The City Council of the City of Davis met in special session beginning at 5:30 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, California. The meeting was called to order by Mayor Krovoza.

Roll Call: Councilmembers Present: Sue Greenwald, Joe Krovoza, Stephen Souza, Rochelle Swanson, Dan Wolk

Councilmembers Absent: None

Other Officers Present: Interim City Manager Paul Navazio, City Attorney Harriet Steiner, City Clerk Zoe Mirabile

Closed Session
City Council convened a closed session pursuant to Government Code §54954.5 to discuss the following:
A. Public Employment: City Manager.
B. Conference with Real Property Negotiators.
   Property: 4120 Chiles Road, APN 069-070-031
   Agency negotiator: City Attorney Harriet Steiner and Director of Community Development and Sustainability Ken Hiatt
   Negotiating parties: Hiten Suraj for Shri Kuber, LLC
   Under negotiation: Price and terms of payment
   Negotiating parties: Kevin and Shar Katz for KTZ Inc.
   Under negotiation: Price and terms of payment

City Council returned to open session at 6:36 p.m. and Mayor Krovoza announced there was no reportable action.

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

Brief Communications
P. Navazio: Series of community meetings regarding the proposed utility rates have been scheduled over the next 6-8 weeks.

S. Greenwald: Attended a meeting of the Yolo County Transportation District wherein discussion included the reserve. Suggested the City Manager review the District’s reserve policy.

D. Wolk: Attended a meeting of the Capital Corridor Joint Power Authority. CCJPA voted to oppose the city’s efforts to build an at RR grade crossing at the Depot.
P. Navazio: Staff is in the process of scheduling a Council goal setting retreat, tentative date second week in July.

Public Comment

- Dave Rosenberg: Davis Oddfellows unanimously favors sponsoring the Breakfast with the Bunny program as a potential way for city to save money; previously took over Breakfast with Santa from Davis Downtown Business Association.
- Hamza el-Nakhal, Elizabeth Sherwin and Sandy Hollman spoke in opposition to proposed funding reductions to the International House. Comments included: community involved in international affairs, programs represent diversity of community, and other funding sources are drying up.
- Bill Streng: Possible repercussions to development of Cannery Park project, especially traffic impacts; consider joint planning of future developments that have adjacent property lines.
- Wes Irvin, Yolo County Visitors Bureau: Oppose proposed funding reduction to YCVB; important component of Davis’ economic development goals.
- Don Fouts: Housing needs--sites should have lots large enough to accommodate master suites on bottom floor, consider all housing needs not just densification.
- David Thompson: Supports limited equity co-op housing.

Principal Planner Bob Wolcott presented information on housing needs groups identified by staff such as workforce and special needs, and gaps in the range of housing types currently available and projected to be built in the next few years.

D. Wolk moved, seconded by R. Swanson, as follows:
1. Direct staff to continue to implement existing policies regarding the provision for housing needs and the mix of housing types, including but not limited to: General Plan; General Plan interpretations incorporated by reference in the General Plan; Housing Resolution as amended; Council Goals for 2010-2012; Guidelines for Housing that Serves Seniors and Persons with Disabilities; and the Affordable Housing Goals and Action Steps for 2011-2012
2. Approve Resolution No. 11-077 – Approving an EIR Addendum and to Direct City Staff to Implement, with Modifications, the Recommendations of the General Plan/Housing Element Steering Committee (amending Resolution No. 08-158 previously adopted by City Council on November 5, 2008), as amended to include universal design as a goal in resolution. Motion passed unanimously.

City Council recessed at 8:01 p.m. and reconvened at 8:13 p.m.

Senior Civil Engineer Michael Mitchell presented an overview of the proposed Capital Improvement Projects Budget and Community Development Administrator Katherine Hess presented the Redevelopment Agency Budget. Interim
City Manager Paul Navazio summarized updated Tier 1 and Tier reduction proposals based on Council feedback from the May 31, 2011 budget workshop.

Public Comments:

- Christopher Robb: Question the cost benefit analysis of proposed street improvements on Third Street.
- Rich Rifkin: Suggest Council negotiate moving labor contracts to total comp method and reduce staffing levels on fire engines to 3 instead of 4.
- David Greenwald: Oppose proposed tiered reduction approach, last few budget cycles have cut every year; need systemic approach; factor future pension and health care costs; need to look at priorities; find $1-2 million in cuts to fund unmet needs in out-years; propose cutting 10% across the board for salaries.
- Stu Kahn: Oppose proposed closure of Community Pool; impact larger than Council may be aware; unique aquatic community; 5 swim groups in town, 1,700 people swim in one of these programs; suggest postponing decision for 1 year; want to work with staff to help reduce costs.
- Alan Humason: Yolo County Visitors Bureau provides visibility for Davis—outreach to magazines, newspapers, TV & radio stations; want to expand outreach effort to 100 miles surrounding Davis; large return on investment; 13% of entire budget for whole year is proposed for reduction.
- Jamie Wright: Oppose closure of Community Pool; only 2 public pools can serve legitimate swim meets & water polo—Arroyo & Community.

J. Krovoza moved, seconded by R. Swanson, as follows:

1. Restore transportation funding to $1 million level (currently $150,000 projected allocation from general fund, increase by $850,000)
2. Allocate $500,000 funding in anticipation of potential CalPERS rate increases to be effective fiscal year 2012/13 (represents the cost of half of a potential .25 percent decrease in CalPERS pension fund annual rate of investment return, currently 7.75 percent)
3. Assume Tier 1 and 2 cuts, with exceptions proposed by Council at May 31 budget workshop
4. Direct staff to return to Council by the end of the first quarter of next fiscal year (September 30, 2011) with $2.5 million in personnel savings

J. Krovoza clarified that the motion applies to general fund.

P Navazio stated the budget workshop on May 31 did not include specific direction to staff in the form of motions. Staff compiled a general sense of individual Councilmember comments related to possible amendments to proposed Tier 1 and 2 reductions, namely, restore funding to the (1) ombudsman position, (2) recreation programming related to youth programs, and (3) public safety reductions. Requested clarification on scope of restoration that Council would like to see.
J. Krovoza requested staff return to Council with specific proposals to consider.

S. Souza proposed adding a timeline to discuss the budget process with the community, specifically regarding priorities for funding. Accepted by mover and second.

R. Swanson proposed a friendly amendment that half of the proposed reductions shall return to Council for adoption by September 30, with the other half to return with adoption of the 2012/13 budget. This takes into consideration that organizational studies are currently underway for the Public Works and Fire Departments that may recommend proposals to help contribute to the required reductions.

R. Swanson clarified friendly amendment: $2.5 million in personnel savings shall be attributed to the fiscal year 2011/12 budget with identified reduction proposals by September 30. Council anticipates that a two-year budget will be adopted by the end of December 2011. Accepted by mover.

S. Greenwald proposed additional friendly amendment that staff will provide information on the full cost to the city of a potential .25 percent decrease in CalPERS pension fund annual rate of investment return. Accepted by mover and second.

J. Krovoza clarified that $1 million shall be allocated from general fund for transportation funding in addition to the proposed $200,000 from roadway impact fees.

Motion passed unanimously.

Long Range Calendar

S. Greenwald requested Council agendize discussion of pursuing the city’s interest in gaining the most flexibility regarding the City’s Waste Water Discharge Permit requirements pertaining to salinity. Council concurred.

Adjournment

The meeting was adjourned at 10:55 p.m.

Zoe S. Mirabile, CMC
City Clerk