

REGULAR JOINT MEETING OF THE  
CONCORD CITY COUNCIL  
AND REDEVELOPMENT AGENCY  
1950 PARKSIDE DRIVE  
CONCORD, CALIFORNIA  
JUNE 3, 2003

The Concord City Council and Redevelopment Agency convened in a regular joint meeting on Tuesday, June 3, 2003 in closed session to confer with Legal Counsel pursuant to Government Code Section 54956.9(a) existing litigation entitled: Harvest Church v. City of Concord; Court of Appeal Case No. A096604 (Contra Costa County Superior Court Case No. C99-03758). The meeting convened at 5:35 p.m. in the City Council Conference Room and all Councilmembers were present. The meeting recessed at 6:25 p.m. to reconvene in the Council Chamber.

The Concord City Council and Redevelopment Agency reconvened at 6:34 p.m. in the Council Chamber, with Mayor/ Agencymember Peterson presiding. The pledge to the flag was led by Boy Scout Troop 370, who presented the colors. Minutes follow in abbreviated form per Resolution 3361 and Council Minutes of September 26, 1966.

ROLL CALL

COUNCILMEMBERS PRESENT: Helen Allen, Susan Bonilla, Laura Hoffmeister, Bill McManigal, Mark Peterson

COUNCILMEMBERS ABSENT: None

STAFF PRESENT: Ed James, City Manager; Mary Rae Lehman, City Clerk; Craig Labadie, City Attorney; Lydia Du Borg, Assistant City Manager; Greg Jones, Assistant City Manager; Peter Dragovich, Director of City Management; Jim Forsberg, Director of Planning and Economic Development; Mike Vogan, Director of Public Works-Maintenance Services; Alex Pascual, Director of Public Works-Engineering Services; Mark Deven, Director of Parks and Recreation; Hamid Pouya, Director of Building and Neighborhood Services; Ron Puccinelli, Director of Information Technology; Ron Ace, Chief of Police; Ron Howard, Director of Finance

MEMBERS OF AUDIENCE  
WHO ADDRESSED COUNCIL:

Sher Gora, Concord; Karen Dunlap, Concord; John Sullivan, Castro Valley; John Masse, Concord; Clair Hotten, Walnut Creek; Dennis Fuller, San Ramon; Jack Taylor, Concord; David Barrow, Concord; Theresa Karr, Sacramento; Marcus O'Connell, Concord; Ed Seghers, Concord; Joseph Mahoney, Moraga; Gayle Knowles, Concord

PUBLIC COMMENT PERIOD

John Sullivan, Sher Gora, Gayle Knowles and Karen Dunlap, multi-family residential property owners and managers, addressed the City Council regarding the Multi Family Housing Inspection Program and objected to the proposed increase in fees, stating that it places an undue burden on property owners. They requested that the City re-evaluate the program and fees. Mayor Peterson requested that the matter be placed on an upcoming Council Sub-Committee agenda.

CITY COUNCIL MATTERSAPPROVAL OF MINUTES

Motion was made by Allen and seconded by Hoffmeister to approve the minutes of May 6 and May 13, 2003. Motion passed by unanimous vote of the Council.

AGREEMENT WITH SHANNON EXECUTIVE SEARCH - Recruitment and Selection Services

Motion was made by Allen and seconded by Hoffmeister to approve an agreement with Shannon Executive Search Division of CPS Human Resource Services to provide recruitment and selection services related to filling executive level vacancies, and to authorize the City Manager to execute the agreement. Motion passed by unanimous vote of the Council.

ACCEPTANCE OF IMPROVEMENTS - Project No. 042, Traffic Signal at Grant Street and Frederick Street Intersection

Motion was made by Allen and seconded by Hoffmeister to accept improvements for Project No. 042, Traffic Signal at Grant Street and Frederick Street Intersection, constructed by Tim Paxin's Pacific Excavation, and to direct the City Clerk to file the Notice of Completion. Motion passed by unanimous vote of the Council.

ADOPTION OF RESOLUTION 03-31 - Acceptance of Improvements, Tract 8502, Amber Hills Subdivision

Motion was made by Allen and seconded by Hoffmeister to adopt Resolution 03-31, entitled "A RESOLUTION ACCEPTING PUBLIC IMPROVEMENTS FOR TRACT 8502, AMBER HILLS," accepting public improvements for Tract 8502, Amber Hills Subdivision, consisting of 26 lots located at the end of Krona Lane; and authorizing release of the improvement bonds. Motion passed by unanimous vote of the Council.

ADOPTION OF RESOLUTIONS 03-34, 03-35, 03-36, 03-37 – Annual Assessments for Landscape and Lighting Maintenance Districts

The Resolutions of Intention were published in the Contra Costa Times, mailed to affected parties and posted on the Civic Center kiosk on May 23, 2002.

Director of Public Works-Maintenance Services Mike Vogan presented a report, referring to his memorandum dated June 3, 2003 regarding confirming assessment diagrams and levying annual assessments for 2003/2004 for the City's landscape and lighting maintenance districts. He advised that there are no changes in assessments, but due to raised energy surcharges from the Public Utilities Commission, the funding in the current 10-year plan will not last 10 years and increases are needed to keep the fund balanced. He stated that staff will meet with property owners well in advance of that time.

In April 2002, the City Council authorized staff to negotiate with PG&E for purchase of the street light system, Mr. Vogan stated. PG&E showed little interest in negotiating an agreement, but in March 2003, staff and PG&E finally reached a tentative agreement on a sales price that fits within the previously

budgeted amount of \$1.2 million. A final inventory of the street light system and a final agreement will be completed in the Spring. The agreement will then go to the PUC for approval, which PG&E estimates will take as long as 9 months, and would place transfer of ownership in March 2004. Prior to the ownership transfer, staff will solicit bids for a maintenance contract. City staff will be a bidder on the contract he concluded.

The public hearing was opened and closed without comments.

Motion was made by Allen and seconded by McManigal to adopt Resolution 03-34, entitled "A RESOLUTION CONFIRMING THE ASSESSMENT DIAGRAM AND LEVY OF ASSESSMENTS FOR MAINTENANCE WITHIN THE DOWNTOWN LANDSCAPE MAINTENANCE DISTRICT FOR THE FISCAL YEAR 2003/2004." Motion passed by unanimous vote of the Council.

Motion was made by Allen and seconded by McManigal to adopt Resolution 03-35, entitled "A RESOLUTION CONFIRMING THE ASSESSMENT DIAGRAM AND LEVY OF ASSESSMENTS FOR MAINTENANCE WITHIN THE PINE HOLLOW LANDSCAPE AND LIGHTING MAINTENANCE DISTRICT FOR THE FISCAL YEAR 2003/2004." Motion passed by unanimous vote of the Council.

Motion was made by Hoffmeister and seconded by Allen to adopt Resolution 03-36, entitled "A RESOLUTION CONFIRMING THE ASSESSMENT DIAGRAM AND LEVY OF ASSESSMENTS FOR MAINTENANCE WITHIN THE LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT #3 FOR THE FISCAL YEAR 2003/2004." Motion passed by unanimous vote of the Council.

Motion was made by Hoffmeister and seconded by Allen to adopt Resolution 03-37, entitled "A RESOLUTION CONFIRMING THE ASSESSMENT DIAGRAM AND LEVY OF ASSESSMENTS FOR MAINTENANCE WITHIN THE CITYWIDE STREET LIGHTING ASSESSMENT DISTRICT FOR THE FISCAL YEAR 2003/2004." Motion passed by unanimous vote of the Council.

#### INTRODUCTION OF ORDINANCE 03-3 - Sewer Fees

The notice of public hearing and proposed ordinance were published in the Contra Costa Times on May 16 and May 23; and mailed to affected parties and posted on the Civic Center kiosk on May 16, 2003.

Director of Public Works-Maintenance Services Mike Vogan presented a report, referring to his memorandum dated June 3, 2003 regarding consideration of amending Concord Municipal Code Chapter 110, Utilities; Article II, Sewer System; Section 110-32, Rates and Charges Established; Paragraph (c), Annual Sewer Service Charges, increasing the minimum annual sewer service charge by \$12 per year and increasing other corresponding charges as stated in Paragraph (c). He stated that the City administers a Sewer Enterprise to provide for the maintenance and repair of sewer lines in both the City of Concord and the City of Clayton, and for the operation and maintenance of a sewage pumping station. The Sewer Enterprise also contracts with the Central Contra Costa Sanitary District (CCCSD) for treatment of both cities' sewage at the District's treatment plant by paying a share of the maintenance, operation, and capital replacement costs at the treatment plant.

A consultant study of the condition of the City's concrete trunk sewer mains identified the necessity to replace or rehabilitate a significant number of these mains over the next 20+ years. The overall cost is expected to be \$48 million, with the work broken into phases depending upon the severity of corrosion identified in the mains. The Sewer Enterprise incurred a series of financial impacts prior to preparing the budget for FY 2001/02. These impacts, which seriously affected the fund balance of the enterprise throughout the 20-Year Financial Plan, included a large increase in the City's annual payments to Central Contra Costa Sanitary District (CCCSD) due to energy charges, the unplanned purchase by CCCSD of the County's Animal Control Facility across from the treatment plant (the City's share of this purchase was approximately \$1,000,000), and a significant error in the projected costs for capital component rehabilitation/replacement at the treatment plant that was given to the City by CCCSD for budgeting purposes.

He stated that the rate increase is due to additional requirements for operations, maintenance, and capital improvements at the CCCSD treatment plant, as well as the substantial rehabilitation of the City's sewer collection system. In the Proposition 218 notification letter sent to all property owners in the cities of Concord and Clayton, staff indicated a \$12 increase. The last increase was in 2002, and the proposed increase represents a 5.4% annual increase since that time. He concluded that staff recommends introduction of the ordinance as proposed.

The public hearing was opened and closed without comments.

Motion was made by Allen and seconded by McManigal to introduce Ordinance 03-3 by reading of the title only and waiving further reading, entitled "AN ORDINANCE AMENDING CONCORD MUNICIPAL CODE CHAPTER 110 (UTILITIES), ARTICLE II (SEWER SYSTEM), SECTION 110-32 (RATES AND CHARGES ESTABLISHED), PARAGRAPH (C) BY INCREASING THE MINIMUM ANNUAL SEWER SERVICE CHARGE AND INCREASING OTHER CORRESPONDING CHARGES AS STATED IN SECTION 110-32 (C) ." The City Attorney read the ordinance title. Motion passed by unanimous vote of the Council.

### REDEVELOPMENT AGENCY MATTERS

#### AGREEMENT WITH KEYSER MARSTON ASSOCIATES - Real Estate Advisory Services

Motion was made by Peterson and seconded by McManigal to approve an agreement with Keyser Marston Associates, Inc., to provide real estate advisory services to the City of Concord Redevelopment Agency, and to authorize the Executive Director to execute the agreement. Motion passed by unanimous vote of the Agency.

### JOINT CITY COUNCIL/REDEVELOPMENT AGENCY MATTERS

#### PUBLIC HEARING - Fiscal Year 2003/04 Budgets for the City of Concord and Redevelopment Agency, Ten-Year Financial Plan and Related Items

The notice of public hearing was published in the Contra Costa Times, mailed to affected parties and posted on the Civic Center kiosk on May 19, 2003.

City Manager Ed James presented a report, referring to his memorandum dated June 3, 2003 regarding consideration of the following items: (a) amending the Master Fees and Charges Resolution for fees relating to various municipal services and developer fees, including but not limited to Administrative Fees; Business, Professional and Trades Fees; Permit Center Fees; Parks and Recreation Fees; Police Fees; Maintenance Services Fees, and the Off-Site Street Improvement Program (OSIP) Fees; (b) approving annual appropriation limit and adjustment factors for Fiscal Year 2003/04, pursuant to Article XIII B of the California Constitution; (c) amending Policy and Procedure No. 129, Budget and Fiscal Policies, to establish additional reserve funds; (d) approving the Fiscal Year 2003/04 City of Concord Budget and Ten-Year Financial Plan, and adoption of the 2003/04 Capital Improvement Program; and (e) approving the 2003/04 City of Concord Redevelopment Agency Budget.

He stated that, in response to the changed financial outlook, principles guiding preparation of the budget and a number of actions were directed by the City Council at its March 4 meeting. He summarized the actions: reduction in the Ten-Year Capital Improvement Program by 46 projects totaling approximately \$27.7 million in capital cost and \$8.0 million in support operating cost; reduction in departmental operating costs not affecting service levels over the Ten-Year Plan totaling \$920,000 per year; reduction of approximately \$190,000 per year by withholding inflationary increases to materials, supplies and contract services; one time savings of \$1.6 million by "stretching" the Ten-Year Plan for

replacement costs (fleet, building, information technology and miscellaneous office equipment) to an eleven-year time period; institution of a review of personnel vacancies by the City Manager and encourage cost-effective alternatives without reducing service levels; and the establishment of four reserve funds--Economic Contingency, Unforecasted Reserve, Capital/Maintenance Reserve, and the Benefits Reserve. He concluded that the Council will be asked to take final action on the budget at its meeting of June 24, 2003.

The public hearing was opened.

John Masse, Dennis Fuller, Jack Taylor, David Barrow, Poi Cheng and Joe Mahoney, owners of multiple family dwellings; and Clair Hotten, commercial real estate broker, urged the Council not to approve the increase in the multi-family housing inspection fee, stating that the increased vacancy factor and a reduction in rents is negatively affecting their business. They requested that property owners who had passed the inspections and who continued to maintain their properties not be subjected to increased fees and ongoing inspections.

Theresa Karr, California Apartment Association, requested that apartment owners who maintain their dwellings should not be penalized by fee increases and ongoing inspections. She requested that a six-month moratorium be imposed and the program and fees be re-evaluated.

Marcus O'Connell read his letter dated June 3, 2003 in which he alleged that the City did not provide him with information regarding proposed fee increases, as required by Government Code Section 66016.

Ed Seghers inquired about the proposed increase in videotape copy fees and requested that the proposed increase be reduced or eliminated.

The public hearing was closed.

Councilmember McManigal suggested that a Council Subcommittee review the multi-family housing inspection program and stated that the City is obligated to charge a fee that fully recoups the City's costs.

Councilmember Hoffmeister requested that staff and the Subcommittee look at the proposed 6% increase in inspection fee. She also requested that staff re-examine the proposed increase in the cost of videotape copying.

Mayor Peterson requested a written report from staff summarizing the multi-family inspection program and its results, stating he is willing to revisit the proposed fee increase. He stated that the proposed increase in videotape copying charges seems high and suggested that it be reduced to \$10.

Councilmember Bonilla asked staff to prepare a response to Mr. O'Connell's letter: She stated she would like to see reduction in the multi-family housing inspection fees.

Motion was made by Allen and seconded by Hoffmeister to continue the public hearing to Tuesday, June 24, 2003 at 6:30 p.m. in the Council Chamber. Motion passed by unanimous vote of the Council/Agency.

#### CORRESPONDENCE

- a. Fax received June 3, 2003 from Armen Tajirian objecting to the proposed increase in fees for the Multi-Family Housing Inspection Program.
- b. Letter dated June 2, 2003 from Paul and Katherine Li protesting a proposed increase in the annual sewer charge.

- c. Letter dated June 3, 2003 from Marcus O'Connell stating that the City did not provide him with information regarding proposed fee increases, as required by Government Code Section 66016.
- d. Information submitted by John Sullivan regarding the cost to the property owner of the Multi Family Housing Inspection Program and requesting that it be discontinued.
- e. Copy of City of Concord Video Operator's Log for April 2002, submitted by Ed Seghers.

COUNCIL AND STAFF REPORTS

Councilmember McManigal asked the City Attorney to look at how to address the problem of RVs and motorhomes parking on streets in neighborhoods. Vice Mayor Allen commented that she would like to see an ordinance limiting the parking of RVs on streets to not more than two hours. Mayor Peterson requested that, if City cannot do anything, explore ways of assisting homeowners in taking civil action.

Councilmember Bonilla reported on her and Councilmember Hoffmeister's attendance at Senator Torlakson's Budget Workshop on Saturday, May 31, 2003.

Councilmember Hoffmeister reported on progress being made with lobbying for reductions in state take-aways of Redevelopment Agency funds and in obtaining more flexibility in determining from where the funds should be taken.

By order of the chair, the meeting was adjourned at 8:33 p.m.

APPROVED:

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MARK A. PETERSON  
MAYOR/AGENCYMEMBER

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LAURA M. HOFFMEISTER  
COUNCILMEMBER/AGENCY CHAIR

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MARY RAE LEHMAN  
CITY CLERK/AGENCY SECRETARY