

**MINUTES OF THE CITY COUNCIL  
REGULAR MEETING  
Wednesday, May 13, 2009**

**CALL TO ORDER/ROLL CALL**

Mayor Hume called the regular City Council meeting of May 13, 2009 to order at 6:10 p.m.

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

Absent: None.

Council Member Cooper led the Pledge of Allegiance.

Mayor Hume asked that a moment of silence be observed.

**APPROVAL OF AGENDA**

***Motion: M/S Scherman/Cooper*** to pull Item 8.5 from the agenda at the request of staff and 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 Certificate of Recognition to Vishaal Prasad for being named a National Patroller of the Year by the American Automobile Association.
- 4.2 Vice Mayor Scherman presented a proclamation to Nancy Yavrom, Program Coordinator of the Sacramento County Adult and Aging Commission recognizing May as Older American's Month. Ms. Yavrom introduced Charles Beal of Elk Grove who was one of nine people chosen by the Sacramento County Board of Supervisors to receive a Senior Recognition Award.
- 4.3 Council Member Davis presented a 2010 Census Partner Proclamation to Elizabeth Cantu from the United States Census Bureau.

Mayor Hume mentioned that he received a call from Mr. Burns at the Seattle Regional Office of the Census Bureau, who informed him that the City's timeline for processing the tenant improvement permit for the Elk Grove Census Bureau office is not conducive to their needs. Mr. Hume pointed out that the Bureau office would bring 120 temporary jobs to the community and he asked staff to expedite the permit process, to which Assistant City Manager Blacklock confirmed that staff would be following up on the matter.

- 4.4 A presentation regarding the *Think, Shop, Live, Elk Grove* program (Elk Grove's Shop Local Campaign) was given by Public Information Officer Christine Brainerd, Roy and David Herburger of the Elk Grove Citizen, Janet Toppenberg of the Elk Grove Chamber of Commerce, and Stephanie Beasley of Frontier Communications.
- 4.5 A Youth Commission update was presented by Chair Rebecca Shimizu and Vice Chair Amanda Cosenza.

#### **PUBLIC COMMENT**

Bob Gray reported that, for the past six years, he has asked the City to mark traffic sensors on streets for bicyclists. Mr. Gray stated that he was told by a City staff member that he could run a red light if he tired of waiting. Mr. Gray noted that his request was not costly, as it would require only paint on the pavement.

Public Works Director Shepard confirmed that he would look into the matter.

Newton Ekpo reported that studies have shown that of 24 million children in the United States, 34% live in homes absent of fathers. These children are two or three times as likely to be poor and experience emotional, health, and behavioral problems. He invited Council Members and the public to attend the June 20 Northern California Fatherhood Conference in the Elk Grove Council Chamber.

Lynn Wheat stated that she would no longer speak about what she believed to be a viable habitat and area for an urban preserve at Bond and Waterman Roads because she was certain the property would be developed. She expressed disappointment that the Council representative on the Sacramento Area Sewer District did not share with the public the recent actions that affected the property. She felt that the City's vision has been "rezone and sprawl" with the increased Sphere of Influence.

Kathy Lee reported that property known as Vintara Park was a topic on the April 22 Sacramento Area Sewer District Board of Directors agenda and felt that Vice Mayor Sherman, who serves as chair of the Board, should have notified members of the public who were concerned about its development. She emphasized that all Members of the Council need to be engaged in open, transparent, and citizen driven government.

Daphne Harris noted that she was a candidate for chair of the Census 2010 Complete Count Committee and that she was interested in ensuring Elk Grove was fully represented and that ethnic diversity be accurately contained in the data collected.

Therese Schultz announced that the Third Annual Senior Day would be held at Beeman Park on May 27.

Vice Mayor Scherman explained that, the item Ms. Wheat and Ms. Lee spoke about, was originally scheduled for closed session. At that time, she spoke with the new owners who assured her they had met with two residents in the area. Three days before the meeting, the item was moved to the regular calendar of the agenda.

### **CONSENT CALENDAR ITEMS**

In reference to Item 6.3, Council Member Cooper asked for clarification about the purchase of 12 tasers for Community Services Officers. Police Chief Lehner explained that they are not the same as the tasers that Police Officers carry and are intended as an additional self defense mechanism, similar to pepper spray.

***Motion: M/S Davis/Cooper to approve the Consent Calendar as presented. The motion passed by the following vote: Ayes: 5; Noes: 0***

**Agenda Item No. 6.1:** Approved General Warrant No. 44852 through 45892 dated April 1, 2009 through April 30 2009, and Electronic Fund Transfer 2009122 through 2009133, and Automatic Clearing House

**Agenda Item No. 6.2:** Approved City Council Meeting Minutes: a) March 25, 2009 Special meeting; b) March 25, 2009 Regular meeting; c) April 22, 2009 Special meeting; and d) April 22, 2009 Regular 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 May 6, 2009

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

**Agenda Item No. 6.5:** **Ordinance No. 8-2009** adopted amending the Elk Grove Zoning Map for a 0.71 acre parcel from Limited Commercial (LC) to Shopping Center (SC) for the Elk Grove 76 Service Station Project EG-08-002; APN: 125-0010-005 (**Second Reading**)

**Agenda Item No. 6.6:** Ordinance No. 9-2009 adopted levying and apportioning the special tax in territory annexed to Community Facilities District No. 2006-1 (Maintenance Services) Annexation No. 12 and amending Elk Grove Municipal Code Section 3.19.010 (**Second Reading**)

**Agenda Item No. 6.7:** Resolution No. 2009-89 adopted authorizing the City Manager to execute a construction contract with Teichert Construction for the Franklin Boulevard Rehabilitation Project (Elk Grove Boulevard to Laguna Boulevard) in the amount of \$667,478.90 and authorizing the City Engineer to approve change orders not to exceed \$100,122

**Agenda Item No. 6.8:** Resolution No. 2009-90 adopted denying a bid protest, authorizing the City Manager to execute a construction contract with Top Grade Construction, Inc. for the Asphalt Concrete Overlay and Curb Ramp Improvements Project 2009 / Elk Grove Boulevard Rehabilitation (Bruceville Road to State Route 99) Project in the amount of \$1,672,435.52 and authorizing the City Engineer to approve change orders not to exceed \$250,865

**Agenda Item No. 6.9:** Resolution No. 2009-91 adopted approving Parcel Map No. 06-1005, Backer Property (EG-06-1005)

**Agenda Item No. 6.10:** Resolution No. 2009-92 adopted approving Parcel Map No. 07-041, Laguna Marketplace Parcel 3 (EG-07-041)

**Agenda Item No. 6.11:** Resolution No. 2009-93 adopted accepting the Compressed Natural Gas Fuel System 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 (TR8007)

**Agenda Item No. 6.12:** Resolution No. 2009-94 adopted amending the 2008-13 Capital Improvement Program and the Fiscal Year 2008-09 budget by approving the allocation of \$500,000 of Capital Facilities Fee - Intelligent Transportation Systems (ITS) funding for the ITS Program (PT0084)

## **PUBLIC HEARINGS**

**Agenda Item No. 7.1:** (*Continued from 4-22-2009*) A public hearing to consider updates to Capital Facilities and Roadway Impact Fees

## **RECOMMENDATION:**

Introduce and waive the full reading, by substitution of title only, an Ordinance repealing Elk Grove Municipal Code Chapter 16.84 and amending Chapter 16.95 implementing Development Impact Fees.

Mayor Hume declared the public hearing open.

With the aid of an overhead presentation (filed), Public Works Director Richard Shepard recalled that Special City Council meetings were held on January 14 and February 11 regarding this subject. Since then, staff has held multiple meetings with stakeholders and developed an *Elk Grove Roadway Fee Program Nexus Study – 2009 Update*, which supports a long term and sustainable fee program. He pointed out that the Intelligent Transportation System and railroad overcrossing components were removed from the Capital Facilities Fee program and placed in the Roadway Fee Program. New traffic generation trip rates from the Institute of Traffic Engineers were also included in the update. During the Special meetings, Council directed staff to continue with General Plan Level of Service D and to include projects consistent with the General Plan, i.e. Whitelock Road / Highway 99 interchange and Elk Grove Boulevard / Highway 99 improvements. Rural road mainline improvements along Bradshaw and Grantline Roads, as well as other intersections necessary in the rural area were included, in addition to full-width improvements. The cost of the entire program is \$619 million. \$71 million in rural road improvements will not be funded with development impact fees. There is \$177 million in the program that is coming from other sources, e.g. Measure A, a variety of Community Facilities Districts, State and Federal grants, additionally, some of the projects have been conditioned and will be constructed by developers. \$140 million is associated with money in the bank and structural sections that staff believe will lead to significant savings in the program. The total cost of the program that has to be collected from impact fees is \$232 million. Staff believes the City will receive \$10 million over the next 10 to 20 years that has not been included in the program, e.g. State Proposition B, Federal stimulus monies, the new Highway Bill, State and Federal grants, etc. In the staff recommended fee schedule, it is proposed to invest the \$10 million into the non-residential side of the fee program to buy down the rates of commercial development. The proposed ordinance will allow for all future development fees to be implemented through resolutions.

Jamie Gomes representing Economic & Planning Systems reviewed the Capital Facilities Fee program, noting there were five facility components: 1) Civic Center, 2) police, 3) library, 4) corporation yard, and 5) transit. He explained that factors effecting Capital Facilities Fees include level of service standards, cost of construction, facilities, and land acquisition. The person per household and employment density assumptions were updated to make sure the nexus study was current. The cost allocation methodology was also updated. The fees recommended in both the nexus study and in staff's recommendation are not scaled, i.e. there is a single rate for a single-family use and a single rate for a multi-family use; they do not vary by the size of the household. The existing level of service standard was used for the civic center component. New development will pay for its impacts on civic center facilities at a commensurate level with how they are being provided to existing residents, i.e. 340 square feet of civic center space for every 1,000 city residents. A build out level of service methodology was used for the library facility, which includes the standard from the Sacramento Library

Authority Master Plan of 500 square feet per 1,000 city residents. Mr. Gomes pointed out that new development needs to pay for its proportionate share of reaching the higher standard, but through the recommended fees, it is not being asked to mitigate for any existing deficiencies, which will have to be funded through another source. Existing level of service methodology was also used for police facilities. A build out level of service standard was used for the corporation yard and transit facility components of the fees.

Tiffani Fink, Transit Manager, noted that, in the original 2004 fee study, there were eight routes serving the City and there are now 28 routes, as well as expanded Americans with Disabilities Act and Dial-A-Ride services. Transit capital facilities are focused on City operated services at the corporation yard and bus facilities. Any revenue received, other than development, would be needed to cover the current deficiency and service demand. Any increase needed by development would need to be paid for by development. The Regional Transit light rail phase three improvement was included in the plan; however, the cost of \$40 million is recommended to be deferred until the next renewal because the timeline to construct the light rail line is unknown.

Mr. Gomes stated that, if Council accepts staff's recommendation over the nexus supported fee schedule, it would result in a \$400 per unit reduction on a single family unit and a similar reduction for every 1,000 square feet of non-residential. This represents a 10% and 20% reduction for all land uses except shopping center and general commercial land use. The new methodology for the cost allocation resulted in a more accurate depiction of general commercial's impact on transit facilities, which resulted in a 19% increase in land use fees. If staff's recommendation is approved, the combined fees would decrease by \$3,000 to \$4,400 for residential units and \$5,500 to \$8,000 for every 1,000 square feet of non-residential development.

Mr. Shepard reported that staff intends to continue to work collaboratively with the development industry on the following topics and will return to Council for policy direction:

- Affordable housing fee
- General Plan level of service criteria
- Project conditions and approval
- Project review and approval process
- Design standards
- Economic development incentives

Mayor Hume suggested that the topics of discussion be prioritized and he recommended that the economic development incentive program be expedited.

Council Member Davis recommended that, of the \$10 million, \$5 million be applied over the life of the program and \$5 million be placed into the first year. This would result in no fees for this year.

Mr. Shepard replied that it had been discussed not to have fees this year; however, because the City is not the only fee burden, it would not serve to stimulate new development. It was felt by the development community that the long-term sustainable reduction was the optimal method to use for these funds.

John Costa representing the North State Building Industry Association noted that the technical group that had been working with City staff the past several months had focused on making sure the programs were sustainable for the long term. It is hoped that the collaborative effort would continue with other topics of mutual interest.

**PUBLIC COMMENT:**

Tom Shine distributed a list of road projects that were discussed by the Sheldon Community Association and the Greater Sheldon Homeowner's Association Combined Roads Committee, along with Public Works staff earlier this year (filed). Also included was a list of projects that do not comply with the Rural Road Improvement Standards, due to placement of curbs, gutters, sidewalks, medians, landscaping, and streetlights.

June Coats reported that, on February 20, she and Tom Shine met with Assistant Public Works Director Fritz Buchman to discuss projects in the Sheldon area. She expressed concern regarding a possible "round about" at Sheldon and Waterman Roads and the projects still listed in the staff report that are inconsistent with the Rural Road Improvement Standards.

Janet Toppenberg, Chief Executive Officer of the Elk Grove Chamber of Commerce, voiced support for staff's proposal.

Steve Czarniecki, Executive Director of the Elk Grove Economic Development Corporation, commended the City's effort and looked forward to lending support in development of additional economic development incentives that would help attract new businesses to Elk Grove.

Nikki Carpenter, member of the Sheldon Community Association, emphasized that the Rural Road Improvement Standards need to be adhered to. She complained that some documents on the City's website for this item were not legible. She felt that the petroleum pipeline along Bradshaw and Grantline Roads should be identified in areas where projects would be affected.

Mayor Hume declared the public hearing closed.

In reference to Ms. Carpenter's remarks, Mr. Shepard confirmed that staff is aware of the pipeline, underground utilities are marked, and there is utility protection built into processes.

Vice Mayor Scherman felt that the pipeline should be identified in some way and she strongly recommended that the Rural Roads Improvement Standards be strictly adhered to.

Mr. Shepard indicated that the pipeline could be added to the City's GIS mapping system.

Mr. Buchman confirmed that roadways in the rural area would be delivered per the Rural Roads Improvement Standards and clarified that the fee program establishes funding, not how improvements are delivered.

Mr. Blacklock recited his understanding from Council discussion that it wished to move forward with staff's recommended fees with the exception of evaluating the feasibility of taking the fees to zero and splitting the \$10 million into frontloading \$5 million and spreading \$5 million over the remainder of the program. Staff would confer with the industry group and the City Attorney to determine if it was feasible.

Council Member Davis asked that it be returned to Council with the economic development incentive program so it can be considered as a whole. Additionally, he asked staff to continue communications with the rural community groups.

Mayor Hume noted that he fully supported the Rural Roads Improvement Standards.

***Motion:*** ***M/S Scherman/Davis*** to: 1) approve staff recommended fees and direct staff to return to Council with an economic development incentive program and findings on the feasibility of frontloading \$5 million into the program, with the remaining \$5 million spread over the life of program; and 2) introduce and waive the full reading, by substitution of title only, **Ordinance No. 10-2009** repealing Elk Grove Municipal Code Chapter 16.84 and amending Chapter 16.95 implementing Development Impact Fees. ***The motion passed by the following vote: Ayes: 5; Noes: 0.***

**Agenda Item No. 7.2:** A public hearing to consider adoption of the Community Development Block Grant 2009-10 Action Plan and Analysis of Impediments to Fair Housing Choice

**RECOMMENDATION:**

Adopt resolution approving the Fiscal Year 2009-10 Community Development Block Grant (CDBG) Action Plan and Analysis of Impediments and authorize the City

Manager to execute and file all documents required to receive U.S. Department of Housing and Urban Development CDBG funds.

Mayor Hume declared the public hearing open.

With the aid of an overhead presentation (filed), Sarah Bontrager, Grants Specialist, reported that the City's CDBG allocation and funding from the American Recovery and Reinvestment Act totaled \$635,000. Of that amount, \$461,000 can be spent on capital projects, \$75,000 on public services, and \$98,000 on administration. Staff made its initial funding recommendation at the April 8 City Council meeting. Based on Council direction at that meeting, the Action Plan was revised and released for a 30 day comment period. Ms. Bontrager reported that no comments were received. The Action Plan reflects Council's priority of a one-stop center for capital projects funding. Ms. Bontrager reviewed the funding allocations in the Action Plan for Fiscal Year 2009-10. She pointed out that a "green sheet" memorandum was distributed on this item noting that the resolution would be amended in accordance with direction from the U.S. Department of Housing and Urban Development (filed).

**PUBLIC COMMENT:**

Mayor Hume declared the public hearing closed.

***Motion: M/S Cooper/Detrick*** to adopt **Resolution No. 2009-95** approving the Fiscal Year 2009-10 Community Development Block Grant Action Plan and Analysis of Impediments and authorizing the City Manager to execute and file all documents required to receive U.S. Department of Housing and Urban Development CDBG funds. ***The motion passed by the following vote: Ayes: 5; Noes: 0***

*NOTE: The City Council recessed at 8:26 p.m. and reconvened at 8:37 p.m. with all Members present.*

**REGULAR AGENDA ACTION ITEMS/RECOMMENDATIONS**

**Agenda Item No. 8.1:** Adopt resolution awarding a five year contract with Veolia Transportation Services, Inc. for Commuter, Fixed Route, ADA Complementary Paratransit and Dial-A-Ride Operations and Maintenance Services

**RECOMMENDATION:**

Adopt resolution awarding a five year contract and authorizing the City Manager to execute an agreement with Veolia Transportation Services, Inc. for Commuter, Fixed Route, ADA Complementary Paratransit and Dial-A-Ride Operations and Maintenance Services.

With the aid of an overhead presentation (filed), Tiffani Fink, Transit System Manager, provided an overview of the staff report and recommendation. She noted that the service initiation of the proposed new contract would begin on September 1. She explained that "best value" is a selection process in which proposals contain both price and qualitative components and the contract award is based on a combination of both considerations.

Jim Brown, Senior Planner with the Sacramento Area Council of Governments, began his comments by noting that he was not involved in the Request for Proposal (RFP) process. He had reviewed the City's RFP documents and found them to be standard with industry practices. He confirmed that the "best value" process is frequently used and contracts are often awarded to firms other than the lowest bid. The process that the City used, complies with Federal requirements.

In answer to Council Member Cooper, Mr. Brown stated that price was only 23% of the scoring criteria, therefore it was clear that cost was not to be a primary determinant in the process.

Ms. Fink reported that five proposals were received. A total of 1,000 hours was devoted to creating the RFP, staffing the pre-proposal conference, and reviewing RFPs. The proposal from Sacramento Regional Transit was found to be missing several required elements and, therefore, was deemed nonresponsive and removed from consideration. The internal evaluation committee was comprised of: Transit Manager Tiffani Fink, Transit Planner Raquel Chavarria, Transit Analyst Jamie Bandy, and Management Analyst Angela Frost. The external committee was comprised of: El Dorado Transit Executive Director Mindy Jackson, Yolo County Transportation District Chief Financial Officer Kwai Reitz, City of Fairfield Vehicle Maintenance Manager David Renschler, and City of Lodi Fleet Services Supervisor Randy Laney. Each evaluation committee reviewer independently reviewed and scored the proposals. Ms. Fink received preliminary scores from committee members and tabulated the results. The two top ranked firms were MV Transportation and Veolia Transportation Services. Upon conclusion of the interviews, the panel independently scored the two firms and sent the results to Ms. Fink. Tabulation of the results identified Veolia as the best value.

In answer to Council Member Cooper, Ms. Fink acknowledged that Ms. Bandy is new to Transit, though she has analyst experience with rate models and evaluating data. Ms. Frost has been involved with the Transit budget, updating policies, coordinating outreach, and fielding calls regarding level of service. Ms. Fink stated that her husband works in the Public Works department at the City of Fairfield with Mr. Renschler; however, they work under different managers. Ms. Fink also stated that she worked with Mr. Laney when she was employed by the City of Lodi.

Ms. Fink reviewed the criteria, scoring process, and results. MV's proposal was \$1 million less than Veolia's over a five year period; however, Ms. Fink pointed out that

it was believed by the panel that the City would spend more over a five year period under MV's contract than Veolia's. Veolia offered to locate their regional maintenance manager to the City's property at no additional cost. She noted that this manager had significant experience with Compressed Natural Gas (CNG) buses and has been assisting Yolo County with its CNG program. Additionally, Veolia offered 48 hours of transit planner assistance. Every 3,000 miles, Veolia would bring in a firm that specializes in vehicle detailing. Veolia offers a higher number of skilled mechanics, utility workers, road supervision staff, and a dedicated trainer in addition to the safety training manager. Ms. Fink summarized, by stating that Veolia had the best contract cost over the term; it would provide more hours of training to new employees, and higher wages are proposed for drivers, dispatchers, utility workers, and mechanics. Ms. Fink stated that MV has a higher training wage and higher wages for management staff. She noted that a "green sheet" letter dated May 10, 2009 from Amalgamated Transit Union Local 256 was distributed to Council (filed).

Michael Griffus, President and Chief Operating Officer for Veolia Transportation of North America, noted that his office was in Chicago. He stated that Veolia is an environmental company and has \$40 billion in annual revenues. The majority of its shareholders are United States citizens. He ensured Council it would be pleased with the services provided by Veolia and that the transition would be seamless.

Sandra Showatter, Vice President of Business Development for Veolia Transportation, stated that Veolia is the number one multi-modal operator in North America. It operates buses, commuter rail, light rail, bus rapid transit, paratransit, shuttles, and has over 17,000 employees in North America and 150 contract locations. She stated that Veolia would offer better wages for line employees, better qualified mechanics, extended training programs, a commitment to employee development and new technologies.

Ron Bushman, Veolia Transportation Regional Vice President for Northern California, stated that local staff would be hired, as it is desired to obtain their expertise, service, and knowledge of the system. He noted that Veolia is the first and only contracted operator that is part of the California Climate Action Registry. He promised that every effort would be made to ensure a seamless transition.

Ms. Fink reviewed the proposed transition process.

Terry Bassett, Chief Executive Officer of the Yolo County Transportation District, reported that the District selected Veolia on July 7, 2006 and changed contractors on July 27, 2006. Mr. Bassett stated he was very pleased with the performance of Veolia, noting that they are experts with CNG and they hire local drivers. He believed that a parts clerk and safety manager were critical in providing high quality service. Mr. Bassett believed that Elk Grove was being charged an exorbitant number of extra fees by MV Transportation.

Jay Jeter, Regional Vice President of MV Transportation, noted that even though MV's price was \$1 million less than Veolia's, it was awarded 1,755 points on the price criteria and Veolia was awarded 2,010. He stated that the low bid transit firms are awarded contracts 90% of the time. He pointed out that one of Mr. Bassett's staff members from Yolo County was on the interview panel and scored MV significantly lower than every other panel member. MV's accomplishments include an on time performance departure rate of 98%, 165,000 miles between accidents, 26,000 miles between road calls, and they receive only six valid complaints per month. MV procured a \$5,000 truck for the City at no additional cost, has provided photography services, loaned buses on numerous occasions, and arranged for the lease of vehicles. He recommended that Council reject staff's recommendation and, instead, award the contract to MV. He submitted a letter dated May 13, 2009 from Dale Campbell of Weintraub, Genshlea, Chediak Law Corporation (filed).

WC Pihl, Vice President of Business Development for MV Transportation, stated that it is the largest contractor in the State of California and has its headquarters in Fairfield. MV has over 100 support personnel. Mr. Pihl noted that the City of Elk Grove has won numerous awards while partnering with MV.

Alex Lodde, Chief Executive Officer and owner of MV Transportation, strongly disagreed with the scoring system and pay analysis that was presented by staff.

***Motion: M/S Cooper/Scherman to waive rule of procedure 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.***

**PUBLIC COMMENT:**

Connie Conley was opposed to awarding a contract for a higher amount to an overseas company. She believed there was a perception of a conflict of interest with the evaluation committee. She urged Council to award the contract to MV Transportation.

Daniel Taylor complained that MV Transportation does not provide high enough salary and benefits to its employees.

Ray Harvey, Shop Steward for Local 256, questioned whether Veolia would hire mechanics currently working for MV. He stated that Veolia did not rehire local employees when it took over transit for Seattle, Washington.

Darnetta Lawson, MV driver and trainer, recalled that MV brought Elk Grove's transit system up during the difficult beginning stages to what it is today. She believed MV to be a hard working company that emphasizes safety and is doing a commendable job. She warned that there was no such thing as a "smooth transition" when changing transit companies.

Yajahira Bolanos reported that her husband uses e-tran to commute to work and is very happy with the service.

Jimmie Johnson was opposed to awarding a large contract to a firm in France. He favored MV as a local company, which offered services for \$1 million less than its competitor.

Daphne Harris asked whether a resource allocation table was done for both companies that included fixed fee, time and material, and caps, and if it was made clear to both parties. She suggested that Council look into how the costing was done and how the rate tables were allocated.

Linda Ford believed there was a clear conflict of interest in the evaluation committee that should be carefully considered. She reported having heard only positive comments about e-tran service and its drivers. She asked Council to reject staff's recommendation and award the contract to MV, a local company with a bid at \$1 million less.

David Mireski asked whether the contracts were the same, to which Ms. Fink replied that in the proposal, the City would cover all maintenance parts over \$2,500.

Council Member Detrick noted that the staff report included little in the way of a comparison and asked that, in the future, a more detailed approach be used with supporting information for staff's recommendation. He commented that Yolo County Transportation District Chief Financial Officer Kwai Reitz appeared to have scored MV lower in every category. He believed MV Transportation had been doing a good job.

Council Member Cooper pointed out that the staff report only includes information about Veolia and questioned how Council could be expected to make an informed decision without being provided complete and balanced information. He emphasized the importance of staff negotiating good contracts and managing the system better. He suggested that Ms. Fink's office be located at the transit corporation yard, rather than City Hall, so she is more aware of what is going on. Given the current economic downturn, he felt there would have to be an overwhelming reason not to accept a bid that was \$1 million less. He cited articles from Santa Rosa and Seattle, Washington, which purported that Veolia cut drivers and reduced pay after being awarded a contract.

Council Member Davis felt that both companies were reputable and would provide quality service. He believed the process staff used was fair. He stated that there had been a lot of improvement over the last two years and feedback from riders is positive. He was opposed to accepting the risk of starting over with a new company.

Vice Mayor Scherman believed both MV and Veolia were excellent companies and would bring great service to the City. Ms. Scherman stated that she would support MV as it now knows what the City expects, though she warned that she would be watching the situation carefully and forwarding any complaints received directly to the company.

Mayor Hume commented that the staff report and presentation seemed more like a sales pitch for Veolia than communication of facts. A California company met the requirements of the RFP and submitted a bid for \$1 million less than its competitor. Additionally, there has been a significant decrease in the number of complaints about transit service recently. For these reasons, he favored awarding the contract to MV.

City Attorney Cochran explained that the resolution would need to be amended to include specific findings the Council wished to make in order to substantiate its best value decision. Following discussion, it was agreed to include: knowledge of the system, its price as quoted, improvement and performance, and industry recognition.

***Motion: M/S Cooper/Scherman*** to adopt **Resolution No. 2009-96** awarding a five year contract and authorizing the City Manager to execute an agreement with MV Transportation for Commuter, Fixed Route, ADA Complementary Paratransit and Dial-A-Ride Operations and Maintenance Services. ***The motion passed by the following vote: Ayes: 5; Noes: 0***

**Agenda Item No. 8.2:** Consider a Conditional Use Permit application fee waiver request for the Jubilee Community Worship Center located at 9028 Franklin Boulevard, Suite 130 (APN: 119-0810-060)

**RECOMMENDATION:**

Consider Jubilee Community Worship Center's request to waive the \$5,223 Conditional Use Permit application fee.

Council waived the verbal presentation.

Charlotte Harvey Chief Executive Officer of the Jubilee Community Worship Center explained that, after signing a three year lease, it found that a conditional use permit was required, which the congregation of 20 members cannot afford. She asked Council to waive the fee.

Mayor Hume suggested that Ms. Harvey ask her landlord to spread the cost of the permit over the three year lease.

Council Members Davis and Cooper indicated that they might support a fee waiver in this instance.

Vice Mayor Scherman was opposed to a fee waiver, as it would be precedent setting and make it difficult to deny any future requests.

Council Member Detrick favored Mayor Hume's suggestion.

**PUBLIC COMMENT:**

***Motion: M/S Cooper/Detrick*** to continue Item 8.2 to the regularly scheduled City Council meeting of June 10, 2009. ***The motion passed by the following vote: Ayes: 5; Noes: 0***

**Agenda Item No. 8.3:** Fiscal Year 2008-09 General Fund Expenditure Reductions

**RECOMMENDATION:**

Receive and file a report from the City Manager concerning actions to correct a potential shortfall in the General Fund at June 30, 2009, including employee layoffs to take effect after May 29, 2009.

City Manager Gill reported that the fiscal situation for California cities and counties is worsening. An unprecedented drop in revenues has occurred since October 2008. Sales and property tax revenues are expected to decline through fiscal year 2011. Last week the County Tax Assessor estimated a 12% to 15% decrease in property tax in the next fiscal year. A second wave of foreclosures is anticipated in 2011. Sales tax makes up one third of the City's General Fund. Sales tax consultants do not expect a recovery before 2012. Since September 2008, \$3.6 million less than projected sales tax was received. If the propositions on the May 19 Special Statewide Election fail, Elk Grove may lose \$1.4 million temporarily if the State declares a fiscal emergency. In order to address the current shortfall this fiscal year of \$105,000, four positions have been identified for layoff. In order to obtain a month of savings for this fiscal year, as well as a full year of savings in fiscal year 2010 and 2011, Ms. Gill proposed to leave the positions of Risk Manager, Risk Analyst, and Youth Services Coordinator unfunded. She noted that risk management duties would be transferred to the City Attorney's Office and Human Resources. Youth Services functions would be the responsibility of the Deputy City Manager of Neighborhood Services. She noted that funding for part time assistance is included in the fiscal year 2010 budget for guidance to the Youth Commission. The City would be subscribing to eCivis, a grants network, which would allow the City to provide up to 10 licenses to nonprofit organizations so that they can pursue grants themselves, rather than relying on the City. Ms. Gill stated that a Customer Service Specialist in the Police Department would be eliminated because the position served as a cashier, which can be handled by Finance Department staff. The remaining \$69,000 (of the \$105,000 shortfall) would be

achieved through reductions in operational expenses. The Police Department has decreased its training expenses by \$58,000. Ms. Gill reminded Council that, under the City's Personnel Policies, the City Manager has the authority to determine when and in what position classifications layoffs are to occur, due to either a shortage of work or a shortage of funds.

**PUBLIC COMMENT:**

The following individuals spoke in support of Youth Services, requesting to maintain the current funding level, retaining the full time Youth Services Coordinator position, and commended the efforts of Youth Services Coordinator Jim Miller for his collaborative abilities and dedication:

- Kendall Connolly
- Amanda Cosenza
- Salvador Rosas
- Rebecca Shimizu
- Caroline Huang
- Benjamin Arriaga
- Morgan Macklin
- Ronald Montez
- Doug Krieger
- Randal Broadhurst
- Newton Ekpo
- Robert Felts
- Bina Lefkowitz
- Harold Pressley
- Damon Mireski
- Chuck Jones
- Linda Miller
- Dera Stewart
- Sabra Malika

Linda Ford recalled having spoken before Council on October 1, 2008 at which time she filed documentation of then Elk Grove Teen Center Executive Director Jim Miller's admission of a misappropriation of funds.

Connie Conley responded to Ms. Miller's comment that Jim Miller wrote the job description for the Youth Services Coordinator position before being hired by the City, noting that it would have been improper to do so.

Ms. Gill replied to a comment made by Mr. Felts, acknowledging that an error existed on page 1 of the staff report. It should have listed the budget at March 31 as \$20,530,000, which would make the sales tax deficit \$3,780,000.

Council Member Davis recalled that he defended the position of Youth Services Coordinator when it was created and would continue to do so, as he felt it was

critical to invest in the City's youth. He requested that further research be done to ascertain whether the position could be funded by a foundation or through grants.

Council Member Cooper expressed strong support for Youth Services, pointing out that it saves money in the long run to keep youngsters positively engaged in the community. He believed the experience and passion exemplified by Jim Miller would be difficult to replace. He suggested that the Code Enforcement Officer currently being recruited for, be stopped, in order to use the funds to retain the Youth Services Coordinator position.

Council Member Detrick voiced support for youth and stated that he would be willing to look at other cuts in order to save the Youth Services Coordinator position.

Mayor Hume pointed out that all Council Members care about youth; however, the City must have a sound, balanced budget. He warned that it would be a mistake to personalize positions and debate over which person's job to save over another. He acknowledged the difficulty of the situation and noted that there may be more layoffs that must be made in the future, due to the worsening economic situation.

Vice Mayor Scherman believed that the Youth Commission could continue to function under other leadership. She noted that budget cuts have already been made by the City and Council is considering a 10% cut of its own salary.

Council Member Cooper inquired as to why the California Gang Reduction, Intervention and Prevention Program (CalGRIP) grant was not applied for.

Ms. Gill replied that during the time the CalGRIP grant was being worked on, Council asked for an investigation of the Teen Center. Staff did not feel it was prudent to apply for the CalGRIP grant while the investigation was still underway.

Council Member Cooper recalled that he had said, unequivocally, at that time that no charges would result from the investigation.

***Motion: M/S Cooper/Davis*** to use salary savings achieved by not filling the vacant Code Enforcement position in order to continue funding the Youth Services Coordinator position. ***The motion FAILED by the following vote: Ayes: 1; Noes: 4 (Davis, Detrick, Hume, and Scherman)***

Council Member Davis asked if other Members agreed with the position of Youth Service Coordinator being filled if it could be funded in another way, to which Mayor Hume answered in the affirmative clarifying that the position is not being cut, it is proposed to be unfunded at this time.

Council Member Cooper reiterated his desire not to fill the vacant Code Enforcement Officer position in order to fund the Youth Services Coordinator position.

Ms. Gill explained that Council recently adopted a regulation that would stop garbage service for nonpayment and she feared there would be more Code Enforcement issues as a result; therefore, she directed that the Code Enforcement Officer vacancy be filled.

Vice Mayor Scherman expressed support for Ms. Gill's recommendation to fill the Code Enforcement Officer position.

**Agenda Item No. 8.4:** Appoint a public member representative to the Sacramento Regional Human Rights / Fair Housing Commission Advisory Board

**RECOMMENDATION:**

Adopt resolution appointing a member to fill one vacancy on the Sacramento Regional Human Rights / Fair Housing Commission Advisory Board

Susan Blackston, City Clerk, provided an overview of the staff report.

**PUBLIC COMMENT:**

None.

**Motion:** *M/S Scherman/Detrick* to adopt **Resolution No. 2009-97** appointing Davies Ononiwu to the Sacramento Regional Human Rights / Fair Housing Commission Advisory Board for a three year term. ***The motion passed by the following vote: Ayes: 5; Noes: 0***

*Note: Item 8.5 was pulled from the agenda*

~~**Agenda Item No. 8.5:** Notice of Intent to Provide Additional Service Credit for Specified Classifications and Public Notice of Cost~~

**Agenda Item No. 8.6:** Provide additional service credit for specified classifications for purposes of eligibility for city-provided retiree benefits

**RECOMMENDATION:**

Provide up to two years of additional City service credit benefits to specified classifications for the sole purpose of determining eligibility for City-provided retiree benefits.

City Manager Gill explained that one of the employees being laid off has over eight years of service. Ms. Gill asked Council to provide up to two years of service credit so that this employee (Risk Analyst) would have the necessary 10 years that are needed in order to vest in the City's health retirement account.

**PUBLIC COMMENT:**

None.

**Motion: M/S Scherman/Detrick to adopt **Resolution No. 2009-98** providing up to two years of additional City service credit benefits to specified classifications for the sole purpose of determining eligibility for City-provided retiree benefits. ***The motion passed by the following vote: Ayes: 5; Noes: 0*****

**GENERAL ADMINISTRATION INFORMATION**

City Manager Laura Gill reviewed the May 13, 2009 Administrative Report (filed).

**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 Davis reported that he attended the Sacramento Metro Chamber Cap-to-Cap trip in Washington, D.C. and successfully advocated for regional infrastructure and made significant progress in advocating for the Office of Community Oriented Policing Services grant through the Department of Justice.

Council Member Detrick received concurrence from the Council to proclaim June 20 as Fatherhood Day in the City of Elk Grove and have a proclamation presented at the June 10 City Council meeting.


Vice Mayor Scherman reported that budgets are being considered by the Boards of the Sacramento Area Sewer District, Women Empowered Against Violence (WEAVE), and the Senior Center. She attended the Sacramento Metro Chamber Cap-to-Cap trip in Washington, D.C. and advocated for civic amenities and the Indian Museum that will be built in West Sacramento.

Mayor Hume reported that he attended the Sacramento Metro Chamber Cap-to-Cap trip in Washington, D.C. and wrote an extensive summary of the event for publication in the local newspaper. In response to public comments made this evening regarding Vintara Park, Mayor Hume asked for clarification regarding action that took place at the Sacramento Area Sewer District Board meeting.


Vice Mayor Scherman replied that the agreement was transferred to the new developer, Lakemont Homes.

**ADJOURNMENT**

With no additional business to conduct, the May 13, 2009 City Council meeting was adjourned at 12:18 a.m. on May 14, 2009.

  
SUSAN J. BLACKSTON,  
CITY CLERK

ATTEST:

  
PATRICK HUME, MAYOR