

MINUTES OF THE DAVIS CITY COUNCIL
Meeting of May 17, 2016

The City Council of the City of Davis met in regular session beginning at 6:37 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, California. The meeting was called to order by Mayor Dan Wolk.

Roll Call:

Councilmembers Present: Robb Davis, Lucas Frerichs, Brett Lee, Rochelle Swanson, Dan Wolk

Councilmembers Absent: None

Other Officers Present: City Manager Dirk Brazil, City Attorney Harriet Steiner, City Clerk Zoe Mirabile

Approval of Agenda R. Swanson moved, seconded by L. Frerichs, to approve the agenda. Motion passed unanimously.

City Manager Announcements None

- Public Comments
- The following people spoke regarding regular calendar item—Rental Housing Inspection Program and Mini-Dorms:
 - Tim Barrett, Matthew Stratten, Shelley Bailes, Chris Robins and Rick Grosberg: Concerns regarding single family homes converted to mini dorms; as many as 16 students living in home originally designed as 3 bedrooms; police response needed often; code compliance violations—landlords not fined when violations occur; traffic impacts; impacts neighborhood value. Consider tax for landlords in Davis.
 - Karen Newton and Elizabeth Saft, Oeste Manor Neighborhood Association; Ellen Pontac; Naomi Akumacrier; Jessica Jones; Chris Miller; Francis Andrews; Georgia Savage; Joe Lott; Katherine Vu; Vince Sturla and Mike Gabriel: Support proposed renters ordinance; need basic protections for renters and regulations on landlords.
 - Ron Glick: Consent calendar item—Second Street Safety Improvements: Cars drive very fast on Second Street. Fatal accident occurred, should be traffic light. Recommendations are only “temporary.”
 - Jon Li: General plan update does not include non-mandated elements.
 - Alan Pryor: Natural Resources Commission (NRC) Toxic Subcommittee: City should move toward eliminating use of Roundup for weed control. Active ingredient is a probable human carcinogen. NRC will be sending letter to Council to explore phasing out use.
 - Alan Hirsch: Bicycling, Transportation and Street Safety Commission needs to review Cannery bike connection.

Consent Calendar

Memorandum of Understanding with the Yolo County Veterans Coalition for Use of the Veterans Memorial Center

Approved Resolution No. 16-057 - Authorizing the City Manager to Enter Into a Memorandum of Understanding with the Yolo County Veterans Coalition, for a standard term of two years, with the option to renew for three additional one year terms

Second Reading: Ordinance Adding Section 22.08.115 to Article 22.08 of the Davis Municipal Code Regarding Commercial Vehicle Double-Parking Downtown (Restrict D, G, Second, and Fourth Streets Between 12:00 p.m. and 1:30 p.m.)

Adopted Ordinance No. 2478 – Adding Section 22.08.115 to Article 22.08 of the City of Davis Municipal Code Regarding Commercial Vehicle Double-Parking Downtown

2015/16 Third Quarter Administratively Approved Budget Adjustments Informational

Commission Minutes (action item): Recreation and Park Commission Minutes of March 17, 2016

1. Received Minutes as informational
2. Ratified Commission designation of Travie Westlund as inter-commission liaison to Finance and Budget Commission

Commission/Committee/Task Force Minutes:

1. Bicycling, Transportation, and Street Safety Commission Meeting of February 11, 2016
2. Broadband Advisory Task Force Meeting of March 23, 2016
3. Open Space and Habitat Commission Meeting of April 16, 2016
4. Recreation and Park Commission Meeting of February 18, 2016
5. Finance and Budget Commission Meetings of February 8, March 14 and April 11, 2016

Informational

L. Frerichs moved, seconded by R. Davis, to approve the consent calendar as listed above. Motion passed unanimously.

Removed from Consent Calendar:

Item removed by R. Swanson.

Second Street East of L Street – Near Term Traffic Safety Improvements

Public Works Director Robert Clarke: Proposed improvements are for quick installation. Intend to propose study of longer term improvements in fiscal year 2016-17.

R. Swanson moved, seconded by R. Davis, as follows:

1. Approve staff recommendation to install near term traffic calming improvements on Second Street east of L Street, including all-way stop, flashing beacons, speed boards, and oversized street name signs

and Stop Sign at Second Street/
Cantrill Drive 2. Introduce Ordinance Amending Section 22.07.030 of the Davis Municipal Code Relating to Stop Intersection Designation
Motion passed unanimously.

Appointments to the Personnel Board L. Frerichs moved, seconded by R. Swanson, to appoint Eileen Allen, James Bair and John Meyer as regular members, and to appoint Luis Rios, Jr. as an alternate member.

Assistant City Manager Kelly Stachowicz: Currently no provision for alternate member on Board.

City Attorney Harriet Steiner: Staff can come back with document amending membership of Board to include alternate, appointment is pending modification.

Motion passed unanimously.

Public Hearing: 2016 Weed Abatement – Removal of Weeds/Grasses to Eliminate Potential Fire Hazards Fire Chief Nathan Trauernicht: Hearing is for any property owners who wish to protest the abatement of weeds on their property

D. Wolk opened the public hearing, and after no comments, closed the public hearing.

Public Hearing: Fiscal Year 2016/2017 Proposed Changes to Fees and Charges Finance Administrator Kelly Fletcher: Summarized proposed fees and charges

D. Wolk opened the public hearing, and after no comments, closed the public hearing.

L. Frerichs moved, seconded by R. Swanson, as follows:
1. Approve Resolution No. 16-058 – Approving Changes to Certain Fees and Charges for the Provision of Services by City Departments; and
2. Approve Resolution No. 16-059 – Approving Changes to Certain Fees and Charges for the Provision of Services by the Department of Community Development and Sustainability Planning Division and Public Works Developer Fees

B. Lee: Request mid-year or first quarter update on fees that are not at full cost recovery, specifically resale inspections.

R. Davis: Request staff provide information on any subsidies for fees; community should know what is subsidized and why. When recreation fees return to Council for adoption, request information on full cost recovery.

Motion passed unanimously.

Introduction of the Fiscal Year 2016/2017 Proposed Annual Budget

Budget Manager Kelly Fletcher: Overview of all funds revenue and expenditures, General Fund forecast, and department budgets.

Public comments:

- Matt Williams: Should separate ordinary revenue from extraordinary revenue. After reporting active reserve and budget, should report what is pending in deferred maintenance.
- Ken Wagstaff: Does shifting management of open space from parks to planning represent any policy changes? What is the plan for out years of unfunded retirement and medical liability? How soon does unfunded liability get paid off?
- Alan Hirsch: City has privatized some services, same work but with consultants. Not true comparison on employee staffing levels.

Council comments included:

R. Davis: Request brief explanation of strategy for funding OPEB and PERS. Where does the actuarial report get us in 20 or 30 years? Should move in direction of specifying which activities this fiscal year are linked to Council goals; see how departmental activities align. Request city attorney budget section to summarize cost of litigation by source. Request staff bring back information on possibly fully funding CDBG applicant requests.

L. Frerichs: Consider additional funding to tree planting/replacing. Consider adding to CIP list: downtown public restroom and parking supply/Richards and Olive—consider paving as city lot.

R. Swanson: Request information on revenue projections, specific to type of revenue. Investments—when return to Council, consider revenues that can be made from loans and charge market rate to help with fees. Request information on litigation fees to include which are recoverable and which are not.

B. Lee: Request information on unfunded needs for roads and other infrastructures to be included in charts.

General Fund Reserve Policy Update

Public comments:

- Dan Carson, Finance and Budget Commission: Reserve of 10-15% more than sufficient. Support policy changes. FBC may be taking a second look at \$500,000 contribution to CCE; think there are possibilities to borrow from enterprise funds. Support moving forward with business process engineering.
- Matt Williams: Concerned about delay in paying off OPEB liability. Interest rate assigned in CAFR is 7.25%; should pay entire \$14.65 million as quickly as possible. Should direct staff to take every opportunity to reduce interest expense.

R. Davis moved, seconded by L. Frerichs, as follows:

1. Approve Resolution No. 16-060 - Updating the General Fund Reserve Policy

and Replacing Resolution 06-112. Specific changes include the following:

- a. *Definition* - Define the reserve as a percentage of expenditures, rather than of revenues.
 - b. *Level* - Maintain a 15% General Fund reserve, allocating the excess between 10% and 15% to capital improvement projects for roads/paths, buildings and parks. Reserves that dip below recommended levels should be restored in three budget cycles or fewer. This policy would be reviewed annually with the budget.
 - c. *Uses* - Continue to utilize reserve to fund emergencies and in times of economic certainty, as defined in the existing policy.
 - d. *Use of Excess* - Continue to utilize excess reserve to pay for one-time costs, focusing on unfunded liabilities, capital projects and infrastructure needs.
2. As per the Finance and Budget Commission recommendation, allocate the current excess reserve in the following manner:
 - a. \$2.00 million to offset OPEB liabilities
 - b. \$2.25 million toward capital improvement projects
 - c. \$2.25 million toward facility/park needs
 - d. \$500,000 toward a fund to start process engineering
 - e. \$200,000 toward a fund to providing matches to grant applications
 3. Adjust the Finance and Budget Commission recommendation to include an additional \$1.4 million in FY 16/17 projected excess fund balance above the 15% reserve:
 - a. \$130,000 to facility/park needs
 - b. \$500,000 to Community Choice Energy Project
 - c. \$770,000 toward capital improvement projects

R. Davis: Consider deferring \$500,000 general fund contribution to CCE; would like to discuss as subcommittee (R. Davis/ L. Frerichs), possibly borrow from enterprise funds/follow discussion at FBC.

Motion passed unanimously.

City Council recessed at 9:03 p.m. and reconvened at 9:13 p.m.

Rental Housing
Inspection Pro-
gram and Mini
Dorms

Media & Communications Officer Stacey Winton/Assistant City Manager Mike Webb: Overview of options/recommendations

Public comments:

- Ken Wagstaff; James Criedler; Tim Tutt, Oeste Manor Neighborhood Association; Neil Ruud; Chris Sutter; Nicole Nelson; Alissa Derosa; Hiya Rodsendon; Matthew Lewis, ASUCD Student Housing Commission; Aris Ketting; Conner; Luis Duarte; Greg Rowe; Sean Raycraft; Alan Pryor; Tom Cross; Ron Glick and Matt Williams spoke in support of a rental housing ordinance with inspection component. Comments included: Suggest inspection

program be expanded to multi-family units. Consider increasing penalties to deal with mini dorm issues. Adjust fees if necessary to have robust program.

- Alan Hirsch: Should consider discouraging 5 bedroom/5 bathroom homes, consider CCR restrictions. Consider task force to review all issues, hear concerns of neighborhoods.
- Sue Shan: Need to talk about ways to solve problems. Tried city mediation at one point, non binding. Tenant didn't comply.
- Randy Dodd: Not sure Davis needs inspection program. Have codes, permit process and code enforcement. Code enforcement slow to respond, should start there.
- Kate Boschken, Boschken Properties: Ordinance will not address the issues of code enforcement and absentee owners. Business license fees paid by rentals already go into general fund. Mediation program would be helpful.
- Becky King, King Properties: Would like to see city mediation reinstated. Many of the problems are with absentee landlords. Management companies are faced with owners who refuse to proceed with repairs.
- Andy Wallace, property manager: Don't see how tenant education is possible with budget proposed. Legal advice costs more than the entire proposed budget.
- Steve Boschken, Boschken Properties: Program needs stronger regulations and penalties for mini dorms. Cost should be spread throughout all rental units, not just single family units. UCD should pay for program because they are cause of lack of vacancy. Oppose random inspection.
- Rachel Isko, Sacramento Housing Alliance: Mandatory inspections should include all rental units, both single family and multi-family. Professional property management should be included. Should be a cost to run program, needs to pay for itself or threatens viability of program.
- Orit Kalman, Yolo Conflict Resolution Center: YCRC provides mediation services to city residents.
- Darryl Rutherford, Sacramento Housing Alliance: Need proactive rental housing inspection. Complaint based programs don't work. More stakeholders should be brought into conversation, including Legal Services of Northern California.

L. Frerichs moved, seconded by B. Lee, to direct staff to pursue a Rental Housing Inspection Program and Mini Dorms/Nuisance Ordinance amendment as follows:

1. Renters Resources: Return with an Ordinance implementing a One-Stop Rental Housing Ordinance with an Inspection component
2. Mini Dorms: Return with an amendment to the Nuisance Ordinance incorporating more stringent penalties and fines for property owners and contractors with egregious violations of the building and zoning codes resulting in illegal conversion of homes to multiple bedrooms and/or conversion of non-habitable space (such as garages)

R. Swanson: Should start with pilot program. Consider allocating business license fees for rentals toward this program, consider nexus with fees. Should be

equitable across all rentals, not just single family. Need 6-month and 1-year check-in. Support steeper penalties. Need timely responses by code enforcement. Model lease—change date for early renewal, consider April 1.

B. Lee: Next step is for Council to work with UCD on funding. Support 6-month and 1-year check-in.

L. Frerichs: Legal Services of Northern California—willing to help with process. Need to step up code enforcement activities, allocate adequate funding.

R. Davis: Would like to see options for funding when return to Council. Are we paying enough for mediation? Are we sampling enough? How much do we need to sample to identify problem landlords within 3 years? Web based information should include GIS layer about who problem landlords are. Should consider outsourcing inspections. Would like to hear information about experiences with rent control.

Motion passed unanimously.

City Council recessed at 11:03 p.m. and reconvened at 11:10 pm.

City Council
Brief Commu-
nications

R. Swanson: Attended American Leadership Forum

Long Range
Calendar

D. Brazil: May 24—water capacity charge moved to June 14.

B. Lee: Fifth Street redesign—raised medians. Request staff to return with status update.

B. Lee: Enforcement of green waste in bikepaths. Consider second stripe. Need to actively enforce.

Adjournment

Meeting was adjourned at 11:15 p.m.

Zoe S. Mirabile
City Clerk