

THE CITY OF SAN DIEGO, CALIFORNIA
 MINUTES FOR REGULAR COUNCIL MEETING
 OF
 TUESDAY, APRIL 24, 2007
 AT 9:00 A.M.
 IN THE COUNCIL CHAMBERS - 12TH FLOOR

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CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 9:59 a.m. The meeting was recessed by Council President Peters at 11:59 a.m. to reconvene at 2:00 p.m.

The meeting was reconvened by Council President Peters at 2:03 p.m. with Council Member Atkins not present. Council President Peters recessed the meeting at 2:05 p.m. to convene the Redevelopment Agency. Council President Peters reconvened the regular meeting at 2:12 p.m. with all Council Members present. Council President Peters recessed the meeting at 3:14 p.m. for the purpose of a break. Council President Peters reconvened the regular meeting at 3:21 p.m. with Council Member Hueso not present. Council President Peters recessed the meeting at 4:33 p.m. for the purpose of a break. Council President Peters reconvened the regular meeting at 4:40 p.m. with all Council Members present. Council President Peters recessed the meeting at 7:02 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 7:12 p.m. with all Council Members present. The meeting was adjourned by Council President Peters at 8:26 p.m.

ATTENDANCE DURING THE MEETING:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-present

Clerk-Maland (mz/dlc)

FILE LOCATION: MINUTES



ITEM-300: ROLL CALL

Clerk Maland called the roll:

- (1) Council Member Peters-present
- (2) Council Member Faulconer-present
- (3) Council Member Atkins-present
- (4) Council Member Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Don Stillwell commented on prayer and the flag salute.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:28 a.m. - 10:30 a.m.)

PUBLIC COMMENT-2:

Joy Sunyata commented on citizenship.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:30 a.m. - 10:32 a.m.)

PUBLIC COMMENT-3:

Hud Collins commented on the pension and City's financial crisis.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:32 a.m. - 10:35 a.m.)

PUBLIC COMMENT-4:

Sandra Lippe commented on Standley Park in University City.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:35 a.m. - 10:38 a.m.)

PUBLIC COMMENT-5:

Referred to the Mayor: Jose Lopez commented on "No Dumping" signs.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:38 a.m. - 10:40 a.m.)

PUBLIC COMMENT-6:

Joan Adaskin commented on recreation centers.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:40 a.m. - 10:43 a.m.)

PUBLIC COMMENT-7:

Ron Boshun commented on Council actions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:43 a.m. - 10:47 a.m.)

PUBLIC COMMENT-8:

Phil Hart commented on the City's finances.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:47 a.m. - 10:49 a.m.)

PUBLIC COMMENT-9:

Edmund J. Fabio commented on smoking rules on property leased from the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:49 a.m. - 10:52 a.m.)

PUBLIC COMMENT-10:

Elinor Rector commented on handicap parking citation and disability issues.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:52 a.m. - 10:55 a.m.)

PUBLIC COMMENT-11:

William A. Watkins commented on the lack of public transportation and the Metropolitan Transit Development budget.

FILE LOCATION: AGENDA

COUNCIL ACTION: ((Time duration: 10:55 a.m. - 10:56 a.m.))

COUNCIL COMMENT:

COUNCIL COMMENT-1:

Council President Peters announced the Park and Recreation budget meeting will be held the morning of Wednesday, May 2nd.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:40 a.m. - 10:40 a.m.)

COUNCIL COMMENT-2:

Council Member Young announced the need for information on the sub-prime loan default situation throughout San Diego and to support home loan counseling agencies, the San Diego Housing Commission and the first-time home buyers program.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 11:37 a.m. - 11:39 a.m.)

INDEPENDENT BUDGET ANALYST COMMENT:

None.

CITY ATTORNEY COMMENT:

None.



ITEM-30: Landscape Architecture Month.

COUNCILMEMBER FAULCONER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-987) ADOPTED AS RESOLUTION R-302546

Congratulating and offering appreciation to the American Society of Landscape Architects and proclaiming April 24, 2007, as "Landscape Architecture Month" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:13 a.m. - 10:17 a.m.)

MOTION BY FAULCONER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-31: Ted Medina Day.

COUNCIL PRESIDENT PETERS' AND COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-888) ADOPTED AS RESOLUTION R-302547

Recognizing the many contributions made by Ted Medina on the occasion of his retirement as Director of the City's Park and Recreation Department after having been an integral part of the organization for thirty-seven and one-half years and honoring him for his dedicated service to the citizens of the City;

Proclaiming April 24, 2007, to be "Ted Medina Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:00 a.m. - 10:13 a.m.)

MOTION BY ATKINS TO ADOPT. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-32: Fox Canyon Neighborhood Association Day.

COUNCILMEMBER MADAFFER'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-915) ADOPTED AS RESOLUTION R-302548

Recognizing and saluting the members of the Fox Canyon Neighborhood Association for their invaluable service to the community and proclaiming April 24, 2007, to be "Fox Canyon Neighborhood Association Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:17 a.m. - 10:25 a.m.)

MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-50: Grand Avenue Mixed Use.

(Pacific Beach Community Area. District 2.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/9/2007, Item 203, Subitem A.
(Council voted 7-0. Councilmember Madaffer not present):

(O-2007-103) ADOPTED AS ORDINANCE O-19608 (New Series)

Changing a 0.11-acre site, located at 1042 Grand Avenue, north of Grand Avenue, east of Cass Street, west of Dawes Street and south of Hornblend Street, in the Pacific Beach Community Plan Area, in the City of San Diego, California, from the CC-4-2 and RM-2-5 zones into the CC-4-2 zone, as defined by San Diego Municipal Code Sections 131.0406 and 131.0507, and repealing Ordinance No. O-10864 (New Series) , adopted June 29, 1972 and Ordinance No. O-15150 (New Series), adopted January 7, 1980, of the Ordinances of the City of San Diego insofar as the same conflict herewith.

NOTE: This item is not subject to Mayor's veto.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-51: Amending the San Diego Municipal Code Relating to Regulations Involving the Operation of Mobile Food Units.

(See memorandum from the City Attorney dated 2/26/2007.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/10/2007, Item 53. (Council voted 6-0. Councilmembers Madaffer and Hueso not present):

(O-2007-107) ADOPTED AS ORDINANCE O-19609 (New Series)

Amending Chapter 4, Article 2, Division 1, of the San Diego Municipal Code, Sections 42.0160, 42.0161, and 42.0166, all relating to Regulations Involving the Operation of Mobile Food Units.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea

* ITEM-52: Establishing Angle Parking Zone on Main Street between Cesar Chavez Parkway and Sigsbee Street.

(Barrio Logan Community Area. District 8.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/10/2007, Item 54. (Council voted 7-0. Councilmember Hueso not present):

(O-2007-116) ADOPTED AS ORDINANCE O-19610 (New Series)

Authorizing the creation of an angle parking zone on Main Street between Cesar Chavez Parkway and Sigsbee Street, pursuant to the authority conferred by and in accordance with the provisions of California Vehicle Code Section 22503 and San Diego Municipal Code Section 86.03;

Authorizing the installation of the necessary signs or markings be and the same to be made on said street, and the regulations hereinabove imposed shall become effective upon the installation of such signs or markings, or 30 days after the final passage of this ordinance, whichever comes later;

Declaring that this action is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301 because this action is the minor alteration of an existing facility with a negligible expansion beyond the existing use.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

- * ITEM-53: Fourth Amendment to the Agreement with David Taussig & Associates for Special Tax Administration Services, Community Facilities District (CFD) No. 2.

(Black Mountain Ranch Community Area. District 1.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/9/2007, Item 200. (Council voted 7-0. Councilmember Madaffer not present):

(O-2007-111) ADOPTED AS ORDINANCE O-19611 (New Series)

Approving the Fourth Amendment to the Agreement between the City of San Diego and Taussig & Associates for special tax administration services for Improvement Areas No. 1, 3, and 4 within Community Facilities District (CFD) No. 2.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-54: Actions Related to the Duties and Responsibilities of the Audit Committee.

(See Independent Budget Analyst Report No. 07-40 and memorandum from Mayor Sanders dated 4/6/2007.)

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 4/10/2007, Item 603, Subitems A and B. (Council voted 7-0. Councilmember Hueso not present):

Subitem-A: (O-2007-122) ADOPTED AS ORDINANCE O-19612 (New Series)

Amending the San Diego Municipal Code by amending Chapter 2, Article 2, Division 1, Section 22.0101.5 entitled "Permanent Rules of the Council," by amending Rule 6.1 and adding a new Rule 6.11.6; amending Chapter 2, Article 2, by adding new Division 43, titled "Audit Committee", and adding new Sections 22.4301, 22.4302, 22.4303, 22.4304, and 22.4305; amending Chapter 2, Article 6, by repealing Division 17, titled "Financial Reporting Oversight Board", and by repealing Sections 26.1701, 26.1702, 26.1703, 26.1704, 26.1705, and 26.1706 in their entirety; amending Chapter 2, Article 2, Division 41, titled "Securities Disclosure", by amending Sections 22.4101, 22.4105, 22.4106, 22.4109, and 22.4112; amending Chapter 2, Article 2, Division 3, titled "City Attorney", by amending Section 22.0304; amending Chapter 2, Article 2, Division 7, titled "City Auditor and Comptroller", by amending Section 22.0708; all related to a New Audit Committee.

Subitem-B: (O-2007-126) *NOTED AND FILED

Amending the San Diego Municipal Code by amending Chapter 2, Article 2, Division 43, titled "Audit Committee", and adding new Section 22.4306, related to the Operating Principles of the Audit Committee.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO DISPENSE WITH THE READING AND ADOPT THE ORDINANCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

*It was determined by the City Attorney's Office that the Ordinance in Subitem B was not needed on 5/24/07 and is part of the exhibit packet in Subitem A.

* ITEM-100: Master Agreement with the State of California Department of Transportation (Caltrans) for Federal-Aid Transportation Projects.

(Citywide.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-974) ADOPTED AS RESOLUTION R-302549

Authorizing the Mayor to execute, for and on behalf of the City, an agreement with the State of California Department of Transportation (Caltrans), for administering Federal-Aid transportation projects, under the terms and conditions set forth in the Agreement;

Declaring that this activity is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3).

STAFF SUPPORTING INFORMATION:

Federal-Aid funds for transportation projects are distributed to local entities such as the City of San Diego by the State of California Department of Transportation (Caltrans). In order to accept Federal funding, the City must comply with various Federal rules and policies, including but not limited to auditing processes and procedures, fair employment and non-discrimination policies, and right-of-way acquisition.

A Master Agreement between the City and the State, stipulating that the City will comply with these Federal guidelines, must be in place prior to the receipt of any Federal-Aid funds. Staff is requesting that the City Council authorize the execution of a Master Agreement.

Agreements and Project Supplements between the City of San Diego and Caltrans for specific projects will be brought to the City Council for approval prior to any transfer of funds or construction.

FISCAL CONSIDERATIONS:

None with this action.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Caltrans is a key stakeholder.

Boekamp/Haas

Staff: Larry Van Wey - (619) 533-3005
Peter A. Mesich - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-101: Consultant Agreement for Long Term Resource Management Options Strategic Plan.

(See Executive Summary Sheet dated 10/18/2006 and memorandum from Elmer L. Heap Jr. dated 4/10/2007.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-595 Rev.) ADOPTED AS AMENDED AS RESOLUTION R-302550

Authorizing the Mayor, or his designee, to execute, for and on behalf of the City, an agreement with Bryan A. Stirrat & Associates, to develop a long-term solid waste management strategic plan for the City, under the terms and conditions set forth in the Consulting Agreement;

Authorizing the expenditure of an amount not to exceed \$1,050,994 from Fund No. 30244, Future Landfill and Transfer Facility, CIP-37-254.0, within Fund No. 41201, solely and exclusively, to provide funds for the above agreement;

Declaring this activity is not a project and is therefore not subject to the California Environmental Quality Act pursuant to CEQA Guidelines Section 15060(c)(3).

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 1/24/2007, NR&C voted 4 to 0 to approve. (Councilmembers Faulconer, Maienschein, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

The City of San Diego is responsible for providing solid waste collection services to all single family residents and disposal services to all residents and businesses within the City limits. West Miramar Landfill, the City's only active landfill, is expected to close in 2012 under our current operating conditions.

This project is a two phase approach to developing a Long Term Resource Management Strategic Plan. Phase I will include identifying and evaluating options, zero waste policies and programs, facilities and technologies, while working with an advisory committee, to address the

City's resource management needs through the year 2030. Phase II will provide more detailed analysis of select options, development of financial plans, recommendations for policy changes and the development of a Strategic Plan describing and analyzing how best to implement these options.

The Consultant selection process was a competitive process, in accordance with Administrative Regulations 25.60. Four Consulting firms submitted proposals and were interviewed. Bryan A. Stirrat and Associates was selected based on their expertise in the solid waste field, knowledge in alternative technologies and their experience in preparing long range strategic plans.

FISCAL CONSIDERATIONS:

Funds are available in Refuse Disposal Enterprise Fund, CIP-37-254 (Future Landfill and Transfer Facilities).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Natural Resources and Culture Committee approved this action on January 28, 2007.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

This project will include the development and facilitation of a participatory process involving the community and various stakeholders and will be called the Resource Management Advisory Committee.

KEY STAKEHOLDERS:

City of San Diego residents and businesses, Solid Waste Haulers, US Department of the Navy, Consultant: Bryan A. Stirrat and Associates, Sub-consultants: HF & H Consultants, Katz & Associates, Clements Environmental Chambers: Group, Geologic Associates, J.R. Miller & Associates, and Alternative Resources, Inc.

Heap

Aud. Cert. 2700382.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:56 a.m. – 11:19 a.m.)

MOTION BY FRYE TO ADOPT THE RESOLUTION AS AMENDED WITH THE CHANGES THAT WERE BROUGHT FORWARD BY THE NATURAL RESOURCES AND CULTURE COMMITTEE. Second by Hueso. Passed by the following vote:

Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-102: Fiscal Year 2007 Implementation of Bid to Goal in the Water Department Customer Support Division.

(See Report to the City Council No. 06-099.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-678) ADOPTED AS RESOLUTION R-302551

Ratifying the Memorandum of Understanding for the Bid to Goal program for the Water Department Customer Support Division, as set forth in Report to the City Council No. 06-099;

Authorizing the Mayor, or his designee, to execute, on behalf of the City, a responsible agreement in connection with the provision of customer support services for the Water Department Customer Support Division, in order to implement Bid to Goal as an optimization strategy in the Water Department Customer Support Division in Fiscal Year 2007;

Declaring that this activity is not a project and is therefore not subject to the California Environmental Quality Act (CEQA), per CEQA Guidelines Section 15060(c)(2).

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 7/26/2006, NR&C voted 4-0 to approve. (Councilmembers Faulconer, Atkins, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

The Customer Support Division has completed a competitive assessment review of its core activities. This review determined that Customer Support operations were competitive with private and public bids submitted in a managed competition process for similar services. In addition, Divisional operations were compared to available industry benchmarks and best

practices. As a result of the above, Customer Support developed a Bid to Goal optimization strategy designed to achieve continual process improvements and enhance customer service. The proposed Bid to Goal strategy commits the Division to achieving expenditure savings during the term of the program (Fiscal Years 2007-2011) while continuing to improve Departmental operations and customer service. The full scope of this program is outlined in the attached Memorandum of Understanding and Employee Bid, which were developed through ongoing participation of employees, Division/Department management, and relevant labor organizations.

FISCAL CONSIDERATIONS:

The Bid to Goal strategy results in cumulative savings of approximately \$3.2 million for the term of the agreement. No additional consultant costs are included with the proposed bid. The costs associated with administration of Bid to Goal are included within the expenditure objectives of the program.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Three Bid to Goal programs have been approved, two in MWWD and one in the Water Department, Operations Division. This item was approved on consent by the Natural Resources and Culture Committee on July 26, 2006.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

As with other operations and initiatives impacting the provision of Water services, related results, impacts and requests for resource allocations will be briefed in public forum at the Public Utilities Advisory Commission and other oversight venues as appropriate.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Results of actions described above will be designed to deliver services in ways most beneficial to the water and sewer systems ratepayers, and as consistent as practicable with developing/maintaining the most appropriate labor-management partnership between the City and participating labor organizations.

Barrett/Haas

Staff: Teresa Hovland - (619) 235-1988
Raymond C. Palmucci - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-103: Transfer of Funds for Los Peñasquitos/Black Mountain Ranger Station Project.

(Mira Mesa Community Area. District 5.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-964 Cor. Copy, Rev. Copy)

ADOPTED AS RESOLUTION
R-302552

Amending the Fiscal Year 2007 Capital Improvements Program Budget by adding CIP-20-010.0, Los Peñasquitos/Black Mountain Ranger Station (Project);

Amending the Fiscal Year 2007 Capital Improvements Program Budget for CIP-20-010.0 Los Peñasquitos/Black Mountain Ranger Station, in Fund No. 392044, PV Estates-Other P&R Facilities, by increasing the budget amount by \$360,000;

Authorizing the City Auditor and Comptroller to transfer an amount not to exceed \$259,400 from CIP-20-010.0, Annual Allocation-Resource-Based Open Space Parks to CIP-20-010.1, Los Peñasquitos/Black Mountain Ranger Station, within Fund No. 10518, Regional Infrastructure Park Fund; \$100,000 from CIP-20-010.0, Annual Allocation-Resource-Based Open Space Parks to CIP-20-010.0, Los Peñasquitos/Black Mountain Ranger Station within Fund No. 10505, Environmental Growth Fund-CIP Only; \$200,000 from CIP-29-910.0, Open Space Improvements to CIP-20-010.1, Los Peñasquitos/Black Mountain Ranger Station within Fund No. 105052, Environmental Growth Fund-OS Acquisition and Debt Service;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$919,400 from CIP-20-010.0, Los Peñasquitos/Black Mountain Ranger Station, \$360,000 from Fund No. 392044, PV Estates-Other

P&R Facilities; \$259,400 from Fund No. 10518, Regional Park Fund; \$100,000 from Fund No. 10505, Environmental Growth Fund-CIP Only; and \$200,000 from Fund No. 105052, Environmental Growth Fund-OS Acquisition and Debt Service for the Project, provided that the City Auditor and Comptroller first furnishes one or more certificates certifying that the funds necessary for expenditures are, or will be, on deposit with the City Treasurer;

Authorizing the City Auditor and Comptroller, upon advice from the administering department, to transfer excess budgeted funds, if any, to the appropriate reserves.

STAFF SUPPORTING INFORMATION:

The proposed Los Peñasquitos/Black Mountain Ranger Station project is located at the northeast corner of Black Mountain and Mercy Roads in the City of San Diego, in the Mira Mesa Community Plan. The parcel is part of the Los Peñasquitos Canyon Preserve area, bounded by single family homes to the south, horse ranch to the east, and open space to the west and north sides. The proposed ranger station provides an opportunity to develop the pre-graded site corner lot and will serve as an attractive and significant gateway for the communities of Rancho Peñasquitos and Mira Mesa. This project provides for an environmentally sensitive designed Ranger Station, to include parking lot, landscaping, irrigation system, monument sign, restroom, and lighting.

The current ranger facility is located within the floodway and is in desperate need of replacement. This project will provide for a much needed ranger station for the rangers of the Los Peñasquitos Canyon Preserve, Carmel Mountain Open Space Preserve, and Black Mountain Open Space. This project implements the recommendations found in the Los Peñasquitos Natural Resource Management Plan, the Los Peñasquitos Canyon Preserve Master Plan and it is in conformance with the Community Plan, City's Progress Guide and General Plan.

Park & Recreation Department is also in the process of securing additional funding to undertake the additive alternatives of this project.

FISCAL CONSIDERATIONS:

The current total estimated cost of this project is \$1,600,000. Existing project funding is from the Environmental Growth Fund 10505 in the amount of \$289,966. Approval for additional funding in the total amount of \$919,400 from Fund 392044, PV Estates-Other P&R Facilities (\$360,000), from Environmental Growth Fund 10505, CIP-20-010.0 (\$100,000), Environmental Growth Fund 105052, CIP-29-910.0 (\$200,000), and from Regional Infrastructure Park Fund No. 10518, CIP-20-010.0 (\$259,400) is requested through this action.

On September 14, 2006, the Black Mountain Citizens Advisory Committee (CAC) voted to appropriate \$360,000 towards the proposed Ranger Station project. This approved funding is from a Developer Agreement dating back to 1988 requiring a funding appropriation approval from the CAC. Per Council Resolution 00-17179 filed in the City Clerks office on November 14, 1988 and Manager's Report No. 90-266, \$400,000 was to be set aside towards development of improvements within the Black Mountain Open Space Park or other park improvements requiring funding in the Peñasquitos FBA area. Of the original \$400,000, \$40,000 was earmarked by the CAC for the Black Mountain Cultural Resource Survey on October 14, 2004.

Annual operating expense for this ranger station is \$16,500, which is equal to the operating cost of the existing ranger station trailers. Therefore, no additional funds are needed. Funding for this purpose will continue to come from Park and Recreation Department/Open Space Division's Annual Operating Budget.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Manager's Report No. 90-266, filed June 8, 1990
Development Agreement Document No. 00-17179-1, filed April 3, 1990
Development Agreement Document No. 00-17179, filed November 14, 1988
Black Mountain Citizen's Advisory Committee, May 11, 2006
Los Peñasquitos Citizen's Advisory Committee, July 20, 2006
Los Peñasquitos & Black Mountain CAC Subcommittee, July 25, 2006
Los Peñasquitos Task Force, scheduled to approve on December 7, 2006

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Rancho Peñasquitos Community Planning Group, August 2, 2006
Mira Mesa Community Planning Group, September 18, 2006

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Key stakeholders include City of San Diego Park & Recreation Department, Ranger Station Users, Rancho Peñasquitos Community Group, Mira Mesa Community Group, Los Peñasquitos Canyon Preserve users, Black Mountain Open Space users, Black Mountain CAC, Los Peñasquitos CAC, Los Peñasquitos Task Force, Privately held MW Peltz & Associates (main consultant) and privately held sub consultants: Civil Engineer - PSOMAS Engineering (Peter Pountney, Principal-in-Charge, Jim Bliss, Project Manager), Electrical Engineer - LSW Engineering (Neal Alagia, Principal-in-Charge/Project Manager), Soils Engineer - K2 Engineering (Susana Kemmerrer, Principal-in-Charge), Environmental Consultant - Helix Environmental (Tom Huffman, President).

There are no direct impacts associated with this project on City residents or businesses.

LoMedico/Kummerman

Aud. Cert. 2700624.

Staff: Stacey LoMedico - (619) 685-1306

Shannon Thomas - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:36 a.m. – 11:37 a.m.)

MOTION BY ATKINS TO ADOPT. Second by Hueso. Passed by the following vote:
Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea,
Madaffer-yea, Hueso-yea.

* ITEM-104: Reprogramming of Community Development Block Grant (CDBG) Funds for
City Council Districts 1, 3, 4, 6, 7, and 8.

(See Report to the City Council No. 07-063. Districts 1, 3, 4, 6, 7, and 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-983) ADOPTED AS RESOLUTION R-302553

Approving the reprogramming of CDBG funds for Council Districts 1, 3, 4, 6, 7,
and 8, as set forth in Report to the City Council No. 07-063, contingent upon
certification of funds availability by the City Auditor and Comptroller;

Authorizing the Mayor, or his designee, to negotiate and execute agreements with
the CDBG-funded projects approved for funding, contingent upon certification of
funds availability by the City Auditor and Comptroller;

Authorizing the City Auditor and Comptroller to appropriate and expend the CDBG funds for the CDBG-funded projects approved for funding.

Staff: Anita C. Pyle - (619) 236-6944
Michael D. Neumeyer- Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-105: Settlement of Property Damage Claim of Howard De Young et al.

(District 1.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-922) ADOPTED AS RESOLUTION R-302554

A Resolution approved by the City Council in Closed Session on Tuesday, February 6, 2007, by the following vote: Council President Peters-yea; Faulconer-yea; Atkins-yea; Council President Pro Tem Young-yea; Maienschein-yea; Frye-yea; Madaffer-yea; Hueso-yea;

Authorizing the Mayor, or his designee, to pay the total sum of Sixty-Five Thousand Dollars (\$65,000) as part of the settlement of each and every claim against the City of San Diego, its agents and employees, in San Diego Superior Court Case No. GIC 849647, entitled Howard DeYoung, et al. v. City of San Diego, in accordance with the settlement agreement related to preferential tee times at Torrey Pines Golf Course negotiated between Plaintiffs, the Hilton Hotel which adjoins the Torrey Pines Golf Course and the City of San Diego;

Authorizing the City Auditor and Comptroller to issue one check in the amount of Sixty-Five Thousand Dollars (\$65,000) made payable to Torrey Pines Mens' Golf Club as part of the settlement of the lawsuit and of all claims;

Declaring that said funds are to be payable from the Public Liability Fund 81140.

STAFF SUPPORTING INFORMATION:

The proposed settlement would resolve all claims brought by Howard De Young et al.

FISCAL CONSIDERATIONS:

Settlement will be paid from the Public Liability Fund.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

In Closed Session on February 6, 2007, by motion of Councilmember Madaffer and second by Councilmember Hueso, the City Council, by the following vote: Yeas, 8; Nays, None; all Councilmembers present.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS: N/A

Bych/Goldstone

Aud. Cert. 2700642.

Staff: Leroy Hostetler - (619) 236-6619
John Riley - Deputy City Attorney

NOTE: The Auditor's Certificate was not requested prior to Closed Session. The vote taken in Open Session shall be the official vote.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

- * ITEM-106: Authorization to Extend the Project Area Committee (PAC) for One Year and to Notice and Conduct the 2007 PAC Elections for the Barrio Logan Redevelopment Project Area.

(See Report to the City Council No. 07-067. Barrio Logan Community Area. District 8.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-965) ADOPTED AS RESOLUTION R-302555

Extending the Barrio Logan PAC for one year beginning May 16, 2007;

Directing the staff of the Redevelopment Agency of the City of San Diego to notice and conduct the Barrio Logan PAC Election in 2007;

Declaring that this activity is not a "project" and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

STAFF SUPPORTING INFORMATION:

California Community Redevelopment Law, California Health and Safety Code Section 33385, requires the legislative body of a city to call upon residents and existing community organizations in a redevelopment project area to form a PAC if, there is a substantial number of low or moderate-income residents within the project area, and the redevelopment plan contains authority for the agency to acquire property, by eminent domain, on which anyone resides; or the redevelopment plan contains one or more public projects that will displace a substantial number of low/moderate-income residents. Each PAC serves as an advisory body to the Redevelopment Agency on policy matters affecting the residents of the project area. The Agency is required to consult with the PAC for at least three years after the redevelopment plan is adopted, subject to one year extensions by the legislative body.

Each PAC is elected and conducts its business in accordance with its specific PAC Formation Procedures ("Procedures") that were adopted individually by the City Council. The Procedures address the purpose and authority of the PAC, define the PAC's composition and membership, establish eligibility requirements for the term of membership and set procedures for conducting elections.

In accordance with the Barrio Logan PAC Procedures, Agency staff must seek authorization from the City Council to: 1) Extend the Redevelopment PAC for one year, and 2) Notice and conduct PAC elections.

FISCAL CONSIDERATIONS:

None with this action.

PREVIOUS AGENCY and/or COUNCIL ACTION:

As previously stated, the Agency, according to California Community Redevelopment law, is required to consult with the PAC for at least three years after the redevelopment plan is adopted and for one year extensions thereafter by approval of the legislative body. On March 21, 2006 the City Council of the City of San Diego ("Council") approved R-301308 to extend the Barrio Logan PAC for one year. On December 12, 1989, the Council approved R-274894 to adopt the formation procedures for the Barrio Logan Redevelopment Project Area Committee (PAC); and on December 8, 2003, the Council amended the Procedures by R-298704.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Barrio Logan Redevelopment Project Area Committee will make a recommendation to extend the PAC for one year at their Wednesday, April 18, 2007 meeting.

KEY STAKEHOLDER & PROJECTED IMPACTS (if applicable):

Barrio Logan Redevelopment PAC

Weinrick/Waring

Staff: Sam Johnson - (619) 533-5425
Carol A. Leone - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-107: Judy Case Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-847) ADOPTED AS RESOLUTION R-302556

Commending Judy Case for her passionate commitment and perseverance to the YWCA of San Diego and thanking her for the many hours she has devoted toward women and children who are victims of domestic violence;

Proclaiming May 31, 2007, to be "Judy Case Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-108: Hillcrest Farmers' Market Day.

COUNCILMEMBER ATKINS' RECOMMENDATION:

Adopt the following resolution:

(R-2007-907) ADOPTED AS RESOLUTION R-302557

Congratulating the Hillcrest Farmers' Market for its success and growth over the past 10 years;

Proclaiming May 6, 2007, to be "Hillcrest Farmers' Market Day" in the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-109: Verna King Day.

COUNCIL PRESIDENT PRO TEM YOUNG'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-971) ADOPTED AS RESOLUTION R-302558

Proclaiming April 14, 2007, to be "Verna King Day" in the City of San Diego in recognition of her dedication to the community and the City of San Diego.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-110: Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City.

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-875) ADOPTED AS RESOLUTION R-302559

Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City of San Diego.

FILE LOCATION: GEN'L - STATE OF EMERGENCY DUE TO SEVERE SHORTAGE OF AFFORDABLE HOUSING IN THE CITY OF SAN DIEGO

COUNCIL ACTION: (Time duration: 11:31 a.m. – 11:31 a.m.)

MOTION BY ATKINS TO ADOPT. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-111: Declaring a Continued State of Emergency Regarding the Discharge of Raw Sewage from Tijuana, Mexico.

(District 8.)

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2007-858) ADOPTED AS RESOLUTION R-302560

Declaring a Continued State of Emergency regarding the discharge of raw sewage from Tijuana, Mexico.

FILE LOCATION: GEN'L – STATE OF EMERGENCY REGARDING THE DISCHARGE OF RAW SEWAGE FROM TIJUANA, MEXICO

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

ITEM-330: Informational Report on FY08 Community Development Block Grant (CDBG) Programs.

(See memorandum from Mayor Sanders dated 3/26/2007.)

MAYOR SANDERS' RECOMMENDATION:

PRESENTED

Informational report on FY08 CDBG programs.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 8:10 p.m. – 8:23 p.m.)



ITEM-331: Removing Recognition of the La Jolla Community Planning Association (LJCPA) as the Official Planning Group for La Jolla.
(See Report to the City Council No. 07-066. La Jolla Community Area. District 1.)

STAFF'S RECOMMENDATION:

Take the following actions:

(R-2007-1039) ADOPTED AS RESOLUTION R-302561

Removing recognition of the La Jolla Community Planning Association (LJCPA) as the official planning group representing the La Jolla Community Plan area;

Directing the City Attorney to prepare the appropriate resolutions in accordance with Charter Section 40.

STAFF SUPPORTING INFORMATION:

Since February 1, 2007, the La Jolla Community Planning Association (LJCPA) has been out of compliance with Council Policy 600-24 by operating under bylaws that have not been approved by the City Planning & Community Investment (CPCI) Department, City Attorney's office or the City Council. The LJCPA derives its recognition from Council Policy 600-24, which requires

that amendments to adopted bylaws be approved by the Planning Director and City Attorney in order to confirm that they conform with the Council Policy. The Mayor's staff has made repeated attempts to assist the LJCPA in bringing their bylaws and planning group operations into compliance with the Council Policy governing standard operating procedures and responsibilities of the recognized community planning group. Bylaws must be in conformance with the provisions of the Council Policy in order to maintain official recognition by the City.

On March 28, 2007, the LJCPA was notified by the Mayor's office that the planning group was operating in violation of Council Policy 600-24, regarding the utilization of bylaws not approved by the City. The LJCPA was advised in that letter how decertification as the officially recognized planning group for La Jolla could be avoided. The LJCPA membership chose not to follow the advice of the City. Due to the LJCPA's clear and knowing violation of the Council Policy, the Mayor's staff is now in the position of recommending removal of official recognition of the LJCPA as the planning group for La Jolla under Council Policy 600-24.

A request to remove recognition of a community planning group is a serious matter. Staff is unaware of any previous request for decertification. This request would not be before you unless staff believed the issue is important to the City's entire Community Planning Group system, and, very importantly, the subject group had not rejected a number of easily doable options that would have kept the integrity of the overall system in place, while giving them the key governance elements being requested.

This request is not about:

- The LJCPA's bylaws.
- The LJCPA's corporate status.
- The validity under state law of the LJCPA's March elections.

The question is whether the City of San Diego will require that a group receiving the benefits and privileges of being a recognized community planning group, including the promise of indemnity by the citizens of the City of San Diego, follow the provisions of Council Policies adopted by former and current City Councils.

FISCAL CONSIDERATIONS: None with this request.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

- On October 17, 2005, the City Council approved changes to Council Policy 600-24.

- On June 20, 2006, while discussing whether to provide legal indemnification and representation for the La Jolla Community Planning Association, the City Council discussed Council Policy 600-24 and the community planning group bylaw revision process. Council members clearly stated their support for and reliance upon, planning groups. However, several Council members expressed a desire for more standardized operations among groups. The legal challenge facing the LJCPA at that time was based on planning groups operating procedures. The City Council suggested that the issue of the bylaw revisions and any exceptions to the Council Policy put forth by planning groups be addressed by Land Use & Housing Committee (LU&H) in the Fall of 2006. The City Council also questioned whether more changes were needed to Council Policy 600-24.
- On October 25, 2006, LU&H addressed the issues related to the bylaw update process, including standardization of planning group operating procedures through the use of a bylaws shell. LU&H reiterated the importance of a consistent process for planning group operations, but also acknowledged the need in some communities to provide for additional flexibility in planning group operating procedures based on individual community needs. LU&H discussed the draft bylaws shell before them and requested that Council Policy 600-24 be amended to reflect the proposed shell, and requested that community planning groups still be allowed to make exceptions to the shell with approval by LU&H.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

La Jolla Community Planning Association, a California Corporation.

KEY STAKEHOLDERS and PROJECTED IMPACTS:

Key Stakeholders - La Jolla Community Planning Association

Projected Impacts - The removal of official recognition of the La Jolla Community Planning Association as the recognized planning group for La Jolla will result in no group to advise the City in any official capacity on land use related matters, until a new planning board is recognized.

Anderson/Waring

Staff: Cecilia G. Williams - (619) 236-6578

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:42 p.m. – 8:01 p.m.)

Motion by Maienschein to Continue to October 9, 2007. Second by Frye. Failed.
Yeas-256. Nays-13478.

MOTION BY FAULCONER TO ADOPT THE RESOLUTION AND SUSPEND PREVIOUSLY ADOPTED DEVIATIONS: 22 VOTING TRUSTEES, TERM LIMITS, RECALL PROVISION, VOTING RIGHTS FOR EX OFFICIO MEMBERS, AND NON-ADVISORY ROOM VOTES ON NON-GOVERNANCE ISSUES WHICH ARE NOT IN CONFORMANCE UNTIL NEW BYLAWS ARE APPROVED. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-332: East Village Square Comprehensive Sign Plan – East Village
Redevelopment District of the Expansion Sub Area of the Centre City
Redevelopment Project.

(See Centre City Development Corporation Report CCDC-07-05. District 2.)

CENTRE CITY DEVELOPMENT CORPORATION'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-899) ADOPTED AS RESOLUTION R-302562

Approving the Centre City Comprehensive Sign Plan 2007-01 attached hereto as Exhibit A, for the East Village Square development;

Declaring this activity is covered under an Addendum to the Final Subsequent Environmental Impact Report to the Final Master Environmental Impact Report for the Centre City Redevelopment Project and Addressing the Centre City Community Plan and Related Documents for the Proposed Ballpark and Ancillary Development Projects, and Associated Plan Amendments, which was certified for the East Village Square Master Plan in December 2003 by City Council Resolution R-298679 on December 2, 2003. The activity is adequately addressed in the environmental-documents noted above and there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this activity as part of the previously approved project, the activity is not

a separate project for purposes of CEQA review per CEQA Guidelines Sections 15060(c)(3) and 15378(c).

SUPPORTING INFORMATION:

The property owners of the developments comprising East Village Square have submitted a Comprehensive Sign Plan as required by the Centre City Planned District Ordinance (PDO). The Plan establishes sign criteria for the project, including project identification, building top, wall, and other types of signs within the projects.

FISCAL CONSIDERATIONS: None.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION:

On January 31, 2007, the Centre City Development Corporation Board voted unanimously to recommend to the City Council the approval of the Comprehensive Sign Plan.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On January 24, 2007, the Centre City Advisory Committee (CCAC) voted unanimously to recommend to the City Council the approval of the Comprehensive Sign Plan.

Richter/Graham

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:04 p.m. – 2:11 p.m.)

MOTION BY FAULCONER TO ADOPT. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-not present, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-333: Initiation of Amendment to the Downtown Community Plan, as Part of a Package of Proposed Amendments to the Redevelopment Plan for the Centre City Redevelopment Project, the Centre City Planned District Ordinance and the Marina Planned District Ordinance.

(See Centre City Development Corporation Report CCDC-07-06. Districts 2 and 8.)

CENTRE CITY DEVELOPMENT CORPORATION'S RECOMMENDATION:

Adopt the following resolution:

(R-2007-979) ADOPTED AS RESOLUTION R-302563

Declaring that the Council of the City of San Diego finds as follows:

1. That the proposed land use plan amendment is consistent with the goals and objectives of the Progress Guide and General Plan because the general development intensity and types of uses that make up the proposed amendment implement the goals and policies of the approved Downtown Community Plan; and
2. That the proposed land use plan amendment appears to offer a public benefit to the community and the City because the proposed amendment includes refinements to language in the historic preservation chapter that clarifies goals and policies for the preservation of historical resources; and
3. That the public services are planned to be available to serve the Downtown Community Plan area, and the proposed change in intensity of use is not
4. significant and is within the maximum development in the Downtown Community Plan; and
5. That CCDC staff is available to process the proposed land use plan amendment without any work being deferred on General-fund supported programs or on going land use plan updates;
6. That the City approval to initiate a community plan amendment to add a mitigation, monitoring and reporting program as an appendix, and to make other changes and updates in the Downtown Community Plan is not a project as defined in Section 21065 of the California Environmental Quality Act (CEQA) and Section 15378 of the CEQA Guidelines and therefore CEQA does not apply at this time; and
7. That the subsequent City approval of a community plan amendment to add an MMRP as an appendix and to make other changes and updates in the downtown community plan is subject to and will comply with CEQA.

SUPPORTING INFORMATION:

On February 28, 2006, the San Diego City Council adopted the Community Plan, Redevelopment Plan for the Centre City Redevelopment Project, and Centre City Planned District Ordinance (PDO), the framework for downtown land development. Staff proposes to amend these documents to make a variety of clean-up changes and to address other issues that have developed since plan adoption, including but not limited to, the addition of a Mitigation, Monitoring and Reporting Program (MMRP) as an Appendix to the Community Plan, to clarify and refine language pertaining to historical resources, to make land use and other map changes, and adjustments to FAR Bonus calculations. The Marina PDO is also planned to be amended to add the parking regulations adopted in the 2006 Centre City PDO.

FISCAL CONSIDERATIONS:

There is no fiscal impact with the initiation of the amendment. Work to complete the amendment will be a staff effort.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Staff has begun the outreach process to inform the public of the proposed amendments. The process will include a full array of public meetings (Centre City Advisory Committee and subcommittees, Board Committees and Board, and Planning Commission, among others).

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The public outreach process outlined above will involve all key stakeholders including property owners, developers, business owners, and residents. While most of the proposed amendments are minor in nature, proposed zone changes and changes in regulations affecting social service institutions and homeless facilities will be fully discussed in the public outreach efforts.

Richter/Graham/Elias

Staff: Brad Richter - (619) 533-7115
Carol Leone - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 8:02 p.m. – 8:10 p.m.)

MOTION BY FAULCONER TO ADOPT. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-recused, Madaffer-yea, Hueso-yea.



ITEM-S500: Impasse Procedure.

(See memorandum from Council President Peters dated 4/16/2007; memorandums from the City Attorney dated 4/16/2007 and 4/17/2007; City of San Diego Pension Costs from the City Attorney dated 4/16/2007; Joseph Esuchanko's Report to the San Diego City Council dated 4/16/2007; letter from the San Diego Police Officer's Association; and letter from Schwartz, Steinsapir, Dohrmann and Sommers, LLP dated 4/16/2007.)

(Trailed from the meeting of April 16, 2007, Item 203, and continued from the meeting of April 17, 2007, at the request of Councilmember Hueso, for further review.)

MAYOR SANDERS' RECOMMENDATION:

HEARING HELD/IMPOSED MAYOR'S RECOMMENDATION

Scheduling an impasse procedure, if necessary, for Management and Labor Organizations currently involved in contract negotiations.

SUPPORTING INFORMATION:

The current Memoranda of Understanding and Council Policy 300-6 provide that the City's Labor Organizations have a right to a Council hearing on any issues at impasse at the conclusion of contract negotiations. The purpose of the impasse meeting shall be to identify and specify in writing the issue or issues that remain in dispute according to Council Policy 300-6.

Gattas/Froman

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:13 p.m. – 2:36 p.m.)

Motion by Atkins to oppose Mayor's last, best and final offer regarding Local 145 and request that discussions continue. Second by Hueso. Failed. Yeas-1378. Nays-2456.

MOTION BY FAULCONER TO IMPOSE MAYOR'S RECOMMENDATION. Second by Young. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-nay, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-nay.



ITEM-S501: Introduction of Salary Ordinance for FY 2007-2008 and Resolutions Relating to FY 2008 Salary Ordinance.

(See memorandum from the City Attorney dated 4/16/2007; and memorandums from Rich Snapper dated 3/13/2007, 1/12/2007, 11/7/2006, and 9/7/2006.)

(Trailed from the meeting of April 16, 2007, Item 204, and continued from the meeting of April 17, 2007, at the request of Councilmember Atkins, for further review.)

PERSONNEL DIRECTOR'S RECOMMENDATION:

Introduce the ordinance in Subitem A and adopt the resolutions in Subitems B, C, and D:

Subitem A: (O-2007-124) INTRODUCED TO BE ADOPTED ON
TUESDAY, MAY 8, 2007

Introduction of an Ordinance Establishing a Schedule of Compensation for Officers and Employees of the City of San Diego for the Fiscal Year 2007-2008.

Subitem B: (R-2007-968) ADOPTED AS RESOLUTION R-302564

Establishing overtime eligibility of classifications in the Classified Services.

Subitem C: (R-2007-969) ADOPTED AS RESOLUTION R-302565

Amending employee representation units to add new classifications and remove deleted classifications from existing appropriate units as established in the Fiscal Year 2007-2008 Salary Ordinance.

Subitem D: (R-2007-970) ADOPTED AS RESOLUTION R-302566

Authorizing classifications eligible for the Management Benefits Plan.

FILE LOCATION: SUBITEM A: NONE
SUBITEMS B, C, D: MEET

COUNCIL ACTION: (Time duration: 2:36 p.m. – 3:14 p.m.)

MOTION BY YOUNG TO INTRODUCE THE ORDINANCE IN SUBITEM A AND ADOPT THE RESOLUTIONS IN SUBITEMS B, C AND D. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-nay, Young-yea, Maienschein-yea, Frye-nay, Madaffer-yea, Hueso-yea.

* ITEM-S502: Twenty-Five Year Lease and Joint Use Agreement with the San Diego Unified School District for Mary Lanyon Fay Elementary School.

(Mid-City/City Heights Community Area. District 7.)

(Continued from the meeting of April 17, 2007, Item 52, at the request of Council President Peters, for full City Council, 6 votes required.)

STAFF'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-119) INTRODUCED; TO BE ADOPTED ON
TUESDAY, MAY 8, 2007

Introduction of an Ordinance authorizing the Mayor, or his representative, to execute, for and on behalf of the City, a Twenty-Five Year Lease and Joint Use Agreement with the San Diego Unified School District for construction, operation, maintenance, and lease of turfed fields at Mary Lanyon Fay Elementary School, under the terms and conditions set forth in the Agreement;

Declaring this activity is categorically exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15301 (Existing Facilities).

NOTE: 6 votes required.

STAFF SUPPORTING INFORMATION:

Mary Lanyon Fay Elementary School is located at 4080 52nd Street, in the Mid-City (City Heights) Community. The proposed Joint Use Agreement with the San Diego Unified School District (SDUSD) would provide for 1.65 acres of turfed fields. The City Heights Community Planning Area is park deficient; therefore, this project will help to satisfy the community's and SDUSD's recreational and athletic programmatic needs.

The City's Progress Guide and General Plan recommend 10 usable acres of neighborhood park for every 3,500 to 5,000 residents. In areas of the City where parkland is deficient per the City's General Plan standards, joint use facilities have provided a venue for City recreation programs typically provided at neighborhood parks. A joint use facility is defined as land or facilities that are owned by the City or another agency and shared between agencies to meet the recreational and physical education needs of both agencies.

The City and the District have been cooperating in the use of numerous recreational facilities in accordance with the City-District Recreation Agreement of September 1948, and the Memorandum of Understanding between the City and District for the Development and Maintenance of Joint Use Facilities adopted by the San Diego City Council on October 7, 2002 (Resolution No. R-297149), and by the District's Board of Education on October 8, 2002. Currently, the City has approximately 100 joint use agreements with various school Districts citywide.

The proposed turf fields at Mary Lanyon Fay Elementary School will be developed and maintained through this Twenty-Five (25) Year No Fee Lease and Joint Use Agreement with the San Diego Unified School District (SDUSD). The terms of the agreement allow for the development, operation, and maintenance of irrigated and turfed multi-use playing fields and parking. Funding for design and construction of the turf fields will be provided by the SDUSD as part of the Proposition MM measure. Since the SDUSD is providing the land and development of the joint use fields, the City will be responsible for the operation and maintenance until parity is reached as outlined in this joint use agreement.

FISCAL CONSIDERATIONS:

The joint use fields will cost approximately \$20,625 in annual operating costs. The fields will open to the public in FY 08, therefore this funding will be requested during the FY 08 budget process.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The San Diego Unified School District conducted numerous public workshops in the City Heights community to gather input on the design of this new Proposition MM school.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include the community members in City Heights.

Penera/Martinez

Staff: Carol Wood - (619) 235-8217
Shannon M. Thomas - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO INTRODUCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.

* ITEM-S503: Amendment No. 3 to the Agreement with Tetra Tech for Sewer Pump Station 18 Phase II.

(See Executive Summary Sheet dated 3/14/2007. Pacific Beach Community Area. District 2.)

(Continued from the meeting of April 17, 2007, Item 51, at the request of Council President Peters, for full City Council, 6 votes required.)

TODAY'S ACTION IS:

Introduce the following ordinance:

(O-2007-110) INTRODUCED; TO BE ADOPTED ON
TUESDAY, MAY 8, 2007

Introduction of an Ordinance authorizing the Mayor, or designee, to execute the Third Amendment to the Agreement with Tetra Tech for additional engineering consulting services for Sewer Pump Station 18, Phase II, in an additional amount not to exceed \$92,396 for a total contract amount of \$950,447, provide that the City Auditor and Comptroller first furnishes a certificate certifying that the funds necessary for expenditure are, or will be, on deposit with the City Treasurer;

Authorizing the additional expenditure of \$92,396 from CIP-46-604.6, Sewer Pump Station 18 Phase II, Fund No. 41506 Sewer Fund, for Tetra Tech engineering consulting services for the upgrades on Sewer Pump Station 18;

Authorizing the City Auditor and Comptroller, upon advice from the administrative department, to transfer excess funds, if any, to the appropriate reserves;

Declaring that this activity is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15378(c). This activity is a subsequent discretionary approval covered under Mitigated Negative Declaration, PTS No. 2830, September 25, 2002. The activity is adequately addressed in the environmental document and there is no change in circumstances, additional information, or project changes to warrant additional environmental review pursuant to CEQA Guidelines section 15162.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 3/21/2007, NR&C voted 4-0 to approve. (Councilmembers Faulconer, Maienschein, Frye, and Hueso voted yea.)

SUPPORTING INFORMATION:

In the original agreement (Document R-292037) adopted on August 2, 1999, the City entered into an agreement with Tetra Tech (formerly known as ASL Consulting Engineers) for \$100,800 to provide engineering services for the pre-design studies for both Sewer Pump Stations 18 and 19.

On August 7, 2000, the City Council executed Amendment No. 1 to the contract with Tetra Tech to include engineering services for the design of both pump stations. This amendment brought the total contract amount to \$760,206 (Document R-293649). The design scope includes the rehabilitation of Sewer Pump Station 18 located at the end of Loring Street in Pacific Beach and the replacement of Sewer Pump Station 19 located at the end of Bird Rock Avenue in La Jolla. During the design stage, there were several permits that need to be acquired for both projects that resulted in numerous design modifications.

On September 10, 2004, the City Council executed Amendment No. 2 to the contract with Tetra Tech cover additional cost incurred for permitting, design, and construction support for both Sewer Pump Station 18 (CIP-46-601.8) and 19 (CIP-46-601.9) bringing the total contract amount to \$858,051 (Document O-19314). Construction to rehabilitate Sewer Pump Station 18 started on September 2003, but was halted due to excessive corrosion that seriously affects the integrity of the pump station's structure. Due to a change in the scope of the project, the construction of the project was phased.

Amendment No. 3 is for Sewer Pump Station 18 Phase II, CIP-46-604.6. The Phase II construction will complete the upper structure of the building, replace the settling tank, as well as upgrade all electrical and mechanical equipment to meet current codes. The amount previously approved for Tetra Tech's consulting services contract accounted for the overall design of the project as well as assistance to perform engineering support during construction meant for a continuous single phased project. Due to the phasing and the increase in scope of the project, all of the money was depleted during Phase I and it is now necessary to amend Tetra Tech's contract to provide additional money for engineering construction support for Phase II of the project for a total cost of \$92,396. This will be the third amendment to Tetra Tech's original contract, bringing the overall total cost to \$950,447.

FISCAL CONSIDERATIONS:

The total estimated cost of this Amendment is \$92,396. Funding of \$92,396 in Sewer Fund 41506, CIP-46-604.6, Sewer Pump Station 18 Phase II, previously authorized on R-302100 on December 1, 2006, is available for this purpose.

PREVIOUS COUNCIL AND COMMITTEE ACTIONS:

The Committee on Natural Resources and Culture considered Amendment No. 3 to Agreement with Tetra Tech for Sewer Pump Station 18, Phase II on March 21, 2007, and voted to approve 4-0 following consent motion by Councilmember Faulconer, seconded by Councilmember Maienschein. Previous Council actions with regards to the City of San Diego's contract agreement with Tetra Tech for engineering consulting services are:

- Original Agreement, Document R-292037 executed on August 2, 1999, for \$100,800.
- Amendment No. 1 to the Agreement, Document R-293649 executed on August 7, 2000, for \$659,406 bringing the total contract amount to \$760,206.
- Amendment No. 2 to the Agreement, Document O-19314 executed on September 7, 2004, for \$97,845 bringing the total contract amount to \$858,051.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Not applicable.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Upon approval of Amendment No. 3, Tetra Tech, Incorporated will receive an additional \$92,396 towards their contract, bringing the total contract amount to \$950,447.

Boekamp/Haas

Aud. Cert. 2700559.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 10:25 a.m. - 10:26 a.m.)

CONSENT MOTION BY HUESO TO INTRODUCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S504: Increase to the Fiscal Year 2007 Water Department Capital Improvement Program Budget.

(See Report to the City Council No. 06-194 and Executive Summary Sheet dated February 14, 2007.)

(Continued from the meeting of April 17, 2007, Item 330, at the request of Council President Peters, for full City Council, 6 votes required.)

TODAY'S ACTION IS:

Introduce the following ordinance:

(O-2007-117) INTRODUCED TO BE ADOPTED ON TUESDAY,
MAY 8, 2007

Introduction of an Ordinance amending the Fiscal Year 2007 Capital Improvements Program Budget for the Water Department by increasing the budget amount by an amount not to exceed \$17,000,000;

Authorizing the City Auditor and Comptroller to appropriate \$17,000,000 from the Water Department Un-appropriated Fund Balance in Water Fund 41500; of which \$12,000,000 is for CIP-73-083.0, Annual Allocation - Water Main Replacements; and \$5,000,000 in CIP-75-926.0, Water CIP Reserve;

Authorizing the appropriation and expenditure of an amount not to exceed \$12,000,000 from the Water Department Un-appropriated Fund Balance in Water Fund 41500, contingent upon the approval and award of one or more contracts to perform such work, solely and exclusively, for the purpose of accelerating the program for bid and award of projects to meet the State Department of Health services mandate for replacement of cast iron water mains;

Authorizing the appropriation of an amount not to exceed \$5,000,000 from the Water Department Un-appropriated Fund Balance in Water Fund 41500, solely and exclusively, for the purpose of replenishing CIP-75-926.0, the Water CIP Reserve;

Declaring that this activity is not a project subject to the California Environmental Quality Act (CEQA), because it is a government fiscal activity which is excluded from the definition of a project pursuant to State CEQA Guidelines

Section 15378(b)(4), and is therefore not subject to CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

NOTE: 6 votes required.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

Information only. No action taken.

SUPPORTING INFORMATION:

The Fiscal Year 2007 Annual Allocation - Water Main Replacement budget appropriated \$8,000,000 for water main replacement projects. With the approval of the interim financing of the Subordinated Water Revenue Notes, Series 2007A on January 30, 2007, and the approval of the water revenue increases, the Water Department is requesting an increase to appropriation in the Water Main Replacement Annual Allocation by an additional \$12,000,000 to allow Engineering & Capital Projects Department to ramp up the program for bid and award of several projects to meet the Department of Health Services mandate of at least ten (10) miles of cast iron water main replacement per fiscal year. This increase in appropriations provides the funding that is essential to ensure the water main replacement begins at the earliest possible date.

On November 28, 2006, R-302124 authorized the transfer of \$5,000,000 from CIP-75-926.0, Water CIP Reserve to CIP-73-328.0 Rancho Bernardo Reservoir Rehabilitation. This action is needed to replenish CIP 75-926.0, Water CIP Reserve appropriations to its previous balance.

FISCAL CONSIDERATIONS:

With the approval of the interim financing of the Subordinated Water Revenue Notes, Series 2007A on January 30, 2007, authorized CIP project costs from Periods 11-13, FY 2006 and from Periods 1-6, FY 2007 totaling \$22,413,617 were reimbursed and are currently in the Water Fund 41500 and available for appropriation from the Un-appropriated Fund Balance.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On January 16, 2007, a presentation proposing the Water System Financing (Report to the City Council No. 06-194) was delivered to the City Council. As requested by Staff, the City Council authorized the issuance of Non-Transferable Subordinated Water Revenue Notes, Series 2007A (Payable Solely From Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund) in the principal amount not to exceed \$57 million including reimbursement for eligible CIP expenses for past projects.

An Informational Report from the Mayor's Office regarding the Fiscal Year 2007 Cast Iron Water Main Replacement Projects was presented to the Natural Resources & Culture Committee on February 21, 2007. Though a presentation and report was made to the Natural Resources & Culture Committee, no action was requested by Staff.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Community outreach to affected areas will occur with the advertising and award of each of the specific Cast Iron Water Main Replacement Projects.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

The key stakeholders are the City of San Diego, Water Department customers, and the Department of Health Services. Failure to appropriate the funds for the Cast Iron main replacement projects could seriously hinder the City's efforts to meet the Department of Health Services mandate of ten (10) miles of Cast Iron Water Main Projects awarded before June 30, 2007.

Barrett/Haas

Aud. Cert. 2700622.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:04 p.m. – 2:04 p.m.)

MOTION BY YOUNG TO INTRODUCE. Second by Madaffer. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-not present, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-yea.



ITEM-S505: Two actions related to Lease Purchase Agreement with IBM Credit LLC and Status Update on Vendor Selection.

(See Report to the City Council No. 07-060 and memorandums from Mayor Sanders dated 4/18/2007 and 4/12/2007. Citywide.)

(Continued from the meeting of April 17, 2007, Item 331, Subitems A and B, at the request of Councilmember Frye, for full City Council, 6 votes required.)

STAFF'S RECOMMENDATION:

Introduce the ordinance in Subitem A and adopt the resolution in Subitem B:

Subitem-A: (O-2007-125) INTRODUCED TO BE ADOPTED ON
TUESDAY, MAY 8, 2007

Introduction of an Ordinance authorizing a Master Lease Agreement for the purpose of financing the acquisition of the Enterprise Resource Planning System in a principal amount not to exceed \$29.5 million and taking other actions in connection therewith.

NOTE: 6 votes required.

Subitem-B: (R-2007-972) ADOPTED AS AMENDED AS R-302567

Stating that this Declaration of Intent is made solely for the purpose of establishing compliance with Section 1.150-2 of the Treasury Regulations, and in accordance therewith the City declares its intention to incur Debt in a principal amount not to exceed \$29,500,000, the proceeds of which will be used to pay for the costs of the Project, including the reimbursement to the City for certain capital expenditures relating to the Project made prior to the Debt financing, provided however that this Declaration of Intent does not bind the City to make any expenditure, incur any indebtedness, or proceed with the purchase of the Project;

Stating that this Declaration of Intent shall take effect from and after the date of its adoption.

NOTE: The Chief Information Officer will give a status update on the vendor selection and highlight significant upcoming milestones with respect to the selection of enterprise resource planning (ERP) technology and the selection of a systems integrator.

STAFF SUPPORTING INFORMATION:

In conjunction with the Audit Committee's recommendation (Kroll Report) to replace the legacy software systems currently in use by the City's Departments of Finance and Business & Support Services, the City has initiated the implementation of the Enterprise Resource Planning (ERP) System. The City plans to obtain the system through San Diego Data Processing Corporation (SDDPC), which will act as the purchaser on behalf of the City.

The initial phase, software acquisition by SDDPC, is scheduled to occur by April 2007, while the implementation phase of these systems is expected to begin in the summer of 2007 and take 18 - 24 months to complete.

The total cost of the ERP system is estimated at \$36.5 million, of which approximately \$7 million is expected to be cash funded, with the remaining to be financed under the proposed lease purchase agreement with IBM Credit LLC. The master lease agreement between the City and IBM will be for a not-to-exceed amount of \$29.5 million. The lease purchase agreement will be for a 7-year term with the interest rate fixed when the ERP system vendors are paid or the City places the reimbursement requests with the Lessor (IBM). The interest rate will be set at 100% of the 7-Year Treasury Note rate. As of March 16, 2007, the 7-year US Treasury Note rate is 4.47%.

In the event that the City needs to advance the project related expenses, the City must adopt a reimbursement resolution in accordance with Section 1.150-2 of Treasury Regulations ("Regulations"). By adopting a reimbursement resolution, City will satisfy the Official Intent Requirement under the Regulations and be able to reimburse project related expenses using funds available from the lease-purchase agreement with IBM.

FISCAL CONSIDERATIONS:

The portions of the labor costs and non-personnel expenses (NPE) related to the ERP system implementation that are determined to be non-capitalizable, totaling \$7 million, will be cash funded, in equal parts by SDDPC and the City in order to minimize the borrowing costs. The remaining \$29.5 million, financed over a 7-year, is estimated to result in lease payments totaling \$34.8 million through FY 2016. The estimated \$3.5 million cash contribution from the City is proposed via a transfer of funds from the City's A-List Fund (50066) to the ERP Fund (50071). The estimated \$3.5 million cash contribution from SDDPC is expected to be used to fund SDDPC labor and NPE costs.

| <u>Total Estimated Fiscal Impact: FY 2007 - FY 2016</u> | |
|---|--------------|
| Project Cost | \$36,500,000 |
| Cash Funded | \$7,000,000 |
| Financed | \$29,500,000 |
| Interest Expense (on financed amount) | \$5,313,200 |
| Sales Tax | \$77,500 |
| TOTAL (est.) | \$41,890,700 |

Projected Impact on General Fund (54%): \$18.8 million
Projected Impact on Non-General Fund (46%): \$16.1 million

PREVIOUS COUNCIL/COMMITTEE ACTIONS:

On February 5, 2007, Council voted to accept the Mayor's staff's recommendation to proceed with the concept of implementing an ERP system, with the understanding that any agreement to finance such a system will be brought back to the City Council.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: N/A

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

The projected \$29.5 million contract for the financing of the ERP system will be with IBM Credit LLC. The vendor(s) that will supply the ERP software and system integration will be identified when the due diligence of submitted proposals to the RFPs for respective components is completed by the Mayor's staff.

Goldstone/Reynolds

Staff: Jyothi Pantulu - (619) 236-6917
Mark D. Blake – Chief Deputy City Attorney

FILE LOCATION: SUBITEM A: NONE
SUBITEM B: MEET

COUNCIL ACTION: (Time duration: 3:21 p.m. – 4:33 p.m.)

MOTION BY MADAFFER TO INTRODUCE THE ORDINANCE IN SUBITEM A AND ADOPT THE RESOLUTION IN SUBITEM B AND INCLUDE THE RECOMMENDATION MADE BY THE CITY ATTORNEY'S OFFICE. IN ADDITION, THE INDEPENDENT BUDGET ANALYST'S OFFICE AND THE CITY ATTORNEY'S OFFICE SHALL CHECK IN WITH THE MAYOR'S OFFICE ON A MONTHLY BASIS TO ENSURE PROGRESS AS PLANNED, WILL PROVIDE AN OPPORTUNITY TO MEET THE VENDORS AND PROVIDE A QUARTERLY REPORT TO THE RULES COMMITTEE. Second by Hueso. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-nay, Frye-nay, Madaffer-yea, Hueso-yea.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 8:26 p.m. in honor of the memory of.

Henry Rabinowitz as requested by Council Member Faulconer.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 8:23 p.m. – 8:26 p.m.)