MINUTES

SPECIAL/STUDY SESSION

JUNE 1, 2010

5:00 P.M.

CALL TO ORDER

At 5:00 p.m. Mayor Davies called the Special Study Session of the City Council to order.

PLEDGE OF ALLEGIANCE

Mayor Davies invited all in attendance to join in the Pledge of Allegiance led by Cody McCallum.

ROLL CALL

Council Members Present: Marlin Davies, Martie Dote, William Marble, Jeff

Monroe, Art Pimentel

Council Members Absent: None

Staff Members Present: Mark Deven, Andrew Morris, Sue Vannucci,

Tod Reddish, Carey Sullivan, Greg Meyer, Roberta Boegel, Kim McKinney, Jamie McLeod, Paul Siegel, Ken Bechthold, Chris Fong, Evis

Morales

REPORT OF THE CITY MANAGER



REVIEW CHAMBER OF COMMERCE BUDGET TASK FORCE REPORT

City Manager Deven said that in March 2010, Council had suggested the City ask the Chamber of Commerce to review our 2010-11 budget and make any observations they felt pertinent. A committee was formed to look at City operations. The Committee met with Department Directors and others to look at the budget closely.

Jim Hilliard of the Chamber of Commerce Task Force said the process was an extremely interesting and eye-opening one for all of the Task Force and the Chamber Board. In reviewing all of the information presented, the Task Force recommended to the Chamber Board and they agreed, that Council should implement the recommendations presented at the March 30, 2010 meeting in order to facilitate the balancing of the 2010-11 City budget. Any deviation from these recommendations will cause the structural imbalance of the City to remain. Programs and services must be cut or reduced to meet the ongoing imbalance of revenues and expenditures for the City.

Mr. Hilliard indicated that the Committee recommends also that Council clearly define the priorities to help the City staff work toward significant changes to future operations which will maintain structural changes and reduce possible future budgetary imbalances. Four broad strategies were identified to help achieve these goals: organizational, fiscal, service delivery and employee compensation initiatives. Within each of these broad initiatives, specific strategies were also identified to refine and provide considerations to meet these broad initiatives. The Chamber of Commerce is ready to assist the City Manager and Department Directors in implementation of these strategies.

Council Member Marble asked if the Committee looked at the "Your City, Your Voice" outcomes and considered the recommendations. Mr. Hilliard indicated they had looked at them early on and kept those general ideas in mind when they reviewed the budget. Their perspective was slightly different as they looked at more so at the fiscal aspects more than the quality of life aspects. They felt the economic development is the source of our tax base. Council Member Dote asked what the method could be used to secure a more scientific sample of the priorities and suggested a professional polling company conduct this sampling. Mr. Hilliard said this is not a scientific sample and to so secure such a sample, it would need to be from the outside. Council Member Dote said the recommendations indicate the City should have a 15% to 30% reserve in



all of the Funds and asked if that recommendation is carried out in the Ten Year Planning activities. Mr. Hilliard said in the Long Range Plan does include that reserve but they had not set a year to achieve that reserve goal. Council Member Dote said the report indicates concerns about the development process, outdated land uses, and Building Code and asked what specifically those concerns relate to. Mr. Hilliard said the Committee felt in general, current Codes and processes are hurdles for businesses. The process is not streamlined and easy to get through. Staff strives to be sure everything is in place according to current guidelines, but it is not efficient for the business community.

Council Member Monroe said the comments indicate the City has extraordinary high building impact fees. Mr. Hilliard said our fees are outside the norm of other Cities in our area.

Mayor Davies said the Committee indicated that public safety is a high priority, but that they are not immune to the economics. Mr. Hilliard said Police and Fire costs are 92% of the General Fund. All other programs would need to be cut or eliminated as a sacrifice to favor of Police and Fire. Other City services are vital and should not be eliminated or devastated to save all Police and Fire services. Mayor Davies said the Committee and reviewed employee compensation and addressed State and local issues. He asked for clarification on what the priorities they see are for our local employee base. Mr. Hilliard indicated the City Manager had received an offer from the Woodland Professional Firefighters Association to go back into negotiations. The City needs to work with the WPFA at once and should be working with those groups that agree to talk about concessions. The bargaining processes come up every two or three years and we cannot talk with them until the contract is up for renewal unless they agree to reopen. The Firefighters have agreed to offer some ideas that may give us some conciliations or concessions. The others may wait three years until their Memoranda of Understandings are expiring. The City should continue to strongly encourage those groups to agree to reopen and to help the City with sharing the benefit contributions. Future funds to pay for retired employee medical is a huge liability for the City and one that must be set aside, thus causing a drain on funds. New hires should be the ones to realize these changes in benefit contributions and the City should be more like the private sector.

Council Member Marble said one of the recommendations was to have an outside consultant evaluate the development/redevelopment issues. City Manager Deven said we have looked at our development processes several times over the years and have



implemented some changes. An objective third party who is familiar with the best practices in the industry could provide a new perspective. This is an opportunity to review our practices again and the City should pursue that option. We have funds set aside from a mid-year budget adjustment to start that process. Council Member Dote said discussion had been held regarding our outdated General Plan and Zoning Code. The Zoning Code had not been updated since 1983 and money has been set aside for these revisions in next years Capital Budget.

Vice Mayor Pimentel said he was surprised at the recommendation regarding ceasing the use of development impact fees to finance capital projects or ongoing operations. That was done in the Spring Lake area which is acceptable. recommendation does not specify the issue of capital projects for public use. He asked if the Committee had an opinion on that issue and the use of bonds. Mr. Hilliard said the Committee did not discuss any future development plans. Mayor Davies said these projects need to be financed and funds must be secured. Mr. Hilliard had asked if there was an operational budget for the facility maintenance and operation and the Committee had been assured that money was being put aside. City Manager Deven said that the report was not to criticize the past but to identify funds secured with an ongoing revenue source. It is permissible with such sources as a Community Facility District. Bonds were issues for a high level of ongoing development that was occurring. Then with the economic changes, bonds had been issued based on the understanding that development impact fees would pay the debt service. The Committee's recommendation pertains to the use of development impact fees generated by actual development which has proven to be an unreliable source of income given the current economic conditions.

Council Member Dote said there were some recommendations in the report that urged combining with the County and other Cities to share services and associated costs. She feels that process should begin right immediately.

Vice Mayor Pimentel said developers should be financing their own projects. The City could not have imagined this current economic climate. Private business should be providing financing for their own needs. Mr. Hilliard said the Committee looked at the current processes and what we could do differently.

Committee Member Roger Kohlmeier said we need to keep in mind regarding the financing of future improvements to the City that Proposition 13 was passed with the idea that if the citizens want something done they will vote to pay for it. An example



would be the Library and we will be vote to fund or close the facility. This is an opportunity for the City and streamline ourselves and be more efficient. Council needs to make the cuts needed.

Committee Member Al Aldrete said no one on the Task Force liked the scenarios before the City, but do very much understand the need to cut the \$5.8 million. Council needs to make those decisions no matter how unpopular or difficult they may be.

Committee Member Sean Kolb said Council needs to make these difficult decisions as the leaders of our City. This is an opportunity to restructure how the City is managed and Council should make the recommended changes the City Manager is suggesting so that we can operate more effectively and make it more efficient to do business with City. This will run its course and things will get better.

Mayor Davies said he appreciates the Chamber willingness to work with the City on this and other issues. The policy direction is clear that the City cannot spend more than it takes in. We have to maintain the integrity of our funds. Our projections were very conservative but we still came in very short of that anticipated revenue. It appears from the comments received that the Chamber does not feel the economy has hit the bottom yet. Mr. Hilliard said the Committee did not address the economy specifically but it is understood it is not going to recover quickly. As the economy does recover, consideration can be addressed regarding adding back to our services at that time. Measure V came before the Chamber Board last week and the Board has agreed to oppose the tax increase. They feel temporary funding would leave false money sitting there when what really needs to happen is drastic cuts.

Council Member Marble said the last two paragraphs of the report indicate the strong need to have follow up for future implementation of these strategic actions stressing we need to be sure there is follow up. Conversations within the 2 x 2 and with the City Manager should be a vehicle for that to happen. Mr. Hilliard said the Board added those comments to the report, not the Committee but he feels it is important.

Council Member Dote said Mr. Kohlmeier had said when people want something they vote on it. However, Measure V does develop a revenue stream. It is strictly for operational costs to get us through the drastic economy and will only be for a period of four years. It is not for capital projects, will not be saved for other items and will be spent as collected.



Bernadette Murray said in the report there were some items that should be considered. The Council needs to make very hard and painful decisions to insure the long-term viability of funds prior to expanding any programs. The report on the draft EIR on the Gateway II provides information that there are impacts for public services, could impact Fire and Police service, and increase the demand for waste water and water supply. Failure of Measure V will cut staff further. The City should not annex another portion of land. We cannot expand our area when we are planning to cut services for lack of funds. The City Manager has said there is money allocated in the budget to review the Zoning Code. Development impact fees may apply differently to projects at this time because land use changes have not been made. There is a push to have higher density in the urban core with granny flats on lots. The updates to zoning and land use is a process to would help development.

At 5:53 p.m., Mayor Davies recessed the Special Study Session of the Council.

REGULAR SESSION

6:00 P.M.

CALL TO ORDER

At 6:01 p.m., Mayor Davies called the Regular Session of the City Council to order. The Pledge of Allegiance had been undertaken during the Special Session.

PUBLIC COMMENT

Eric Zane, President of the Woodland Professional Firefighters' Association said Firefighters have various types of incidents they use to respond to. There are elements that need to happen when a fire erupts. He detailed the steps in each response process at which time and three Fire crews and one truck crew fully uniformed in turnouts and with gear they entered the Chamber. Fire Captain Zane said with budget cuts Council is asking for from the Department, some of the tasks will not be performed and the safety of residents will be compromised. With the possible elimination of an



engine company a fatality could happen. This is a life and death situation for them and the citizens.

Al Aldrete from the Chamber, commented on Measure V and said as a concerned citizen he is opposing the Measure. The current economy has no guarantee of providing the necessary revenue. The Measure will affect local businesses. The State will be taking more our funds and we need to make our General Fund cuts. Council needs to make the fiscally responsible decisions.

<u>COMMUNICATIONS – COMMITTEE REPORTS</u>

Council received the minutes of the Yolo Emergency Communications Agency meetings of March 8, 2010 and April 7, 2010.

Council received the minutes of the Commission on Aging meetings of January 27, February 23, and March 22, 2010.

Council received the minutes of the Parks and Recreation Commission meetings of January 25, February 22, and March 22, 2010.

<u>PRESENTATIONS</u>

PROCLAMATION – REACH 4 BOOKS PROGRAM

Council proclaimed their support and commendation for the REACH 4 BOOKS program. Bill and Matt Landis and Michael Mahoney came forward to receive the Proclamation for the program they helped begin in the Amazon River area. Mayor Davies presented the proclamation to these three young men. They provide Spanish language books to children along the Amazon to help with literacy. They have donated 2000 books, funds and started a library there.

CERTIFICATE OF OUTSTANDING SERVICE

Chief Reddish provided the Council with the background of events leading up to the rescue of an individual involved in a fire. Council Member Marble



presented a Certificate of Outstanding Service acknowledging each emergency service worker Agency involved in the rescue of occupants from a burning building.

CONSENT CALENDAR

On a motion by Council Member Monroe, seconded by Council Member Dote and carried unanimously, Council approved the following Consent Calendar items as presented:

MONTHLY STATUS REPORT - COMMUNITY DEVELOPMENT DEPARTMENT

Council received the Monthly Status Report from Community Development.

<u>CAPITAL PROJECTS STATUS REPORT – COMMUNITY DEVELOPMENT</u> <u>DEPARTMENT</u>

Council received the Capital Projects Status Report from Community Development.

RESOLUTION 5098A - CalHOME PROGRAM

Vice Mayor Pimentel asked whether the City can combine these types of loans that are forgivable with other existing loans in the Spring Lake area. Housing Analyst McLeod said most of the affordable housing assistance the City receives has been dedicated to the Spring Lake homes. If we have multiple funding sources, and someone is in a deeper layering level, we can assist them with these additional funds.

On a motion by Council Member Monroe, seconded by Council Member Dote and carried unanimously, Council adopted "Resolution 5090, the Governing Board of the City of Woodland Hereby Authorizes the Submittal of an Application to the California State Department of Housing and Community Development for Funding Under the Calhome Program; the Execution of a Standard Agreement if



Selected for Such Funding and any Amendments Thereto; and any Related Documents Necessary to Participate in the CalHOME Program", and to take any budgetary action needed to implement the grant.

CONFLICT OF INTEREST CODE

Council directed the City Clerk to review the City's Conflict of Interest Code and report to the Council should changes to the adopted Code be necessary.

PUBLIC HEARINGS - COUNCIL

RESOLUTION 5099 - GROUNDWATER MANAGEMENT PLAN

Council Member Dote asked with the Ground Water Management Plan in place, would this provide a better method for the City to be eligible for grants. Public Works Director Meyer said they would be across-the-board grants and it does put the City in a better position to seek these grants.

At 6:30 p.m. Mayor Davies opened the Public Hearing. With no comments heard, Mayor Davies closed the Public Hearing.

On a motion by Council Member Monroe, seconded by Council Member Dote and carried unanimously, Council adopted Resolution 5099, "A Resolution of Intent to Prepare a Groundwater Management Plan".

PROJECT 06-09 - SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) SYSTEM DESIGN - APPEAL

City Attorney Morris briefed the Council on the basis of the appeal, the background, and indicated the irregularity was minor and acceptable to waive. Aztec Contractors had submitted a letter indicating the bid should be awarded to them, rather than Auburn Contractors or rebid completely.



Gary Berticevich, Attorney for Aztec, said the specifications have been approved by the Court to avoid illegal processes in public agencies. Addendum #3 was not signed as required and the City was required to reject if the documents were not in place. The irregularities would indicate the low bidder would get an unfair advantage, or somehow affect the bid price. He believes waiving the Addendum #3 does give the unfair advantage to Auburn, and the City has a requirement to reject their bid. Aztec's bid was not responsive as well according to the City Attorney and that is not correct. The City did call Aztec and ask for additional paperwork which was provided.

Vice Mayor Pimentel said the bottom line is price. The City must hire the best contractor at the best price. He asked should the City start the process over and rebid the project with the same results, would Aztec be satisfied. City Attorney Morris said the possibility of getting a lower bid is not the question of the appeal.

Ed Duarte, owner of Aztec said they are a family owned firm and have done almost exclusively public works projects. He is an Engineer and knows as much about public contract bids as any one else present. Any other entity would have ruled this as non-responsive. Auburn's bid was non-responsive. Should the City choose to waive this and rule it as an irregularity, future contractors will see this as a way to get into the City because of the leniency. Staff has made the allegation that Aztec was non-responsive because of omitted areas. The contract was followed to the letter and submitted fully. Aztec was non-responsive and provided everything required by the City language. Aztec is small and is a certified small business which the City has indicated they wish to utilize.

Doug Baxter, Principle Engineer in Utilities said this has been a long process and the City has been very seriously following the procedures. The bid process was done in a fair and competitive manner. Addendum #3 gave the contractor more options on the panel to be used for the project. This element would have lowered the price. Omission of this Addendum did not give them a competitive advantage, but a disadvantage.

Council Member Monroe asked what has been the past practice in situations like this. Public Works Director Meyer said the City has not had an appeal come to the Council that he can remember. City Attorney Morris said



Cities can waive minor irregularities. Some types of irregularities cannot be waived and others are deemed to be minor.

Council Member Dote said asked if the Addendums came later than the original bid package. Public Works Director Meyer said some times the bid is delayed to give them adequate time to respond. Addendum #3 told them they could use a different type of panel. Engineer Baxter said the specifications indicated a sole source item that had not yet come to Council as a sole source so the Addendum was issued. Auburn did not sign the form that said they received it. They had received it by e-mail. The DBE form was received. Council Member Dote said we are allowed to have exceptions and asked why we grant exceptions. City Attorney Morris said the process of public works bidding is very complex. Fairly regularly competent bidders may miss something, thus minor irregularities that do not confer a competitive advantage and affect the process are allowed.

Council Member Marble said where does the City draw the line and determine where there is a minor irregularity. It sounds as if the language is not codified and we are given latitude. City Attorney Morris said it is a case by case basis and we cannot defer or waive anything provides a competitive advantage. The failure to acknowledge receipt did not work in Auburn's favor and it did not give them a competitive advantage. It is a minor irregularity and did not confer any competitive advantage on Auburn.

Gary Berticevich said Addendum #3 indicates clearly that it must be signed and is mandatory with failure to submit it will cause the bid to be rejected and non-responsive. It requires the City to reject the bid. Auburn did not acknowledge even having seen the Addendum. It is a competitive advantage because they can walk away from the job without forfeiting their bid bond. Staff did not indicate this in the report.

City Attorney Morris said Auburn would not be able to walk away from the bid and project.

Andy Granner, President of Auburn Contractors said the portion of general conditions that allows irregularities does not mandate that Cities cannot waive sections. The project schedule has 21 well sites that need to be taken out of service with only half taken out during Phase I and the rest in Phase II. The first



half need to be done before September. If rebid, it would be a year's delay in the process and as this affects the water metering project, it is important to proceed with the project in a timely fashion.

Vice Mayor Pimentel said we have never been in this type of situation before and the integrity of the process needs to be kept in place. He believes the City should start the process over and processes should be put into place to prevent this type of situation in the future.

Council Member Dote is concerned about the documentation not returned with the bid, but is more concerned about the DBE. Addendum #3 did not give an advantage to Auburn. The City needs to proceed on this project.

On a motion by Council Member Monroe, seconded by Council Member Marble and carried, Council denied the Appeal of Aztec Contractors on Project 06-09, SCADA System Design. Vice Mayor Pimentel voted to the negative.

Council Member Monroe left the Chamber at 7:05.

REPORTS OF THE CITY MANAGER

<u>PROJECT 06-09 - CONSTRUCTION CONTRACT, SUPERVISORY CONTROL AND DATE ACQUISITION (SCADA) SYSTEM DESIGN AND IMPLEMENTATION</u>

Council Member Monroe returned to the Chambers at 7:06 p.m.

On a motion by Council Member Dote, seconded by Council Member Marble and carried, Council waived the bid irregularities as minor and accepted both Auburn Contractors and Aztec Contractors as responsive; authorized the award of the SCADA Design and Implementation Construction Contract to Auburn Contractors in the mount of \$1,142,300; authorized contract contingency in the amount of \$400,000 for potential necessary change orders and staff time. Vice Mayor Pimentel voted to the negative.

PARKS AND GENERAL LANDSCAPING MAINTENANCE CONTRACT



Interim Parks and Recreation Director Sullivan gave a background on the blind bid process and made a recommendation to approve Base Bid, and Additive Alternatives A, B and C.

Council Member Dote asked if this contract will precipitate any further reductions in staff. Director Sullivan said this contract will augment for the losses that have already occurred.

Benjamin Garman asked about the quality of work and would it be to par? His concern is because of the blind bid, would it be likely that the quality of the work be acceptable. Director Sullivan said the Council will approve the award and then Staff will be sure the qualifications are in place to meet the needs and quality standards of the City.

On a motion by Council Member Marble, seconded by Council Member Dote and carried unanimously, Council affirmed the determination of low bidder on the Parks and General Landscaping Maintenance Contract; authorized the City Manager to award the bid to bidder Number 3, contingent upon determination that the identified low bidder is a qualified vendor and able to fulfill the requirements of the contract; authorized expenditures in the amount of \$446,500 for landscaping maintenance services.

RECESS

At 7:14 p.m., Mayor Davies recessed the regular meeting of the Council to meet in Closed Session.

CLOSED SESSION

At 7:17 p.m. Mayor Davies called the Closed Session of the Council to order.

REAL PROPERTY NEGOTIATIONS

Council met in Closed Session following the Regular Session of the Council to hold a conference with Real Property Negotiators, pursuant to Section 54956.8, on the property identified by Assessors' Parcel Number 063-080-40-1. The Agency Negotiator



was City Manager Deven, the Negotiating Parties, Mark Deven and Joseph E. and Hattie M. Souza. Under negotiation were price and terms of payment. Present at this session were Council Members Davies, Dote, Marble, Monroe and Pimentel, City Manager Deven, and City Attorney Morris.

CLOSED SESSION ANNOUNCEMENT

At 7:25 Mayor Davies reconvened the Regular Session of the Council and announced that Council had me in Closed Session and had provided direction to the Real Property Negotiator.

<u>ADJOURN</u>

At 7:26 Mayor Davies adjourned the June 1, 2010 meeting of the Council.

Respectfully submitted,

SS: Susan L. Vannucci, Director of Administrative Services/City Clerk

Adopted by Council: December 7, 2010