a similar rate split as the County? Ms. Schwartz advised that under Prop 218, rates must be cost-based. Mr. Cohn commented that he did not interpret Prop 218 in that way; he advised Ms. Schwartz to consult the City Attorney, and include that information in the report when staff returns.

Mr. Cohn raised a fourth alternative regarding recycling, an additional can for recyclables, with a truck to have a baffle to accommodate it.

Councilmember Waters expressed concern regarding alternative #2; he asked if the container would be a 90-gallon can with a baffle, having regular waste on one side and recyclables on the other? Mr. Waters' concern was that, should this approach be taken, there would be insufficient room left in the can for regular waste. Mr. Waters asked whether there had been any prior studies to determine the percentage of households which currently completely fill up the 90-gallon containers with regular waste; he requested that that information be included in staff's report back.

Councilmember Kerth discussed Prop 218, as to whether it allows the City to use one group of payers to subsidize another; Mr. Kerth believed that users of smaller cans should pay proportionately less for the service.

For information only; received and filed.

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5.0 SHRA

None

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6.0 CITIZENS ADDRESSING COUNCIL (MATTERS NOT ON AGENDA)

6.1 Steve Thomas advised that he had received a mailer regarding the proposed Meadowview Police Department Substation at 24th Street and Florin Road, and expressed his opposition to having a station at that location.

Mayor Serna advised Mr. Thomas that the issue had been duly noticed and heard. The hearing was now closed.

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7.0 COUNCIL IDEAS AND QUESTIONS

7.1 Councilmember Kerth expressed his pleasure that the North Sacramento School Bond had passed with 67.7% of the vote. Mr. Kerth thanked all of those who had helped and endorsed the measure.

7.2 Councilmember Cohn advised that he had attended a conference in San Francisco this morning concerning California High Speed Rail; this ballot issue will now proceed in the year 2000. Mr. Cohn urged that staff identify where high speed rail would be going, saying that Sacramento needed to be part of the high speed rail system, as well as support CalTrans in transportation planning. Mr. Cohn noted that California will have a leadership position in this.

7.3 Councilmember Fargo commented that the passage of the North Sacramento School Bond would also benefit some schools in District 1, where boundaries overlapped.

7.4 Councilmember Fargo recalled that the City Manager's Office had promised to provide an Economic Development team when the need arose, since the Economic Development Department was disbanded. Ms. Fargo advised that such a need has now arisen in North Natomas, where 100 acres of land adjacent to Arco Arena are being considered for a nine-soccer field complex to be known as "Superfields", which could include a soccer stadium that may be used as well for a national or an Olympic soccer team. Ms. Fargo urged that an Economic Development team be provided to supply direction regarding this project; the team would include legal staff and Planning staff.

City Manager Edgar commented that when the gift of 100 acres was given, the stipulation was that it was to be used for a stadium.

7.5 Mayor Serna discussed the issue of "deadbeat" parents who have reneged on payment of child support. The Mayor advised that he had met with ACES (Association of Children for Support), and learned that 175,000 children in Sacramento, or 80% of those who are owed support, are not receiving it. The amount of back support owed is \$200 million.

The Mayor proposed that an enforcement mechanism be put in place that would ensure that anyone who benefits financially from the City of Sacramento must comply with the regulations concerning payment of child support.

Laura O'Brien, representing ACES, a national child support organization, advised that President Clinton adopted a Federal ordinance addressing this issue in 1995; Chicago, IL adopted a similar policy, along with the states of Arkansas and Kentucky, wherein employees are required to pay child support as a condition of employment. Ms. O'Brien urged Sacramento to become the first city in California to follow suit; she advised that Sacramento County agreed to do this with its employees.

8.0 RECESSED INTO CLOSED SESSION at the hour of 3:40 p.m.

8.1 Pursuant to Government Code Section 54956.9 (b) for matters pertaining to threatened litigation: one potential case

8.2 Pursuant to Government Code Section 54956.9(a) for matters pertaining to pending litigation: State of California and all Political Subdivisions thereof, ex re: Patrick Stull vs. Bank of America etc. et al., San Francisco Superior Court Case No. 968484

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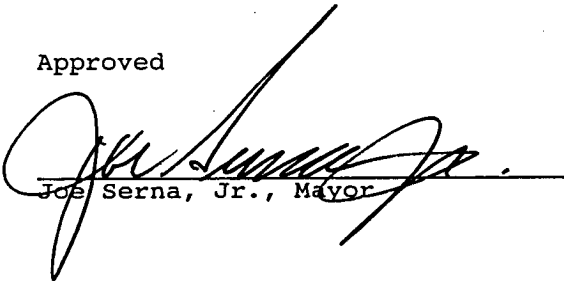
ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at the hour of 4:50 p.m.

Submitted


Valerie A. Burrowes, City Clerk

Approved


Jose Serna, Jr., Mayor