

THE CITY OF SAN DIEGO, CALIFORNIA
MINUTES FOR REGULAR COUNCIL MEETING
OF
MONDAY, JUNE 9, 2008
AT 2:00 P.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 2:08 p.m. Council President Peters recessed the meeting at 2:59 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 3:07 p.m. with Council Member Young not present. Council President Peters recessed the meeting at 4:54 p.m. for the purpose of a break. Council President Peters reconvened the meeting at 4:59 p.m. with Council Members Maienschein and Hueso not present. The meeting was adjourned by Council President Peters at 5:49 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 (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 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-10: INVOCATION

Invocation was given by Pastor Darrell Dunlap of Christ Community Church.

FILE LOCATION: MINUTES



ITEM-20: PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Atkins.

FILE LOCATION: MINUTES

CLOSED SESSION ITEMS:

Conference with Legal Counsel - existing litigation, pursuant to California Government Code section 54956.9(a):

**CS-1 *Jaime Limon v. David Lamont Williams, Allied Gardens Towing, Inc., Road One West, et al.*
San Diego Superior Court Case No. GIE 030725**

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 10, 2008

DCA Assigned: P. Folkman

This matter involves a subrogation claim where the City, as plaintiff, is seeking to recover workers' compensation benefits and future disability retirement from a third party as a result of injury to a City police officer. The City Attorney requests that the Mayor and the City Council authorize settlement of the litigation.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:17 p.m. - 2:17 p.m.)

Council President Peters closed the hearing.

**CS-2 *Valerie O'Sullivan v. City of San Diego,*
San Diego Superior Court Case No. GIC 826918;
Court of Appeal Case No. 826918**

Animal Protection and Rescue League, et al, v. The State of California, et al.,
United States District Court Case No. 07 cv 2320 JM AJB;
United States Court for the Ninth Circuit Case No. 08-55319

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 10, 2008

DCA Assigned: G. Schaefer

The first case involves a lawsuit filed against the City over the joint use by humans and seals of Children's Pool Beach in La Jolla. Following a court trial, a Superior Court Judge rendered a judgment against the City and ordered the City to dredge Children's Pool Beach. The City unsuccessfully appealed the dredging order and the court recently awarded the Plaintiff attorneys' fees and costs on appeal. The City Attorney needs to discuss with the Council and the Mayor in closed session whether the City should appeal the fees award.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:17 p.m. - 2:17 p.m.)

Council President Peters closed the hearing.

Conference with Legal Counsel - anticipated litigation - initiation of litigation, pursuant to California Government Code section 54956.9(c):

CS-3 *Claim against Travelers Insurance related to the project known as the Demolition of Sewer Pump Station 34 and Rehabilitation of Pump Station 5.*

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 10, 2008

DCA Assigned: J. Taylor

Proposed settlement with Travelers Insurance for environmental claim related to the project known as the Demolition of Sewer Pump Station 34 and Rehabilitation of Pump Station 5. This is the City's first party claim on its environmental policy to recover costs due to clean up of petroleum contaminated soil and groundwater. This first party claim against Travelers is related to the litigation on the City's third party claim against BNSF Railway entitled *City of San Diego v. BNSF Railway Company* United States District Court for the Southern District Case No. 07-cv-01057-IEG-BLM.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:17 p.m. - 2:17 p.m.)

Council President Peters closed the hearing.

CS-4 *Anticipation of litigation against SDG&E and other parties responsible for causing the 2007 brush fires and resulting property damage and other losses.*

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 10, 2008

DCA Assigned: C. Welch

There are six actions pending before Judge Richard E. L. Stratus in Dept. 75 of the San Diego Superior Court (*Payne v. SDG&E*, Case No. 37-2007-0081806-CU-PO-CTL; *Downing v. SDG&E*, Case No. 37-2007-00081604-CU-NP-CTL; *Malone v. SDG&E*, Case No. 37-2008-0081779-CU-PO-CTL; *Waldon v. SDG&E*, Case No. 37-2007-00079891-CU-EI-NC; and *Wood v. SDG&E*, Case No. 37-2007-00083093-CU-PO-CTL) against SDG&E alleging SDG&E power lines or other equipment caused the October 2007 fires. The City Attorney's Office anticipates it may be necessary to file a complaint (or cross-complaint if suit is filed on a claim recently asserted against the City) against SDG&E independently in light of the City's own litigation damage and losses and information or evidence indicating SDG&E's potential legal liability for the October 2007 wildfires. The City Attorney's Office will discuss retention of Harvey Levine of Levine Steinberg Miller & Huver to evaluate the City's claims and to represent the City if suit is filed.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:17 p.m. - 2:17 p.m.)

Council President Peters closed the hearing.

Conference with Real Property Negotiator, pursuant to California Government Code section 54956.8:

CS-5 *Property: 5036-60 Sterling Court, San Diego (south end of Winona Avenue)*

Agency Negotiator: Jim Barwick, Director, Real Estate Assets Department

Negotiating Party: Larry Zajonc

Under Negotiation: Price and terms of payment

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 10, 2008

DCA Assigned: K. Davies

Discussion of negotiations regarding the offer received from Larry Zajonc for the sale of his property to the City for a proposed park (Fox Canyon).

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:17 p.m. - 2:17 p.m.)

Council President Peters closed the hearing.

Conference with Legal Counsel-existing litigation-pursuant to California Government Code Section 54956.9(a):

CS-6 *In the Matter of City of San Diego v. San Diego City Employees Retirement System, San Diego Superior Court Case No. 3702007000077604-CU-MC-CTL.*

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 10, 2008

On October 9, 2007, the City Council authorized the Mayor to hire outside Counsel to initiate a declaratory relief action against SDCERS to determine the effective date of retirement benefit changes which were approved by the City Council on June 27, 2005. In Closed Session the outside Counsel will discuss the status of the litigation and request direction.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:17 p.m. - 2:17 p.m.)

Council President Peters closed the hearing.

Conference with Labor Negotiator, pursuant to Government Code Section 54957.6:

CS-7 Agency Negotiator: Richard Kreisler, Scott Chadwick, Tanya Tomlinson, Thom Harpole, Abby Jarl, Hadi Dehghani, Val VanDeweghe, Jessica Falk Michelli, William Gersten, Lori Thacker, and Alan Hersh

Employee Organizations: Municipal Employees Association, AFSCME Local 127 AFL-CIO, and Deputy City Attorney Association

REFERRED TO CLOSED SESSION OF TUESDAY, JUNE 10, 2008

The Mayor and City Council will be updated on the status of negotiations regarding the Ballot Initiative Regarding Reform of the City of San Diego Pension System.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 2:17 p.m. - 2:17 p.m.)

Council President Peters closed the hearing.



[ITEM-150:](#) Fiscal Year 2008 Year-End Appropriation Adjustments.

(See Report to the City Council No. 08-080 Revised.)

TODAY'S ACTION IS:

Hold the first public hearing of the ordinance:

(O-2008-161) HEARING HELD

Accepting the Mayor's Report;

An Ordinance amending Ordinance O-19652 (NS) entitled “An Ordinance Adopting the Annual Budget for the Fiscal Year 2008 and Appropriating the Necessary Money to Operate the City of San Diego for Said Fiscal Year ,” by authorizing the City Auditor and Comptroller to:

- a) Reduce General Fund (100) expenditure appropriations by \$2,907,340 and reduce revenue budget by \$5,432,168 from \$2,524,828 of General Fund Unallocated Reserves, as follows:
 - i. Increase Fire-Rescue Department (120) expenditure appropriations by up to \$4,362,000 and increase revenue budget by \$2,900,000,
 - ii. Increase City Attorney Department (45) expenditure appropriations by up to \$498,000 and reduce revenue budget by \$3,400,000,
 - iii. Increase Library Department (310) expenditure appropriations by up to \$405,000,
 - iv. \$405,000,
 - v. Increase Development Services Department, Neighborhood Code Compliance Division (75) expenditure appropriations by up to \$371,000 and increase revenue budget by \$102,000,
 - vi. Increase Citywide Program Expenditures Department (601) expenditure appropriations by up to \$233,000 and transfer up to the same amount to the Recycling and Refuse Disposal Funds (41210 and 41200) for reimbursement of waste disposal and recycling fee waivers,
 - vii. Increase Family Justice Center Department (47) expenditure appropriations by up to \$37,000 and increase revenue budget by \$34,000,
 - viii. Increase Special Events Department (80) expenditure appropriations by up to \$17,000,
 - ix. Reduce General Services Department (various) expenditure appropriations by \$3,000,000 and reduce revenue budget by \$1,200,000,
 - x. Reduce Citywide Program Expenditures Department (601) expenditure appropriations by \$1,980,339.60 and reduce prior transfer of same amount to the Public Liability Fund (81140),
 - xi. Reduce Office of the City Treasurer (52) expenditure appropriations by \$1,750,000 and reduce revenue budget by \$2,700,000,
 - xii. Reduce Engineering and Capital Projects Department (various) expenditure appropriations by \$900,000,

- xiii. Reduce City Auditor and Comptroller Department (50) expenditure appropriations by \$600,000 and reduce revenue budget by \$450,000,
 - xiv. Reduce Financial Management Department (55) expenditure appropriations by \$600,000, and
 - xv. Reduce Major General Fund Revenues (1) revenue budget by \$718,168;
-
- b) Transfer appropriations between General Fund (100) departments as necessary where the net transfer does not result in an increase to either department's current budget;
 - c) Adjust the City Planning and Community Investment Department (General Fund 100, Dept. 65) expenditure appropriation to Community Parking Districts as necessary and from appropriate sources;
 - d) Increase Appropriated Reserves (General Fund 100, Dept. 602) expenditure appropriations by up to \$55,000,000 from the General Fund Unallocated Reserve and transfer up to \$55,000,000 to the General Fund Emergency Reserve Fund (101);
 - e) Carryover up to \$1,200,000 of City Planning and Community Investments Department (General Fund 100, Dept. 65) expenditure appropriations to the allocated reserve to fund community plan updates;
 - f) Increase the Special Promotional Programs (Transient Occupancy Tax Fund 10220, Dept. 924) expenditure appropriations by an amount not to exceed the 1 cent of Transient Occupancy Tax (TOT) discretionary funding from additional revenues and transfer up to the 1 cent of discretionary TOT funding to the General Fund;
 - g) Increase Central Stores Internal Service Fund (50010) expenditure appropriations by up to \$4,815,000 from an equal amount of additional revenues;
 - h) Increase Qualcomm Stadium Fund (10330) expenditure appropriations by up to \$450,000 from fund balance and transfer up to \$1,980,339.60 from the Qualcomm Stadium Fund (10330) to the Public Liability Fund (81140) for payment to the San Diego Chargers;

- i) Increase Redevelopment Fund (10275) expenditure appropriations by up to \$139,300 from an equal amount of additional revenues;
- j) Increase appropriations from appropriate available sources for any additional, unforeseen needs and to make any additional appropriation adjustments and fund transfers that may be necessary to reconcile revenues to expenditures; and
- k) Remove \$21,779,180 of TransNet I Commercial Paper (Fund 30306) appropriations in the Capital Improvements Program in the projects and amounts listed in Attachment V: TransNet I Commercial Paper Appropriations.

BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:

On 5/21/2008, Budget voted 4 to 0 to forward the report to the full City Council without recommendation and a request that the Independent Budget Analyst provide the Council with an analysis. (Councilmembers Faulconer, Atkins, Frye, and Hueso voted yea. Councilmember Madaffer not present.)

SUPPORTING INFORMATION:

The Year-End Budget Monitoring Report, #08-080, recommends additional authorities and appropriation adjustments, based on year-end projections, to balance the General and non-general funds prior to year-end closing.

- A. In the General Fund, it is requested that a total of \$2.9 million of expenditure appropriations and \$5.4 million of revenue budget be reduced. This will require \$2.5 million from the General Fund Unallocated Reserve.
- B. Departments with large projected positive expenditure variances are recommended for appropriation reductions in order to minimize the variance between year-end projections and actual year-end expenditures. Finally, a reduction in revenue budget in the Major General Fund Revenues is requested to bring the net year-end projection variance to zero.

- C. Authority is requested to transfer salary appropriations in one General Fund department for fringe and/or non-personnel appropriations in another General Fund department with no net increase to either departments' total budget. This will allow departments to remain balanced, within the Charter requirement that salary appropriations may not be used for any other purpose.
- D. Authority is requested to adjust the appropriated expenditure to the Community Parking Districts within the City Planning and Community Investment Department in order to comply with Council Policy 100-18.
- E. In order to establish the General Fund Emergency Reserve (per City Reserve Policy, O-19679), it is necessary to provide the authority to increase the Appropriated Reserve expenditure appropriations by the amount necessary, up to an additional \$55.0 million, to be transferred to the Emergency Reserve.
- F. It is requested to carryover up to \$1.2 million for the City Planning and Community Investments Department into the allocated reserve for the Uptown and Otay Mesa Community Plan updates.
- G. Authority is requested to increase the budgeted transfer to the General Fund from Special Promotional Programs, based on available Transient Occupancy Tax revenues, in an amount not to exceed the 1 cent of Council discretionary funding allowable by Municipal Code and Council Policy 100-03.
- H. The Central Stores Internal Service Fund requires a \$4.8 million increase in expenditure appropriations with an equal increase in revenue budget.
- I. It is requested to increase expenditure appropriations by \$450,000 from fund balance in the Qualcomm Stadium Fund and to transfer the \$2.0 million to the Public Liability Fund for payment to the San Diego Chargers.
- J. The Redevelopment Fund requires a \$139,300 increase in expenditure appropriations with an equal increase in revenue budget to fund unbudgeted rent expenses and the Southeastern Economic Development Corporation performance audit.
- K. The authority to increase appropriations from appropriate available sources is requested in order to allow the City Auditor and Comptroller to adjust appropriations as needed for unforeseen events in order to close Fiscal Year 2008 with funds in balance.

- L. The de-appropriation of \$21.8 million of TransNet I Commercial Paper from capital projects is necessary due to the completion of the TransNet I program at the end of this fiscal year.

FISCAL CONSIDERATIONS:

The net impact of the General Fund year-end projections and requested adjustments, including the carryover of \$1.2 million, is \$2.5 million from the General Fund Unallocated Reserve. The appropriation and transfer of up to an additional \$55.0 million from the General Fund Unallocated Reserve is necessary to establish the Emergency Reserve. Adjustments are also requested for the TOT Fund, Central Stores Internal Service Fund, Qualcomm Stadium Fund, and Redevelopment Fund. In addition, it is requested to de-appropriate of TransNet I Commercial Paper.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Budget and Finance Committee review on May 21, 2008.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None.

Tirandazi/Lewis

NOTE: Today's action is the first public hearing. See the docket of Monday, June 16, 2008, for the second public hearing and the introduction and adoption of the ordinance.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 2:44 p.m. – 2:59 p.m.)



ITEM-200: Approval of the FY 2009 Budget.

(See Independent Budget Analyst 6/4/2008 Power Point and Report No. 08-57.)

MOTION BY ATKINS TO ADOPT THE RESOLUTION AS AMENDED BY INCLUDING THE RECOMMENDATIONS OF THE INDEPENDENT BUDGET ANALYST. Second by Hueso. Passed by the following vote: *Peters-yea (recused on the portion related to Enterprise Resource Planning), Faulconer-nay, Atkins-yea, *Young-yea (nay on portions of the proposed budget related to Library and Parks and Recreation), Maienschein-yea, *Frye-yea (nay on the Mayor's recommendation for salary increase for public safety positions), Madaffer-nay, Hueso-yea.



ITEM-201: Fiscal Year 2008-2009 Tax and Revenue Anticipation Note. (Citywide.)

(See Report to the City Council No. 08-083 and memorandum from Lakshmi Kommi dated 5/23/2008.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2008-1097 ADOPTED AS RESOLUTION R-303798

Authorizing the issuance of Tax and Revenue Anticipation Notes in a single series (Notes) of the City of San Diego (City) for Fiscal Year 2008-2009 pursuant to Section 92 of the City Charter, together with Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the Authorizing Law), and in accordance with the declarations, conditions and terms set forth in Accompanying Document and Note Purchase Agreement, in an aggregate principal amount not to exceed the lesser of \$147,000,000 or the maximum amount permitted under the Authorizing Law and approved by the Chief Financial Officer;

Declaring that pursuant to California Government Code Sections 53856 and 53857, the resolution authorizing the issuance of the Notes shall specify what taxes, income, revenue, cash receipts or other moneys are pledged for the payment of the Notes, and the Notes and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the City from, such pledged moneys, and any Note not paid from the taxes, income, revenue, cash receipts or other moneys of the City shall be paid from any other moneys of the City lawfully available therefore;

Declaring that (1) the City pledges Available Revenues (as defined below) and Available Property Taxes (as defined below) as security for the payment of the principal of and interest on the Notes, and (2) the City agrees and covenants to deposit in trust into a special fund to be held by the City for the benefit of the owner of the Notes, designated as the "2008-09 Tax and Revenue Anticipation Notes Set Aside Account" [Set Aside Account], sufficient moneys to enable the City to pay in full such principal and interest as it becomes due from Property Taxes (as defined below) and other Revenues (as defined herein), and (3) the City agrees and covenants to further establish a special fund to be held by the City for the benefit of the owner of the Notes designated as the 2008-09 Tax and Revenue Anticipation Notes Segregation Account (Segregation Account) for interim deposit of Property Taxes, all in the manner set forth in and otherwise in accordance with the Accompanying Document and the Note Purchase Agreement. If, by the date or dates specified in the Accompanying Document and the Note Purchase Agreement, the amount on deposit in the Set Aside Account is not sufficient to pay the portion of the principal and interest on the Notes required to be on deposit therein on such date or dates, appropriate officers of the City shall thereafter transfer and deposit Revenues to the Set Aside Account so that the amounts in the Set Aside Account are at least equal to the amounts required to pay the principal of and interest on the Notes as they become due. In the manner set forth in and in accordance with the Accompanying Document and the Note Purchase Agreement, (1) the Set Aside Account and all amounts held therein, Available Property Taxes and Available Revenues are hereby pledged and irrevocably set aside to the payment of the Notes, (2) amounts deposited in the Set Aside Account may not be used for any purpose other than payment of the Notes and may be invested in legal investments which are permitted by the California Government Code and which mature not later than the latest maturity date of the Notes; provided that the earnings on any such investment shall be transferred by the City to the City's General Fund, (3) the Segregation Account shall be created and held in trust for the payment of the Notes, and shall be funded, applied, invested and disbursed, and (4) the Notes shall be a first lien and charge against, and shall be payable from the first moneys received by the City from, Available Property Taxes and Available Revenues;

Declaring that for purposes of this Resolution, “Revenues”, “Available Revenues”, “Property Taxes” and “Available Property Taxes” shall have the following meanings. “Revenues” means all legally available taxes, income, revenue, cash receipts and other moneys of the City attributable to the City’s 2008-09 fiscal year, and chargeable to the City’s General Fund, and excluding moneys which, when received by the City will be encumbered for a special purpose. “Available Revenues” means (1) with respect to any Set Aside Period (as defined in the Accompanying Document), that portion of Revenues existing on and after the date specified with respect to such Set Aside Period which are required to be deposited in the Set Aside Fund, or (2) on and after May 1, 2009 or any Event of Default, the Revenues, in each case in accordance with the Accompanying Document and the Note Purchase Agreement.

“Property Taxes” means that portion of Revenues consisting of ad valorem property taxes payable to, or for the benefit of the City in respect of its 2008-09 fiscal year, but excluding ad valorem property taxes payable to the City pursuant to the “triple flip” adjustment provisions of California law, including California Revenue and Taxation Code Section 97.68. “Available Property Taxes” means (1) with respect to any Set Aside Period (as defined in the Accompanying Document), that portion of Property Taxes on deposit in the Segregation Account or otherwise held by the City existing on and after the beginning of such Set Aside Period, in amounts which are required to be deposited in the Set Aside Fund, or (2) on and after any Event of Default, the Property Taxes, in each case in accordance with the Accompanying Document and the Note Purchase Agreement;

Authorizing the Chief Financial Officer, or her designee, to sell the Notes on a private placement basis, without provision of an official statement or other offering document, to Bank of America, N.A. pursuant to the terms and procedures set forth in the Accompanying Document and in the Note Purchase Agreement; provided the Notes shall bear interest at the initial rates established prior to delivery of the Notes pursuant to the Note Purchase Agreement in no event to exceed a total interest cost of five percent (5%) per annum (subject to adjustment upon certain events, if any, as may be provided in the Note Purchase Agreement), (2) the aggregate principal amount of the Notes shall be disbursed to the City on the date of delivery of the Notes in accordance with the Note Purchase Agreement and shall not exceed in the aggregate the lesser of \$147,000,000 or the

maximum amount permitted under the Authorizing Law, as certified by the City Treasurer and the Chief Financial Officer pursuant to the completed Accompanying Document and as further approved by the Chief Financial Officer, or her designee, her execution of the Accompanying Document to be conclusive evidence thereof and (3) the costs of issuance associated with the issuance of the Notes shall in no event exceed \$115,000;

Authorizing the Chief Financial Officer, or her designee, to execute and deliver the Accompanying Document and the Note Purchase Agreement in substantially the forms attached hereto as Document No. RR _____ and Document No. RR _____, respectively, for and on behalf of the City, each such document to be modified with the approval of the Chief Financial Officer or her designee to reflect the final terms described herein, and as further modified upon the advice of the City Attorney in such manner as facilitates the purchase by Bank of America, N.A. of the Notes in a manner consistent with the Authorizing Law (including modifications related to the portion of Revenues which shall constitute Available Revenues or Available Property Taxes, or the Set Aside Periods, and the funds and accounts established with respect to the Notes), such approval to be conclusively evidenced by such officer's execution thereof;

Authorizing each of the Chief Financial Officer and the City Treasurer, or any designee thereof, to execute and deliver a Tax Certificate prepared by Bond Counsel obligating the City to comply with certain covenants in order to maintain the exclusion of interest on the Notes from the gross income of the owners thereof for federal income tax purposes;

Authorizing and directing the Mayor, Chief Operating Officer, the Chief Financial Officer, the City Treasurer, and the City Clerk, and their designees, upon advice of the City Attorney and Bond Counsel, jointly and severally, to do any and all things and to execute, modify, and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to effect the issuance, sale and delivery of the Notes, and otherwise to carry out the purposes of this Resolution;

Authorizing the City Attorney to execute an Agreement with Stradling Yocca Carlson & Rauth, a Professional Corporation, to provide bond counsel services in connection with the issuance of the Notes in a fixed amount equal to \$40,000, inclusive of expenses;

Approving the Financial Advisory Services Agreement by and between the City and Public Resources Advisory Group to provide financial advisory services for the Fiscal Year 2008-09 Tax and Revenue Anticipation Notes for an amount not to exceed \$32,500, and authorizing and directing authorized officers of the City to execute said agreement, and to pay all the foregoing fees and other costs of issuance of the Notes, including the fees and expenses of Bank of America, N.A. and its counsel in the amounts provided in the Note Purchase Agreement and applicable CDIAC fees, provided the aggregate amount authorized hereunder shall not exceed \$115,000.

STAFF SUPPORTING INFORMATION:

Tax and Revenue Anticipation Notes (“TRANs”) borrowing is a standard tool accessed by state and local governments to address temporary shortfalls arising from the fluctuations in annual tax or revenue receipts that the General Fund is dependent on to meet monthly cash flow needs during the fiscal year.

The California Government Code (Article 7.6, Chapter 4, Part 1, Division 2, Title 5) and City Charter Section 92 specifically authorize the City to issue short-term notes in any fiscal year in anticipation of the collection of taxes and revenues of such fiscal year. TRANs are general obligations of the issuer, payable from unrestricted taxes, income, revenue, cash receipts, and other monies of the entity attributable to the upcoming fiscal year. The issuer is not authorized to levy or collect any additional tax for the repayment of the TRANs. Traditionally, the City has issued TRANs to finance the General Fund cash flow needs of the City in anticipation of the receipt of property tax revenues from the County in December and April of each year.

For Fiscal Year 2009, the proposed TRAN borrowing has been structured as a private placement. Under the proposed structure, the TRAN offering would be privately placed with BofA, a subsidiary of Bank of America Corporation.

The City currently expects to borrow \$140 million on July 1, 2008. This is based on the maximum deficit projected for Fiscal Year 2009 as indicated by the projected monthly cash flow schedule. \$147 million not-to-exceed amount recommended for authorization by the City Council is higher than the expected borrowing amount to provide a cushion in the event the need for additional borrowing is identified between the date of this report and the date the borrowing is executed (July 1, 2008).

FISCAL CONSIDERATIONS:

Upon the City Council approval of the financing, the City will enter into a Note Purchase Agreement (“NPA”) with BofA, pursuant to which BofA would agree to purchase the FY 2009 TRAN from the City. As with the TRANs issued for Fiscal Years 2007 and 2008, and to adhere to the Council’s policy of borrowing on a fixed rate basis, the City would draw down the note upfront. The transaction is structured to pay the note off as soon as funds (i.e., property tax receipts) become available based on the projected cash flow analysis prepared by the City Comptroller’s Office and the requirements of the Purchaser of the note. The funds will be borrowed on July 1, 2008 in three fixed rate note portions that will mature on December 31, 2008, January 31, 2009 and April 30, 2009. The NPA specifies that the City’s rate of borrowing would equate to 62.347% of the 6, 7, and 10 month LIBOR rates for the 6, 7, and 10 month note portions, respectively, plus 70 basis points (0.70%). The effective or weighted average interest rate on the borrowing is estimated to be 2.512%, based on interest rates as of May 16, 2008; the gross interest payments on the loan are estimated to be approximately \$2.4 million.

The fees related to consultants for this transaction will not exceed \$115,000 and will be paid from the Tax Anticipation Notes Revolving Fund (Fund No. 65013). These fees include (i) bond counsel fees totaling \$40,000, including expenses; (ii) financial advisory services in an amount not to exceed \$32,500, including expenses; and (iii) BofA counsel fees totaling \$37,500. Other costs of issuance include a \$200 reporting fee to the California Debt and Investment Advisory Commission.

EQUAL OPPORTUNITY CONTRACTING:

Funding Agency:	City of San Diego
Goals:	15% Voluntary (MBE/WBE/DBE/DVB/OBE)
Subconsultant Participation:	\$0 Certified Firms (0%) \$0 Other Firms (0%)
Other:	Workforce Report Submitted - Equal Opportunity Plan required. Staff will monitor plan and adherence to Nondiscrimination Ordinance.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City has annually issued TRANs to fund the General Fund seasonal cash flow deficit.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Business entities involved in this transaction include Bank of America, N.A., a subsidiary of Bank of America Corporation (Purchaser/Lender); White & Case, LLP. (BofA's counsel); Stradling Yocca Carlson & Rauth (bond counsel); and Public Resources Advisory Group, Inc. (financial advisor).

Kommi/Lewis

Aud. Cert. 2800795.

Staff: Lakshmi Kommi - (619) 236-6928
Lourdes Epley - Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 4:59 p.m. – 5:46 p.m.)

MOTION BY ATKINS 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-202: Grants and Gifts Business Process Reengineering (BPR) Study.

(See Report to the City Council No. 08-075.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2008-1040) ADOPTED AS RESOLUTION R-303799

Accepting the recommendations of the Grants and Gifts Business Process Reengineering Study, as set forth in the Report to the City Council No. 08-075.

STAFF SUPPORTING INFORMATION:

The City historically has decentralized the management of its grants and gifts. Individual City Departments internally identify, request, accept, manage and track grants. While existing Administrative Regulation 1.80 provides guidance related to grant application procedures, it was created twenty years ago and does not reflect the current organizational structure and process, nor does it relate to current practices in the grant field. Existing Council Policy 100-02 City Receipt of Donations is thirteen years old and no longer reflects the current City structure and process, nor does it reference contemporary best practices in philanthropic giving and gift management. In addition, there are no policies and/or written guidelines related to fundraising. Each fundraiser uses his/her unique style of fundraising to identify, cultivate and secure funding from donors. While some elements of fundraising require flexibility, consistency and collaboration are critical to minimize confusion and duplication of efforts.

There are approximately eighteen City departments that actively pursue grants and gifts, however, the number of individuals involved with the process depends on department resources. There are limited formal methods of communication among the departments resulting in potential redundancy, inconsistent processes, competition for the same funds and a lack of coordination for tracking, reporting and audits. The need to establish a centralized, coordinated effort is critical for: maximizing our success in obtaining grants and gifts, effectively managing/tracking grants and gifts Citywide and improving our efficiency and effectiveness related to governmental audits. A Business Process Reengineering (BPR) effort was undertaken to address these issues.

The BPR Team agreed that it was very important to review and analyze as many critical processes and relevant data as possible in order to make recommendations that support the following overarching aims:

- Be proactive rather than reactive;
- Speed up the approval process;
- Assure that grant and gift efforts meet both departmental and city-wide needs;
- Increase the number of awarded, sustainable grants;
- Standardize the management of the grants and gifts processes;
- Use technology to achieve efficiencies and effectiveness; and
- Achieve greater organizational support for grant and gift efforts.

The extensive experience and knowledge of BPR Team members, as well as the best practice information gathered from other jurisdictions, resulted in a number of recommendations that would improve the administration of grants and gifts on a Citywide basis.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Department included a number of external stakeholders with background and familiarity with the Department's operations.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

We do not believe that this BPR study includes recommendations that are subject to Meet & Confer. However, we will ask the relevant labor organization (MEA) to review and, if information is requested or the labor organization believes that Meet & Confer is required, we will ask to delay Council's hearing of the item until such time as Meet & Confer issues are resolved.

Fischle-Faulk/Goldstone

Staff: Debra Fischle-Faulk - (619) 533-4541
Catherine M. Bradley – Chief Deputy City Attorney

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:17 p.m. – 2:41 p.m.)

MOTION BY YOUNG 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-203: Name an Un-Named Alley to Mabel Bell Lane. (La Jolla Community Planning Area. District 1.)

Matter of approving, conditionally approving, modifying or denying an application to name an un-named alley north of Draper Avenue to "Mabel Bell Lane," which is a portion of the public right-of-way, an alley, which runs north and south between Eads and Draper Avenues and between Silver Street to the north and Fern Glen to the south. The project site is located within the La Jolla Community Planning Area.

(Project No. 145520/Name Change No. 512493.)

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2008-1084) ADOPTED AS RESOLUTION R-303800

Adoption of a Resolution authorizing a name change of an un-named alley to Mabel Bell Lane, Project No. 145520.

STAFF SUPPORTING INFORMATION:

REQUESTED ACTION:

Name an un-named alley to Mabel Bell Lane.

STAFF RECOMMENDATION:

APPROVE Name Change No. 512493.

EXECUTIVE SUMMARY:

The proposed name change is for a portion of the public right-of-way, an alley, which runs north and south between Eads and Draper Avenues and between Silver Street to the north and Fern Glen to the south within the La Jolla Community. Since there are no properties which are addressed off this alley, the proposed name change will not affect any mailing addresses of residences or businesses.

The proposed naming of this alley is to honor Mabel Bell, who lived in this area of La Jolla from 1942 until her death in March of 2007. Mabel and her husband David purchased their home at 7425 Draper Avenue in 1949, which she owned and occupied until her death. She was very active in the community and became beloved by many people within the community for her wish to serve her fellow man. She is reported to have treated everyone she came in to contact, with dignity and respect.

Several years ago she began to exhibit the effects of Alzheimer's. This shortened her favorite neighborhood walks to include principally the long alley stretching from Genter to Pearl Street. Mabel's neighbors and friends decided the lane should take notice of her long residence and created a sign "Mabel's Lane" which they informally installed several years ago with a small ceremony, which Mabel attended. This proposed name change is now formally made by her friends to honor her.

City Staff has reviewed the requested name change to the alley and is in support of it.

FISCAL CONSIDERATION:

All costs associated with the processing of this project are paid by the applicant through a deposit account. The applicant has agreed to pay for signs to be installed along the alley. The signs will be made by the City's Sign Shop and they will be installed by the Street's Division of General Services, all done to City Standards.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

This is only a name change to an un-named alley and a Planning Commission Recommendation is not required for this action.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The La Jolla Community Planning Association voted 8-0-0 to recommend approval of the name change to Mabel Bell Lane at their meeting on March 6, 2008.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Danah Fayman, Applicant

Broughton/Anderson/GG

NOTE: This activity is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Existing Facilities.

Staff: Glenn Gargas – (619) 446-5142
Shirley R Edwards – Chief Deputy City Attorney

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

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:43 p.m. – 2:44 p.m.)

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

ITEM-250: **Notice** of Pending Final Map Approval - Parkview.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled "Parkview" (T.M. No. 221903/PTS No. 110231), located at the termini of Yodel Lane and Switzerland Drive in the Otay Mesa-Nestor Community Plan Area in Council District 8, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

- (1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.
- (2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.
- (3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Anne Hoppe at (619) 446-5290.

ITEM-251: **Notice** of Pending Final Map Approval – 610 Laurel Street Condominiums.

Notice is hereby given that the City Engineer has reviewed and will approve on this day the subdivision of land shown on that certain final map entitled "610 Laurel Street Condominiums" (T.M. No. 230692/PTS No. 99821), located on the northwest corner of Laurel Street and Union Street in the Uptown Community Plan Area in Council District 2, a copy of which is available for public viewing at the Office of the San Diego City Clerk. Specifically, the City Engineer has caused the map to be examined and has made the following findings:

(1) The map substantially conforms to the approved tentative map, and any approved alterations thereof and any conditions of approval imposed with said tentative map.

(2) The map complies with the provisions of the Subdivision Map Act and any local ordinances applicable at the time of approval of the tentative map.

(3) The map is technically correct.

Said map will be finalized and recorded unless a valid appeal is filed. Interested parties will have 10 calendar days from the date of this Council hearing to appeal the above findings of the City Engineer to the City Council. A valid appeal must be filed with the City Clerk no later than 2:00 p.m., 10 calendar days from the date of this Notice stating briefly which of the above findings made by the City Engineer was improper or incorrect and the basis for that conclusion. If you have questions about the approval findings or need additional information about the map or your appeal rights, please feel free to contact Anne Hoppe at (619) 446-5290.

ITEM-252: SUBMISSION OF BALLOT PROPOSALS

City Council Policy 000-21 establishes the procedure for submittal of ballot proposals. The Council Policy states that members of the public shall submit proposals to the City Clerk, who shall then transmit them promptly to the Rules Committee for review and comment. The proposals must be submitted in time to allow the City Clerk to list on the Council Docket 127 days prior to the election the ballot proposals which have been referred to Council following Rules Committee review.

Therefore, the City Clerk's Office has established the following administrative guidelines for the November 4, 2008 election:

<u>DAY</u>	<u>DATE</u>	<u>DAYS BEFORE ELECTION</u>	<u>EVENT</u>
Friday	6/20/08	137	LAST DATE (10:00 a.m.) for public, departments and agencies to submit ballot proposals to City Clerk for review by Rules Committee
Wednesday	6/25/08	132	Rules Committee review
Monday	6/30/08	127	Council Docket (PUBLIC NOTICE) lists proposals referred by Rules Committee
Monday	7/7/08	120	Council adopts propositions for ballot; directs City Attorney to prepare ordinances
Monday	7/28/08	99	Council adopts ordinances prepared by City Attorney
Friday	8/8/08	88	Last day for City Clerk to file with Registrar of Voters all elections material
Thursday	8/21/08	75	Last day to file ballot arguments with City Clerk

If you have questions, please contact the Office of the City Clerk at (619) 533-4025.

REPORT OUT OF CLOSED SESSION:

None.

NON-DOCKET ITEMS:

None.

