

**MINUTES
REGULAR MEETING OF
CITY COUNCIL & REDEVELOPMENT AGENCY
CITY OF YUBA CITY
COUNCIL CHAMBERS
October 16, 2007
Closed Session 5:30 P.M.
Regular Meeting 7:00 P.M.**

Closed Session

Conferred with legal counsel regarding existing litigation pursuant to Government Code Section 54956.9(a), Roxy Yuba City Partners v. City of Yuba City et al., Sutter County Superior Court case #CVCS 07-1227.

Discussed Annual Performance Evaluation of City Manager, Steven Jepsen, pursuant to Government Code Section 54957.

Conferred with labor negotiators Steven Jepsen and Steve Kroeger regarding negotiations with the following associations: Yuba City Police Officers, Police Sergeants, Yuba City Firefighters Local 3793, Yuba City Fire Management, Confidential Employees, Executive Serves Employees, First Level Managers, Mid managers and Yuba City Employees, pursuant to Section 54957.6 of the Government Code.

Regular Meeting

Call to Order

Mayor Miller called the Regular meeting of the City Council for the City of Yuba City to order at 7:00 p.m.

Roll Call

Present: Councilmembers McBride, Gill, Ramirez, Maan and Mayor Miller
Absent: None

Invocation

Councilmember Tej Maan gave the invocation.

Pledge of Allegiance to the Flag

Councilmember McBride led the Pledge of Allegiance to the Flag.

Presentations and Proclamations

1. Pink October Breast Cancer Awareness Month by Fire Captain Dave Newquist

Dave Newquist, Fire Captain presented various members of the Council, Staff and the City Manager pictures from the Breast Cancer Race held on October 13, 2007.

Public Hearings

2. Proposed update to Development Impact Fees

Aaron Busch, Community Development Director, reviewed the goals and objectives for the update process. The main goal for this process is to ensure that the quality of life of Yuba City residents is maintained while providing for future growth and development in the community. Fees that are fair and equitable were developed in compliance with State law. They provide for continuous growth in the community, recognize the current market conditions and the immediate need for flood control.

Two public workshops were held, during the first meeting topics discussed were specifics of the fee assumptions, all the variables included in the base fees, the implementation details, and the specifics of the residential fees. The second meeting consisted of discussions regarding non residential fees.

Recently, a special meeting was held with the Ad Hoc committee and the Planning Commission. During that meeting there was public testimony along with commissioner comments. Comments from the public included overwhelming feedback in favor of flood control and the understanding and want for the immediate need in flood control. There was also discussion regarding the section on credits and reimbursements, specifically, the need for more credit applied for officer infrastructure. Discussions also included the reduction of fees for infill projects. Also discussed was the affordable housing component of the fees. It was recommended that an additional Ad Hoc Committee be formed to discuss these fees. During the public meeting some citizens recommended that the affordable housing fees be even higher than recommended.

The Commission commented that the phase in timeline is too long. Even considering the economic downturn, it would be in the best interest of the City to have a quicker phase in

of the fees, so the loss of more revenue during the long period is not greater than the current time. The Commission stated there should be greater incentives for infill projects, such as increased reductions or expansion of the boundaries of the infill area. Comments from the Commission were divided on the affordable housing component and, that there should be additional studies done. The other half felt that the fees should be higher for affordable housing. Comments were received prior to the Council meeting from the Manufactured Housing Industry. For clarification purposes they asked that Mr. Busch state for the record that should a manufactured home be built on a foundation that it should be treated as a single family unit fee. If it is built on a support system in a mobile home park, then it would be treated as a mobile home fee.

Recommendations from the Ad Hoc committee included bottom line figures, including that implementation fees for residential projects should continue with the existing fees for twelve months, with the exception of the new levee fee that would be established immediately. The annual inflationary adjustments would start the first year of implementation and increase each year. Non residential projects would include the levee fee adjustment within the first year and then phase in the total amount of fees over three years. The Planning Commission would like to review the freeze on fees after the first twelve month period to determine whether or not the fees should remain frozen or be implemented. Recognizing the projects that are already in place, such as the Master Plan projects and the Specific Plan projects, a Memorandum of Understanding (MOU) would be put in place for the implementation of fees, credits, and reimbursements for those specific projects.

Periodic reviews are an important piece to the process. A base model of the fee structure has been developed through all the efforts put forth during this process. A discussion with the stakeholder groups concluded that each year inflationary adjustments would occur. Land cost would be reviewed, as would the interest rate on a ten year rolling average. Annually, an update will be given to Council regarding the fee structures and give Council the opportunity to review and make adjustments accordingly.

Staff will review the model assumptions every five years to insure consistency with the General Plan, ensuring the infrastructure plans are being met.

The Ad Hoc Committee has also recommended that credits should be provided for oversizing of utilities and over-widening of roadways for infrastructure that is onsite. It is also recommended that the fees regarding water and wastewater be paid with the building permit. The option for the developer is that they can pay other impact fees at either building permit or occupancy. If the developer chooses to wait until occupancy for the fees and the cycle of increased fees occurs during the building permit and occupancy dates, the developer would be required to pay the higher fees. It was recommended that the Police, Fire, Corporation Yard, Library and City Hall fees be combined into a Public Facilities fee, as this will ensure bonding debt service repayment capabilities. It was recommended that Affordable Housing fees be reduced from \$3,500 to \$1,750 in recognition of the current economic conditions.

The Levee fee would be established and collection would begin immediately. These monies would be tied to benefit future assessment districts and if a local match is not created for benefit assessment, the fees collected for a specific project would be refunded.

There was a discussion on what determines an Infill Project. It was decided to define the project with a map. The recommended fee adjustments will be a reduction of fifty percent for water and wastewater fees for Infill projects.

The residential fee components include impact fees, water and sewer fees, drainage fees, affordable housing, and County fees. As the County fees increase the City will adopt the new fees and continue to collect the County fees as they have historically done.

The resolution for approval during this meeting only includes the levee fee and affordable housing components. The water and sewer fees will come back to Council prior to the beginning of the year to be included with the new fees. The County fees are currently being updated and, once finalized, the City will then adopt the new fees and come back to Council for approval and implementation. The fees associated with the resolution on this agenda are lower as it does not include all of the components discussed. Estimated numbers included on the resolution were provided along with the methodology to ensure no discrepancies in future numbers.

Mr. Busch thanked Councilmembers Ramirez and McBride for the leadership and oversight of the Ad Hoc Committee, City Manager Steven Jepsen, as well as many of the Department Heads and respective staff for the efforts during this project.

Mayor Miller, on behalf of the Council, thanked Mr. Busch for his dedication to this project.

Councilmember Ramirez asked if the three year phase in and implementation included inflation for the residential component. Mr. Busch confirmed that inflation is included each year during the phase in process.

Councilmember McBride asked Mr. Busch to review the trigger points for the number of units for permits issued and how that would create a change in the fees. Mr. Busch

explained the trigger point for the residential component. The proposed phase in for the fees are in recognition of the economic slow down. A ten year average was reviewed. It was determined that a round number of four hundred and ten units would be the trigger point. An example was given that if four hundred and ten permits were issued the next fee schedule would then be implemented. The next tier would be eight hundred and twenty unit permits issued. This process would continue as permits were issued until the entire implementation is done. These points were done for residential components only. There are no measurable amounts available for the non-residential units and so they do not include trigger points for increases.

Mayor Miller opened the public hearing. The following people spoke:

Edward Baker, 448 Garden Highway, Yuba City, California;
Wade Arnold, 506 Plumas Street, Yuba City, California;
Darin Gale, 1153 Franklin Avenue, Yuba City, California;
David Lane, 1955 Elmer, Yuba City, California;
Jim Davis, 871 Karen Drive, Yuba City, California;
Enita Elphick, 1200 Putman Avenue, Yuba City, California;
Lou Hudspeth, Messina Court, Yuba City, California;
Maynard Dunn, 251 B Street, Yuba City, California;
Tom Tucker, 1321 Harter Road, Yuba City, California;
Ron Sweeny, 820 Plaza Way, Yuba City, California; and
Daryll Bolognesse, 4155 Blackhawk Plaza Road, Danville, California.

Mayor Miller closed the public hearing.

Councilmember Ramirez thanked all who spoke for their comments. He is pleased to see the participation in this matter. He suggested to Council that they should consider setting aside the affordable housing and infill components in their recommendation for further discussion and consideration. Councilmember Ramirez feels that the Ad Hoc committee should discuss in more depth the affordable housing element. He believes the current Council should have the opportunity to look at what has happened in the past related to policy, the relationship to the SACOG goals, and have open discussions about continuing the commitment or changing that commitment. The infill element could also use more discussion.

Councilmember Gill believes that looking back since 1990 (the last time the fees had been reviewed) there appears to be a 3-4% increase index. Had that increase been in place since 1990 the City wouldn't be in the place it is now having to raise the fees substantially at one time. He also believes that further studies and discussions should occur for the affordable housing and infill components.

Councilmember Maan also believes that additional review is needed from the Ad Hoc Committee regarding the affordable housing and infill components.

Councilmember McBride supports the continuation of the Ad Hoc committee for the sake of affordable housing and the infill components.

Mayor Miller commended staff for their dedication to this project. He also supports the continuation of the Ad Hoc Committee for discussions regarding the affordable housing and infill components.

Councilmember Ramirez moved to set aside the affordable housing and infill elements for further study through the Mayor's direction of an Ad Hoc Committee. Councilmember Gill seconded the motion that passed with a unanimous vote.

Councilmember Ramirez moved to adopt **Resolution No.07-101** that includes the establishment, amendment, and increase of certain development impact fees to recover costs for future construction of public infrastructure facilities and improvements as per Attachment A excluding the affordable housing component. Councilmember McBride seconded the motion that passed with the following vote:

AYES: Councilmembers Ramirez, McBride, Gill, Maan and Mayor Miller
NOES: None
ABSENT: None
ABSTEIN: None

3. Authorization to Accept Grant Funding and Approve Expenditure Recommendations and Budget Modification

Rob Landon, Deputy Chief of Police, reviewed the history of the grant funding. This money again has been awarded to the City of Yuba City Police Department. The money must be used for the benefit of frontline law enforcement. The Police Department will use this money to continue with ongoing improvements in the department. The Federal Grant money received will specifically be used for the Sutter Buttes Interoperability Project.

Mayor Miller opened the public hearing. Hearing no comment, he closed the public hearing.

Councilmember Ramirez moved to adopt **Resolution No. 07-102** authorizing the Chief of Police to accept the FY 2007/2008 California Citizens Option for public Safety (COPS) funding and FY 2007/2008 Federal Justice Assistance Grant Allocation and approving expenditure recommendations and further authorize the Chief Financial Officer to make

budget adjustments as necessary. Councilmember Maan seconded the motion that passed with a unanimous vote.

Public Communication on Items Not On the Agenda

4. Written Requests

None

5. Appearance of Interested Citizens

None

Ordinances

- 6. General Plan Amendment GP 07-02 and Rezone RZ 07-02 at the southeast corner of Harter Parkway and Highway 20 to change the land use designation from Community Commercial on the north portion of the property and Office & Office Park on the south portion of the property to Regional Commercial and to change the zoning from C-2 X-19, Community Commercial, Special Standards Combining District on the north portion of the property and C-O X-19, Office Commercial, Special Standards Combining District on the south portion of the property to C-3 X-24, General Commercial, Special Standards Combining District on the north portion of the property and C-3 X-25, General Commercial, Special Standards Combining District on the south portion of the property. Owner: David Lanza and Jaswant Bains; Applicant: Steve Downing et al LLC.**

Councilmember Ramirez and Mayor Miller recused themselves from this item due to a potential conflict of interest.

Aaron Busch, Community Development Director reviewed Ordinance No. 012-07 as introduced during the October 2, 2007 Council meeting.

Councilmember Maan moved to adopt **Ordinance No. 012-07** for approval of Rezoning RZ 07-02 for amendments to the Official Zoning Map to amend the zoning from the C-2 X-19, Community Commercial, Special Standards Combining District on the north portion of the property and C-O X-19, Office Commercial, Special Standards Combining District on the south portion of the property to C-3 X-24, General Commercial District; Special Standards Combining District on the north portion of the property and C-3 X-25, Special Standards Combining District on the south portion of the property, and waive the second reading. Councilmember Gill seconded the motion that passed with the following vote:

AYES: Councilmembers Maan, Gill and McBride
NOES: None
ABSENT: None
ABSTEIN: Councilmember Ramirez and Mayor Miller

- 7. General Plan Amendment GP 07-03 and Rezone RZ 07-03 at the southwest corner of Harter Parkway and Highway 20 to change the land use designation from Community Commercial on the north portion of the property and Office & Office Park on the south portion of the property to Regional Commercial and to change the zoning from C-2 X-19, Community Commercial, Special Standards Combining District on the north portion of the property and C-O X-19, Office Commercial, Special Standards Combining District on the south portion of the property to C-3 X-24, General Commercial, Special Standards Combining District. Owner/Applicant: John L. Sullivan Family Limited Partnership.**

Aaron Busch, Community Development Director reviewed Ordinance No. 013-07 as introduced during the October 2, 2007 Council meeting.

Councilmember Ramirez moved to adopt **Ordinance No. 013-07** for approval of Rezoning RZ 07-03 for amendments to the Official Zoning Map to amend the zoning from the C-2 X-19, Community Commercial, Special Standards Combining District on the north portion of the property and C-O X-19, Office Commercial, Special Standards Combining District on the south portion of the property to C-3 X-24, General Commercial District; Special Standards Combining District, and waive the second reading. Councilmember Gill seconded the motion that passed with a unanimous vote.

- 8. General Plan Amendment GP 07-04 and Rezone RZ 07-04 at the southeast corner of Sutter Street and Lamon Way to change the land use designation from Manufacturing, Processing, and Warehousing to Business, Technology, and Light Industry and to change the zoning from M-2 X-8, Industrial, Special Standards Combining District to C-M, Heavy Commercial/Light Industrial District. Owner: Tomlinson Family Trust; Applicant: Michael Tomlinson.**

Aaron Busch, Community Development Director, reviewed Ordinance No. 014-07 as introduced during the October 2, 2007 Council meeting.

Councilmember Ramirez moved to adopt **Ordinance No. 014-07** for approval of Rezoning RZ 07-04 for amendments to the Official Zoning Map to amend the zoning from the M-2 X-8, Industrial, Special Standards Combining District to C-M, Heavy

Commercial/Light Industrial District, and waive the second reading. Councilmember Gill seconded the motion that passed with a unanimous vote.

Consent Calendar

Councilmember Gill moved to approve the Consent Calendar as presented. Councilmember Maan seconded the motion that passed with a unanimous vote.

9. City Council Approval of Minutes of September, 25, 2007

Approved the City Council meeting minutes of September 25, 2007.

10. Landscape maintenance Agreement with the State of California for Intersection of Harter Parkways & State Route 20

Adopted **Resolution No. 07-103** authorizing the execution of an agreement for maintenance of sidewalks with the State of California for the intersection of Harter Parkway and State Route 20.

11. Sewer System Management Plan Development Plan and Schedule

Adopted **Resolution No. 07-104** accepting the Sewer System Management Plan Development Plan and Schedule.

General Items

12. Associate/Assistant Civil Engineering Position

George Musallam, Director of Public Works, requested approval for an Assistant Engineering Position. The cost for this position would be funded completely from Capital Improvement Projects (CIP) funds. The position would be advertised as Associate/Assistant Civil Engineer and, depending on the qualifications of the applicants, either an Associate or Assistant level candidate would be hired.

Councilmember Maan expressed his appreciation that staff is seeking a full time employee rather than a consultant for this position.

Mayor Miller asked what the primary duties for this position. Mr. Musallam explained that there are approximately fifty million dollars outlined for CIP projects over the next five years. These projects will include water and sewer lines, roadways, and facilities projects [Fire Stations], all of which would be the responsibility of this new position.

Councilmember Gill asked what type of advertising would be done for this position. He voiced concern that with all the CalTrans work being done, the applicant pool may be small. Mr. Musallam explained that this Assistant/Associate Engineer position is always a difficult position to fill. The Human Resources Department will be working with the Public Works Department, and will advertise in the Sacramento Bee for the larger area of advertising, as well as on "Jobs Available", and local colleges for new graduates.

Councilmember Gill moved to adopt **Resolution No. 07-105** allocating an additional Assistant/Associate Civil Engineer position to the Public Works Department and approve a supplemental appropriation in the amount of \$61,660 to account number 1930-612 (Engineering Salary and Benefits Account). Councilmember Ramirez seconded the motion that passed with a unanimous vote.

13. Memorandum of Understanding with the Firefighters Association

Steven Jepsen, City Manager, reviewed the Memorandum of Understanding (MOU) with the Firefighters Association. The contract is a roll over contract with the items basically remaining the same. This MOU applies to approximately forty two employees. The only change to the MOU is a salary increase of 5.0% retroactively to July 1, 2007, and approximately 4.2% (on a benchmark) pay increase on February 1, 2008.

Councilmember Ramirez moved to adopt **Resolution 07-106** to ratify and implement the recently negotiated Memorandum of Understanding with the Firefighters Association and approve the compensation of certain employees and related supplemental appropriations. Councilmember Maan seconded the motion that passed with the following vote:

AYES: Councilmember Ramirez, Maan, Gill, McBride and Mayor Miller
NOYES: None
ABSENT: None
ABSTEIN: None

14. Letter of Understanding with Fire Management

Steven Jepsen, City Manager reviewed the First Level Managers' contract, being a roll over contract the majority of the contract with remain the same. The only change in this contract is the Educational Incentive that has been rolled into the percentage differential. The Fire Battalion Chief's pay will be set at 17.5% above the Fire Captain's Pay.

Councilmember McBride moved to adopt **Resolution 07-107** to ratify and implement the recently negotiated Letter of Understanding with Fire Management and approve the compensation of certain employees and related supplemental appropriations. Councilmember Gill seconded the motion that passed with the following vote:

AYES: Councilmember McBride, Gill, Maan, Ramirez and Mayor Miller
NOYES: None
ABSENT: None
ABSTEIN: None

15. Letter of Understanding with First Level Managers

Steven Jepsen, City Manager, reviewed the contract. This contract is a rollover contract with the only change being a Cost of Living Adjustment (COLA) of 3.4% retroactively to July 1, 2007.

Councilmember Maan moved to adopt **Resolution 07-108** to ratify and implement the recently negotiated Letter of Understanding with the First Level Managers and approve the compensation of certain employees and related supplemental appropriations. Councilmember Ramirez seconded the motion that passed with the following vote:

AYES: Councilmember Maan, Ramirez, Gill, McBride and Mayor Miller
NOYES: None
ABSENT: None
ABSTEIN: None

Business from the City Council/Redevelopment Agency Board

16. Consideration of the Formation of an Ad-Hoc Committee of two Councilmembers, selected residents, and staff to review the issues of the Walton Water District arsenic/nitrate contamination, mitigation options and funding

Mayor Miller recommended an Ad Hoc Committee be formed to study the West Walton Water District issues. He nominated Councilmembers Ramirez and Gill to steer the Committee along with recommended staff to support the committee. Mayor Miller also invited interested citizens to be involved as well. Those interested should see Traci Sloan, Deputy City Clerk, after the meeting to provide their contact information.

Councilmember McBride moved to approve Mayor Miller's nominations of Councilmembers Ramirez and Gill for the proposed Ad Hoc Committee to review the West Walton Water District Issues. Councilmember Maan seconded the motion that passed with a unanimous vote.

17. City Council Reports

Councilmember Gill had nothing to report.

Councilmember Maan participated in the Levee Tour. It was interesting to be a part of this tour, and he recommends the tour to everyone. He has many citizens contact him regarding the West Walton Water District issues. Now that the Ad Hoc Committee has been formed, he is encouraging all of those who have contacted him to get involved and be a part of the committee. The Annual Sikh parade is the first Sunday in November and everyone is invited to attend the festivities.

Councilmember McBride had nothing to report.

Councilmember Ramirez requested that this Council meeting being adjourned in memory of Mayor Millers' mother, Betty Miller, who recently passed away.

Mayor Miller expressed his appreciation for the thoughtfulness expressed due to his mothers passing last week.

Adjournment

Mayor Miller adjourned the regular City Council meeting of the City of Yuba City at 9:50 p.m. in memory of his mother who passed away last week.

John S. Miller, Mayor

ATTEST:

Terrel Locke, City Clerk