

CITY OF ELK GROVE

Incorporated July 1, 2000

MINUTES OF THE CITY COUNCIL REGULAR MEETING Wednesday, June 16, 2004 CITY HALL COUNCIL CHAMBERS

CALL TO ORDER/ROLL CALL

Mayor Scherman called the June 16, 2004 regular City Council meeting to order at 6:31 p.m.

Present: Mayor Scherman, Mayor Pro Tem Soares, Councilmembers Briggs, Cooper, and Leary.

Councilmember Cooper left the City Council Meeting at 8:06 p.m. due to a job related emergency.

Absent: None

Girl Scout Troop 584 led the Pledge of Allegiance.

PUBLIC COMMENT

Herbert Benedict commented on the Backer Ranch wall on his property line, the two-story homes built next to his, portions of sidewalks installed on Bruceville Road, and the lack of response concerning the drainage on his property.

Steve Barnett commented that the newly constructed Laguna Gateway Center does not provide services to surrounding offices; the statement made by Councilmember Leary concerning public funding to non-profit organizations/boards that Elliott Mulberg sits on, and that Council in their silence, essentially agreed with Councilmember Leary; and that Councilmembers Cooper and Leary spoke before the City Council concerning the Sheriff's contract to invoked discussions with the City Council.

APPROVAL OF AGENDA

Motion: *M/S Briggs/Leary to approve the agenda. The motion passed by the following vote: Ayes: 5; Noes: 0*

PRESENTATIONS/ANNOUNCEMENTS

Solid Waste Services Transition Status Report was presented by **Cedar Kehoe**, Integrated Waste Program Manager and **Jerry Mayberry**, General Manager of BFI Waste Systems.

Mayor Scherman announced that there are two pages on the counter in the rear of the Chambers provided by Governor Schwarzenegger requesting signatures of anyone who would like to sign, the pages will be bound and placed in the Ronald Reagan Library.

CONSENT CALENDAR ITEMS

Motion: *M/S Briggs/Cooper to approve the consent calendar items. The motion passed by the following vote: Ayes: 5; Noes: 0*

Deputy City Clerk, Tina McVay announced that pages 3, 5 & 6 of the final map for Agenda Item No. 5.4 Arcadian Village 3 were replaced due to minor changes in the map, which were approved by the City Engineer.

Agenda Item 5.1: *Approve Warrant Listing through June 1, 2004 (Warrants 009143 through 009250)*

Approved by Consent

Agenda Item 5.2: *Approve City Council Regular and Special meeting minutes of May 19, 2004*

Approved by Consent

Agenda Item 5.3: *Resolution 2004-125 accepting subdivision improvements for Backer Ranch Unit 1, East Park 1A, 2A, 3A and 3B, Elk Grove Auto Mall Expansion Phase 1, 2 and 3, Elk Grove Greens Unit 2 and Unit 3, Quail Ridge Unit 3 Phase 1, Quail Ridge Unit 4 Phase 2, Windsor Downs Units 1 and Unit 2*

Approved by Consent

Agenda Item 5.4: *Resolution 2004-126 approving the final map for Arcadian Village Unit 3 and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Meritage Homes of California, Inc., a California Corporation*

Approved by Consent

Agenda Item 5.5: *Resolution 2004-127 approving the final map for Bilby Ranch Unit 1 and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Woodside Bilby Ranch, Inc., a California Corporation*

Approved by Consent

Agenda Item 5.6: **Resolution 2004-128** approving the final map for Bilby Ranch Unit 2 and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Woodside Bilby Ranch, Inc., a California Corporation
Approved by Consent

Agenda Item 5.7: **Resolution 2004-129** approving the final map for Gilliam Meadows Unit 2A and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Centex Homes, a Nevada General Partnership
Approved by Consent

Agenda Item 5.8: **Resolution 2004-130** approving the final map for Gilliam Meadows Unit 2B and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Reynen & Bardis (Gilliam Meadows), L.P., A California Limited Partnership
Approved by Consent

Agenda Item 5.9: **Resolution 2004-131** approving the final map for Gilliam Meadows Unit 2C and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Centex Homes, a Nevada General Partnership
Approved by Consent

Agenda Item 5.10: **Resolution 2004-132** approving the final map for Gilliam Meadows Unit 2D and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Centex Homes, a Nevada General Partnership
Approved by Consent

Agenda Item 5.11: **Resolution 2004-133** approving the final map for Gilliam Meadows Unit 2E and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Centex Homes, a Nevada General Partnership
Approved by Consent

Agenda Item 5.12: **Resolution 2004-134** approving the final map for Gilliam Meadows Unit 2F and authorizing the Mayor to execute a subdivision improvement agreement between the City of Elk Grove and Centex Homes, a Nevada General Partnership
Approved by Consent

Agenda Item 5.13: **Resolution 2004-135** authorizing the City Engineer to call for bids on the Asphalt Concrete Overlay Project 2004
(Bid Date July 8, 2004)
Approved by Consent

Agenda Item 5.14: **Resolution 2004-136** authorizing the City Engineer to call for bids on the Bond Road Widening Project – Segment 1 (Elk Grove-Florin Road to Whittemore Drive)
(Bid Date July 21, 2004)
Approved by Consent

Agenda Item 5.15: **Resolution 2004-137** adopting the findings for project conformity with the City of Elk Grove 2003 General Plan; CEQA exemption; and authorizing the City Manager to execute a Purchase & Sale Agreement with Marvin L. Oates and O.K. and B. General Partnership for the acquisition of real property located at 10250 Iron Rock Way, portion of APN 134-0630-034 (Parcel A) and the adjoining vacant parcel identified as APN: 134-0630-013 for use as the City of Elk Grove's Corporation Yard
Approved by Consent

Agenda Item 5.16: **Resolution 2004-138** authorizing the City Manager to execute a contract with Transit Marketing, LLC for development of transit system branding, design and production of bus schedules, and promotion of public transit ridership
Approved by Consent

Agenda Item 5.17: **Resolution 2004-139** authorizing the City Manager to execute a contract with M&M Electric, Inc. for construction of the Big Horn Boulevard/Monterey Oaks Drive traffic signal system
Approved by Consent

Agenda Item 5.18: **Resolution 2004-140** approving the Transportation Development Act (TDA) claim and authorizing submission to Sacramento Area Council of Governments (SACOG) for Local Transportation Funds (LTF) and State Transit Assistance (STA) for fiscal year 2004-05
Approved by Consent

Agenda Item 5.19: **Resolution 2004-141** authorizing the City Manager to execute a contract with Complete Coach Works for the purchase of fleet buses for the City's fixed-route transit services
Approved by Consent

PUBLIC HEARINGS

Agenda Item 6.1: **Continued Public Hearing:** Laguna Ridge Specific Plan Project No. EG-00-062: to consider the Laguna Ridge Specific Plan (LRSP) General Plan Amendment to modify the General Plan Land Use Map consistent with the Laguna Ridge Specific Plan land use map, Specific Plan adoption and Rezone of various parcels consistent with the Laguna Ridge Specific Plan and land use map. The Laguna Ridge Specific Plan encompasses approximately 1,900± acres
Location: southwestern portion of the City of Elk Grove, west of Highway 99, south of Elk Grove Boulevard, east of Bruceville Road and the East Franklin Specific Plan area, and north of Bilby Road and the area referred to as the "Southeast Policy Area"

RECOMMENDATION: Hold the public hearing and provide staff any final policy direction for modifications within the Laguna Ridge Specific Plan

Staff recommends that the City Council then:

1. Adopt a resolution certifying a Final Environmental Impact Report for the Laguna Ridge Specific Plan, making findings of fact relating to the feasibility of mitigation measures and adopting a Mitigation Monitoring and Reporting Program
2. Adopt a resolution approving a General Plan Amendment and adopting the Laguna Ridge Specific Plan, Project No. EG-00-062, subject to the Findings
3. Introduce and waive the full reading, by substitution of title only, an ordinance of the City Council of the City of Elk Grove Amending the Elk Grove Zoning Map for the Laguna Ridge Specific Plan, Project No. EG-00-062

Mayor Scherman declared the public hearing open at 6:49 p.m.

Christine Crawford, reported on the Revised Land Use Map as related to updating the parks plan, growth management, and new developments on the Swainson's hawk mitigation as directed by the Council.

Christine Crawford outlined the amendments to the Land Use Plan, which included the addition of a major park feature; moving the elementary school site between Whitelock Parkway and Old Poppy Ridge back to the southern portion of the property, which modifies the proposed zoning map and amends the General Plan; and amends the Findings to reflect the amended mitigation changes.

Phil Carter provided an overview of the Growth Management Policy within the Specific Plan, which included rate, location and timing of future development.

Christine Crawford elaborated on the MMRP and Findings modifications since meeting with the Friends of the Swainson's Hawk and the Nature Conservancy to address their concerns. Staff and the Friends of the Swainson's Hawk agreed to amend MMRP section 4.8.7a and the Findings to clarify language suspending the in-lieu fee, until Chapter 16.130 of the Municipal Code can be amended.

John Hodgson, representing the applicant, noted project amenities, complemented staff's directness and ability to work effectively on behalf of the City; and requested Council support.

The following persons provided public comment for Council consideration: **Paula Christensen (correspondence filed), Mike Eaton, Herbert Benedict, Jim Pahl (correspondence filed), Constantine Baranoff (Elk Grove Unified School District), and Rita Velasquez (Chamber of Commerce).**

Mayor Scherman closed the public comment opportunity at 7:22 p.m.

Discussion points related to the rate of development and carry over of building permits from one year to the next, Swainson's hawk, increased park sites, and the benefits of phasing the Specific Plan.

Motion 1: M/S **Leary/Soares** to adopt **Resolution 2004-142** certifying the Final Environmental Impact Report for the Laguna Ridge Specific Plan, making findings of fact relating to the feasibility of mitigation measures and adopting the Mitigation Monitoring and Reporting Program, which include errata changes to the Mitigation Monitoring and Reporting Program section 4.8.7a as shown below, and amends the Findings for the Laguna Ridge Specific Plan.

“As a condition of approval of subsequent development (i.e., approval of improvement and construction plants), including offsite improvements, under the plan, the project applicant shall mitigate the loss of Swainson’s hawk foraging and/or nesting habitat by one of the following methods:

- Preserve 1.0 acre of similar habitat for each acre lost due to project implementation. This land shall be protected through a fee title or conservation easement acceptable to the CDFG and the city of Elk Grove. The applicant shall be responsible for funding the operation and maintenance and/or monitoring of the protected land.
- Prepare and Implement a Swainson’s hawk mitigation plan to the satisfaction of the CDFG that includes the preservation of Swainson’s hawk foraging habitat.
- Mitigate impacts in compliance with Chapter 16.130 of the City of Elk Grove Code as such may be amended from time to time and to the extent that said chapter remains in effect. This option shall be suspended until Chapter 16.130 is amended to eliminate the mitigation fee option so that it is available only to projects that do not exceed 50 acres in size.

Compliance with this mitigation measure may be fulfilled in combination with the implementation of Mitigation Measure MM 4.1.1 also qualifies as suitable Swainson’s hawk foraging habitat.”

The motion was passed by the following vote: Ayes: 5; Noes: 0

Motion 2: M/S **Leary/Briggs** to adopt **Resolution 2004-143** approving the General Plan Amendment and adopting the Laguna Ridge Specific Plan, Project No. EG-00-062, subject to the Findings. **The motion was passed by the following vote: Ayes: 5; Noes: 0**

Motion 3: M/S **Leary/Cooper** to introduce and waive the full reading, by substitution of title only, **Ordinance 15-2004**, an ordinance of the City Council of the City of Elk Grove Amending the Elk Grove Zoning Map for the Laguna Ridge Specific Plan, Project No. EG-00-062. (The title of the ordinance was read into the record). **The motion was passed by the following vote: Ayes: 5; Noes: 0**

Agenda Item 6.2: Public Hearing: Bank of Stockton Rescission of a Zoning Agreement, Conditional Use Permit and Design Review Project No. EG-04-566: to consider Rescinding Zoning Agreement 95-0362, Conditional Use Permit to reduce stacking distance for drive thru teller, and Design Review for the commercial structure Location: south of Laguna Boulevard; west of Big Horn Boulevard

RECOMMENDATION: Adopt a resolution approving the Rescission of a Zoning Agreement, Conditional Use Permit and Design Review for the Bank of Stockton, Project No. EG-04-566 subject to the findings and conditions of approval

Mayor Scherman declared the public hearing open at 7:47 p.m.

Craig Hoffman, Project Planner, provided an overview of the project details and location.

Eric Merlo, representing the Bank of Stockton, elaborated on the park-like features of the project, specific structural design of the building, and requested support of the project.

With no public requests to speak, **Mayor Scherman** closed the public comment opportunity at 8:06 p.m.

Motion: *M/S Cooper/Leary to adopt Resolution 2004-144 approving the Rescission of a Zoning Agreement, Conditional Use Permit and Design Review for the Bank of Stockton, Project No. EG-04-566 subject to the findings and conditions of approval. The motion was passed by the following vote: Ayes: 5; Noes: 0*

Councilmember Cooper left due to a job related emergency at 8:06 p.m.

Agenda Item 6.3: *Public Hearing: Heritage Estates Project No. EG-03-551: to consider a Rezone of 2.96 (net) acres from AR-5 to RD-5, a Tentative Subdivision Map to create eleven (11) single family lots and one (1) landscaped corridor lot, and Design Review for subdivision layout*

Location: *corner of Elk Grove Florin Road and Heritage Hill Drive*

RECOMMENDATION: At the conclusion of the public hearing, consider the Planning Commission's recommendation as follows:

1. Adopt a Negative Declaration for Heritage Estates, Project No. EG-03-551
2. Introduce and waive the full reading, by substitution of title only, an ordinance of the City Council of the City of Elk Grove amending the Elk Grove Zoning Map from AR-5 to RD-5 for Heritage Estates, Project No. EG-03-551
3. Adopt a resolution approving a Tentative Subdivision Map and Design Review for Heritage Estates Project No. EG-03-551 subject to the Findings and Conditions of Approval

Mayor Scherman declared the public hearing open at 8:08 p.m.

Stuart Wagner, Project Planner, provided an overview of the project details and location; and noted that staff is requesting a modification to the Condition language, which will add two off-site speed cushions along Heritage Hill Drive.

Kent Baker, Baker Williams Engineering Group representing Prodigy Homes, requested support of the project, although voiced concern over the costs associated with the addition of speed cushions.

Discussion related to the livability program, cost of installing cushions, whether the residents want the cushions, and clarification on the language medication to the condition by the City Engineer.

With no public requests to speak, **Mayor Scherman** closed the public comment opportunity at 8:13 p.m.

Motion 1: *M/S Briggs/Leary to adopt a Negative Declaration for Heritage Estates, Project No. E-03-551. The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper*

Motion 2: *M/S Briggs/Leary to introduce and waive the full reading, by substitution of title only, Ordinance 16-2004, an ordinance of the City Council of the City of Elk Grove amending the Elk Grove Zoning Map from AR-5 to RD-5 for Heritage Estates, Project No. EG-03-551. (The title of the ordinance was read into the record). The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper*

Motion 3: *M/S Briggs/Leary to adopt a Resolution 2004-145 approving a Tentative Subdivision Map and Design Review for Heritage Estates Project No. EG-03-551 subject to the Findings and Conditions of Approval, which includes the addition of Condition Number 19:*

“Contribute \$12,000 of in-lieu fees towards the construction of off-site traffic calming plan as displayed in the Neighborhood Livability Program, Traffic Calming Plan. These fees will be collected after Council has approved the construction of the traffic calming plan within the Perry Ranch / Shadowbrook neighborhood.”

The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper

Agenda Item 6.4: *Public Hearing: Hoffman Meadows Project No. EG-03-526: to consider a Rezone of 20.0 acres from AG-20 to RD-5, Tentative Subdivision Map to create 98 single family lots and Design Review for subdivision layout*

Location: *east of Franklin Boulevard, south of Franklin High Road and north of Bilby Road*

RECOMMENDATION: At the conclusion of the public hearing, consider the Planning Commission’s recommendation as follows:

1. Adopt a Mitigated Negative Declaration for Hoffman Meadows, Project No. EG-03-526
2. Introduce and waive the full reading, by substitution of title only, an ordinance of the City Council of the City of Elk Grove amending the Elk Grove Zoning Map from AG-20 to RD-5 for Hoffman Meadows, Project No. EG-03-526

3. Adopt a resolution approving a Tentative Subdivision Map and Design Review for Hoffman Meadows, Project No. EG-03-526 subject to the Findings and MMRP/Conditions of Approval

Mayor Scherman declared the public hearing open at 8:15 p.m.

Tony Raeker, Project Planner, provided an overview of the project details and location.

Les Hawk, representing the applicant requested support of the project.

With no public requests to speak, **Mayor Scherman** closed the public comment opportunity at 8:18 p.m.

Motion 1: *M/S Leary/Soares to adopt a Mitigated Negative Declaration for Hoffman Meadows, Project No. EG-03-526. **The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper***

Motion 2: *M/S Leary/Soares to introduce and waive the full reading, by substitution of title only, **Ordinance 17-2004**, an ordinance of the City Council of the City of Elk Grove amending the Elk Grove Zoning Map from AG-20 to RD-5 for Hoffman Meadows, Project No. EG-03-526. (The title of the ordinance was read into the record). **The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper***

Motion 3: *M/S Leary/Soares to adopt **Resolution 2004-146** approving a Tentative Subdivision Map and Design Review for Hoffman Meadows, Project No. EG-03-526 subject to the Findings and MMRP/Conditions of Approval. **The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper***

Agenda Item 6.5: *Public Hearing: East Meadows No. 3, Project No. EG-03-511: to consider a Rezone of the western rear portion of the 21.8-acre property from AG-20 to RD-5, Tentative Parcel Map creating Parcel A and deeming a frontage balance of the parcel as a Remainder Parcel, Tentative Subdivision Map, and Design Review of Parcel A into 44 single-family residential (RD-5) lots and a Landscape lot
Location: southwest corner of Quail Run Lane and Bruceville Road*

RECOMMENDATION: At the conclusion of the public hearing, consider the Planning Commission's recommendation as follows:

1. Adopt the Mitigated Negative Declaration prepared for the East Meadows Unit No. 3, Project No. EG-03-511
2. Introduce and waive the full reading, by substitution of title only, an ordinance of the City Council of the City of Elk Grove amending the Elk Grove Land Use Zoning Map from AR-20 to RD-5 affecting a portion of the subject property for a project known as East Meadows Unit No. 3, Project No. EG-03-511

3. Adopt a resolution approving a Tentative Parcel Map, Tentative Subdivision Map, and Design Review for East Meadows Unit No. 3, Project No. EG-03-511 subject to the Findings and MMRP/Conditions of Approval

Mayor Scherman declared the public hearing open at 8:19 p.m.

Mel Pabalinas, Project Planner, provided the staff report overview and site location.

Mike Winn, Reynen & Bardis, provided a brief history of the project and requested support of the project.

With no public requests to speak, **Mayor Scherman** closed the public comment opportunity at 8:23 p.m.

Motion 1: *M/S Leary/Soares to adopt the Mitigated Negative Declaration prepared for the East Meadows Unit No. 3, Project No. EG-03-511. The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper*

Motion 2: *M/S Leary/Soares to introduce and waive the full reading, by substitution of title only, Ordinance 18-2004, an ordinance of the City Council of the City of Elk Grove amending the Elk Grove Land Use Zoning Map from AR-20 to RD-5 affecting a portion of the subject property for a project known as East Meadows Unit No. 3, Project No. EG-03-511. (The title of the ordinance was read into the record). The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper*

Motion 3: *M/S Leary/Soares adopting Resolution 2004-147 approving a Tentative Parcel Map, Tentative Subdivision Map, and Design Review for East Meadows Unit No. 3, Project No. EG-03-511 subject to the Findings and MMRP/Conditions of Approval. The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper*

Agenda Item 6.6: *Public Hearing to receive a written report and establish Fiscal Year 2004-05 Service Charges in the Laguna West Service Area (Formerly County Service Area 5)*

RECOMMENDATION: Adopt a resolution confirming the written report for Fiscal Year 2004-05 service charges and establish Fiscal Year 2004-05 service charges for certain miscellaneous services in the Laguna West Service Area (formerly County Service Area 5 or CSA 5)

Mayor Scherman declared the public hearing open at 8:24 p.m.

Bob Lee, City Engineer, provided an overview of the staff report.

With no public requests to speak, **Mayor Scherman** closed the public comment opportunity at 8:25 p.m.

Motion: M/S **Leary/Soares** to adopt **Resolution 2004-148** confirming the written report for Fiscal Year 2004-05 service charges and establish Fiscal Year 2004-05 service charges for certain miscellaneous services in the Laguna West Service Area (formerly County Service Area 5 or CSA 5). **The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper**

Agenda Item 6.7: Public Hearing to receive a written report and establish Fiscal Year 2004-05 Service Charges in the Lakeside Service Area (Formerly County Service Area 7 or CSA 7)

RECOMMENDATION: Adopt a resolution confirming the written report and establishing Fiscal Year 2004-05 service charges for certain miscellaneous services in the Lakeside Service Area (formerly County Service Area or CSA 7)

Mayor Scherman declared the public hearing open at 8:26 p.m.

Bob Lee, City Engineer, provided the staff report overview.

With no public requests to speak, **Mayor Scherman** closed the public comment opportunity at 8:26 p.m.

Motion: M/S **Briggs/Leary** to adopt **Resolution 2004-149** confirming the written report and establishing Fiscal Year 2004-05 service charges for certain miscellaneous services in the Lakeside Service Area (formerly County Service Area or CSA 7). **The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper**

Agenda Item 6.8: Public Hearing to consider adoption of an administrative fee to pay for the cost of conducting administrative hearings related to the enforcement of the City's stormwater ordinance

RECOMMENDATION: Adopt a resolution approving an administrative fee to pay for the costs of hiring hearing officers to hear appeals related to the enforcement of the City's stormwater ordinance

Mayor Scherman declared the public hearing open at 8:27 p.m.

Bob Lee, City Engineer, provided the staff report overview.

With no public requests to speak, **Mayor Scherman** closed the public comment opportunity at 8:27 p.m.

Motion: M/S **Briggs/Leary** to adopt **Resolution 2004-150** approving an administrative fee to pay for the costs of hiring hearing officers to hear appeals related to the

enforcement of the City's stormwater ordinance. **The motion was passed by the following vote: Ayes: 4; Noes: 0; Absent: Cooper**

REGULAR ACTION ITEMS/RECOMMENDATIONS

Councilmember Leary announced that he would recuse himself from the discussion and deliberation as a Councilmember due to his conflict as an employee of the Sacramento County Sheriff.

Agenda Item 7.1: Police Services Contract Study

RECOMMENDATION: Staff recommends that the City Council receive the report and direction on the next course of action

Terry Fitzwater, Assistant City Manager, introduced Denise Callahan, Macias Consulting Group, Inc.; Mike DeCastro, Thompson, Cobb, Bazillio & Associates; and Scott Bryant, Scott Bryant & Associates.

Anthony Manzanetti, City Attorney, requested that the record reflect that Councilmember Cooper left the meeting at approximately 8:00 p.m., and the record should also reflect that as a member of the Sacramento County Sheriff's Department, Councilmember Leary has recused himself from participating in this matter and has stepped down from the dais.

Denise Callahan, Macias Consulting Group, Inc., described the following key findings to the police services study: the cost allocation process does not adhere to Government Code section 51350; the contract oversight can be improved; and the County both over/under estimated the budget for police services.

Ms. Callahan provided an overview and recommendation for the budgeting process for the police services contract, and comparative examination of the contract terms and conditions.

Ms. Callahan noted that the reviewing firms agreed to the following: review the law enforcement contract; verify and assess the compliance with GC section 51350; and evaluate the accuracy of the annual service plan or budget.

Ms. Callahan noted that nearly half of the line items contained in the budget were over-estimated by at least ten percent (10%), with an overall over-estimation of \$898,000 in fiscal year 2003, and approximately \$1 Million in fiscal year 2002. Ms. Callahan explained that it is common practice for public agencies to budget for unexpected police events or other contingencies. She also reported that the City has not been reimbursed the full amount of the excess funds paid to the County as the County was charging for services not originally included in the budget.

Ms. Callahan identified enhancements that could be made to remedy the conditions addressed: establish a budget committee to include City representation; provide City approval for payment of charges not included in the budget; require monthly budget vs. actual expenditure reports; provide for City approval for budget estimates made throughout the year.

Mike DeCastro, Thompson, Cobb, Bazillio & Associates, addressed the cost allocation model and compliance with GC section 51350. Mr. DeCastro provided an excerpt of the Code, which is the basis of the police services study; and provided examples of non-compliance of allocated service costs and indirect allocations with GC section 51350.

Mr. DeCastro explained that by law, a County providing services to a City by means of a contract is required to charge a city all costs that are incurred in providing the service. Government Code section 51350 provides for the exclusion of specific over-head costs. Citing the code, Mr. DeCastro noted that a County shall not charge, either as a direct or indirect over-head charge, any portion of those costs which are: 1) attributable to services made available to all portions of the County as determined by resolution of the County's Board of Supervisors; or, 2) those costs which are general over-head costs of operation of County government.

Mr. DeCastro categorized costs as either direct-allocated service costs or in-direct allocated service costs.

In review, Mr. DeCastro reported that certain general County overhead costs were identified that should not have been passed on to the City, e.g., Department-wide undistributed costs, 800 mh system charges, staff services, and information service bureau costs.

In-direct allocations of general overhead costs include: Office of the Sheriff, COPS Division, Administrative Services, Technical Services and Staff Services. Other charges in question were classified as County-wide direct service costs and include: crime scene investigations, special enforcement detail, explosive ordinance, and air operations.

Mr. DeCastro explained that county-wide costs should be charged to contract and independent cities uniformly, which is currently not the case. He reported that the Board of Supervisors has not adopted a policy, as required by law, to identify which county-wide costs should not be charged to both contract and independent cities.

Mr. DeCastro elaborated that the cost-allocation to the City by the Sheriff is benefit-based, which he characterized as inappropriate and not in compliance with GC section 51350. He noted that overcharges in Fiscal Year 2003-04 are \$742,497.

Mr. DeCastro recommended that the City and Sheriff's Department negotiate the type and amount of allocated costs to ensure compliance with GC section 51350.

City Attorney Manzanetti clarified that while the current services contract provides that the City may not file a lawsuit to recover costs not in compliance with GC section 51350, there may be other methods for recovery.

Scott Bryant, Scott Bryant & Associates, reported that there are generally three models for providing police services: two involve contracting with the Sheriff's Department (shared command and dedicated policing). The third establishes operation of a City-operated, independent police department.

Mr. Bryant recommended that the City evaluate its law enforcement needs and consider enhancements to contract language to improve local identity and control. Enhancements might include contract oversight by a City employee, establish performance and operational goals with outcome indicators, greater participation in the City's selection of a Police Chief, observe labor negotiations, establish an equitable mechanism to resolve disputes, and establish minimum staffing levels.

Mayor Scherman opened the public comment opportunity.

Sacramento County Sheriff's Chief Deputy Dan Drummond stated that the letter submitted provided the information necessary in response to the contract; and contract discussions with the City would be fruitful. However, there may have been some miscommunication on some issues with the Consultants, although the Sheriff's Office agrees with some of the conclusions.

By consensus, Council direction was provided on the following:

- Consider hiring a contract oversight administrator.
- Establish officer and department goals and objectives.
- Open the contract for discussion with the Sheriff's Department to refine the provisions of the current contract and to address the issues of concern and consider recouping a portion of the overpayments made to the Sheriff's Department
- Form a research team to consider the costs for: 1) a JPA and with other cities; and, 2) an independent police department.
- Identify prior internal and external forces and subsequent changes in the service plan and how they resulted in the current contract;
- Determine what influenced the contractual decisions, for the purpose of preventing them from reoccurring in future contracts.
- Review possible cost savings through shared systems, e.g., communication systems, evidence storage; hiring in-house personnel to achieve savings, owning versus leasing equipment, and/or consider recommendations from the Consulting team that have been successful by cities in California.

Agenda Item 7.2: *City Council Reorganization by appointment of the Mayor and Mayor Pro Tem for Fiscal Year 2004-05*

RECOMMENDATION: Discuss and determine whether the City Council wishes to reorganize by appointing new officers and identify the terms of the appointment

Dannetta Garcia provided comment for Council consideration, after which, the public comment opportunity was closed.

Discussion concerning the calendar year appointment of the Mayor and Mayor Pro Tem, placing the City in cycle with other boards and commissions, extending the mayor term by six months, begin January 2005 with a new mayor, consider a workshop to have a natural progression of succession for the position of Mayor, and participation by Councilmember Cooper in the selection process.

Motion: *M/S Soares/Briggs to extend the Mayor's term by six months to end in December establishing a calendar year appointment; and appoint Councilmember Briggs as the Mayor beginning the first meeting in January 2005. The motion passed by the following vote: Ayes: 3; Noes: 1 (Leary); Absent: Cooper*

Council discussion and consensus concerning holding a workshop to include the natural progression in the selection of the Mayor.

GENERAL ADMINISTRATION INFORMATION

Anthony Manzanetti, City Attorney, reported that the final report from the County Health Department regarding the youth smoking survey has been received, which will be forwarded to the City Council along with the County's summary evaluation.

COUNCIL COMMENTS/FUTURE AGENDA ITEMS

Councilmember Briggs

- Stated that the STA board passed the Measure A item last week, which will be heard at the next City Council meeting.
- Requested that the Chief of Police review traffic in the Laguna Lake area, ingress and egress area on Elk Grove Boulevard.
- Requested that the speed be reduced on Elk Grove Boulevard in the Laguna Lake area.

Councilmember Leary

- Recognized Public Works for acting so quickly to install speed and stop signs on West Stockton Boulevard, adjacent to the Auto Mall.

Mayor Pro Tem Soares

- Concerned that alleyways in Elk Grove are used as receptacles for trash, fire hazards, and questionable behavior is occurring. Mayor Pro Tem Soares questioned whether the alleyways in Elk Grove have a purpose,

and suggested that abandonment or awarding property line adjustments are considered.

Mayor Scherman

- Suggested a proclamation recognizing the Elk Grove Unified School District for their efforts on the Pledge of Allegiance lawsuit.

There was Council consensus to send a letter of support to the District.

Discussion concerning the City's ownership of the Valley Oak median and the placement of "No Parking" signs, boulders, and plants to detour parking in the median.

- Requested improvements to the median on the west side of Hwy 99 on Elk Grove Boulevard to the stop light at the auto mall entrance.
- Questioned whether there is interest by the Council to review positions held on various boards and commissions.

There was Council consensus to add the review of boards and commission appointments to the workshop schedule.

- Questioned whether Whitelock Boulevard could be extended west from Poppy Ridge to Franklin Boulevard.
- The removal of "New Management" banners placed on buildings for extended periods of time.

CLOSED SESSION

Anthony Manzanetti announced that, on his behalf, Pat Enright would attend the July 7, 2004 City Council meeting.

Anthony Manzanetti announced Items 1 and 3 do not have a status updates that require closed session. Mr. Manzanetti reported that the City filed a motion that would result in dismissal of the Statewide Storage case, the plaintiffs dismissed their lawsuit with prejudice, closing the lawsuit.

A) CONFERENCE WITH LEGAL COUNSEL – Existing Litigation

(3 Cases)

Pursuant to Government Code 54956.9

1. Gyan Kalwani, et al v. City of Elk Grove, et al., Superior Court of California Sacramento County, Case No. 04CS00177
2. Statewide Storage Partners v. City of Elk Grove, et al., Superior Court of California Sacramento County, Case No. 04CS00409

3. State of California and South County Citizens for Responsible Growth v. M&H Development, City of Elk Grove. California District Appellate Report (3rd) Case No. C 042302 (Appeal from Sacramento Superior Court, J. Connelly)

ADJOURNMENT

With no other business for the Council to consider, the City Council meeting was adjourned at 9:53 p.m.

TINA MCVAY, DEPUTY CITY CLERK

ATTEST:

**SOPHIA SCHERMAN, MAYOR
CITY OF ELK GROVE**