

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR SPECIAL COUNCIL MEETING
OF
MONDAY, JANUARY 14, 2008
AT 6:00 P.M.
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

CHRONOLOGY OF THE MEETING.....	2
ATTENDANCE DURING THE MEETING	2
ITEM-1: ROLL CALL.....	3
ITEM-601: Consideration of the Recommendations of the Charter Review Committee	3
ADJOURNMENT.....	9

CHRONOLOGY OF THE MEETING:

The meeting was called to order by Council President Peters at 6:00 p.m. The meeting was adjourned by Council President Peters at 9:28 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-not present-Excused by Resolution R-303418, due to illness
- Clerk-Maland (sr)

FILE LOCATION: MINUTES

ITEM-1: 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 Elect Young-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present
- (8) Council Member Hueso-not present

FILE LOCATION: MINUTES



ITEM-601: Consideration of the Recommendations of the Charter Review Committee.

(See 2007 San Diego City Charter Review Committee Final Report; Charter Review Committee's Executive summary; Independent Budget Analyst's Report No. 07-102; Independent Budget Analyst's 11/07/2007, Power Point; City Attorney's 11/02/2007, report; Mayor Sanders' 11/05/2007, memorandum; Independent Budget Analyst Report No. 08-02; Lisa Briggs' 1/2/2008, memorandum; Jay Poole's 11/27/2007, letter; Jay Poole's undated letter to Scott Peters and Charter Review Committee; Undated article "Who Should Serve on an Audit Committee?"; Willkie Farr's 8/8/2006, Report of the Audit Committee of the City of San Diego; Independent Budget Analyst's 1/7/2008, PowerPoint; Barbara Cleaves Anderson's 1/7/2008, letter; and Independent Budget Analyst's 1/7/2008, Appt. of City Auditor Overview of Issues.)

COUNCIL PRESIDENT PETERS' RECOMMENDATION:

Take the following action:

RECOMMEDATIONS RECEIVED; RECOMMENDATIONS
RECEIVED AS AMENDED REGARDING MAYORAL VETO
AND OVERRIDE, CHIEF FINANCIAL OFFICER, AND
INTERNAL AUDITOR

Receive the recommendations of the Charter Review Committee. Provide direction to draft ballot language for any items to be placed on the June 2008 ballot. Such ballot language and actual placement on the ballot to be voted on at a later City Council meeting.

**RULES, OPEN GOVERNMENT, AND INTERGOVERNMENTAL RELATIONS
COMMITTEE'S RECOMMENDATION:**

On 11/07/07, RULES reviewed recommendation to: Accept the report, with direction by common consent that the recommendations of the Charter Review Committee be referred to City Council along with a detailed summary of the comments made by members of the Rules Committee (Attachments 1 & 2). The Committee also directed that recommendations related to the Chief Financial Officer, Auditor and Audit Committee be reviewed by the Audit Committee and that the Budget Committee review the recommendation regarding a balanced budget.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 1/9/2008, Budget voted 4 to 0 to forward the Chief Operating Officer's recommendation without committee recommendation to the full City Council, with the understanding that the City Attorney will provide additional information regarding his concerns to the Council. (Councilmembers Faulconer, Atkins, Frye, and Madaffer voted yea. Councilmember Hueso not present.)

AUDIT COMMITTEE'S RECOMMENDATION:

Information only. No action taken.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 6:05 p.m. - 9:27 p.m.)

MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATIONS. IN ADDITION THE CITY ATTORNEY SHALL RETURN TO THE FULL COUNCIL ON FEBRUARY 4, 2008, WITH THE BALLOT LANGUAGE FOR ALL POTENTIAL CHARTER AMENDMENTS APPROVED AS FOLLOWS:

THE CITY ATTORNEY WILL ALSO PREPARE LANGUAGE FOR BOTH THE MUNICIPAL CODE AND THE CITY CHARTER ENSURING THE AUTHORITY OF THE AUDITOR AND INDEPENDENT BUDGET ANALYST TO APPOINT AND

TERMINATE EMPLOYEES. REGARDING THE SUNSET PROVISION, PLACE ON THE JUNE 2010 BALLOT A PROPOSED AMENDMENT TO SECTION 255(B) TO MAKE PERMANENT THE MAYOR/COUNCIL FORM OF GOVERNMENT. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATION REGARDING ADDITIONAL COUNCIL DISTRICTS INCLUDING AS PART OF THE BALLOT MEASURE TO PLACE ON THE JUNE 2010 BALLOT AN AMENDMENT TO SECTION 270 (THE COUNCIL) TO INCREASE THE NUMBER OF COUNCIL DISTRICTS FROM EIGHT TO NINE WITH THE ADDITION OF THE NINTH DISTRICT TO OCCUR IN CONJUNCTION WITH THE 2010 CENSUS AND REDISTRICTING. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

Motion by Faulconer to receive the recommendation regarding Mayoral Veto and Override by amending Section 285 (Enactment over Veto) and Section 290 (Council Consideration of Salary Ordinance and Budget; Special Veto Power) to require a two-thirds Council majority vote to override a mayoral veto. Also amend Section 290, (Council Consideration of Salary Ordinance and Budget; Special Veto Power) to correct an inaccurate reference to Section 71 as the Charter Section regarding a balanced budget; the language, such as it is at present, occupies Section 69. Second by Peters. Failed. Yeas - 1, 2, 5, 7; Nays - 3, 4, 6; Not present - 8.

MOTION BY ATKINS TO RECEIVE THE RECOMMENDATION REGARDING MAYORAL VETO AND OVERRIDE AS AMENDED BY ADDING "EFFECTIVE UPON THE EXPANSION OF THE CITY COUNCIL TO NINE MEMBERS," TO THE FAILED MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATION REGARDING MAYORAL VETO AND OVERRIDE BY AMENDING SECTION 285 (ENACTMENT OVER VETO) AND SECTION 290 (COUNCIL CONSIDERATION OF SALARY ORDINANCE AND BUDGET; SPECIAL VETO POWER) TO REQUIRE A TWO-THIRDS COUNCIL MAJORITY VOTE TO OVERRIDE A MAYORAL VETO. ALSO AMEND SECTION 290, (COUNCIL CONSIDERATION OF SALARY ORDINANCE AND BUDGET; SPECIAL VETO POWER) TO CORRECT AN INACCURATE REFERENCE TO SECTION 71 AS THE CHARTER SECTION REGARDING A BALANCED BUDGET; THE LANGUAGE, SUCH AS IT IS AT PRESENT, OCCUPIES SECTION 69. Second by Frye. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATION REGARDING THE INDEPENDENT BUDGET ANALYST BY AMENDING SECTION 270 (THE COUNCIL) TO CLARIFY THAT OFFICE OF THE INDEPENDENT BUDGET ANALYST IS AUTHORIZED UNDER THE CHARTER TO ACT AS A BUDGETARY AND POLICY ANALYST FOR THE CITY COUNCIL. AMEND SECTION 28 (CITY MANAGER) EXPLICITLY TO AUTHORIZE THE CITY COUNCIL TO RETAIN A LEGISLATIVE AND/OR BUDGET ANALYST. THE CITY ATTORNEY WILL PREPARE LANGUAGE FOR BOTH THE MUNICIPAL CODE AND THE CITY CHARTER ENSURING THE AUTHORITY OF THE AUDITOR AND IBA TO APPOINT AND TERMINATE EMPLOYEES. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATION REGARDING THE CHIEF FINANCIAL OFFICER AS AMENDED BY AMENDING SECTION 39 (CITY AUDITOR AND COMPTROLLER) AND SECTION 265 (THE MAYOR) TO INDICATE THAT THE CHIEF FINANCIAL OFFICER SHALL ASSUME THE RESPONSIBILITIES OF THE CITY AUDITOR AND COMPTROLLER (OR "CITY AUDITOR AND COMPTROLLER"); AMENDING SECTION 117 (UNCLASSIFIED AND CLASSIFIED OFFICERS) TO CLARIFY THAT THE CHIEF FINANCIAL OFFICER REMAINS EXEMPT FROM CIVIL SERVICE, AS THE CITY AUDITOR AND COMPTROLLER PRESENTLY IS BY VIRTUE OF DEPARTMENT HEAD STATUS. ALSO AMEND SECTION 45 (CITY TREASURER) TO REMOVE THE NEED FOR COUNCIL CONFIRMATION OF THE CITY TREASURER. ADD CLARIFYING LANGUAGE STATING THAT THE DUTIES AS DESCRIBED IN TODAY'S CHARTER WILL BE ASSUMED BY THE CHIEF FINANCIAL OFFICER. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATION REGARDING THE AUDIT COMMITTEE TO ADD A NEW SECTION 39.1 (AUDIT COMMITTEE) TO ESTABLISH AN AUDIT COMMITTEE CONSISTING OF FIVE MEMBERS COMPOSED OF TWO MEMBERS OF THE CITY COUNCIL, ONE OF WHOM SHALL SERVE AS CHAIR, AND THREE MEMBERS OF THE PUBLIC. THE PUBLIC MEMBERS SHALL BE APPOINTED BY THE CITY COUNCIL FROM A POOL OF CANDIDATES TO BE RECOMMENDED BY A MAJORITY VOTE OF A SCREENING COMMITTEE COMPRISED OF THE CHIEF FINANCIAL OFFICER,

THE INDEPENDENT BUDGET ANALYST, A MEMBER OF THE CITY COUNCIL AND TWO OUTSIDE FINANCIAL EXPERTS. RECOMMEND THAT MINIMUM PROFESSIONAL STANDARDS BE SET FOR PUBLIC MEMBERS WHO WOULD SERVE ON THE AUDIT COMMITTEE, AT LEAST 10 YEARS EXPERIENCE AS A CPA, A CERTIFIED INDEPENDENT AUDITOR, OR 10 YEARS OF OTHER PROFESSIONAL, FINANCIAL, OR LEGAL EXPERIENCE IN AUDIT MANAGEMENT. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-yea, Frye-nay, Madaffer-yea, Hueso-not present.

MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATION REGARDING THE INTERNAL AUDITOR AS AMENDED BY ADDING A NEW SECTION 39.2 (CITY AUDITOR) TO ESTABLISH A CITY AUDITOR WHO SHALL BE APPOINTED BY THE CITY MANAGER IN CONSULTATION WITH THE AUDIT COMMITTEE AND CONFIRMED BY THE CITY COUNCIL. THE CITY AUDITOR SHALL BE A CERTIFIED PUBLIC ACCOUNTANT OR CERTIFIED INTERNAL AUDITOR. THE CITY AUDITOR SHALL SERVE FOR A TERM OF TEN YEARS AND REPORT TO THE AUDIT COMMITTEE. THE CITY COUNCIL, UPON RECOMMENDATION OF THE AUDIT COMMITTEE, MAY TERMINATE THE CITY AUDITOR WITH SIX AFFIRMATIVE VOTES. AND BY AMENDING SECTION 111 (AUDIT OF ACCOUNTS OF OFFICERS) TO TRANSFER AUDITING RESPONSIBILITIES OF CITY AUDITOR AND COMPTROLLER TO CITY AUDITOR AND AUDIT COMMITTEE. THE CITY AUDITOR SHALL FOLLOW GOVERNMENT AUDIT STANDARDS. THE CITY ATTORNEY WILL PREPARE LANGUAGE FOR BOTH THE MUNICIPAL CODE AND THE CITY CHARTER ENSURING THE AUTHORITY OF THE AUDITOR AND INDEPENDENT BUDGET ANALYST TO APPOINT AND TERMINATE EMPLOYEES. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

MOTION BY FAULCONER TO RECEIVE THE RECOMMENDATION REGARDING CONTRACTING SAFETY PERSONNEL BY AMENDING SECTION 117 (UNCLASSIFIED AND CLASSIFIED SERVICES) TO CLARIFY THAT POLICE OFFICERS, FIRE FIGHTERS, AND LIFEGUARDS WHO PARTICIPATE IN THE SAFETY RETIREMENT SYSTEM ARE EXEMPT FROM MANAGED COMPETITION. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

MOTION BY MADAFFER TO RECEIVE THE RECOMMENDATION REGARDING THE BALANCED BUDGET REQUIREMENT BY AMENDING SECTION 69 (FISCAL YEAR AND MANAGER'S ESTIMATE) TO REQUIRE THAT THE MANAGER PROPOSE AND THE COUNCIL ADOPT A BALANCED BUDGET ANNUALLY. THE TERM "BALANCED BUDGET" WILL MEAN SUFFICIENT FUNDS ARE AVAILABLE TO COVER PROJECTED EXPENDITURES. THE MANAGER SHALL MONITOR AND REPORT ON THE BUDGET THROUGHOUT THE FISCAL YEAR AND IF HE OR SHE DETERMINES THERE WILL NO LONGER BE SUFFICIENT FUNDING FROM ALL AVAILABLE SOURCES TO COVER PROJECTED EXPENDITURES AND ENCUMBRANCES, THE MANAGER SHALL PROPOSE REVISIONS TO KEEP THE BUDGET BALANCED. WITHIN 60 DAYS OF THE MANAGER'S SUBMISSION OF THE REVISIONS, THE COUNCIL SHALL ADOPT THEM OR OFFER AND ADOPT ALTERNATIVE ONES TO ENSURE A BALANCED BUDGET. THE MANAGER AND COUNCIL SHALL TAKE THE NECESSARY STEPS TO ENSURE A BALANCED BUDGET BY THE END OF EACH FISCAL YEAR. THE CITY SHALL POST COPIES OF THE BUDGET ON APPROPRIATE ELECTRONIC MEDIA, SUCH AS THE INTERNET, TO ALLOW THE PUBLIC FULL ACCESS TO THE DOCUMENT. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-yea, Frye-yea, Madaffer-yea, Hueso-not present.

MOTION BY MADAFFER TO RECEIVE THE RECOMMENDATION REGARDING SALARY SETTING AND TO REPEAL SECTION 24.1 (MAYOR'S SALARY) AND AMEND SECTION 12.1 (COUNCIL SALARIES), SECTION 40 (CITY ATTORNEY) AND SECTION 41.1 (SALARY SETTING COMMISSION) TO ALTER THE SALARY SETTING PROCESS FOR ALL ELECTED OFFICIALS. HENCEFORTH, THE SALARY SETTING COMMISSION SHALL INCLUDE INDIVIDUALS WITH PARTICULAR EXPERTISE, AUTHORIZED TO EXAMINE ALL APPROPRIATE FACTORS AND ESTABLISH THE SALARIES OF THE MAYOR, CITY ATTORNEY, AND COUNCIL. THE PUBLIC WILL RETAIN ITS REFERENDA AUTHORITY OVER THE ESTABLISHMENT OF THESE SALARIES. Second by Peters. Passed by the following vote: Peters-yea, Faulconer-yea, Atkins-yea, Young-nay, Maienschein-nay, Frye-yea, Madaffer-yea, Hueso-not present.

ADJOURNMENT:

The meeting was adjourned by Council President Peters at 9:28 p.m.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 9:28 p.m. - 9:28 p.m.)