

MINUTES OF THE DAVIS CITY COUNCIL
Meeting of June 28, 2011

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:

1. Public Employment: City Manager
2. Conference with Legal Counsel – Existing Litigation:
 - A. Lewis v. Russell, Federal District Court Civ.S – 032646 WBSKJM
 - B. Citizens Alliance for Regional Environmental Sustainability v. County of Yolo, et al., Yolo County Superior Court Case No. PT11-200

City Council returned to open session at 6:50 p.m. Mayor Krovoza announced the following:

- Lewis v. Russell: Council did not consider in closed session
- Citizens Alliance for Regional Environmental Sustainability v. County of Yolo: Council voted unanimously to authorize City Attorney to dismiss City of Davis from lawsuit

Approval of Agenda S. Souza moved, seconded by R. Swanson, to approve the agenda amended as follows:

- Remove consent calendar item from the agenda: Waste Water Discharge Permit Salinity Requirements
- Defer regular calendar item to July 5: Comprehensive Economic Development Strategy (CEDS) - Working Draft Prepared by the Business and Economic Development Commission
- Move regular calendar item to immediately following approval of agenda: City/Redevelopment Agency Public Works Agreement

Motion passed unanimously.

City / Redevelopment Agency Public Works Agreement Community Development Administrator Katherine Hess: Previous agreement and 1st amendment transferred funds from the Redevelopment Agency to the City and identified key projects; proposed 2nd amendment provides for additional transfer of bond issuance and assignment of rights and disbursement of bond proceeds.

R. Swanson moved, seconded by S. Greenwald, as follows:

1. Approve Resolution No. 11-085 - Approving and Authorizing the Execution of an Assignment of Rights to Disbursement of Bond Funds By and Between the City of Davis and the Redevelopment Agency of the City of Davis
2. Approve Resolution No. 11-086 - Approving and Authorizing the Execution of a Second Amendment to Public Works Agreement By and Between the City of Davis and the Redevelopment Agency of the City of Davis for the Funding of Services and Projects Within the Davis Redevelopment Project

Motion passed unanimously.

Brief Commu-
nications

P. Navazio: 4th of July celebration will be held in Community Park. Continuing series of public meetings regarding utility rates—next meeting will be held July 30 at the Tandem Properties meeting room in north Davis.

City Attorney Harriet Steiner: Will be on vacation June 29 through July 21. Acting City Attorney will be Kara Ueda.

R. Swanson: Peripheral Innovation Task Force traveled to outside jurisdictions to view best practices regarding business parks. Swanson and Krovoza participated as members of Task Force.

S. Greenwald: Requested staff to organize trips for remainder of Council to participate in same activities.

J. Krovoza: Task Force is interested in broadening outreach to other Councilmembers, UCD faculty, etc. Will schedule future trips as needed.

Long Range
Calendar

P. Navazio: Comprehensive Economic Development Strategy will be agendized for July 5. Still trying to finalize Council retreat dates with the intent of scheduling before Summer recess.

S. Souza: Request Council agendize discussion of mailing of a protest form relating to proposed utility rates. See City of San Diego for example of protest form mailed with Prop 218 notice.

P. Navazio: Discussion regarding pros and cons can be agendized for July 5; staff will need additional time to develop protest form.

S. Souza moved, seconded by S. Greenwald, to agendize discussion regarding protest form on July 5. Motion passed unanimously.

J. Krovoza: Suggest Council retreat be held on July 12. Is that doable by staff? Retreat during day or evening?

P. Navazio: Staff preparation depends on scope. Currently planning on a 6

month check in, review of existing goals, and discussion of input received at joint Council/Commission discussions. If Council wants to expand scope, staff will need additional preparation time.

J. Krovoza: Suggest deferring retreat to allow for additional preparation time. Want room to expand scope, but should be held before Summer recess. Will defer to Council. D. Wolk, S. Souza and R. Swanson support deferring as needed.

Public Comment

Mayor Krovoza announced public comments will be heard during discussion of agenda items.

Consent

Agreement with First 5 Yolo to Administer the Childcare Quality Enhancement Program for Fiscal Years 2011-2014
Approved Resolution No. 11-087 - Authorizing the Interim City Manager to Enter into an Agreement with First Five Yolo

Continuation of the Foster Youth Transitional Housing Plus Program
Approved Resolution No. 11-088 - Authorizing the Necessary Contracts and Other Program Documents with the County of Yolo and Davis Community Meals to Continue Operation of the Foster Youth Transitional Housing Plus Program

California Department of Education Funding for FY2011-12 Child Development Services
Approved Resolution No. 11-089 - Authorizing the Interim City Manager to Enter into Contract with the California Department of Education, Related to the Administration of Yolo County Child Development Services

Allocation of California Department of Education Grant Funding to Stage 2 Child Care Subsidy Programs
Approved Budget Adjustment #117 (\$115,000)

Design of Mace Ranch Park Passive Recreation Area

1. Approved Budget Adjustment #118 (\$14,600) - Initial design and construction documents for the Mace Ranch passive recreation area
2. Approved Resolution No. 11-090 - Authorizing the Interim City Manager to Execute the Work Agreement with Michael P Scheele, Landscape Architect

Federal 2011 Byrne Justice Assistance Grant (JAG)

Approved Resolution No. 11-091 - Authorizing the Interlocal Agreement Between the City of Davis and the County of Yolo to Reallocate the 2011 Byrne JAG Toward the Continuation of the Yolo Narcotics Team Unit Administered by the Yolo County District Attorney

Projects for the Sacramento Area Council of Governments (SACOG) 2011-

2012 Biennial Transportation Funding Round

Authorized staff to submit grant applications to SACOG programs for the following projects:

1. Bicycle and Pedestrian program:
 - A. Drexel Bike Boulevard with H Street tunnel improvements (at highest funding level)
 - B. Reconstruction railroad crossings at Fourth Street and Eighth Street
2. Community Design program: Third Street improvements from A Street to B Street

Summary of Davis Business Walk Event and Follow-up Business Retention and Outreach Tasks

Informational

Committee/Board Minutes:

1. City of Davis/Chamber of Commerce 2x2 Committee Meetings of December 16, 2010 and January 27, February 17 and April 21, 2011
2. City of Davis/County of Yolo 2x2 Committee Meeting of December 3, 2010
3. Woodland-Davis Clean Water Agency Board Meeting of April 21 and May 3, 2011

Informational

D. Wolk moved, seconded by S. Souza, to approve consent calendar as listed above. Motion passed unanimously.

Removed from Consent:

Item removed by R. Swanson.

Commitment of Revenues Deposited to Certain Special Revenue Funds

Interim City Manager Paul Navazio: City has special revenue funds wherein funds are collected for specific purposes; Governmental Accounting Standards Board established a new accounting requirement that necessitates the legislative body modify the classification of such funds and designate said specific purposes.

R. Swanson moved, seconded by S. Greenwald, to Approve Resolution No. 11-092 - Committing Certain City Revenues to Specific Purposes. Motion passed unanimously.

Response to Grand Jury Report

Item removed by S. Greenwald.

S. Greenwald: Request authority to make small changes to response

City Attorney Harriet Steiner: Grand Jury made a series of findings; practice is to only address those findings that Council has questions or concerns with, not address point by point.

S. Greenwald moved, seconded by J. Krovoza, to approve the Grand Jury re-

sponse letter, subject to minor changes based on Councilmember suggestions, with final approval authority designated to City Attorney; any substantial changes to the content of letter shall be brought to Council on July 19. Motion passed unanimously.

Livestrong
Challenge
Event Update

Item removed by R. Swanson.

Deputy City Manager Kelly Stachowicz: Event will be held on July 9 and 10 in Central Park, 1 of 3 events happening nationwide; expect approximately 1,500 cyclists, variety of skill levels; B Street will be closed for weekend; additional disruptions in Central Park after Farmers Market.

By consensus, Council accepted as informational.

Approval of Final Budget Balancing Plan for Fiscal Year 2011/12

Interim City Manager Paul Navazio: Presented amended budget balancing plan.

Public Comments:

Adrienne Henning; Sandy Dietrich; Lisa Buckman; Robin Wang; Ann Marquez; Michael Morrissey; Sherry Kolb; Jeff York, Davis Police Officers Association (DPOA); Matt Muller, Employee and Program, Administration and Support Employees Association (PASEA); and David Owen, Davis City Employee Association (DCEA) spoke regarding proposed reductions. Comments included:

- If staff reduced, services and programs will also be reduced
- Concerned Council is moving too fast and cuts are too deep, service levels will be reduced significantly
- Many positions that will be eliminated have absorbed duties from previous eliminated positions; how long can city continue to be run safely, effectively and efficiently?
- Reserve fund shouldn't be spent on routine operating expenses, yet doesn't need to built back up in a single year during hard times; consider increasing reserve during good economic times
- High quality services are provided to citizens; further cuts would make David mediocre

Kurt Austin, John Johnson, Barbara Johns, Rob Watson, John Provost and Karen Huttsonbase spoke regarding chip seal. Comments included:

- Paving from last fall is already failing, layer appears to be melting, rough texture, bad aesthetics, hampers bike riding, roller skating, and puddles form in depressed spots
- Would like assurance that money for replacement of chip seal is included in budget
- Support 5-year plan to replacement pavement
- Paving schedule should be well publicized so that citizens are encouraged to provide input

Will Arnold, Sunset Rotary Club: Interested in taking over the Movies in the Park program should it be removed from city budget. Club is eager to see this community event continue.

Tier 1 Budget-Balancing Measures

R. Swanson moved, seconded by D. Wolk, to restore funding to the Police Department for 2 police records specialists and 1 police officer position at this time; should COPS funding not be provided, staff will return to Council with proposals. Motion passed unanimously.

D. Wolk requested restoration of \$15,000 funding to recreation programs for children.

D. Wolk moved, seconded by J. Krovoza, to restore \$15,000 funding to recreation programs for children (reduce reduction proposed from \$21,000 to \$6,000).

P. Navazio: Community Services will still reduce gymnastics and dance programming and eliminate Breakfast with the Bunny, Spring Parade, Movies in the Park, and Bark n Splash events. Approximately \$81,000 in Tier 1 reductions is needed to close gap in structural budget. Any changes proposed by Council will utilize this funding.

Motion passed unanimously.

R. Swanson moved, seconded by J. Krovoza, to move forward with Tier 1 reductions with modifications made by Council above. Motion passed unanimously.

Tier 2 Budget-Balancing Measures

S. Greenwald moved, seconded by S. Souza, to direct staff to return to Council by September 30 with alternatives as specific as possible, given the labor negotiation process, of how to achieve \$2.5 million in savings by July 1, 2012, with a detailed statement of the effects and pros/cons of various options with regard to the organization, employees and citizens.

S. Souza requested the motion include collaboration with community as a whole. Accepted by mover.

P. Navazio: Tier 2 reductions proposed in response to Council's desire for budget flexibility to reallocate funding to unfunded needs. Before Council takes action on Tier 2, would like to clarify activities related to pool closure. Amended recommendation is to keep Community Pool open thru November; pool will be closed next Spring.

Community Services Director Elvia Garcia-Ayala: Working with Aquatic Council. Draft schedules for 3 pool scenario, met most needs of aquatic groups. Need to look at long term solution regarding Community Pool Complex; staff is not in a position now to make recommendations without fully discussing all pros/cons regarding operating costs. Accelerating Master Plan process; will return to Council in Fall.

R. Swanson moved substitute motion, seconded by J. Krovoza, to adopt Tier 2 reductions and supplemental funding recommendations. Motion passed by the following vote:

AYES: Greenwald, Swanson, Wolk, Krovoza

NOES: Souza

Additional General Fund Budget Reductions

P. Navazio: Council directed staff to provide \$2.5 million in additional General Fund personnel savings for specified priority needs not included within the baseline budget. Request clarification on level of reductions, uses for funding and whether or not to include in budget ordinance.

City Attorney Harriet Steiner: There are existing contracts and Memorandums of Understanding (MOU) with most employee groups. Some types of actions Council may take unilaterally, primarily lay offs. Council may also adopt overriding goals for the next round of negotiations, which may begin as soon as Fall. Will need to look at each specific item to determine if it falls within the negotiation process.

S. Greenwald moved, seconded by S. Souza, to direct staff to return to Council by September 30 with alternatives as specific as possible, given the labor negotiation process, of how to achieve \$2.5 million in savings by July 1, 2012, with a detailed statement of the effects and pro/cons of various options with regard to the organization, employees and citizens, to include collaboration with community as a whole. Savings achieved shall be allocated to address needs such as unfunded liabilities and transportation. Motion failed by the following vote:

AYES: Greenwald, Souza

NOES: Swanson, Wolk, Krovoza

City Council recessed at 9:34 p.m. and reconvened at 9:43 p.m.

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

1. Adopt the revised staff recommendation regarding specified funding allocations to be supported by additional general fund reductions:

Sources:

General Fund Personnel Savings	\$2,500,000
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Uses:

Transportation	\$ 850,000
CalPERS Pension Reserve	\$ -----
Unfunded Liabilities Trust (OPEB/PERS)	\$1,500,000
Unallocated	\$ 150,000

- Staff and Council will work between now and September 30 to identify potential \$2.5 million in personnel savings or other savings to the city budget to take place in close collaboration with employees and community to identify savings. If reductions are in personnel area, they shall be as minimal as possible in effect to lower level employees and to minimize impacts to community.

P. Navazio clarified: Understand direction is to bring back options which will presumably be acted on to achieve savings through remainder of fiscal year; actions for Council to implement by September 30.

Motion passed by the following vote:

AYES: Swanson, Wolk, Krovoza

NOES: Greenwald, Souza

Adoption of the
Fiscal Year
2011/12 Budget

City Attorney Harriet Steiner: If City Council wishes to include appropriations to reflect the planned uses of any General Fund savings included in the budget, language should be included in the Annual Appropriations Ordinance implementing the FY2011/12 budget as follows:

“The appropriation for personnel expenditures, including but not limited to salaries and benefits, is reduced by \$2,500,000. The detailed implementation of this reduction in expenditures shall be accomplished in accordance with applicable law. Recommendations and options for implementing this reduction in personnel expenditures shall be brought back to the City Council, no later than September 30th, for consideration and approval.

The following appropriations shall be increased by the amounts shown: (1) transportation, including road maintenance and repair, shall be increased by \$ 850,000; (2) allocations to a trust fund for unfunded pension and retiree medical (OPEB) liabilities shall be increased by \$1,500,000; (3) any additional resources made available through implementation of personnel cost savings shall be allocated by the City Council as such time that detailed reductions are approved.

These appropriations shall not be implemented nor shall these funds be expended without further and express Council action and shall be further contingent on the City Council determining that budget reductions have been approved and implemented through the reduction in personnel expenditures, approved by the City Council as set forth above, or through other means approved by the City Council that equal or are greater than the authorization to expend the appropriation(s) set forth in

this paragraph.”

J. Krovoza moved, seconded by R. Swanson, to introduce Ordinance Approving and Adopting the Final Budget of the City of Davis for Fiscal Year 2011/2012, Providing for the Post-Auditing of Paid Demand 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. Ordinance shall include amendments to Tier 1, Tier 2 and additional budget reductions moved and passed by Council above.

R. Swanson clarified: Ordinance shall include language proposed by City Attorney.

Motion passed by the following vote:

AYES: Greenwald, Swanson, Wolk, Krovoza

NOES: Souza

S. Souza moved, seconded by R. Swanson, as follows:

1. Approve Resolution No. 11-093 - Authorizing a Temporary Appropriation for Payroll and Other Expenses from July 1, 2011 Until the Effective Date of the Fiscal Year 2011/2012 Annual Appropriations Ordinance
2. Approve Resolution No. 11-094 - Adopting City of Davis Investment Policy
3. Park Maintenance Special Tax and Open Space Protection Tax:
 - A. Approve Resolution No. 11-095 - Requesting Collection of Charges on Tax Roll-Park Maintenance Special Tax for the Fiscal Year 2011-2012
 - B. Approve Resolution No. 11-096 – Requesting Collection of Charges on Tax Roll-Open Space Protection Special Tax for the Fiscal Year 2011-2012
 - C. Authorize Mayor to Execute Certifications of Special Tax
4. Mello Roos Community Facilities Districts Tax Assessments:
 - A. Approve Resolution No. 11-097 – Fixing Tax Rate for Community Facilities District 1990-1 for the Fiscal Year 2011-2012
 - B. Approve Resolution No. 11-098 – Fixing Tax Rate for Community Facilities District 1990-2 for the Fiscal Year 2011-2012
 - C. Approve Resolution No. 11-099 – Fixing Tax Rate for Community Facilities District 1990-3 for the Fiscal Year 2011-2012
 - D. Approve Resolution No. 11-100 – Fixing Tax Rate for Community Facilities District 1990-4 for the Fiscal Year 2011-2012
 - E. Approve Resolution No. 11-101 – Fixing Tax Rate for Community Facilities District 1990-5 for the Fiscal Year 2011-2012
 - F. Approve Resolution No. 11-102 – Fixing Tax Rate for Community Facilities District 1991-2 for the Fiscal Year 2011-2012
 - G. Approve Resolution No. 11-103 – Fixing Tax Rate for Community Facilities District 2007-2 for the Fiscal Year 2011-2012
 - H. Approve Resolution No. 11-104 – Requesting Collection of Charges on Tax Roll Davis Community Facilities District Series 2003 & 2009 Spe-

- cial Tax for the Fiscal Year 2011-2012
- I. Approve Resolution No. 11-105 – Requesting Collection of Charges on Tax Roll Davis Community Facilities District No. 1991-2 (East Davis Mace Ranch Area) Series 2007 Special Tax for the Fiscal Year 2011-2012
 - J. Approve Resolution No. 11-106 – Requesting Collection of Charges on Tax Roll City of Davis Community Facilities District No. Community Facilities District 2007-2 (East Davis Mace Ranch Area II) Series 2007 Special Tax for the Fiscal Year 2011-2012
 - K. Authorize Mayor to execute Certifications of Special Tax
5. University Research Park Improvement District Assessment and Determination of Excess Reserve for Fiscal Year 2011/12:
- A. Approve Resolution No. 11-107 - Determining Excess Funds and Directing Application Thereof
 - B. Approve Resolution No. 11-108 - Requesting Collection of Charges on Tax Roll University Research Park Improvement District #1, Series 1993 for the Fiscal Year 2011-12
 - C. Authorize Mayor to execute Certification of Assessment
- Motion passed unanimously.

Item Submitted by Council member:
 Consideration of Council Input or Position on Proposed Redistricting by California Citizens Redistricting Commission

J. Krovoza: Drafted a letter with the message that keeping Yolo County whole is an interest of the City Council.

R. Swanson moved, seconded by S. Souza, to approve letter as written to be sent to Redistricting Committee.

S. Greenwald moved substitute motion to separate message into two letters; one will be sent Senate District and the other to Assembly District. No second.

Main motion passed by the following vote:
 AYES: Souza, Swanson, Wolk, Krovoza
 NOES: None
 ABSTAIN: Greenwald

S. Souza moved, seconded by S. Greenwald, to reconsider item. Motion passed unanimously.

Public Comments:

- Elaine Roberts-Musser: Current proposal is to redistrict Yolo County into three, would not support community interests; Davis is basically agriculture, separation dilutes representation
- Norbie Kumagai: Preliminary maps for Assembly show that West Sacramento is drawn into downtown Sacramento district; Davis and UC Davis have been brought into map that is similar to current configuration
- Will Arnold: Idea has been spread via media that Davis is just a bedroom community that is part of Sacramento; heritage shared with agricultural and open space communities in Yolo county and surrounding area

R. Swanson moved, seconded by S. Souza, to approve letter as written to be sent to Redistricting Committee. Motion passed by the following vote:

AYES: Souza, Swanson, Wolk, Krovoza

NOES: None

ABSTAIN: Greenwald

Long-term Plan for Affordable Housing Units formerly held by Davis Area Cooperative Housing Association (DA-CHA) – Part 3

(Also discussed by Redevelopment Agency)

S. Souza moved, seconded by R. Swanson, to extend the meeting until midnight. Motion passed unanimously.

R. Swanson recused herself due to a potential conflict of interest as she is in business with one member of a real estate agency who is a respondent to the Request for Proposals and left the room.

City Attorney Harriet Steiner: Potential conflict—at issue is whether Council decides to hire the broker of which a conflict exists. When Council decides on broker issue, that will determine on whether R. Swanson may participate in future discussions. Alternatively, Council may decide to reject all broker proposals and ask for new proposals.

City Council recessed at 11:20 p.m. and reconvened at 11:23 p.m.

Danielle Foster: Question is what do we want as the long term use of the units? Recommend that the 20 units be sold to low-moderate income buyers with deed restrictions that: cap appreciation at a maximum of 3.75% each year, require owner-occupancy of the unit, and offer a right of first refusal to the City or its designee upon resale of the unit. Per Council direction, staff distributed a Request for Qualifications for both the property management contract and sales contractor.

Public Comments:

- Emily Ford, NeighborWorks Home Ownership Center: Respondent to RFQ & current contractor for city's affordable right of first refusal program; offer services for existing home buyers and potential home buyers; very easy to split the question of what to do with vacant units v occupied units; goal is to have greater service impact in Davis
- David Thompson, Twin Pines Cooperative Foundation: Could keep units as cooperatives; \$11 million of co-op assets have disappeared in 2011; Council should be building cooperatives, not destroying them; protest removal of Twin Pines as beneficiary
- Dave Taormino, Coldwell Banker: Finds purchasers at highest price in shortest time frame; if units sold with typical affordable restrictions, will realize 20% less than could otherwise; consider selling first 10 units at fair market value to re-coop funds expended in foreclosure proceedings

S. Souza moved, seconded by W. Wolk, to approve Resolution No. 11-109 - to Continue Leasing the Ten Occupied Units of the Twenty Affordable Units the

City Currently Owns, Including Execution of a One-Year Contract with Boschken Properties for Property Management of the Occupied Units. The following language shall be removed from the resolution: “during the transitional period of twelve months.” Resolution directs staff to: Execute a property management contract based on a percentage of 7-9% of rent revenue from occupied units and in a total amount not to exceed \$10,000, plus the cost of maintenance repairs. Motion passed by the following vote:

AYES: Greenwald, Souza, Wolk, Krovoza
NOES: None
ABSENT: Swanson

By consensus, Council requested staff to return to Council with options for the long term use of the units. Include plan to allow existing tenants to stay subject to any rules that are appropriate and fair, provide opportunities for limited equity home ownership. For vacancies: Outline options if sold as market rate, recommendations on how to spend funding.

S. Souza moved, seconded by R. Swanson, to approve corresponding budget adjustment to fund the contract with Boschken Properties. Motion passed by the following vote:

AYES: Greenwald, Souza, Wolk, Krovoza
NOES: None
ABSENT: Swanson

D. Foster: Staff will inform tenants of action taken by Council.

Adjournment The meeting was adjourned at 12:04 a.m.

Zoe S. Mirabile, CMC
City Clerk