

MINUTES OF THE DAVIS CITY COUNCIL
Meeting of October 20, 2009

The City Council of the City of Davis met in regular session beginning at 6:30 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, California. The meeting was called to order by Mayor Asmundson.

Roll Call: Councilmembers Present: Ruth Asmundson, Sue Greenwald, Lamar Heystek, Don Saylor, Stephen Souza

Councilmembers Absent: None

Other Officers Present: City Manager Bill Emlen, City Attorney Harriet Steiner, City Clerk Zoe Mirabile

Approval of Agenda D. Saylor moved, seconded by S. Souza, to approve the agenda. Motion passed unanimously.

Ceremonial Presentations Mayor Asmundson presented the following:
1. Proclamation in Recognition of Conflict Resolution Week, October 25-31
2. Proclamation in Support of the World March for Peace and Nonviolence
3. Proclamation in Recognition of 350 Davis: Climate Action Day

Public Comments Jean Miller requested Council consider establishing a policy for staff regarding conflicts of interest or apparent conflicts of interest; conflicts do not apply to personal relationships and city should have a policy addressing any appearance of favoritism.

Consent Calendar Resolution No. 09-173 - Approving and Authorizing the City Manager to Sign Second Amendment to the Subdivision Agreement for Zelkova Court, Subdivision No. 4569
Approved

Budget Adjustments #204-FY08/09 (-\$31,719,309) and #001-FY09-10 (\$31,719,309) – Re-appropriation of Unencumbered Appropriations from Fiscal Year 2008/09 to 2009/10 for Specific Projects in Support of Departmental Programs and Incomplete Capital Improvement Projects
Approved

Fiscal Year 2009/10 Final Budget Adjustments/Corrections/Transfers – Ordinance Amending the Budget of the City of Davis for the Fiscal Year 2009-2010, Providing for the Post-Auditing of Paid Demands Certified or Approved as Conforming to Such Approved Budget and Determining the Appropriations Limit of the City of Davis Pursuant to Article XIII-B of the State Constitution
Introduced

Mace Parke Project- 2990 Fifth Street / Community Housing Opportunities Corporation (CHOC)

Extended the construction start deadline of the project from November 1, 2009 to November 11, 2009, allowing time for staff to conclude review of financial information recently submitted by the project and for additional progress on the final map

2009/10 Council Goals Update

Informational

Fiscal Year 2009/10 First Calendar Quarter Administratively Approved Budget Adjustments

Informational

Senior Commission Minutes from the Meeting of September 10, 2009

Informational

S. Souza moved, seconded by L. Heystek, to approve the consent calendar as listed above. Motion passed unanimously.

Removed from Consent Calendar:

Item removed by R. Asmundson.

Resolution Authorizing Creation of the Position of Honorary Poet Laureate

D. Saylor moved, seconded by L. Heystek, to approve Resolution No. 09-174 - Authorizing Creation of the Position of Honorary Poet Laureate for the City of Davis. Motion passed by the following vote:

AYES: Greenwald, Heystek, Saylor, Souza

NOES: Asmundson

City Council recessed at 8:52 p.m. and reconvened at 9:01 p.m.

Fiscal Year 2009/10 Annual Budget Update

Assistant City Manger Paul Navazio provided an update of preliminary (un-audited) fiscal year 2008-09 year-end results, budget assumptions and contingencies and State budget impacts.

L. Heystek submitted a document for Council and staff consideration titled Options for Enterprise Fund Cost Savings. City Manager Bill Emlen stated it will be included with review of Public Works Department operations.

Resolution No. 09-175 - Approving a Purchase and Sale Agreement Regarding Proposition 1A Receivables from the

Budget Manager Kelly Fletcher explained securitization of the State's borrowing of Proposition 1A funds will ensure full payment of the 2009/10 property tax revenues in two installments: January 15, 2010 and May 3, 2010.

D. Saylor moved, seconded by S. Souza, to approve proceeding with Prop 1A securitization program and Resolution No. 09-175 - Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Related Documents with Respect to the Sale of the Seller's Proposition 1A Re-

State	ceivable from the State, and Directing and Authorizing Certain Other Actions in Connection Therewith. Motion passed unanimously.
Brief Communi- cations	<p>L. Heystek attended a Youth Advisory Task Force consisting of 5 students and various community members.</p> <p>D. Saylor attended the first meeting of the Joint Powers Authority (JPA). Chair for the first year is Bill Marble, Vice Chair is Stephen Souza.</p>
Long Range Cal- endar	<p>R. Asmundson requested Council agendize for November 17 a follow-up discussion on freeway sign options.</p> <p>R. Asmundson requested Council agendize discussion of a water conservation plan before the end of the year.</p> <p>R. Asmundson requested Council agendize incentives regarding elimination and/or fee for plastic bags.</p>
Closed Session	<p>City Council adjourned to closed session for a Conference with Labor Negotiators pursuant to Government Code §54954.5:</p> <p>Agency Designated Representatives: City Manager Bill Emlen, Assistant City Manager Paul Navazio, Human Resources Administrator Melissa Chaney, City Attorney Harriet Steiner</p> <p>Employee Groups/Organizations: Davis City Employees Association; Davis Police Officers Association; Department Heads; Executive and General Management; Firefighters Local 3494; Police Lieutenants; Program, Administrative and Support Employees Association</p> <p>There was no reportable action.</p>
Adjournment	The meeting adjourned at 11:47 p.m.

Zoe S. Mirabile, CMC
City Clerk

MINUTES OF THE DAVIS REDEVELOPMENT AGENCY
Meeting of October 20, 2009

The Redevelopment Agency Board of the City of Davis met in regular and special session beginning at 5:15 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, California. The meeting was called to order by Board Chair Asmundson.

Roll Call: Board Members Present: Ruth Asmundson Sue Greenwald, Lamar Heystek, Don Saylor, Stephen Souza

Board Members Absent: None

Other Officers Present: City Manager Bill Emlen, City Attorney Harriet Steiner, Agency Clerk Zoe Mirabile

Approval of Special Meeting Agenda Agenda approved by consensus.

Public Comment None

Closed Session Redevelopment Agency Board convened a closed session pursuant to Government Code §54954.5 for a Conference with Legal Counsel – Anticipated Litigation. Initiation of litigation pursuant to subdivision (c) of Government Code §54956.9: one case

Board returned to open session at 6:30 p.m. City Attorney Harriet Steiner reported the Board met in closed session on potential litigation in light of the loan to Davis Area Cooperative Housing; the Agency holds the first deed of trust which secured the loan for the acquisition of units. The Agency authorized its attorneys to take any authorized action under the Agency’s loan agreement and applicable law to safeguard the Agency’s loan in light of the current default by DACHA. This may include initiation of foreclosure proceedings or other appropriate action.

Approval of Agenda D. Saylor moved, seconded by S. Souza to approve the regular agenda. Motion passed unanimously.

Public Comments None

Consent Calendar Budget Adjustments #204-FY08/09 (-\$31,719,309) and #001-FY09-10 (\$31,719,309) – Re-appropriation of Unencumbered Appropriations from Fiscal Year 2008/09 to 2009/10 for Specific Projects in Support of Departmental Programs and Incomplete Capital Improvement Projects
Approved

Fiscal Year 2009/10 Final Budget Adjustments/Corrections/Transfers – Ordinance Amending the Budget of the City of Davis for the Fiscal Year 2009-2010, Providing for the Post-Auditing of Paid Demands Certified or Approved as Conforming to Such Approved Budget and Determining the Appropriations Limit of the City of Davis Pursuant to Article XIII-B of the State Constitution
Introduced

Mace Parke Project- 2990 Fifth Street / Community Housing Opportunities Corporation (CHOC)

Extended the construction start deadline of the project from November 1, 2009 to November 11, 2009, allowing time for staff to conclude review of financial information recently submitted by the project and for additional progress on the final map

S. Souza moved, seconded by L. Heystek, to approve the consent calendar as listed above. Motion passed unanimously.

Davis Area Cooperative Housing Association (DACHA) Update and Request for Use of Agency-Held Reserves

City Manger Bill Emlen explained DACHA is a 20-unit limited equity cooperative and the Agency currently holds all of DACHA's secured debt as a result of the refinance completed in 2008 to stabilize the organization and its affordable housing units.

City Attorney Harriet Steiner provided information on the refinance and explained all members were brought current and with the same share price going forward.

Danielle Foster explained DACHA had submitted a request for use of reserve funds, said request has been withdrawn.

H. Steiner reported DACHA is in default regarding their payment to the Agency and it is not appropriate to release reserve funds.

Martin Steiner, DACHA legal counsel, stated the goal is to help DACHA continue as a limited equity coop; questioned how DACHA should be reorganized to satisfy all parties. Outlined status of current litigation proceedings with Neighborhood Partners and Twin Pines Cooperative Foundation.

David Thompson and Luke Watkins, Neighborhood Partners, stated staff has not addressed key legal and financial issues; city should make DACHA members repay share stabilization, revoke loan and promissory note, and conduct an independent investigation; and questioned the results of a 2006 audit.

David Greenwald requested a third party review, city has obligation to make sure that nothing the city has done has put a group of affordable housing residents at legal liability; requested determination about legality of all actions.

L. Heystek moved, seconded by D. Saylor, to begin external review, perhaps with Attorney General's Office, of the City's and Agency's policies and actions regarding DACHA.

D. Saylor proposed friendly amendment to withdraw reference to Attorney General's Office. Accepted by mover and second. Motion failed by the following vote:

AYES: Heystek, Saylor

NOES: Greenwald, Souza, Asmundson

Adjournment The meeting was adjourned at 11:47 p.m.

Zoe S. Mirabile, CMC
City Clerk