

**MINUTES OF THE CITY COUNCIL
REGULAR MEETING
Wednesday, February 11, 2009**

CALL TO ORDER/ROLL CALL

Mayor Hume called the Regular City Council meeting of February 11, 2009 to order at 7:47 p.m.

Present: Mayor Hume, Vice Mayor Scherman, Council Members Cooper, Davis and Detrick

Absent: None.

Officers from the Animal Services Division of the Community Enhancement Department led the Pledge of Allegiance.

Mayor Hume asked that a moment of silence be observed.

APPROVAL OF AGENDA

Motion #1: M/S Scherman/Cooper to continue Agenda Item No. 8.5 to the regularly scheduled meeting of March 11, 2009. The motion passed by the following vote: Ayes: 5; Noes: 0.

Motion #2: M/S Scherman/Cooper to approve the remainder of the agenda as presented. The motion passed by the following vote: Ayes: 5; Noes: 0.

CLOSED SESSION

None.

PRESENTATIONS/ANNOUNCEMENTS

4.1 Mayor Hume presented a proclamation to Alexis Raymond of the Sacramento Area Animal Coalition and Elk Grove Animal Services Division staff recognizing February 22, 2009 as "Spay Day USA"

PUBLIC COMMENT

Mike Barnbaum thanked Mayor Hume for his communications at the January 26 Sacramento Regional Transit District Board meeting.

Connie Conley commented that Mayor Hume met with constituents on Friday. She thanked the City Council for listening to the public.

CONSENT CALENDAR ITEMS

In reference to Item 6.6, Council Member Scherman asked what the timeframe was for the Request for Proposal (RFP), to which Transit Manager Tiffany Fink replied that the RFP results would be brought to Council in late spring or early summer, along with an advertising policy.

Motion: M/S Cooper/Scherman to approve the Consent Calendar, removing Agenda Items 6.11 and 6.13. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

Agenda Item No. 6.1: Approved General Warrant No. 42900 through 43713 dated January 1, 2009 through January 30, 2009, and Electronic Fund Transfer 2009079 through 2009095, and Automatic Clearing House

Agenda Item No. 6.2: Approved City Council Meeting Minutes of: a) January 14, 2009 Regular Meeting; b) January 26, 2009 Special Meeting; c) January 29, 2009 Special Meeting; and d) February 2, 2009 Special Meeting

Agenda Item No. 6.3: Received report on City Manager approved purchases and contracts authorized by Elk Grove Municipal Code Chapter 3.42 Contracts and Purchasing, filed through February 4, 2009

Agenda Item No. 6.4: Received report on Requests for Proposals, Qualifications, and Bids

Agenda Item No. 6.5: **Resolution No. 2009-24** adopted authorizing the Finance Director to exercise the sale and disposal of surplus City property in the form of 23 police vehicles and law enforcement equipment

Agenda Item No. 6.6: **Resolution No. 2009-25** adopted directing the Transit System Manager to issue a Request for Proposals for advertising on City owned buses and bus shelters

Agenda Item No. 6.7: **Resolution No. 2009-26** adopted approving Parcel Map No. 06-1004 for East Elk Grove Industrial Park

Agenda Item No. 6.8: **Resolution No. 2009-27** adopted authorizing the City Manager to execute an agreement with Hemington Landscape Services, Inc. for the Completion and Acquisition of Privately Constructed Facilities within the City of Elk Grove East Franklin Community Facilities District No. 2002-1 in an amount not to exceed \$463,470

Agenda Item No. 6.9: Authorized recruitment to fill vacancy on the Sacramento Regional Human Rights / Fair Housing Commission Advisory Board

Agenda Item No. 6.10: **Resolution No. 2009-28** adopted accepting the Water Well Construction and Demolition Project as complete and authorizing the City Engineer to prepare, and the City Clerk to file, a Notice of Completion with the Sacramento County Recorder

Agenda Item No. 6.12: Authorized Proclamation recognizing March 7, 2009 as Arbor Day and **Resolution No. 2009-29** adopted authorizing the City Manager to expend \$154,798 from the Tree Mitigation Fund for Greenprint Program tree plantings

Agenda Item No. 6.14: **Resolution No. 2009-30** adopted approving sponsorship of the 2009 Salute to the Red, White and Blue event in an amount of \$2,500 and payment of \$1,300 for the event's marketing banners installation.

NOTE: Items 6.11 and 6.13 were heard out of order as listed below.

Agenda Item No. 6.11: Adopt resolution authorizing the reduction of retention for the construction contract with RGW Construction for the Grant Line Road / State Route 99 Interchange Reconstruction Project from 10% (\$3,103,662.93) to 5% (\$1,551,831.46)

PUBLIC COMMENT:

Bill Moody, Operations Manager for RGW Construction, stated that his firm was the general contractor on the Grant Line and Sheldon Road interchanges construction projects. He asked that the retention withheld for the Grantline Road project be reduced from 10% to a lump sum of \$250,000. He confirmed that all the work for the Grantline interchange had been completed, with the exception of some extra work introduced late in the project by Caltrans. His firm filed a Notice of Completion in late November. The introduction of extra work extended the timeline of the project an additional four to six weeks.

Public Works Director Richard Shepard recommended approval of Mr. Moody's request.

In response to Mayor Hume, City Attorney Susan Cochran believed that, given the unique circumstances, this was an appropriate request and would not necessarily set a precedent for future actions or considerations by the City Council.

Mayor Hume noted that the Standard Construction Specifications allow for the reduction in retention from 10% to 5% once the project is 20% complete. The Grantline interchange project has been 20% or more complete for nearly a year.

Motion: **M/S Davis/Scherman** to adopt **Resolution No. 2009-31** authorizing the reduction of the retention for the construction contract with RGW Construction for the Grantline Road / State Route 99 Interchange Reconstruction Project from 10% (\$3,103,662.93) to a lump sum of \$250,000.00. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

Agenda Item No. 6.13: Adopt resolution approving the Elk Grove Historical Society's \$132 Temporary Use Permit Fee Waiver Request

PUBLIC COMMENT:

Jim Entrican asked Council to waive the Temporary Use Permit fee that was required to use a parking lot for an April car show and safety program.

Motion: **M/S Scherman /Davis** to adopt **Resolution No. 2009-32** approving the Elk Grove Historical Society's \$132 Temporary Use Permit Fee Waiver Request. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

PUBLIC HEARINGS

Agenda Item No. 7.1: A public hearing to consider adopting an amendment to the 2008-09 Community Development Block Grant Action Plan reallocating \$71,000 to capital projects undertaken by non-profit organizations

RECOMMENDATION:

Adopt resolution approving an amendment to the 2008-09 Community Development Block Grant Action Plan.

Mayor Hume declared the public hearing open.

The City Council waived the verbal report.

PUBLIC COMMENT:

Pat Beal and Therese Schultz representing the Senior Center of Elk Grove thanked the City Council for its continued support.

Mayor Hume declared the public hearing closed.

Motion: **M/S Davis/Scherman** to adopt **Resolution No. 2009-33** approving an amendment to the 2008-09 Community Development Block Grant Action Plan. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

REGULAR AGENDA ACTION ITEMS/RECOMMENDATIONS

Agenda Item No. 8.1: Receive the Fiscal Year 2008-09 Mid-Year Budget Review and Amend the FY 2008-09 Budget, FY 2008-13 Capital Improvement Program, and Position Classification Plan

RECOMMENDATION:

Review the adopted FY 2008-09 Budget's mid-year financial status and amend the FY 2008-09 Budget, FY 2008-13 Capital Improvement Program, and Position Classification Plan as needed.

Rebecca Craig, Finance Director, provided an overview of the staff report and recommendation. She reported the following:

- The General Fund budget is \$55 million;
- There has been an 11% (\$3 million) decrease in sales tax revenue over last year; staff expects it to decrease another 5.5% (over \$1 million) next year;
- Overall, staff anticipates a \$2.2 million decrease in revenue;
- Property tax assessments are decreasing for the first time in Elk Grove's history; there has been a 3% decrease in assessments and resulting revenues, with an additional 3% to 5% expected;
- In November, the City Manager directed departments to review activities and identify reductions, following which \$2 million in reductions were made; additionally there was a \$200,000 reduction in the revenue neutrality payment to the County, due to reduction in assessed property valuation;
- The City will be adding \$150,000 to reserves this year, which is the result of revenue reduction and offsetting expenditure reductions;
- The Development Services Fund is expected to have a shortfall in operations of \$1 to \$2 million;
- The Roadway Fee is receiving a small amount of revenue from development;
- The State has withheld funding for reimbursement on projects, which amounts to \$10 million on the Sheldon Road interchange;
- In the Risk Management Fund, staff proposes *not* to transfer \$1 million, as it has adequate reserves for its expected claims;
- A \$2.4 million operating deficit is expected in the Transit Fund, with a \$5 million ongoing operational deficit anticipated.

Ms. Craig reviewed the mid-year budget amendments, as outlined in exhibits to the resolution (filed). An amendment is proposed in the Capital Improvement Projects to include a fencing project for the Police Department from asset seizure restricted funds and an amendment to the Transportation Program for two projects to expand their scope. Ms. Craig noted that Council received a "green sheet" to revise Exhibit C *Position Classification Plan Amendment* (filed). The following positions were proposed to be added:

- Administrative Analyst – Transit Fund (funding would come from savings from contract services)

- Emergency Services Coordinator – Unfunded
- Facilities and Fleet Manager – Funding from savings from contract services
- Senior Management Analyst – Development Services Fund

In answer to Mayor Hume, Ms. Craig explained that the Development Services Fund was created last year to segregate its activities from the General Fund's operations. She noted that, in times of high activity, it builds a reserve and during low activity it utilizes reserves. The fund was created during a time of lower activity. Over time, staff expects the Development Service Fund to be self supporting. The increase in General Fund fine revenue was due to the red light cameras.

PUBLIC COMMENT:

None.

Motion: ***M/S Cooper/Scherman*** to adopt **Resolution No. 2009-34** approving amendments to the Fiscal Year 2008-09 Budget, Fiscal Year 2008-13 Capital Improvement Program, and Position Classification Plan *with the amendment to revise the title of the Youth Program Manager to Youth Program Coordinator as shown in Exhibit C of the resolution.* ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

Agenda Item No. 8.2: Consider a resolution authorizing the acceptance of IOUs issued by the State of California as payment for Transit Passes

RECOMMENDATION:

Adopt resolution authorizing the acceptance of IOUs issued by the State of California as payment for transit passes through January 2010.

Rebecca Craig, Finance Director, provided an overview of the staff report and recommendation.

PUBLIC COMMENT:

None.

In answer to Council Member Davis, Transit Manager Fink reported that the State reimburses its employees 75% of the cost of transit passes, up to \$65. For this reason, Mr. Davis suggested that the City *not* agree to accept State IOUs.

In reply to Council Member Detrick, City Attorney Cochran confirmed that the State "IOUs" are registered warrants, which will ultimately get paid.

Motion: ***M/S Scherman/Detrick*** to adopt **Resolution No. 2009-35** authorizing the acceptance of IOUs issued by the State of California as payment for transit passes through January 2010. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

Agenda Item No. 8.3: *(Continued from 1-14-09)* Consider revision of public transit fares, effective April 1, 2009, and approving indexing of transit fares annually beginning July 1, 2010

RECOMMENDATION:

Adopt resolution revising public transit fares, effective April 1, 2009 and authorizing regular fare adjustments according to an average of national transportation and consumer indices, effective annually beginning on July 1, 2010.

Tiffani Fink, Transit System Manager, provided an overview of the staff report and recommendation. She noted that all comments received to date were reviewed, including all the alternative models for costing; however, none of the proposals for amendments met the required farebox ratio, therefore, staff's recommendation remained unchanged from its presentation at the January 14 City Council meeting. She reviewed the proposed fares as outlined in Exhibit A to the resolution (filed). She discussed case studies and reported that 82% of the fares come from commuter and local routes, 16.79% from students, and 1.12% from seniors. Under staff's proposal, fare recovery would be generated 73.5% by the general public, 25% by students, and 1% by seniors. Currently the City subsidizes 95% of students travel costs; under staff's proposal the subsidy would be reduced to 83%. The Regional Transit (RT) Transfer Agreement termination date was extended to March 31. If proposed fares are approved, they would take effect on April 1 and be adjusted annually beginning July 1, 2010. If the City does not meet a State mandated farebox recovery ratio of 20%, it will lose Transportation Development Act (TDA) funding.

Jim Brown, Sacramento Area Council of Governments (SACOG) Supervising Senior Planner, explained that jurisdictions not meeting the farebox recovery ratio enter a "penalty phase", which limits SACOG's ability to provide the full amount of TDA funding that would otherwise be available. He stated that with the City's current budget of \$8.5 million, it would need \$1.7 million annually in fare revenue. The City now has a 17% farebox recovery ratio. The 3% loss (from required 20%) equates to \$255,000. Since 2005-06 the City has appreciated a \$1 million shortfall in Local Transportation Fund revenue. A decrease in State Transit Assistance Funds will result in a shortfall of \$350,000. Next year the City can expect a loss of \$700,000 in State funding.

In answer to Council Member Davis, Mr. Brown reported that many jurisdictions have pursued changes legislatively, in which they have delegated authority through the legislature, whereby it can use alternative criteria in determining whether or not a jurisdiction (or transit operator) is meeting the efficiency and effectiveness goals of statute. Mr. Davis felt that SACOG should be engaged to pursue this on behalf of the City of Elk Grove.

Mayor Hume recommended that unproductive routes be eliminated.

PUBLIC COMMENT:

Rowena Rosenberg stated that she was speaking on behalf of disabled individuals who ride e-van and paratransit. She pointed out that many disabled persons survive on Supplemental Security Income and, therefore, cannot afford the proposed increases in transit fares. Disabled individuals rely on public transportation for basic needs, such as going to the store and medical appointments. She asked that the monthly passes not be discontinued.

Mike Barnbaum acknowledged that it was necessary to raise the fares for parity with RT. Identical fares across the region would allow for the next step, i.e. a regional universal fare card. He recommended that Council adopt staff's recommendation with the following changes:

- E-tran service: cash fare, senior disabled transfer – reduce from 50 cents to 25 cents;
- Local only, monthly pass – introduce a student category matching the fare of the senior disabled Medicare regional pass being at the parity of the paratransit monthly pass of \$100;
- Direct staff to return to Council on March 25 with an Americans with Disability Act e-van and dial-a-ride policy to bring comparable systems, such as Roseville's, and to return on May 27 with a transit operator recommendation.

Linda Beattie stated that her concerns were the same as she expressed at the January 14 City Council meeting on this subject. She asked Council to limit the fare increases as much as possible for the next 18 months until the economy improves.

Ted Clark stated that he was an e-van rider and with the proposed fares his transportation will increase from \$1,200 to \$3,960 annually. He asked whether SACOG could apply for a waiver on the City's behalf to only be allowed to have a 5% farebox recovery ratio, as is the case with paratransit.

Denise Clark posed questions about the analyses done by staff.

Kim Porbanic felt that many of the inquiries raised at the January 14 meeting were unanswered in staff's presentation. She questioned whether all the options were taken into consideration.

At the request of Council Member Cooper, the Transportation Director of Yolo County reviewed its fees noting that its base pass was \$85 and the express fee for bus service to downtown Sacramento was \$3. Yolo County does not have a monthly pass.

Council Member Cooper noted that the City was already operating in a lean financial position and next year is expected to be more difficult. He felt there was no other alternative to raising fares. He pointed out that the public does not ask the

School District why it is not providing better bus service for its students and yet they expect the City to shoulder the cost burden.

Council Member Davis noted that parity is not an issue for local routes and e-van. He reiterated his January 14 proposals:

- Increase student fares from \$15 to \$30;
- E-van monthly pass from \$100 to \$150 with a 50 cap on the number of local rides and a regional monthly pass for \$150 with a cap at 25 rides.

In answer to Council Member Cooper, Finance Director Craig confirmed that there were no additional revenues in the City to allocate toward transportation that would not tap into the reserve or reduce current operations.

Deputy City Manager Tubbs reported that staff intends to return to Council in the spring with information regarding e-van levels of service. The Transit Manager is currently studying route efficiencies.

Vice Mayor Scherman suggested that the Sacramento airport route be eliminated. She had received reports of students leaving trash on the buses, which makes it unappealing for commuters who must ride afterwards. She voiced support for staff's recommendation.

Council Member Detrick recommended that bus service be discussed with Elk Grove Unified School District representatives.

Mayor Hume reported that Mike Barnbaum pointed out that RTs current rate, as of January 2009, is \$6 for general public and \$3 for their discounted fare. Mr. Hume believed there was merit in considering a local only monthly pass for students. He favored keeping the fares as low as possible for disabled riders. He agreed with Council Member Davis' suggestion to have a monthly pass with a cap on the number of rides. He encouraged staff to look into route productivity and trimming service on e-van.

Motion: M/S Scherman/Cooper to waive its Rule of Procedure (Resolution 2007-107, Item 6) not to consider new business after 10:00 p.m. and to proceed with the remainder of the agenda. The motion passed by the following vote: Ayes: 5; Noes: 0.

Council Member Detrick recommended \$150 for both the local and regional monthly passes with a 44 trip cap.

Ms. Fink acknowledged that there was an error in the staff report and the proposed daily pass fares should have been listed as \$6.00 for general public, \$3.00 for senior/disabled/Medicare and \$3.00 for students.

Mayor Hume asked staff to return with information regarding productivity of routes, overall efficiencies, priority for ADA rider service, and options to encourage students to walk or bicycle to school. Vice Mayor Scherman and Council Member Detrick voiced agreement.

Finance Analyst Andrew Keys ran various scenarios on an electronic spreadsheet.

Council Member Tubbs confirmed that Ms. Fink would return to Council at a subsequent meeting to discuss fixed route and paratransit service. He ensured Council that the farebox situation would be monitored closely by staff. Mr. Tubbs recited his understanding of Council's direction to proceed with establishing fare parity on those fares subject to the RT Transfer Agreement, which were shown on the electronic spreadsheet with a 20.85% farebox. Mr. Keys summarized the following information from the spreadsheet:

- No change from staff's recommendation for daily fares;
- Daily pass at \$6 regional and \$3 local;
- No change from staff's recommendation for unrestricted passes;
- Local only monthly passes would remain as recommended, with the addition of a student pass at \$40;
- No change from staff's recommendation for all 10-ride passes;
- No change from staff's recommendation for e-van local, regional, single ride and 10-ride passes;
- Addition of a local and regional monthly pass at \$150 each with a limit at 44 rides per month on e-van.

Motion: M/S Detrick /Scherman to adopt Resolution No. 2009-36 adopting public transit fares as shown in Exhibit A to include described amendments effective April 1, 2009 and authorizing regular fare adjustments according to an average of national transportation and consumer indices, effective annually beginning on July 1, 2010. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

Agenda Item No. 8.4: Consider adoption of a Fund Balance Reserve Policy

RECOMMENDATION:

Adopt resolution approving the Fund Balance Reserve Policy.

The City Council waived the verbal staff report.

PUBLIC COMMENT:

None.

Note: Council Member Detrick temporarily left the meeting at 10:16 p.m.

Motion: *M/S Davis/Scherman* to adopt **Resolution No. 2009-37** approving the Fund Balance Reserve Policy. ***The motion passed by the following vote: Ayes: 4; Noes: 0; Absent: 1 (Detrick)***

Note: Council Member Detrick returned at 10:17 p.m.

Agenda Item No. 8.5: Special Event Permit Process

NOTE: Agenda Item No. 8.5 was continued to the regularly scheduled meeting of March 11, 2009 (See Item 2).

Agenda Item No. 8.6: Consider pledging Capital Project Funds to the Sacramento Regional Transit District's South Sacramento Corridor Phase II Light Rail Extension Project

RECOMMENDATION:

Adopt resolution to:

1. Pledge the Elk Grove-West Vineyard Transit impact fee fund be pledged toward the South Sacramento Corridor Phase II Light Rail Extension Project; and
2. Pledge \$400,000 of the Laguna Community Facilities District funds toward the South Sacramento Corridor Phase II Light Rail Extension Project; and
3. Reconsider the pledge after March 1, 2013 if Sacramento Regional Transit has not received federal grant authorization to proceed with this project; and
4. Authorize the City Manager to coordinate an amendment to the Laguna Community Facilities District acquisition agreement to allocate funding toward the Sheldon Road Widening project.

Rebecca Craig, Finance Director, provided an overview of the staff report and recommendation. She noted that the City Council received a "green sheet" memorandum to correct paragraph 8, item 2, of the resolution (filed).

PUBLIC COMMENT:

None.

Motion: *M/S Scherman/Davis* to adopt **Resolution No. 2009-38** *as amended:*

1. Pledging the Elk Grove-West Vineyard Transit impact fee fund be pledged toward the South Sacramento Corridor Phase II Light Rail Extension Project; and
2. Pledging \$400,000 *plus interest accrued after May 31, 2008* of the Laguna Community Facilities District funds toward the South Sacramento Corridor Phase II Light Rail Extension Project; and
3. Allowing to reconsider the pledge after March 1, 2013 if Sacramento Regional Transit has not received federal grant authorization to proceed with this project; and
4. Authorizing the City Manager to coordinate an amendment to the Laguna Community Facilities District acquisition agreement to allocate funding toward

the Sheldon Road Widening project. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

GENERAL ADMINISTRATION INFORMATION

City Manager Laura Gill reviewed the February 11, 2009 Administrative Report (filed). Additionally, she reported that a large oak tree would be removed on February 15 from the area of Elk Grove Boulevard and Elk Grove Florin Road, due to safety reasons. The tree will be replaced in a location away from power lines.

COUNCIL COMMENTS/FUTURE AGENDA ITEMS

Reports on Regional Boards, Commissions, Committees; Travel/Training Expenditures Disclosure (*in accordance with Resolution 2006-295 and Government Code § 53232.3(d)*):

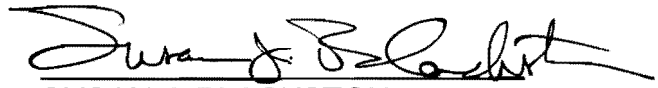
Council Member Detrick noted that he forwarded to the City Attorney an ordinance for “substantial detriment to public good”, related to land and structures. City Attorney Cochran reported that the City already has similar provisions in its variance ordinance.

Council concurred that Ms. Cochran further review the ordinance and report back.


Council Member Detrick mentioned that he attended a tree planting event in the Sheldon area at which more than 250 trees were planted. He sent thank you letters to the Sacramento Municipal Utility District and the Tree Foundation for their efforts. Last week he was officially announced as a Sacramento Metropolitan Cable Television Commissioner. On February 8 he attended an event celebrating the life of Ben Underwood, a 16 year old Elk Grove high school student who recently passed away. He presented a certificate of recognition to Mr. Underwood’s mother. He noted that Mr. Underwood, who was blind, lived a remarkably active life that inspired people around the world.

ADJOURNMENT

With no additional business to conduct, the February 11, 2009 City Council meeting was adjourned at 10:35 p.m.


SUSAN J. BLACKSTON,
CITY CLERK

ATTEST:



PATRICK HUME, MAYOR