

Woodland City Council Minutes
Council Chambers
300 First Street
Woodland, California

March 30, 2004

**CITY COUNCIL/REDEVELOPMENT AGENCY BOARD
JOINT SPECIAL MEETING**

March 30, 2004

7:00 P.M.

CALL TO ORDER

Vice Mayor Flory called the joint special meeting of the City Council and Redevelopment Agency Board to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Vice Mayor Flory invited all in attendance to join in the Pledge of Allegiance led by Community Development Director Stevens.

ROLL CALL

COUNCIL MEMBERS PRESENT: David Flory, Jeff Monroe, Art Pimentel, Matt Rexroad

COUNCIL MEMBERS ABSENT: Neal Peart

STAFF MEMBERS PRESENT: Rick Kirkwood, Phil Marler, Tricia Stevens, Joan Drayton, Sue Vannucci, Gary Wegener, Doug Baxter, Karl Diekman, Dan Gentry, Carey Sullivan, Rolland Baxter, Aaron Laurel, Sherri Martin, Lynn Gatie, Randy Madison, Carol Beckham

PUBLIC COMMENT

Angie Roddan, representing the Sacramento Valley Scottish Games, announced they will be holding their eighth event here this year. There will be a special tribute to the Armed Forces. The event will be held from April 23 through 25 at the Yolo County Fairgrounds.



CONSENT

Council removed the following item from the Consent Calendar:

PROCLAMATION - MARCH 31, 2004 AS CESAR CHAVEZ DAY

On a motion by Council Member Monroe, seconded by Council Member Pimentel and carried by the Members present, Council approved the following Consent Calendar items:

CONTRACT SUPPORT OF WASTEWATER OPERATIONS

Council received information that Eco-Logic will be providing services of a certified Chief Plant Operator until recruitment for a replacement is completed. This is a mandated position.

RESOLUTION 4526 - CALIFORNIA HOUSING FINANCE AGENCY APPLICATION AND EXECUTION OF LOAN AGREEMENTS (HERITAGE OAKS APARTMENTS)

Council adopted Resolution 4526, a "Resolution of the City Council of the City of Woodland" authorizing submittal of an application to the California Housing Finance Agency for funding under the Housing Enabled by Local Partnerships Program and the execution of loan agreements and other necessary documents by the City Manager.

PRESENTATIONS

PROCLAMATION - MARCH 31, 2004 AS CESAR CHAVEZ DAY

On a motion by Council Member Pimentel, seconded by Council Member Monroe and carried by the Members present, Council proclaimed March 31, 2004 as Cesar Chavez Day in recognition of his date of birth.

Ben Luna thanked the City Council for approving the Proclamation in recognition of the importance of Cesar Chavez to our State. He offered his services to assist the City in organizing any future activities that may be considered. The Proclamation was presented by Council Member Pimentel to Ricardo Gonzales, Sr.



COUNCIL/STAFF COMMENTS AND REQUESTS

Mayor Rexroad asked that a market analysis for an auto mall be placed on the next Council Agenda in order to provide direction to staff. Council Member Monroe asked that discussion be held on the County Fair Mall as part of this item. Council concurred.

Council Member Monroe indicated at a recent meeting between the City and County it was learned that the Courts will be moving from the current Courthouse in 2005. The County is desirous of the Court system remaining in the downtown Woodland area. Vice Mayor Flory asked staff to send a letter of support to maintain the system here as well. City Manager Kirkwood said the Courts have prepared a Facilities Master Plan. The system identified Yolo County as 21st on that list. The City needs to strongly express this is the County Seat and the Courts should remain here. Strong local support may assist in that effort. Many local facilities are necessary to the Courts. He will forward a letter to the County. Mayor Rexroad asked that the Chamber of Commerce and other local entities also send letters requesting the system remain in the Downtown area. Council Member Pimentel asked how much land the Courts require and City Manager Kirkwood indicated it depends on the building structure, but he feels it is between 10 and 20 acres. Vice Mayor Flory feels this is a top priority issue for the City.

REPORTS OF THE CITY MANAGER

YOLO COUNTY TRANSPORTATION DISTRICT IN-HOUSE OPERATIONS

Terry Bassett, Executive Director of the Yolo County Transportation District, indicated the District is strongly considering and exploring the option to bring the operations and maintenance functions of the District in-house, rather than continuing to contract out those functions. He outlined the reasons and rationale for this consideration and asked that Council and the City Manager review the materials and provide input regarding the possible change of operations. The initial estimate of savings is in the area of \$20 million. They feel the more control they have over operations and maintenance will be the catalyst to that savings. There will be a cost savings to the City as well.

Vice Mayor Flory said there has been a proposal to join with the Sacramento Regional Transit but that option is not a favorable one. Council Member Monroe asked about the insurance and Mr. Bassett indicated they are working with the Yolo County Public Agency Risk Management Insurance Authority on that issue.



PRELIMINARY OVERVIEW OF THE FY 2004/2005 GENERAL FUND OPERATING BUDGET

City Manager Kirkwood said the City is compared to a large corporation of just under \$50 million. The Council must have policies to address all City services on based upon the available funding. The City relies on property and sales taxes. Those funds are utilized for the most part by the Fire and Police Departments. The City attempts to forecast over five to six years for sustainability.

Finance Director Drayton reminded Council they had defined the objectives for the budget in January. With that direction, staff will prepare a balanced operating budget. There is a 4% set aside for inflation and cost of goods with revenues above the 4% reserved for public safety. Departments have been asked to reduce expenditures again this year. Operating increases in workers' compensation, insurance and health care benefits have been absorbed by the Departments. The State has proposed a permanent 25% increase in Educational Augmentation Revenue Fund shift which equates to a revenue loss of \$500,000 to the City. This additional loss now brings the shift of funds since 1992 to \$20+ million from the City. The State is also proposing elimination of various State-funded reimbursements for mandated programs, another loss of \$200,000 to the City. With their proposal to exchange 25% of the local sales tax revenues with semi-annual property tax, the revenue remains status quo but the cash flow impact where the City will need to borrow funds to cover that temporary shortage, will cost the City \$60,000. The State has also appropriated all of the Vehicle in Lieu Fees where the City had included that income in the budget for the 2004-05 fiscal year. In an attempt to balance our budget, the City is proposing increases to the User Fees of the City. These fees are substantially lower than the associated costs and would recapture the funds to run the associated programs. This has been under extensive review since July 2003. Staff has assumed no increases in personnel or non-personnel controllable costs.

Vice Mayor Flory indicated that without increases in revenues, our budget will not be in balance. Mayor Rexroad said the budget is not balanced. We are supporting our maintenance with Measure H funding and there is a huge shortfall in funds. We need to reduce our expenditures dramatically to balance the budget.

Council Member Pimentel asked where in the process does Council receive the alternatives available for consideration on balancing the budget, either via program cuts or dramatic revenue increases. Director Drayton said she would



provide him with that information on those programs and associated income and expenditures. City Manager Kirkwood said there are 78 functional programs that Council has reviewed. The actual expenses, less the revenues, will be provided in the budget process workshop in May. Council will then have information to prioritize the budget.

Council Member Monroe said the budget indicates a \$760,000 loss from the State and where does the other money that make up the \$1.9 million in user fees go toward. Director Drayton said that these losses were incorporated into the user fees. Mayor Rexroad said he sees the loss of \$1.6 million and feels we are \$4 million out of balance because of the vehicle and sewer fees. City Manager Kirkwood agreed and said with the NPDES, vehicle, street, infrastructure, Fire and Police shortfalls, we have a backlog of \$150 million.

Council Member Pimentel asked for clarification on the reserve and Director Drayton indicated it is at \$2.8 million.

USER FEES

Finance Director Drayton summarized the process which has been underway since July of 2003 on assessment of User Fees. The last study was undertaken in 1996. The City can no longer subsidize those services utilized by private citizens. The City has received a lengthy memo from William Marcus and will respond to each of his issues. User Fees are those fees the City charges for specific services performed. They are of benefit to an individual or group and not society as a whole. This update will ensure capturing of the costs to provide such services and cannot be in excess of the cost of the services provided. With the adjusted Consumers Price Index, double digit increases in healthcare, fuel, utilities and insurance, the fees have fallen very far behind the average. The City contracted with Maximus, Inc., specialists in cost and fee analysis, to address revisions to the fees to more closely meet the cost of services. Their specific charge was to calculate the full cost of providing the services, structure fees that reflect the processes and organizational divisions, simplify the fee schedules and insure they were reasonable and fair. The methodologies and findings were outlined and indicative that the City is currently subsidizing the fees by \$1.382 million. Currently the fee recovery is 22% to 74% of the cost.

Council Member Pimentel asked why the Parks Department is not included in the fees and Director Drayton indicated they had done a revision recently and their requested changes were not as dramatic as the other departments



indicated. She will provide background information on those changes in the Parks Department for information.

Director Stevens indicated that some fee changes in the Community Development Department are tied to the Police and Fire fees. Code Enforcement issues were not considered. Calculations were based on average time spent on each application with major projects, such as the Spring Lake Plan, and are based upon the actual time. Some fees, such as appeals, are still under review. The inspectors are doing more than double the amount of inspections they should be handling. Fees should be aligned with the staffing levels and work loads.

Council Member Monroe asked about reductions in special event fees. Director Stevens indicated the City has not always required permits for vendors. Last year we began to charge fees. Those who come to one event only would pay a lower rate. Council Member Pimentel asked if charges would be higher for outside vendors. Director Stevens said if they are a local business it does not require another fee because it applies under their current permit.

Director Drayton indicated the next steps are to seek direction from the Council, respond to comments and questions, update the schedule and seek adoption in April. There are three areas that still need work, Library, publication fees and ITV/GIS which will return to Council at a future meeting.

Bill Marcus indicated fees should be increased and should have been done some time ago. Policy issues should not be compromised. The appeal process should not be set so that only those with higher incomes can utilize. The design review should be for commercial properties only and not single family home remodel. The Police Department fees for alarms increasing from \$45 every four years to \$75 per year is excessive. The late alarm fee should not be collected at all.

Chief Sullivan said the false alarm fee is for excessive false alarms and is not attached to the permit fee.

DISPOSAL AND SALE OF CITY-OWNED PARCELS OF SURPLUS (REAL) PROPERTY

City Manager Kirkwood indicated Council had requested the listing of possible City properties which could be offered for sale. Following extensive research and review, the list of significant pieces of property have been provided. Director Drayton outlined those pieces and their status. Piece one,



Wilson Way between Beamer and Donnelly is .62 acres in the industrial area and piece two, the property on Fifth Street behind Nakamura Brothers are of little value to the City. Piece two is of interest to the owners of Nakamura Brothers. The City recommends the sale of all six pieces with the exception of the large piece at Beamer and County Road 102 which was once the Police shooting range and the City waste water treatment parcel. This piece should increase in value dramatically over the next few years. Vice Mayor Flory would like to leverage the Fifth Street Corporation Yard property into a Redevelopment property. Director Wegener indicated the piece at Ashley and Kentucky was acquired with Road Development Funds and would need to be repaid if sold. At one time it was to be for a new Fire Station.

City Manager Kirkwood said there will be a complete public process on these properties. Leslie Marcus asked if any of these properties were in the adopted Housing Element. Director Stevens indicated that the only possible piece that may be part of the Housing Element is the Fifth Street piece and she will verify.

CITY VEHICLE AND EQUIPMENT REPLACEMENT; COMPREHENSIVE EVALUATION OF INTERNAL FLEET MANAGEMENT AND MAINTENANCE OPERATIONS

Director Drayton said that in March recommendations for replacement and acquisition of necessary vehicles and equipment are presented to the Council. Existing funds in Vehicle Replacement are not adequate to meet those replacement/acquisition needs. The total need this year is \$686,000 and the available funds \$473,000. Vice Mayor Flory asked for clarification on the need for a Consultant. Director Drayton said they would be looking at the operation and maintenance of replacement reserves. With the replacement criteria we may be able to look at vehicles which may not be good for safety but may be acceptable for other City use. Mayor Rexroad would like a very intricate review of the programs associated with the vehicles at the budget meeting on May 8th. It should be within the City Manager's discretion to save those dollars. There was an analysis on the Police vehicles to take them out of service when they reached a critical point. It may be time to review that policy. Director Wegener said the consultant would be looking at that issue of policy. The proposal is \$25,000 for the study. Mayor Rexroad feels other Cities must have these same studies in place and we should utilize existing information. City Manager Kirkwood said we will look at some other Cities who have recently undergone this process. Vice Mayor Flory feels the City already has the basis for determination when the sale or transfer of vehicles to other Departments should be made.



VACANT POSITION REVIEW PROCESS

City Manager Kirkwood indicated when a position currently becomes vacant, those that have been filled are only in safety. Positions funded by Enterprise Funds have also been filled on a case-by-case basis. Assistant City Manager Marler indicated the recommendation is to allow the City Manager to fill positions based upon the available funding and critical need without Council review. The fiscal outlook is more stabilized and less uncertain. The City Manager has the responsibility to insure adequate funding for the positions within the City. Specific positions vacated by resignations or retirements should be filled to insure effective operation within the City and Department. Mayor Rexroad would like to continue the practice of Council confirmation of the City Manager recommendations until reductions in levels of service are achieved. The financial conditions have not changed significantly to allow for replacement without confirmation. Council Member Pimentel feels the City Manager would be the most knowledgeable source for the needs and the funding availability. City Manager Kirkwood indicated that only the safety positions had been brought before the Council but non-safety needs are now at a critical level. He cited the retirement of the 50% Code Enforcement Officer which will dramatically affect the work load in that Department. Council deferred action to the April 6, 2004 meeting with further input to be received.

ACA 10 AND STORM DRAIN FUND DEFICIT

Director Drayton indicated the current GASB 34 requirements dictate the City must internalize this process as a loan. With our current deficit in of \$5.9 million in the fund, the City should consider increases to the associated storm drainage fees. Council Member Monroe said raising the fees by \$3 to \$5 would fall under Proposition 218 regulations. Director Drayton said the ACA 10 would classify these fees as exempt and it would be a negative vote process. If the legislation passes we must notify the property owners. With a negative response of over 50% the increase could not go forward. At present, the legislation is not moving forward. GASB 34 requires the City to disclose a corrective action plan on the fund.

City Manager Kirkwood said this needs additional review. If this does not pass, the money will need to come from the General Fund and will cut services. We cannot have deficit spending. Mayor Rexroad said that under Proposition 218 we must cut levels of service. City Manager Kirkwood said the citizens do not want Fire and Police cuts. We spend 52% less than other Cities throughout the State. Should the money the State has been taking from us since 1992 be



returned, we would not be in this situation. Vice Mayor Flory would like a plan with a proposal to meet all of the City's needs for funds. Mayor Rexroad said the Council needs to address the spending and cuts. We do not address our problem and we need to cut spending to address the shortfall.

REPAIR OF GATEWAY INDUSTRIAL PARK STORM DRAIN MAIN ON A SOLE SOURCE BASIS WITH WOOD ROGERS

On a motion by Council Member Monroe, seconded by Mayor Rexroad and unanimously carried, Council authorized the Public Works Director to proceed with design for the repair of the Gateway Industrial Park 54 inch storm drain main on a Sole Source Contract with Wood Rodger., Project 04-12.

PROJECT PROGRAMMING SUMMARY SHEET-PROJECT NO. 03-14, POLICE DEPARTMENT RE-USE (CITY HALL EXPANSION) AND SOLE SOURCE WITH STANTEC CONSULTING, INC. FOR ARCHITECTURAL DESIGN SERVICES

City Manager Kirkwood indicated the funds allocated for this project cannot be allocated elsewhere in the City. Senior Management Analyst Martin said the funds were out of the Major Projects Financing Plan and have been collected over the past ten years. There is no flexibility to transfer elsewhere. Council Member Monroe asked if this building could be sold and consideration of movement to the Courthouse be discussed as this could be a very valuable building. Director Wegener said he has spoken with the Courts, that facility has many operational problems and would be very costly to operate. Analyst Martin said no General Fund money is to be utilized for this project.

On a motion by Mayor Rexroad, seconded by Council Member Pimentel and unanimously carried, Council approved the revised Project Programming Summary Sheet for Project 03-14, Police Department Re-Use (City Hall Expansion) totaling \$2.5 million and authorized a Sole Source Contract with Stantec Consulting, Inc. for architectural design services.

SB 90 CLAIMS SUBMITTED FOR FY 2001/02 AND FY 2002/03

Finance Director Drayton indicated that the City has been attempting to recapture monies from the State for mandated programs. At present, the State owes local agencies \$1.2 million in unpaid claims per Senate Bill 90, the Property Tax Relief Act passed to so reimburse local agencies for these State-mandated



programs. During the time period 2001-02, the City has submitted a total of \$88,922 in requests for reimbursement and for 2002-03, \$302,678.

WASHINGTON, D.C. LEGISLATIVE ACTION REPORT

Mayor Rexroad indicated he had traveled to Washington, D. C. with Fire Chief Diekman and Police Chief Sullivan to meet with Legislators regarding issues before our City. The stress was on public safety. The meetings were very successful in their direct contacts with several Legislators who seemed to have been aware of our concerns.

ADJOURNMENT

At 10:04 p.m., Vice Mayor Flory adjourned the joint meeting of the Council and Redevelopment Agency Board.

Respectfully submitted,

Sue Vannucci, CMC, City Clerk