

CONCURRENT MEETING  
CITY COUNCIL/CRA/RCFC

Monday, June 7, 2010

5:30 p.m. – Regular Meeting

AGENDA



Ken Cooley, Mayor

Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Linda Budge, Council Member

Dan Skoglund, Council Member



# 2010

NOTE: PROPOSED REGULAR CITY COUNCIL MEETING DATES ARE SCHEDULED ON THE 1<sup>ST</sup> AND 3<sup>RD</sup> MONDAYS OF EACH MONTH, UNLESS WHEN FALLING ON A HOLIDAY, THE MEETING WILL BE SCHEDULED ON THE FOLLOWING TUESDAY (THESE DATES ARE SHADED PICK AND ARE SUBJECT TO CHANGE). REFER TO HOLIDAY SCHEDULES BELOW.

| S         | M  | T  | W  | T  | F  | S  | S       | M        | T  | W  | T  | F  | S        | S     | M  | T  | W  | T  | F        | S     | S  | M  | T  | W  | T  | F  | S  |   |
|-----------|----|----|----|----|----|----|---------|----------|----|----|----|----|----------|-------|----|----|----|----|----------|-------|----|----|----|----|----|----|----|---|
| JANUARY   |    |    |    |    |    | 1  | 2       | FEBRUARY |    |    |    |    |          | MARCH |    |    |    |    |          | APRIL |    |    |    |    |    |    |    |   |
| 3         | 4  | 5  | 6  | 7  | 8  | 9  | 7       | 8        | 9  | 10 | 11 | 12 | 13       | 14    | 15 | 16 | 17 | 18 | 19       | 20    | 21 | 22 | 23 | 24 | 25 | 26 | 27 |   |
| 10        | 11 | 12 | 13 | 14 | 15 | 16 | 14      | 15       | 16 | 17 | 18 | 19 | 20       | 21    | 22 | 23 | 24 | 25 | 26       | 27    | 28 | 29 | 30 |    |    |    |    |   |
| 17        | 18 | 19 | 20 | 21 | 22 | 23 | 21      | 22       | 23 | 24 | 25 | 26 | 27       | 28    | 29 | 30 | 31 |    |          |       |    |    |    |    |    |    |    |   |
| 24        | 25 | 26 | 27 | 28 | 29 | 30 | 28      | 29       | 30 | 31 |    |    |          |       |    |    |    |    |          |       |    |    |    |    |    |    |    |   |
| 31        |    |    |    |    |    |    |         |          |    |    |    |    |          |       |    |    |    |    |          |       |    |    |    |    |    |    |    |   |
| MAY       |    |    |    |    |    | 1  | JUNE    |          |    |    |    |    | JULY     |       |    |    |    |    | AUGUST   |       |    |    |    |    |    |    |    |   |
| 2         | 3  | 4  | 5  | 6  | 7  | 8  |         |          |    | 1  | 2  | 3  | 4        | 5     |    |    |    |    | 1        | 2     | 3  | 4  | 5  | 6  | 7  |    |    |   |
| 9         | 10 | 11 | 12 | 13 | 14 | 15 | 6       | 7        | 8  | 9  | 10 | 11 | 12       | 13    | 14 | 15 | 16 | 17 | 18       | 19    | 20 | 21 | 22 | 23 | 24 | 25 | 26 |   |
| 16        | 17 | 18 | 19 | 20 | 21 | 22 | 13      | 14       | 15 | 16 | 17 | 18 | 19       | 20    | 21 | 22 | 23 | 24 | 25       | 26    | 27 | 28 | 29 | 30 | 31 |    |    |   |
| 23        | 24 | 25 | 26 | 27 | 28 | 29 | 20      | 21       | 22 | 23 | 24 | 25 | 26       | 27    | 28 | 29 | 30 | 31 |          |       |    |    |    |    |    |    |    |   |
| 30        | 31 |    |    |    |    |    | 27      | 28       | 29 | 30 |    |    |          |       |    |    |    |    |          |       |    |    |    |    |    |    |    |   |
| SEPTEMBER |    |    |    |    |    |    | OCTOBER |          |    |    |    |    | NOVEMBER |       |    |    |    |    | DECEMBER |       |    |    |    |    |    |    |    |   |
|           |    |    |    | 1  | 2  | 3  | 4       | 3        | 4  | 5  | 6  | 7  | 8        | 9     |    | 1  | 2  | 3  | 4        | 5     | 6  |    |    |    | 1  | 2  | 3  | 4 |
| 5         | 6  | 7  | 8  | 9  | 10 | 11 | 10      | 11       | 12 | 13 | 14 | 15 | 16       | 17    | 18 | 19 | 20 | 21 | 22       | 23    | 24 | 25 | 26 | 27 | 28 | 29 | 30 |   |
| 12        | 13 | 14 | 15 | 16 | 17 | 18 | 17      | 18       | 19 | 20 | 21 | 22 | 23       | 24    | 25 | 26 | 27 | 28 | 29       | 30    | 31 |    |    |    |    |    |    |   |
| 19        | 20 | 21 | 22 | 23 | 24 | 25 | 24      | 25       | 26 | 27 | 28 | 29 | 30       | 31    |    |    |    |    |          |       |    |    |    |    |    |    |    |   |
| 26        | 27 | 28 | 29 | 30 |    |    | 31      |          |    |    |    |    |          |       |    |    |    |    |          |       |    |    |    |    |    |    |    |   |

2010 PROPOSED HOLIDAY SCHEDULE - CITY HALL CLOSED (SHOWN IN BLUE)

|                                          |                                 |                                      |
|------------------------------------------|---------------------------------|--------------------------------------|
| NEW YEAR'S DAY (FRI, JAN 1)              | INDEPENDENCE DAY (SUN, JUL 4)   | DAY AFTER THANKSGIVING (FRI, NOV 26) |
| MARTIN LUTHER KING JR. DAY (MON, JAN 18) | LABOR DAY (MON, SEP 6)          | CHRISTMAS EVE (FRI, DEC 24)          |
| PRESIDENT'S DAY (MON, FEB 15)            | VETERAN'S DAY (THUR, NOV 11)    | CHRISTMAS DAY (SAT, DEC 25)          |
| MEMORIAL DAY (MON, MAY 31)               | THANKSGIVING DAY (THUR, NOV 25) |                                      |

# 2011

| S         | M  | T  | W  | T  | F  | S  | S        | M  | T  | W  | T  | F  | S        | S  | M | T  | W  | T  | F        | S  | S  | M  | T  | W  | T  | F  | S  |    |    |   |
|-----------|----|----|----|----|----|----|----------|----|----|----|----|----|----------|----|---|----|----|----|----------|----|----|----|----|----|----|----|----|----|----|---|
| JANUARY   |    |    |    |    |    | 1  | FEBRUARY |    |    |    |    |    | MARCH    |    |   |    |    |    | APRIL    |    |    |    |    |    |    |    |    |    |    |   |
| 2         | 3  | 4  | 5  | 6  | 7  | 8  |          |    | 1  | 2  | 3  | 4  | 5        |    |   | 1  | 2  | 3  | 4        | 5  |    |    |    |    |    | 1  | 2  |    |    |   |
| 9         | 10 | 11 | 12 | 13 | 14 | 15 |          | 6  | 7  | 8  | 9  | 10 | 11       | 12 |   | 6  | 7  | 8  | 9        | 10 | 11 | 12 | 3  | 4  | 5  | 6  | 7  | 8  | 9  |   |
| 16        | 17 | 18 | 19 | 20 | 21 | 22 |          | 13 | 14 | 15 | 16 | 17 | 18       | 19 |   | 13 | 14 | 15 | 16       | 17 | 18 | 19 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |   |
| 23        | 24 | 25 | 26 | 27 | 28 | 29 |          | 20 | 21 | 22 | 23 | 24 | 25       | 26 |   | 20 | 21 | 22 | 23       | 24 | 25 | 26 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |   |
| 30        | 31 |    |    |    |    |    |          | 27 | 28 |    |    |    |          |    |   | 27 | 28 | 29 | 30       | 31 |    |    | 24 | 25 | 26 | 27 | 28 | 29 | 30 |   |
| MAY       |    |    |    |    |    |    | JUNE     |    |    |    |    |    | JULY     |    |   |    |    |    | AUGUST   |    |    |    |    |    |    |    |    |    |    |   |
| 1         | 2  | 3  | 4  | 5  | 6  | 7  |          |    |    | 1  | 2  | 3  | 4        |    | 3 | 4  | 5  | 6  | 7        | 8  | 9  |    |    |    | 1  | 2  | 3  | 4  | 5  | 6 |
| 8         | 9  | 10 | 11 | 12 | 13 | 14 |          | 5  | 6  | 7  | 8  | 9  | 10       | 11 |   | 10 | 11 | 12 | 13       | 14 | 15 | 16 | 7  | 8  | 9  | 10 | 11 | 12 | 13 |   |
| 15        | 16 | 17 | 18 | 19 | 20 | 21 |          | 12 | 13 | 14 | 15 | 16 | 17       | 18 |   | 17 | 18 | 19 | 20       | 21 | 22 | 23 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |   |
| 22        | 23 | 24 | 25 | 26 | 27 | 28 |          | 19 | 20 | 21 | 22 | 23 | 24       | 25 |   | 24 | 25 | 26 | 27       | 28 | 29 | 30 | 21 | 22 | 23 | 24 | 25 | 26 | 27 |   |
| 29        | 30 | 31 |    |    |    |    |          | 26 | 27 | 28 | 29 | 30 |          |    |   | 31 |    |    |          |    |    |    | 28 | 29 | 30 | 31 |    |    |    |   |
| SEPTEMBER |    |    |    |    |    |    | OCTOBER  |    |    |    |    |    | NOVEMBER |    |   |    |    |    | DECEMBER |    |    |    |    |    |    |    |    |    |    |   |
|           |    |    |    | 1  | 2  | 3  |          | 2  | 3  | 4  | 5  | 6  | 7        | 8  |   |    | 1  | 2  | 3        | 4  | 5  |    |    |    |    | 1  | 2  | 3  |    |   |
| 4         | 5  | 6  | 7  | 8  | 9  | 10 |          | 9  | 10 | 11 | 12 | 13 | 14       | 15 |   | 6  | 7  | 8  | 9        | 10 | 11 | 12 | 4  | 5  | 6  | 7  | 8  | 9  | 10 |   |
| 11        | 12 | 13 | 14 | 15 | 16 | 17 |          | 16 | 17 | 18 | 19 | 20 | 21       | 22 |   | 13 | 14 | 15 | 16       | 17 | 18 | 19 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |   |
| 18        | 19 | 20 | 21 | 22 | 23 | 24 |          | 23 | 24 | 25 | 26 | 27 | 28       | 29 |   | 20 | 21 | 22 | 23       | 24 | 25 | 26 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |   |
| 25        | 26 | 27 | 28 | 29 | 30 |    |          | 30 | 31 |    |    |    |          |    |   | 27 | 28 | 29 | 30       |    |    |    | 25 | 26 | 27 | 28 | 29 | 30 | 31 |   |

2011 PROPOSED HOLIDAY SCHEDULE (SHOWN IN GREEN)

|                                          |                                 |                                      |
|------------------------------------------|---------------------------------|--------------------------------------|
| NEW YEAR'S DAY (SAT, JAN 1)              | INDEPENDENCE DAY (MON, JUL 4)   | DAY AFTER THANKSGIVING (FRI, NOV 25) |
| MARTIN LUTHER KING JR. DAY (MON, JAN 17) | LABOR DAY (MON, SEP 5)          | CHRISTMAS EVE (SAT, DEC 24)          |
| PRESIDENT'S DAY (MON, FEB 21)            | VETERAN'S DAY (FRI, NOV 11)     | CHRISTMAS DAY (SUN, DEC 25)          |
| MEMORIAL DAY (MON, MAY 30)               | THANKSGIVING DAY (THUR, NOV 24) |                                      |

# 2012

| S         | M  | T  | W  | T  | F  | S  | S        | M  | T  | W  | T  | F  | S  | S        | M | T | W | T | F  | S  | S        | M  | T  | W  | T  | F  | S  |
|-----------|----|----|----|----|----|----|----------|----|----|----|----|----|----|----------|---|---|---|---|----|----|----------|----|----|----|----|----|----|
| JANUARY   |    |    |    |    |    |    | FEBRUARY |    |    |    |    |    |    | MARCH    |   |   |   |   |    |    | APRIL    |    |    |    |    |    |    |
| 1         | 2  | 3  | 4  | 5  | 6  | 7  |          |    |    | 1  | 2  | 3  | 4  |          |   |   |   | 1 | 2  | 3  | 4        | 5  | 6  | 7  |    |    |    |
| 8         | 9  | 10 | 11 | 12 | 13 | 14 |          | 5  | 6  | 7  | 8  | 9  | 10 | 11       |   |   |   |   |    |    | 8        | 9  | 10 | 11 | 12 | 13 | 14 |
| 15        | 16 | 17 | 18 | 19 | 20 | 21 |          | 12 | 13 | 14 | 15 | 16 | 17 | 18       |   |   |   |   |    |    | 15       | 16 | 17 | 18 | 19 | 20 | 21 |
| 22        | 23 | 24 | 25 | 26 | 27 | 28 |          | 19 | 20 | 21 | 22 | 23 | 24 | 25       |   |   |   |   |    |    | 22       | 23 | 24 | 25 | 26 | 27 | 28 |
| 29        | 30 | 31 |    |    |    |    |          | 26 | 27 | 28 | 29 |    |    |          |   |   |   |   |    |    | 29       | 30 |    |    |    |    |    |
| MAY       |    |    |    |    |    |    | JUNE     |    |    |    |    |    |    | JULY     |   |   |   |   |    |    | AUGUST   |    |    |    |    |    |    |
|           |    |    | 1  | 2  | 3  | 4  | 5        |    |    |    |    |    | 1  | 2        |   |   |   |   |    | 1  | 2        | 3  | 4  | 5  | 6  | 7  |    |
| 6         | 7  | 8  | 9  | 10 | 11 | 12 |          | 3  | 4  | 5  | 6  | 7  | 8  | 9        |   |   |   |   |    | 8  | 9        | 10 | 11 | 12 | 13 | 14 |    |
| 13        | 14 | 15 | 16 | 17 | 18 | 19 |          | 10 | 11 | 12 | 13 | 14 | 15 | 16       |   |   |   |   |    | 15 | 16       | 17 | 18 | 19 | 20 | 21 |    |
| 20        | 21 | 22 | 23 | 24 | 25 | 26 |          | 17 | 18 | 19 | 20 | 21 | 22 | 23       |   |   |   |   |    | 22 | 23       | 24 | 25 | 26 | 27 | 28 |    |
| 27        | 28 | 29 | 30 | 31 |    |    |          | 24 | 25 | 26 | 27 | 28 | 29 | 30       |   |   |   |   |    | 29 | 30       | 31 |    |    |    |    |    |
| SEPTEMBER |    |    |    |    |    |    | OCTOBER  |    |    |    |    |    |    | NOVEMBER |   |   |   |   |    |    | DECEMBER |    |    |    |    |    |    |
|           |    |    |    |    |    | 1  |          |    | 1  | 2  | 3  | 4  | 5  | 6        |   |   |   |   | 1  | 2  | 3        |    |    |    |    |    | 1  |
| 2         | 3  | 4  | 5  | 6  | 7  | 8  |          | 7  | 8  | 9  | 10 | 11 | 12 | 13       |   |   |   |   | 4  | 5  | 6        | 7  | 8  | 9  | 10 |    | 2  |
| 9         | 10 | 11 | 12 | 13 | 14 | 15 |          | 14 | 15 | 16 | 17 | 18 | 19 | 20       |   |   |   |   | 11 | 12 | 13       | 14 | 15 | 16 | 17 |    | 9  |
| 16        | 17 | 18 | 19 | 20 | 21 | 22 |          | 21 | 22 | 23 | 24 | 25 | 26 | 27       |   |   |   |   | 18 | 19 | 20       | 21 | 22 | 23 | 24 |    | 16 |
| 23        | 24 | 25 | 26 | 27 | 28 | 29 |          | 28 | 29 | 30 | 31 |    |    |          |   |   |   |   | 25 | 26 | 27       | 28 | 29 | 30 | 31 |    | 23 |
| 30        |    |    |    |    |    |    |          |    |    |    |    |    |    |          |   |   |   |   | 25 | 26 | 27       | 28 | 29 | 30 |    |    | 30 |

2012 PROPOSED HOLIDAY SCHEDULE (SHOWN IN PURPLE)

|                                          |                                 |                                      |
|------------------------------------------|---------------------------------|--------------------------------------|
| NEW YEAR'S DAY (SUN, JAN 1)              | INDEPENDENCE DAY (WED, JUL 4)   | DAY AFTER THANKSGIVING (FRI, NOV 23) |
| MARTIN LUTHER KING JR. DAY (MON, JAN 16) | LABOR DAY (MON, SEP 3)          | CHRISTMAS EVE (MON, DEC 24)          |
| PRESIDENT'S DAY (MON, FEB 20)            | VETERAN'S DAY (SUN, NOV 11)     | CHRISTMAS DAY (TUE, DEC 25)          |
| MEMORIAL DAY (MON, MAY 28)               | THANKSGIVING DAY (THUR, NOV 22) |                                      |





**CONCURRENT MEETING  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/  
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall  
2729 Prospect Park Drive, Rancho Cordova**

**Monday, June 7, 2010**

**5:30 P.M. – Regular Meeting  
David B. Roberts Council Chambers**

**AGENDA**

**1. REGULAR MEETING – CALL TO ORDER / ROLL CALL**

Council Members Sander, Budge, Skoglund, McGarvey, and Mayor Cooley

**2. METRO CABLE TV TELEVISION ANNOUNCEMENT**

The City Clerk will announce the meetings video recording and playback schedules.

**3. PLEDGE OF ALLEGIANCE**

The Mayor will call on someone in attendance to lead the Pledge.

**4. INVOCATION**

Chaplain Marty Hills, Sacramento Law Enforcement Chaplaincy, will give the invocation.

**5. PRESENTATIONS**

- 5.1 Presentation by Folsom Cordova Unified School District, Director of Facilities Matt Washburn on School Board Construction Updates.
- 5.2 Presentation of Proclamation to Superintendent Patrick Godwin for Retiring After Five Years with Folsom Cordova Unified School District.
- 5.3 Presentation of Proclamation to Volunteers Lawrence Goedrich and Aaron Rush for Completing Eagle Scout Projects at the City of Rancho Cordova City Hall.

## **6. PUBLIC COMMENT**

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a (blue) Speaker Card to the City Clerk. **For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard.** Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

## **7. COUNCIL REPORTS**

## **8. CONSENT CALENDAR ITEMS – ROLL CALL VOTE**

### **8.1 Subject:** Meeting Minutes:

- a) Regular Meeting Minutes of May 17, 2010; and
- b) Special Meeting Minutes of May 25, 2010.

**Recommendation:** Adopt Minutes.

### **8.2 Subject:** Ordinance Amending the Rancho Cordova Municipal Code Relating to Updates of User Fees

**Recommendation:** Continue second reading and adoption of Ordinance No. 6-2010 to July 6, 2010. **(Roll Call Vote)**

**Result of Recommended Action:** Council will continue the second reading and adoption of Resolution No. 6-2010 to July 6, 2010. Adoption of this ordinance will amend Chapter 16.90 of the Rancho Cordova Municipal Code pertaining to construction permit fees, Title 4 of the Rancho Cordova Municipal Code pertaining to business license fees and fines, and Chapter 12.09 of the Rancho Cordova Municipal Code pertaining to street trench fees to change the procedures for the adoption and establishment of these fees.

**Staff Report:** Donna Silva, Finance Department

**Advances Goal:** 11

## **GROWING STRONG NEIGHBORHOODS**

### **8.3 Subject:** Resolutions of the City Council of the City of Rancho Cordova and Community Redevelopment Agency of the City of Rancho Cordova Amending the Operating Budget for the City and Agency for the Fiscal Year July 1, 2009 through June 30, 2010, and Providing for the Appropriations and Expenditures of all Sums Set Forth Therein

**Recommendation:** That Council:

- a) Adopt Resolution No. 54-2010. **(Roll Call Vote)**
- b) Adopt Resolution No. CRA 6-2010. **(Roll Call Vote)**

**Result of Recommended Action:** Amendments to the 2009-2010 Adopted Budget will reflect significant variances in expenses and revenues in various funds not originally anticipated in the Budget. This amendment will bring our actual anticipated expenditures in line with our approved appropriations for those specific funds. No adjustment is needed for the General Fund.

**Staff Report:** Donna Silva, Finance Department

**Advances Goal:** 11

## **COUNCIL ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY**



- 8.4 **Subject:** Resolution Updating Business License Processing Fee  
**Recommendation:** Adopt Resolution No. 48-2010  
**Result of Recommended Action:** Effective upon adoption of Resolution 48-2010 a new fee schedule for Business Licenses will be implemented. The new fees are based on our cost of processing and administering business licenses for those entities required to obtain a license under the City of Rancho Cordova Municipal Code.  
**Staff Report:** Donna Silva, Finance Department  
**Advances Goals:** 4, 6, and 11
- 8.5 **Subject:** Resolution Authorizing the City Manager to Execute Two On-Call Contracts and One Contract Amendment for Construction Management and Plan Review Services  
**Recommendation:** Adopt Resolution No. 36-2010.  
**Result of Recommended Action:** Adoption of this resolution would authorize the City Manager to execute two on-call contracts and one contract amendment as follows:  
a) Contract No. 33-2010 with Willdan, Inc. in an amount of \$500,000 for inspection and plan review services;  
b) Contract No. 48-2010 with Psomas, Inc. in an amount of \$400,000 for construction management and inspection services; and  
c) Third Amendment Contract No. 47-2010 with the County of Sacramento in an amount of \$300,000 for construction management, inspection, and plan review services  
**Staff Report:** Cyrus Abhar, Public Works Department  
**Advances Goals:** 1, 4, 6, and 11
- 8.6 **Subject:** Resolution Authorizing the City Manager to Execute a Contract Second Amendment with MCE Corporation in an amount not to exceed \$85,000 annually, to Continue Providing a Full-Time Contract Maintenance Worker for the Public Works Department  
**Recommendation:** Adopt Resolution No. 41-2010.  
**Result of Recommended Action:** Adoption of this resolution will allow Public Works to continue to contract with MCE Corporation for a maintenance worker to respond to emergencies and to perform routine maintenance within the city limits.  
**Staff Report:** Cyrus Abhar, Public Works Department  
**Advances Goals:** 1, 3, 4, 6, 8, and 11  
**GROWING STRONG NEIGHBORHOODS**
- 8.7 **Subject:** Resolution Awarding a Construction Contract No. 58-2010 to Granite Construction Company for Sunrise Boulevard Widening White Rock Road to Sunrise Park Drive in the Amount of \$174,471  
**Recommendation:** Adopt Resolution No. 42-2010.  
**Result of Recommended Action:** Adoption of this resolution will authorize the City Manager to execute a contract with Granite Construction Company in an amount of \$174,471 for the construction of the Sunrise Boulevard North of White Rock Road Project. The work performed under this contract will include the construction of the third northbound lane and curb, gutter, and sidewalk on Sunrise Boulevard between White Rock Road and Sunrise Park Drive.  
**Staff Report:** Cyrus Abhar, Public Works Department  
**Advances Goals:** 1, 4, 6, and 7  
**GROWING STRONG NEIGHBORHOODS**



- 8.8 **Subject:** Resolution Authorizing the Submittal of an Application to the California State Department of Housing and Community Development for Funding Under the CalHome Program

**Recommendation:** Adopt Resolution No. 45-2010.

**Result of Recommended Action:** Adoption of the resolution will authorize staff to submit an application to the California State Department of Housing and Community Development (HCD) for CalHome funding in an amount not to exceed \$600,000. If selected for this funding, the City Manager will authorize the execution of an agreement any required amendments, and any other related documents necessary to participate in the CalHome program. With a successful application, the funds will be loaned over a two-year period to qualified resident homeowners for needed repairs to single-family dwellings.

**Staff Report:** Reed Flory, Housing Department

**Advances Goals:** 1, 4, 6, 7, 8, 11, and 13

**GROWING STRONG NEIGHBORHOODS**

- 8.9 **Subject:** Resolution Approving City Council Appointment of Beth Walter to the California Capital Airshow Board

**Recommendation:** Adopt Resolution No. 50-2010.

**Result of Recommended Action:** This approval would give Rancho Cordova representation on the California Capital Airshow Board specifically chosen by the City Council.

**Staff Report:** Ted Gaebler, City Manager's Department

**Advances Goals:** 1, 4, 6, and 13

## **9. CONSENT PUBLIC HEARING ITEMS**

- 9.1 **Subject:** Resolution Approving Design Review for White Rock Park Community Building – Project No. DD6860, Located at 10490 White Rock Road

**Recommendation:** Adopt Resolution No. 43-2010.

**Result of Recommended Action:** Adoption of this resolution will allow the Cordova Recreation and Park District to build a new 2500+/- sf community building that will contain a recreation room for community meetings with bathrooms, a small administrative office, an employee break room, storage, and janitorial closet.

**Staff Report:** William Campbell, Planning Department

**Advances Goals:** 1, 4, and 8

**Planning Commission Recommendation:** That the City Council adopt Resolution No. 43-2010, approving the design of the new community building in White Rock Park, consistent with the submitted plans and subject to the Conditions of Approval.

**GROWING STRONG NEIGHBORHOODS**

## **10. PUBLIC HEARING ITEMS**

- 10.1 **Subject:** Resolution Updating Construction/Building Permit Fees

**Recommendation:** Adopt Resolution No. 49-2010.

**Result of Recommended Action:** A new fee schedule for Construction Permits will be implemented 60 days after adoption of this resolution. The new fee schedule is based on the cost of processing, inspecting, and administering building permits, and will allow for an increased level of cost recovery that will help to balance the budget for 2010.

**Staff Report:** Cyrus Abhar, Public Works Department and Donna Silva, Finance Department

**Advances Goals:** 4 and 11

- 10.2 **Subject:** Public Hearing on, and Adoption of, The Fiscal Year 2010/2011 Operating Budget for the City of Rancho Cordova and the Community Redevelopment Agency of the City of Rancho Cordova, Including the Determination of the Appropriations (GANN) Limit for same, and Adoption of the Five-Year Capital Improvement Plan 2010-2015

**Recommendation:** That Council:

Receive input from the public on the Proposed Budget for Fiscal Year 2010/11 for the City of Rancho Cordova and the City of Rancho Cordova Community Redevelopment Agency. Direct staff to process changes discussed during the public hearing, if any, and return with a FY 2010/11 Proposed Budget for final deliberation at this meeting or on June 21, 2010. If no changes are directed, the Proposed Budget, Appropriation Limit and Five Year Capital Improvement Plan (CIP) can be adopted immediately following the public hearing by adopting:

- a) Resolution 51-2010 Approving the Appropriations Limit for Fiscal Year 2010-11 and Making the Annual Election for Adjustment Factors.
- b) Resolution 52-2010 Approving the Citywide Operating Budget for the City for the Fiscal Year July 1, 2010 through June 30, 2011, and Providing for the Appropriations and Expenditures of All Sums Set Forth Therein.
- c) Community Redevelopment Agency Resolution CRA 6-2010 Approving the Operating Budget for the Agency For the Fiscal Year July 1, 2010 Through June 30, 2011, and Providing for the Appropriations and Expenditures of All Sums Set Forth Therein.
- d) Resolution 53-2010 Approving the Five Year Capital Improvement Plan for the Five Fiscal Years Beginning July 1, 2010 and Ending June 30, 2015.

**Result of Recommended Action:** The Public Hearing will provide the public with the opportunity to have input on the fiscal year 2010/2011 budget prior to adoption of same by the City Council. If there are no changes to the FY 2010/2011 Proposed Budget directed as a result of the public hearing held at this meeting, the budget and Five Year CIP may be adopted as is, with state required Gann (appropriation) limit calculations.

The adoption of the budget will provide financial and program guidelines for the City and Redevelopment Agency's operations for the period beginning July 1, 2010 and ending June 30, 2011. The budget provides both anticipated resources and planned uses of those resources.

Approval of the Appropriations Limit and factors used therein will ensure compliance with state law. Adoption of the Five Year Capital Improvement Plan will provide a spending plan and timeline for approved projects and ensures that adequate resources are allocated to provide funding for these multiple year, large scale projects.

**Staff Report:** Donna Silva, Finance Department

**Advances Goal:** 11

**COUNCIL ACTING AS COMMUNITY REDEVELOPMENT AGENCY**



## 11. REGULAR CALENDAR ITEMS

- 11.1 **Subject:** Resolution Placing Three Tax Measures on the November 2, 2010 Ballot Relating to Utility Users, Cardrooms, and Transient Occupancy  
**Recommendation:** Adopt Resolution Nos. 47-2010, 44-2010, and 46-2010  
**Result of Recommended Action:** Residents of the City of Rancho Cordova will have the opportunity to vote on three separate ballot measures in the November 2, 2010 General Election:
- Technical correction to the Transient Occupancy Tax (TOT) Ordinance resulting in a longer statute of limitations
  - Technical corrections to the Utility Users' Tax Ordinance resulting in the protection of the tax from the threats of existing legislation and the modernization of the language to capture advances in communications technology.
  - The creation of a Cardroom Gross Receipts Tax, the proceeds of which may be used for general purposes.
- Staff Report:** Donna Silva, Finance Department  
**Advances Goals:** 4, 6, and 11
- 11.2 **Subject:** Discussion of Proposed Police Station at 2897 Kilgore Road and 2880 Gold Tailings Drive  
**Recommendation:** Council direct staff to continue the architectural design of the Kilgore building and proceed with the preparation of construction contract documents.  
**Result of Recommended Action:** With City Council direction, staff will continue with moving forward with the design of the proposed police station at Kilgore Road.  
**Staff Report:** Joe Chinn, City Manager's Office and Cyrus Abhar, Public Works Department  
**Advances Goals:** 1, 4, and 6
- 11.3 **Subject:** City Council Position on Proposition 16 Imposing Two-Thirds Voter Approval Requirement for Local Public Electricity Providers  
**Recommendation:** Accommodate request of elected Sacramento Municipal Utility District (SMUD) Board representative Nancy Bui-Thompson to discuss the merits of taking a position in opposition on Proposition 16.  
**Result of Recommended Action:** The City Council will be able to discuss the proposed Initiative Constitutional Amendment and determine if taking a position to oppose is in the City's best interest.  
**Staff Report:** Stephanie Snyder, City Manager's Office  
**Advances Goal:** 11

## 12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

## 13. CITY MANAGER'S REPORT

## 14. ADJOURNMENT

### ADDITIONAL INFORMATION

**Rancho Cordova Great Health Challenge** - Rancho Cordova has launched a program intended to promote a healthier community by building awareness for those who live, work, play, or pray here. You are encouraged to join our commitment to get healthy, stay fit, and have fun! Go to <http://www.20tonsin2010.com/> to register.

**UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11 P.M. WILL BE CONTINUED TO THE NEXT DAY AT 5:30 P.M. OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.**

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at [www.cityofranhocordova.org](http://www.cityofranhocordova.org) on Thursdays or Fridays prior to the Regular City Council Meeting.

| CITYWIDE GOALS - (Adopted March 20, 2006) |                                                                   |
|-------------------------------------------|-------------------------------------------------------------------|
| 1.                                        | Foster a Positive Image of Rancho Cordova                         |
| 2.                                        | Improve Transportation & Connectivity                             |
| 3.                                        | Champion Employee Development & High Performance Work Environment |
| 4.                                        | Ensure the Availability of the Best Public Services in the Region |
| 5.                                        | Establish a Vibrant Downtown                                      |
| 6.                                        | Ensure a Safe Community                                           |
| 7.                                        | Improve the Quality of Housing In Rancho Cordova                  |
| 8.                                        | Sustain a Livable Community                                       |
| 9.                                        | Drive Diverse Economic Opportunities                              |
| 10.                                       | Foster Responsible Citizenship                                    |
| 11.                                       | Practice Sound Fiscal Management                                  |
| 12.                                       | Establish Logical (City) Boundaries                               |
| 13.                                       | Continue To Provide Regional Leadership                           |



| <b>UPCOMING MEETINGS</b>        |                                                                                             |
|---------------------------------|---------------------------------------------------------------------------------------------|
| <i>Monday, June 21, 2010</i>    | <i>5:30 p.m. Regular City Council Meeting</i>                                               |
| <i>Tuesday, June 29, 2010</i>   | <i>5:30 p.m. Joint Work Session on Parks Tour</i>                                           |
| <i>Monday, July 5, 2010</i>     | <b><i>Independence Day Holiday Observed – City Hall Closed</i></b>                          |
| <i>Tuesday, July 6, 2010</i>    | <i>5:30 p.m. Regular City Council Meeting</i>                                               |
| <i>Tuesday, July 13, 2010</i>   | <i>5:30 p.m. Work Session on Bicycle and Pedestrian Master Plan and Land Use Discussion</i> |
| <i>Monday, July 19, 2010</i>    | <i>5:30 p.m. Regular City Council Meeting</i>                                               |
| <i>Monday, July 26, 2010</i>    | <b><i>PROPOSED FURLOUGH DAY</i></b>                                                         |
| <i>Monday, August 2, 2010</i>   | <b><i>CANCELLED for Council Dark Day</i></b>                                                |
| <i>Tuesday, August 10, 2010</i> | <b><i>CANCELLED for Council Dark Day</i></b>                                                |
| <i>Monday, August 16, 2010</i>  | <i>5:30 p.m. Regular Meeting</i>                                                            |
| <i>Tuesday, August 24, 2010</i> | <i>5:30 p.m. Work Session on Development Fees and Standards</i>                             |

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

| <b>DEPARTMENTAL GENERAL TELEPHONE NUMBERS</b>           |                |
|---------------------------------------------------------|----------------|
| Building Department                                     | (916) 851-8760 |
| City Attorney's Office                                  | (916) 556-1531 |
| City Clerk's Department                                 | (916) 851-8720 |
| City Manager's Office                                   | (916) 851-8800 |
| Communications Department                               | (916) 851-8791 |
| Economic Development Department                         | (916) 851-8780 |
| Finance Department                                      | (916) 851-8730 |
| Housing Department                                      | (916) 851-8784 |
| Human Resources Department                              | (916) 851-8740 |
| Information Technology Department                       | (916) 851-8700 |
| Neighborhood Services – Animal Services                 | (916) 851-8770 |
| Parks & Recreation (Cordova Recreation & Park District) | (916) 362-1841 |
| Planning Department                                     | (916) 851-8750 |
| Public Works Department                                 | (916) 851-8710 |
| Rancho Cordova Police Department                        | (916) 875-9600 |
| Redevelopment Department                                | (916) 851-8780 |
| Sac Metro Fire District                                 | (916) 566-4000 |

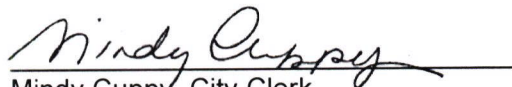
The Rancho Cordova City Council/CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

**CERTIFICATION OF POSTING OF AGENDA**

I, Mindy Cuppy, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the June 7, 2010 Special and Regular Meeting of the Rancho Cordova City Council/CRA/RCFC was posted and available for review on June 3, 2010 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city web site at [www.cityofranhocordova.org](http://www.cityofranhocordova.org).

Signed this 3<sup>rd</sup> day of June 2010 at Rancho Cordova, California.

  
Mindy Cuppy, City Clerk





**CONCURRENT MEETING  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/  
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

City Hall  
2729 Prospect Park Drive, Rancho Cordova

Monday, May 17, 2010

1:00 P.M. – Special Meeting  
American River North

5:30 P.M. – Regular Meeting  
David B. Roberts Council Chambers

**MINUTES**

**A. STUDY SESSION – CALL TO ORDER / ROLL CALL**

Mayor Cooley called the special meeting to order in the American River North room at 1:13 p.m.

Council Members Present: Sander, Budge, McGarvey (at 1:19 p.m.), and Mayor Cooley

Council Members Absent: Skoglund

Staff Members Present: Gaebler, Lindgren, Cuppy, Diamond, Haven, Junker, Chinn, Peterson, Abhar, Behrends, Silva, Snyder, Samuelson, Sparkman, Thomas, Cervantes, Borre, Harriman, Holt, Runner, Flory, Gassaway, Simpson, and Pearl.

**B. PUBLIC COMMENT**

Mayor Cooley opened the public comment period. There were no speakers. Mayor Cooley closed the public comment period.

**C. STUDY SESSION ITEM**

**Subject:** Fiscal Year 20010/11 Budget Workshop

**Recommendation:** Review and Discuss Proposed Budget with Council and Community.

**Result of Recommended Action:** Staff will incorporate Council direction into final budget document for adoption at the June 7, 2010 City Council meeting.

**Staff Report:** Donna Silva, Finance Department

**D. ADJOURNMENT OF STUDY SESSION**

Mayor Cooley adjourned the special meeting to regular meeting in the David B. Roberts Council Chambers at 5:05 p.m.

**AGENDA ITEM 8.1**

## **1. REGULAR MEETING – CALL TO ORDER / ROLL CALL**

Mayor Cooley called the regular meeting to order in the David B. Roberts Council Chambers at 5:39 p.m.

Council Members Present: Budge, Sander, McGarvey, and Mayor Cooley

Council Members Absent: Skoglund

Staff Members Present: Gaebler, Lindgren, Chinn, Cuppy, Junker, Abhar, Diamond, Sparkman, Brewer, Pearl, Silva, Simpson, Haven, Blair, Snyder, Behrends, Runner, and Kellerman

## **2. METRO CABLE TV TELEVISION ANNOUNCEMENT**

The Mayor announced the meetings video recording and playback schedules.

## **3. PLEDGE OF ALLEGIANCE**

The Mayor called on Cyrus Abhar to lead the Pledge.

## **4. INVOCATION**

Chaplain John Kent, Sacramento Law Enforcement Chaplaincy, gave the invocation.

## **5. PRESENTATIONS**

- 5.1 President of the Sacramento Chapter of American Public Works Association (APWA), Steve Hiatt, presented on award to Cyrus Abhar in Honor of Receiving the Sacramento Chapter 2010 Award for Professional Manager of the Year: Engineering and Technology.
- 5.2 Sacramento County Department of Human Assistance, Acting Director, Paul G. Lake presented on Mather Community Campus Transition to the Volunteers of America.
- 5.5 City Manager Ted Gaebler introduced Rancho Cordova Police Department's New Chief of Police Doug Diamond.
- 5.3 Vice Mayor McGarvey presented a proclamation in Celebration of Older Americans Month to Melanie Rochin, Helen Brewer, and Bonnie Penrose.

**The Mayor reordered the agenda to take the following Regular Calendar item next:**

- 11.1 **Subject:** Report of Greenhouse Gas Laws (AB32 and SB375) and Options for Local Programs  
**Recommendation:** Receive report and provide direction to staff.  
**Result of Recommended Action:** Council input will provide direction to staff for addressing greenhouse gas and climate change programs within the City of Rancho Cordova.  
**Staff Report:** Paul Junker, Planning Department and Adam U. Lindgren, City Attorney

**ACTION:** Motion by Budge second by McGarvey and carried by a 4:0 roll call vote; Council tabled this item.



- 5.4 Council member Budge presented proclamation to Donna Burke, Executive Director, External Affairs at AT&T California in Support of the AT&T Campaign to Raise the Level of Awareness About Not Texting and Driving.

## 6. PUBLIC COMMENT

Mayor Cooley opened the public comment period. The following individuals addressed the Council:

- Jane S. Daly regarding Chamber Discount Card
- Melody Mayer regarding Cordova Community Council's iFest event held on May 15, 2010
- David Holston regarding thank you and presenting plaque to Mayor Cooley on behalf of Volunteers of America
- Conrade Mayer regarding Rancho Cordova Community at Sacramento River Cats game at Raley Field on June 18

Mayor Cooley closed the public comment period.

## 7. COUNCIL REPORTS

Council Members reported on events since the last meeting.

## 8. CONSENT CALENDAR ITEMS – ROLL CALL VOTE

**ACTION:** Motion by Budge second by Sander and carried by a 4:0 (Skoglund absent) roll call vote; Council approved the Consent Calendar.

- 8.1 **Subject:** Regular Meeting Minutes of May 3, 2010  
**Recommendation:** Adopt Minutes.

- 8.2 **Subject:** Ordinance Establishing Pre-zoning Designations for the Annexation Area East of Sunrise Boulevard and South of Highway 50  
**Recommendation:** Waive second reading and adopt Ordinance No. 7-2010. **(Roll Call Vote)**  
**Result of Recommended Action:** The proposed zoning map and text changes will maintain, and in some cases, expand the land use opportunities for the majority of properties within the annexation area when it becomes part of the City on July 1, 2010. All properties will maintain a similar zoning classification under City jurisdiction that they enjoyed under the County and the number of permitted land uses will be expanded. Where practical, procedures for obtaining a use permit for certain commercial uses will be simplified. The Convention Center Overlay will be applied in a portion of the annexation area as indicated by the General Plan, with a minor boundary modification proposed by staff.  
**Staff Report:** Jeff Beiswenger, Planning Department

- 8.3 **Subject:** Resolution Authorizing the Expenditure Plan for the Utilization of Funds Available from the State Supplemental Law Enforcement Fund (SLESF) which Funds the State's "Citizen's Option for Public Safety" (COPS) Program

**Recommendation:** Adopt Resolution No. 32-2010.

**Result of Recommended Action:** Adoption of this resolution will provide preservation of unused prior year grant funds (\$9,893) and allow for the appropriate spending of both the prior year carryover funds and the current year allocation (\$100,000) in accordance with the Government Code 30061.

**Staff Report:** Donna Silva, Finance Department

**GROWING STRONG NEIGHBORHOODS**

## 9. CONSENT PUBLIC HEARING ITEMS

The following item was pulled for discussion:

- 9.1 **Subject:** Resolution Approving the Issuance of Revenue Bonds by the California Municipal Financing Authority (CMFA) for the Purpose of Financing or Refinancing the Acquisition of the Cal EMA State Office Building located at 3650 Schriever Avenue, Rancho Cordova

**Recommendation:** That Council:

- a) Conduct a public hearing for the proposed issuance by the California Municipal Finance Authority ("CMFA"), of bonds in an amount not to exceed \$2,750,000,000 (the "Bonds"), for the purpose of financing and refinancing the acquisition by CMFA or its designee (the "Borrower") of the state office building known as the Cal EMA, located at Cal EMA Building, 3650 Schriever Avenue, Rancho Cordova, California and other state owned buildings in other locations; and
- b) Adopt Resolution No. 35-2010. **(Roll Call Vote)**

**Result of Recommended Action:** If Council adopts this resolution, the CMFA or its designee may proceed with tax-exempt bond financing of the project. If Council declines to adopt this resolution, the CMFA may need to seek other financing at higher interest rates or not purchase the building.

**Staff Report:** Donna Silva, Finance Department

Mayor Cooley opened the public comment period. There were no speakers. Mayor Cooley closed the public comment period.

**ACTION:** Motion by McGarvey second by Cooley and carried by a 4:0 (Skoglund absent) roll call vote; Council adopted Resolution No. 35-2010.

At this point 7:24 p.m. Council took a brief recess. Council reconvened at 7:53 p.m.

## 10. PUBLIC HEARING ITEMS

- 10.1 **Subject:** User Fee Updates

**Recommendation:** That Council:

- a) Waive first reading and introduce Ordinance No. 6-2010; **(Roll Call Vote)**
- b) Adopt Resolution No. 33-2010;
- c) Adopt Resolution No. 34-2010; and
- d) Adopt Resolution No. 37-2010.

**Result of Recommended Action:** Adoption of this ordinance would amend Chapter 16.90 of the Rancho Cordova Municipal Code pertaining to construction permit fees, Title 4 of the Rancho Cordova Municipal Code pertaining to business license fees and fines, and Chapter 12.09 of the Rancho Cordova Municipal Code pertaining to street trench fees to change the procedures for the adoption and establishment of these fees.

Adoption of Resolution No. 33-2010 would establish a new fee schedule for planning,



building and public works related services in Rancho Cordova. The proposed fee schedule would adopt new fees and deposits, and increase existing fees and deposits to reflect the City's cost of providing planning, building, and public works services to members of the public.

Adoption of Resolution No. 34-2010 would increase the tow release fee charged by the City of Rancho Cordova for the recovery of costs incurred in the removal, impound, storage and release of vehicles. This resolution will also rescind Resolution No. 85-2004, which established the current tow and release fee.

Adoption of Resolution No. 37-2010 would rescind Resolution No. 128-2005, which established the current Tobacco Retailers License fee. Combined with the adoption of Ordinance No. 6-2010 this fee will be set by the City Manager.

Adoption of the proposed ordinance amendments and resolutions would remove unintended subsidies and recover approximately \$921,000 of previously subsidized costs in fiscal year 2010/11 and each year thereafter. This will prevent the need for further declines in service levels that have been necessary in order to produce a balanced budget for the upcoming fiscal year.

**Staff Report:** Donna Silva, Finance Department

**GROWING STRONG NEIGHBORHOODS**

Mayor Cooley opened the public comment period. There were no speakers. Mayor Cooley closed the public comment period.

**ACTION:** Motion by Budge second by McGarvey and carried by a 4:0 (Skoglund absent) roll call vote; Council adopted Resolution No. 34-2010.

**ACTION:** Motion by Budge second by Cooley and carried by a 4:0 (Skoglund absent) roll call vote; Council adopted Resolution No. 37-2010.

Mayor Cooley opened the public comment period. The following individual addressed the Council:

- Dennis Rogers in opposition of this item

Mayor Cooley closed the public comment period.

**At this point** 9:31 p.m. Council took a brief recess. Council reconvened at 9:58 p.m.

**ACTION:** Motion by Budge second by Sander and carried by a 4:0 (Skoglund absent) roll call vote; Council adopted Resolution No. 33-2010.

**ACTION:** Motion by McGarvey second by Budge; Council continued the meeting past 11:00 p.m.

**ACTION:** Motion Budge second by McGarvey and carried by a 4:0 (Skoglund absent) roll call vote; Council waived first reading and introduced Ordinance No. 6-2010 with amendments to the ordinance.

**11. REGULAR CALENDAR ITEMS**

11.1 Agenda Item 11.1 was reordered by the Mayor to be discussed under Presentations.

**12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS**

- Draft Ordinance Forbidding the Establishment of Unattended Second Hand Depositories

**13. CITY MANAGER'S REPORT**

NONE

**14. ADJOURNMENT**

Mayor Cooley adjourned the regular meeting in the David B. Roberts Council Chambers to closed session in the Community Board Room at 11:11 p.m. in memory of Stanley Lampack and Dean McKenzie.

**15. CLOSED SESSION – CALL TO ORDER / ROLL CALL**

Mayor Cooley called the closed session to order in the Community Board Room at 11:12 p.m.

Council Members Present: Sander, Budge, McGarvey, and Mayor Cooley

Council Members Absent: Skoglund

Staff Members Present: Gaebler, Lindgren, Chinn, and Silva

**16. PUBLIC COMMENT**

Vice Mayor McGarvey opened the public comment period. There were no speakers. Mayor Cooley closed the public comment period.

**17. CLOSED SESSION ITEM**

**Council met in closed session to discuss the following item:**

Conference with Legal Council, Existing Litigation: Vineyard Area Citizens vs. City of Rancho Cordova. (Sacramento County Superior Court Case No.: 02CS01214)

**18. OPEN SESSION – REPORT FROM CLOSED SESSION**

City Attorney Adam Lindgren reported there was no reportable action taken in closed session.

**19. ADJOURNMENT**

Mayor Cooley adjourned the closed session at 11:42 p.m.

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Mindy Cuppy, City Clerk





**CONCURRENT MEETING  
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/  
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall  
2729 Prospect Park Drive, Rancho Cordova**

**Tuesday, May 25, 2010**

**5:30 p.m. – Special Meeting  
Community Board Room**

**MINUTES**

**SPECIAL MEETING – CALL TO ORDER / ROLL CALL**

Mayor Cooley called the special meeting to order in the Community Board Room at 5:37 p.m.

Council Members Present: Budge, Sander, Skoglund, McGarvey, and Mayor Cooley

Staff Members Present: Gaebler, Chinn, Haven, Runner, Junker, Silva, Ingalls, Abhar, Sanchez, Sparkman, Diamond, Cuppy, Behrends, and Harriman.

**WORK SESSION AGENDA ITEMS**

2. Discussion of City Council Parks Tour and Selection of New Date.

**ACTION:** Discussion item only; no action taken.

1. Discussion of User Fee Right Sizing.

**ACTION:** Discussion item only; no action taken.

At this point: The Council took a break at 6:51 p.m. The full Council reconvened at 7:02 p.m.

**PUBLIC COMMENT**

Dennis Rogers addressed Council regarding Agenda Item 1. Discussion of User Fee Right Sizing.

**ADJOURNMENT OF SPECIAL MEETING**

Mayor Cooley adjourned the special meeting at 8:14 p.m.

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Mindy Cuppy, City Clerk

## MEMORANDUM



**DATE:** June 7, 2010  
**TO:** Honorable Mayor and Council Members  
**FROM:** Adam U. Lindgren, City Attorney  
**SUBJECT:** CONTINUANCE OF ORDINANCE NO. 6-2010

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### **RECOMMENDATION**

Continue the second reading and adoption of **Ordinance No. 6-2010** until the July 6, 2010 City Council meeting.

### **RESULT OF RECOMMENDED ACTION**

Continuing the second reading of Ordinance No. 6-2010 would allow sufficient time for new user fees adopted the City Council to become effective in a manner that corresponds to the effective date of the Ordinance No. 6-2010. If Ordinance No. 6-2010 is not continued there will be a period of time where the City does not have established certain user fees, such as construction permit fees.

### **BACKGROUND**

Ordinance No. 6-2010 amends the Rancho Cordova Municipal Code to provide that certain user fees shall be set by resolution of the City Council (instead of by ordinance) and provides that the City Manager shall set certain business license fees (tobacco licensing). This ordinance becomes effective thirty (30) days after it is adopted.

The new user fees for planning, public works and building related services adopted by the City Council by resolution become effective sixty (60) days after Council action on the resolution. In order to coordinate the effective date of Ordinance No. 6-2010 and the new user fees adopted by resolution, it is necessary to continue Ordinance No. 6-2010 until the July 6, 2010 City Council meeting.

### **ATTACHMENT**

Ordinance No. 6-2010.



**CITY OF RANCHO CORDOVA**

**ORDINANCE NO. 6-2010**

**AN ORDINANCE OF THE CITY COUNCIL AMENDING CHAPTER 16.90 OF THE RANCHO CORDOVA MUNICIPAL CODE PERTAINING TO ESTABLISHMENT OF CONSTRUCTION PERMIT FEES; AMENDING TITLE 4 OF THE RANCHO CORDOVA MUNICIPAL CODE PERTAINING TO THE ESTABLISHMENT OF BUSINESS LICENSE FEES AND FINES; AND AMENDING CHAPTER 12.09 OF THE RANCHO CORDOVA MUNICIPAL CODE PERTAINING TO THE ESTABLISHMENT OF STREET TRENCH FEES**

**WHEREAS**, the City of Rancho Cordova's ("City") current construction permit fees and street trench fees are contained in Chapter 16.90 and Chapter 12.09 of the Rancho Cordova Municipal Code respectively; and

**WHEREAS**, the City Council of the City of Rancho Cordova desires to establish construction permit fees and street trench cut fees as part of a fee schedule that is established by resolution of the City Council from time to time, rather than establishing these fees by ordinance; and

**WHEREAS**, establishing these fees by resolution as part of a fee schedule will reduce the cost of modifying these fees necessary from time to time; and

**WHEREAS**, the fees established for business licenses shall be for the sole purpose of defraying costs incurred in the administration of Title 4 of Rancho Cordova Municipal Code, and shall be prescribed in amounts yielding revenues which do not exceed the costs of administration by each City office and department charged with responsibility under Title 4 of the Rancho Cordova Municipal Code.

**THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:**

**Section 1.** Section 16.90.010 "Intent" of Chapter 16.90 of Title 16 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**16.90.010 Intent.**

It is the intent of the city council to group the fees required for various permits, associated with the construction process into one fee schedule that is adopted by resolution of the city council, as amended from time to time.

**Section 2.** Section 16.90.010 "Permit fees," of Chapter 16.90 of Title 16 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**16.90.020 Computation of Construction Permit Fees.**

The value to be used in computing the permit fee shall be the total value of all construction work for which the permit is issued as well as all finish work, painting, roofing, electrical, plumbing, heating, air conditioning, elevators, fire extinguishing systems, and any other permanent equipment.

**Section 3.** Section 16.90.030 "Fee schedule," of Chapter 16.90 of Title 16 of the Rancho Cordova Municipal Code is hereby repealed in its entirety.

**Section 4.** Section 4.02.100 "Violations," of Chapter 4.02 of Title 4 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**4.02.100       Violations.**

A. Violation of any provision of this title or any order of a hearing officer issued pursuant to this title constitutes a public nuisance and shall be subject to an administrative citation and fine as provided for in RCMC 16.18.205(F).

B. Additional amounts. Administrative costs, interest, late payment charges, costs of compliance regarding inspections, and collection costs are in addition to the fine as set forth in RCMC 16.18.205(F).

C. Each day that an individual commits a violation of this title shall constitute a separate violation.

D. Notwithstanding this section, violations of any of the provisions of this title may also be remedied by injunction or other civil proceedings commenced in the name of the city by the city attorney pursuant to direction by the city council.

E. The foregoing provisions are cumulative and in addition to any other remedies or penalties authorized or imposed under any other provision of this code or other applicable law or regulation.

**Section 5.** Section 4.07.080 "License Fee," of Chapter 4.10 of Title 4 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**4.07.080       License fee.**

The fee for issuance or renewal of a license shall be established by the city manager and shall be in addition to the city's business operation tax and any other license or permit fee imposed by this code upon the applicant. The license fee shall be paid to the city at the time the license application is submitted. The amount of the fee shall be determined on the basis of the costs incurred in the enforcement of tobacco retailing laws together with the costs, including the costs of counsel, incurred in the administration of this chapter.

**Section 6.** Section 4.07.110 "Administrative Fine" of Chapter 4.10 of Title 4 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**4.07.110       Administrative Fine**

A. If the city finds, based on substantial evidence, that any unlicensed person, including a person named on a revoked or suspended license, has engaged in tobacco retailing in violation of RCMC 4.07.040, such person shall be subject to an administrative citation and fine as provided for in RCMC 16.18.205(F).

B. Additional Amounts. Administrative costs, interest, late payment charges, costs of compliance reinspections, and collection cost are in addition to the fine as set forth in RCMC 16.18.205(F).

C. Each day that such a person engages in tobacco retailing shall constitute a separate violation.



D. A notice of violation and of intent to impose a fine shall be personally served on, or sent by certified mail to, the person or persons subject to the fine. The notice shall state the basis of the city's determinations and include an advisement of the right to request a hearing to contest the fine. Any request for a hearing must be in writing and must be received by the city within 10 calendar days of personal service of the notice on the person or persons subject to a fine or within 15 calendar days if the person or persons subject to a fine are served by mail.

E. If no request for a hearing is timely received, the city's determination on the violation and the imposition of a fine and any additional amounts pursuant to subsection (B) of this section, shall be final and payment shall be made within 30 calendar days of written demand made in the manner specified above for a notice of violation. If the fine is not paid within that time, the fine may be collected, along with any additional amounts pursuant to subsection (B) of this section, in any manner provided by law. In the event that a judicial action is necessary to compel payment, the person or persons subject to the fine and any additional amount shall also be liable for the costs of the suit and attorneys' fees incurred by the city in collecting the fine.

F. If a hearing is requested pursuant to subsection (D) of this section, the city shall provide written notice, within 45 calendar days of its receipt of the hearing request, to the person or persons subject to a fine and any additional amount, of the date, time, and place of the hearing in the manner specified above for a notice of violation.

G. The hearing shall be conducted in accordance with the procedures set forth in RCMC 4.07.140 through 4.07.160.

H. If no timely notice of appeal to the superior court is filed, or the city is not timely served with a copy of a notice of appeal, the hearing officer's decision and findings shall be deemed confirmed and the fine and any additional amounts impose pursuant to subsection (B) of this section shall be collected pursuant to subsection (E) of this section.

**Section 7.** Section 12.09.030 "Trench restoration fee," of Chapter 12.09, Title 11 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**12.09.030 Trench restoration fee.**

At the time any permit is issued, improvement plan approved, or work performed that causes an excavation of a paved city street, the applicant shall pay a trench restoration fee, in addition to the fee required by the encroachment permit or other administrative fees. The fee shall be in the amount set forth on the trench cut fee schedule established by resolution of the city council. A trench restoration fee shall not be required for the following excavations:

A. In a city street that the city has scheduled for resurfacing either during the fiscal year (July 1st through June 30th) when the excavation permit is issued or during the immediately following fiscal year;

B. In a city street where the pavement condition index (PCI), as defined by the city's pavement management system, is less than 25 on the date the excavation permit is issued;

C. For work performed by and for the city public works department;

D. For potholing to verify utility depth or location;

E. Where work will include resurfacing of all or a significant portion of the city street where the excavation is made; provided, that the director approves the resurfacing;

F. Made for a utility relocation required by the city to accommodate a proper governmental use of a city street;

G. For owners possessing a valid pavement life performance warranty agreement with the city as set forth in RCMC 12.09.080;

H. Trenchless excavations greater than three feet in depth of cover over the utility facility not requiring a significant surface incision greater than industry bore pit standards may be excluded at the discretion of the director.

**Section 8.** Section 12.09.080 "Pavement life performance warranty," of Chapter 12.09 of Title 11 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**12.09.080 Pavement life performance warranty.**

In lieu of paying a trench restoration fee required by RCMC 12.09.030, an owner who has a valid franchise agreement with the city or is statutorily exempt from franchise requirements shall provide a written pavement life performance warranty in a form acceptable to the city. The warranty shall provide that in the event that subsurface material or pavement over or within the trench influence area becomes depressed, broken, or otherwise fails at any time after the excavation has been completed until such time as the street surface is completely resurfaced with a structural overlay, the owner who performed the trench cut shall repair or restore such condition pursuant to the procedure set forth in RCMC 12.09.090. In the event that an owner who has a valid franchise agreement with the city or is statutorily exempt from franchise requirements fails or refuses to provide a written pavement life performance warranty, such owner shall pay the trench restoration fee set forth in the fee schedule adopted by resolution of city council.

**Section 9.** Section 12.09.130 "Excavation within moratorium period," of Chapter 12.09 of Title 12 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**12.09.130 Excavation within moratorium period.**

Where a permit is issued to excavate during the five-year period after filing of a notice of completion or acceptance of a new street or structural overlay of an entire street, payment of the trench restoration fee in the fee schedule adopted by resolution of the city council will be required regardless of whether the owner has executed a pavement life performance warranty.

**Section 10.** Severability.

If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. This City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

**Section 11.** Effective Date and Publication.

Within fifteen (15) days from and after adoption, this Ordinance shall be published once in the Grapevine Independent, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with California Government Code Section 36933.



**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

## MEMORANDUM



**DATE:** June 7, 2010

**TO:** Honorable Mayor and Council Members

**FROM:** Donna Silva, Finance Director

**SUBJECT:** RESOLUTION AMENDING THE FISCAL YEAR 2009/10 ADOPTED BUDGET FOR THE CITY OF RANCHO CORDOVA AND THE CITY OF RANCHO CORDOVA COMMUNITY REDEVELOPMENT AGENCY

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### RECOMMENDATION

Adopt Resolution No's. 54-2010 (**Attachment 1**) and CRA 6-2010 (**Attachment 2**) amending the Fiscal Year 2009/10 Adopted Budget for various Special Revenue Funds, the Redevelopment Agency Debt Service Fund and certain Agency Funds.

### RESULT OF RECOMMENDED ACTION

The 2009/10 Adopted Budget will be amended to reflect significant variances in expenses not originally anticipated in the budget. This amendment will bring out actual anticipated expenditures in line with our approved appropriations for those specific funds. ***No adjustment is needed for the General Fund.***

### BACKGROUND

The City operates on a fiscal year that begins July 1<sup>st</sup> and ends June 30<sup>th</sup> of each year. The City financial operations are governed by a "budget document". The City Manager is required to submit a proposed budget to the Council by May 31<sup>st</sup> of each year. The Fiscal Year 2009/10 Proposed Budget was first submitted to Council in a workshop on May 18, 2009 and was adopted by the City Council on June 1, 2009.

In conjunction with the Finance Director and the City Manager, the departments monitor their budgets very closely throughout the year. An in depth analysis of budget to actual is prepared and presented to the Council and the public in February of each year. This year it was noted that several special revenue funds and agency funds were expected to exceed their budgeted appropriations. Since the appropriations set the legal spending limit, the Finance Department is requesting an amendment to the budget to adjust for these variations. The attached schedule illustrates the funds in question and highlights the proposed amendments.

### Special Revenue Funds

As previously reported, actual revenues in some of the Special Revenue Funds are expected to be greater than budgeted, as are expenses. Such is the case in the Rental Code Compliance Program fund wherein all revenues received are transferred out to the



General Fund to help pay the cost of the Rental Housing Inspection Program. The increase in expenditures is primarily due to the purchase of Gold Tailings building out of the Community Facility Funds and the Capital Facility Internal Service Fund. The City spent more effort than anticipated in the budget on zoning changes, which caused an increase in expenditures in the General Plan Impact Fee fund. Council approved a payment to the Park District out of Park Renovation Fees that wasn't anticipated in the original budget and we had several credit reimbursements that were not anticipated in the budget as the timing of when the credits will be used is uncertain. Additionally, adjustments are needed in the Measure A fund because due to less spending in the prior year than anticipated we had more available in the current year to expend on street maintenance and construction.

#### Internal Service Funds

In fiscal year 2008/09 the City set aside sufficient funds in a new Internal Service Fund to fully fund our Other Post Employment Benefit (OPEB) liability. Because the exact amount was unknown at the time of budget preparation we did not budget for the payment out of the Internal Service Fund into the trust account at CalPERS. This adjustment will correct for the difference between budget and actual in this fund.

Additionally, the city will have paid out approximately \$20,000 in insurance claims in fiscal year 2009/10 that, due to the uncertain nature of claims, was not anticipated in the original budget.

#### Redevelopment Agency

The adjustment in the Redevelopment Agency Debt Service Fund is necessary as the original budget conservatively estimated the tax increment revenue the Debt Service Fund would receive. As a result, the transfer out of 80% to the Redevelopment Administration Fund and 20% to the Low/Moderate Income Housing Fund is understated. Additionally, we need to adjust the expenditure budget in the Redevelopment Administration Fund to account for the purchase option payment made on the Mills Station Crossing project.

#### Agency Funds

An adjustment to two of the Agency Funds expenditure budgets is necessary. In CFD 2003-1 Sunridge Anatolia, the developer received a duly approved payout of excess property tax assessments that wasn't included in the original budget. In CFD 2005-1 Sunridge North Douglas, administrative expense paid to the City to administer the districts was not fully budgeted.

### **ATTACHMENTS**

1. Resolution No. 54-2010 including **(Exhibit A)** Schedule of Proposed Budget Adjustments By Fund
2. Resolution No. CRA 6-2010 including **(Exhibit A)** Schedule of Proposed Budget Adjustments By Fund

CITY OF RANCHO CORDOVA

RESOLUTION NO. 54-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
AMENDING THE OPERATING BUDGET FOR THE FISCAL YEAR JULY 1, 2009 THROUGH  
JUNE 30, 2010, AND PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURES OF  
ALL SUMS SET FORTH THEREIN**

**RECITALS**

**WHEREAS**, the City Manager has submitted to the City Council of Rancho Cordova a Fiscal Year 2009/2010 Proposed Budget; and

**WHEREAS**, after examination, deliberation and due consideration, the City Council has approved the same with the passage of Resolution No. 44-2009; and

**WHEREAS**, the fiscal year 2010-11 Proposed Budget was submitted to the City Council at a workshop on May 17, 2010; and

**WHEREAS**, the Proposed Budget included "Estimated Actuals" for fiscal year 2009/10 in the various funds; and

**WHEREAS**, those estimated actuals were a true indication of expected expenditures for fiscal year 2009/10 and certain of those estimated actual expenditures were in excess of the Adopted Budget (**Exhibit A**):

**DECISION**

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Rancho Cordova as follows:

1. The Fiscal Year 2009/10 Adopted Budget is hereby amended to incorporate the adjustments on the attached Schedule of Proposed Budget Amendments; and
2. That the amounts stated in the Schedule of Proposed Budget Amendments shall become and thereafter be appropriated to funds stated therein and said monies are hereby appropriated; and
3. The City Manager is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.



**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

**EXHIBIT A**

**City of Rancho Cordova  
Proposed Expenditure Budget Adjustments  
Fiscal Year 2009-2010**

| <b>Fund Number</b>                | <b>Fund Name</b>                  | <b>Original Adopted Expenditure Budget</b> | <b>Proposed Adjustment</b> | <b>Proposed Final Expenditure Budget</b> |
|-----------------------------------|-----------------------------------|--------------------------------------------|----------------------------|------------------------------------------|
| <b>Special Revenue Funds:</b>     |                                   |                                            |                            |                                          |
| 2060                              | Rental Code Compliance Program    | \$ 60,000                                  | 20,000                     | \$ 80,000                                |
| 2203                              | CFF Corp Yard Impact Fees         | \$ -                                       | 575,000                    | \$ 575,000                               |
| 2207                              | CFF Police Impact Fees            | \$ 389,100                                 | 100,000                    | \$ 489,100                               |
| 2217                              | General Plan Impact Fee           | \$ 93,100                                  | 96,900                     | \$ 190,000                               |
| 2225                              | Park Renovation Impact Fees       | \$ -                                       | 225,000                    | \$ 225,000                               |
| 2242                              | SD Interim Sewer Impact Fee       | \$ 280,000                                 | 35,000                     | \$ 315,000                               |
| 2245                              | SD Suppl Offsite Water Impact Fee | \$ 375,000                                 | 140,000                    | \$ 515,000                               |
| 2420                              | Measure A                         | \$ 150,000                                 | 500,000                    | \$ 650,000                               |
| 2421                              | Measure A Construction            | \$ -                                       | 1,500,000                  | \$ 1,500,000                             |
| <b>Internal Service Funds:</b>    |                                   |                                            |                            |                                          |
| 7100                              | ISF Employee Benefits             | \$ -                                       | 270,000                    | \$ 270,000                               |
| 7400                              | ISF Insurance                     | \$ -                                       | 20,000                     | \$ 20,000                                |
| 7500                              | ISF Capital Facilities            | \$ -                                       | 350,000                    | \$ 350,000                               |
| <b>Redevelopment Agency Funds</b> |                                   |                                            |                            |                                          |
| 9100                              | Redevelopment Administration      | \$ 1,008,900                               | 150,000                    | \$ 1,158,900                             |
| 9160                              | Redevelopment Debt Service        | \$ 1,586,600                               | 413,400                    | \$ 2,000,000                             |
| <b>Agency Funds:</b>              |                                   |                                            |                            |                                          |
| 8115                              | CFD 2003-1 Sunridge Anatolia      | \$ 3,795,800                               | 3,704,200                  | \$ 7,500,000                             |
| 8125                              | CFD 2005-1 Sunridge N. Douglas    | \$ -                                       | 1,000                      | \$ 1,000                                 |



CITY OF RANCHO CORDOVA

AGENCY RESOLUTION NO. CRA 6-2010

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA AMENDING THE OPERATING BUDGET FOR THE AGENCY FOR THE FISCAL YEAR JULY 1, 2009 THROUGH JUNE 30, 2010, AND PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURES OF ALL SUMS SET FORTH THEREIN**

**RECITALS**

**WHEREAS**, the Executive Director has submitted to the Agency Board a Fiscal Year 2009/2010 Proposed Budget; and

**WHEREAS**, after examination, deliberation and due consideration, the Agency Board has approved the same with the passage of Resolution CRA 6-2009; and

**WHEREAS**, the fiscal year 2010-11 Proposed Budget was submitted to the Agency Board at a workshop on May 17, 2010; and

**WHEREAS**, the Proposed Budget included "Estimated Actuals" for fiscal year 2009/10 in the various funds; and

**WHEREAS**, those estimated actuals were a true indication of expected expenditures for fiscal year 2009/10 and certain of those estimated actual expenditures were in excess of the Adopted Budget (**Exhibit A**):

**DECISION**

**NOW, THEREFORE BE IT RESOLVED** by the Agency Board of the City of Rancho Cordova Community Redevelopment Agency as follows:

1. The Fiscal Year 2009/10 Adopted Budget is hereby amended to incorporate the adjustments on the attached Schedule of Proposed Budget Amendments; and
2. That the amounts stated in the Schedule of Proposed Budget Amendments shall become and thereafter be appropriated to funds stated therein and said monies are hereby appropriated; and
3. The Executive Director is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.

**PASSED AND ADOPTED** by the board at a meeting of the Community Redevelopment Agency of the City of Rancho Cordova held on the \_\_\_\_ day of \_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Agency Chair

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, Agency Secretary



## EXHIBIT A

City of Rancho Cordova  
Proposed Expenditure Budget Adjustments  
Fiscal Year 2009-2010

| Fund Number                       | Fund Name                         | Original Adopted Expenditure Budget | Proposed Adjustment | Proposed Final Expenditure Budget |
|-----------------------------------|-----------------------------------|-------------------------------------|---------------------|-----------------------------------|
| <b>Special Revenue Funds:</b>     |                                   |                                     |                     |                                   |
| 2060                              | Rental Code Compliance Program    | \$ 60,000                           | 20,000              | \$ 80,000                         |
| 2203                              | CFF Corp Yard Impact Fees         | \$ -                                | 575,000             | \$ 575,000                        |
| 2207                              | CFF Police Impact Fees            | \$ 389,100                          | 100,000             | \$ 489,100                        |
| 2217                              | General Plan Impact Fee           | \$ 93,100                           | 96,900              | \$ 190,000                        |
| 2225                              | Park Renovation Impact Fees       | \$ -                                | 225,000             | \$ 225,000                        |
| 2242                              | SD Interim Sewer Impact Fee       | \$ 280,000                          | 35,000              | \$ 315,000                        |
| 2245                              | SD Suppl Offsite Water Impact Fee | \$ 375,000                          | 140,000             | \$ 515,000                        |
| 2420                              | Measure A                         | \$ 150,000                          | 500,000             | \$ 650,000                        |
| 2421                              | Measure A Construction            | \$ -                                | 1,500,000           | \$ 1,500,000                      |
| <b>Internal Service Funds:</b>    |                                   |                                     |                     |                                   |
| 7100                              | ISF Employee Benefits             | \$ -                                | 270,000             | \$ 270,000                        |
| 7400                              | ISF Insurance                     | \$ -                                | 20,000              | \$ 20,000                         |
| 7500                              | ISF Capital Facilities            | \$ -                                | 350,000             | \$ 350,000                        |
| <b>Redevelopment Agency Funds</b> |                                   |                                     |                     |                                   |
| 9100                              | Redevelopment Administration      | \$ 1,008,900                        | 150,000             | \$ 1,158,900                      |
| 9160                              | Redevelopment Debt Service        | \$ 1,586,600                        | 413,400             | \$ 2,000,000                      |
| <b>Agency Funds:</b>              |                                   |                                     |                     |                                   |
| 8115                              | CFD 2003-1 Sunridge Anatolia      | \$ 3,795,800                        | 3,704,200           | \$ 7,500,000                      |
| 8125                              | CFD 2005-1 Sunridge N. Douglas    | \$ -                                | 1,000               | \$ 1,000                          |

## MEMORANDUM



**DATE:** June 7, 2010  
**TO:** Honorable Mayor and Council Members  
**FROM:** Curt Haven, Economic Development Director and Donna Silva, Finance Director  
**SUBJECT: BUSINESS LICENSE FEE UPDATES**

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### **RECOMMENDATION**

Adopt Resolution 48-2010 updating Business License processing fees.

### **RESULT OF RECOMMENDED ACTION**

Effective upon adoption of Resolution No. 48-2010 a new fee schedule for Business Licenses will be implemented. The new fees are based on our cost of processing and administering business licenses for those entities required to obtain a license under the City of Rancho Cordova Municipal Code.

### **BACKGROUND**

#### **Purpose**

Various state laws and city ordinances administered and enforced by city officials regulate the location, construction, improvements in, off-street parking for and other aspects of business-associated enterprises with fixed locations within the City. The purpose of such regulation is to protect members of the public against building, safety and other hazards, adverse environmental impacts, risks to health, nuisances, such as disturbing the peace and quiet of neighborhoods, or occupants of adjacent property, as a result of the generation of dust, noise, traffic, odor, glare, vibration or other disturbances, risk of fire and other dangers, and other threats to the public peace, health, safety and welfare.

The business license is an effective and efficient process for the evaluation, analysis and application of the ordinances and state laws enacted to regulate businesses for the purposes described above. Additionally, the business license is a vital tool to promote Economic Development within the City of Rancho Cordova. It is the first and only interaction a new business may have with the City and should be used to begin building a positive relationship with our businesses.

The information collected as part of the business license supports many economic development efforts by providing information on our local business community. The data gathered on the business license has helped the City secure Local, State and Federal grants. With this information we have also been able to boost the effectiveness of the regional Metropulse program that is focused on the retention and expansion of our businesses.



The Business License process is important in supporting the Strong Neighborhoods Initiative as it provides an opportunity to make sure there are not incompatible businesses being conducted within a neighborhood. The majority of business license applications reviewed by the City can generally be characterized as Home Based Businesses, Commercial/Industrial Businesses and Residential Rentals. Within the review of Home Based Businesses and Rentals, the City focuses primarily on public safety and nuisance issues, reviewing how the business's typical day-to-day activities will impact local traffic, noise levels and overall levels of activity within the surrounding neighborhood.

Within the review of Commercial and Industrial business licenses, the City focuses on verifying that the proposed use is consistent with adopted zoning and therefore compatible with surrounding uses. This review provides Code Enforcement the opportunity to visit the business and take a general look at the facility for any health and safety issues. Previous visits have identified some very serious safety hazards related to illegal and unpermitted tenant improvements. The site visit provides a great opportunity to educate business owners on information they may need going forward and to continue building a positive relationship with the business.

The current business license fees were adopted from the county upon incorporation with no basis in our cost or service level structure. We now have very good information on what it costs us to provide the level of review required by our ordinance. The chart below illustrates the current versus full cost fee levels for the various business licenses. The chart was prepared for illustrative purposes. For the actual proposed fee schedule, please see **Exhibit A** to Resolution No. 48-2010. The amounts may vary from the schedule below. Certain fees, such as the Special Business License include the cost of fingerprinting. The Department of Justice currently charges us \$32 for each person needing fingerprinting. This cost is included in the table below. However, for the purpose of setting fees, we are separately stating the finger printing costs so that if the amount charged us by the Department of Justice changes, that change can be reflected in our fee, without needing an additional resolution or other council action.

| Fee Description            | Annual Volume | Current Fee | Full Cost Fee | Difference | Additional Annual Revenues |
|----------------------------|---------------|-------------|---------------|------------|----------------------------|
| General Business License   | 2,200         | \$45        | \$99          | \$54       | \$118,800                  |
| Residential Rental License | 700           | \$45        | \$81          | \$36       | \$25,200                   |
| Special License – new      | varies        | \$172       | \$215         | \$43       |                            |
| Special License - Renewal  | 150           | \$140       | \$151         | \$111      | \$5,550                    |
| Employee Permit            | 145           | \$85        | \$149         | \$64       | \$9,280                    |

The fee study indicates that it takes, on average, 45 minutes to process a license application. This includes answering questions, offering guidance on other agencies the individual needs to contact to set up a business, entering the application into the system, processing payment, zoning review, follow up and license issuance. This is an average time estimate. In some cases it takes less time, in other cases more.

Processing time for renewals was analyzed, but not separately stated in the study. While processing a single renewal takes significantly less time than processing a new application, we added the general time that we take to track down returned renewal letters and to attempt to contact business owners with expired licenses. When that time is included in the renewal processing time, it appeared to result in 45 minutes, the same amount of time as it takes to process a new application. For that reason staff does not recommend a reduction in the fee for license renewal.

### **Applicability**

There are 2,900 business establishments in the City of Rancho Cordova, according to a 2008 Economic Profile prepared by the Sacramento Regional Research Institute. In terms of City business licenses, in fiscal year 2008/09, the year of the study, there were a total of 2,397 active general business licenses, 1,292 of which were Residential Rentals. The remaining 1,105 were comprised of approximately commercial and home-based business licenses. Based on this data, there are approximately 1,800 businesses in Rancho Cordova that are likely operating without a license.

Due to limited resources, and a fee that we knew was not based on our costs and was set too low, staff has not expended significant efforts to capture the unlicensed businesses in our community. Since the fee for each license does not recover the cost of processing the license, it was prudent, from a fiscal perspective, to delay enforcement efforts until the fee could be adjusted to reflect our costs and service levels.

When the City adopted the County Business License ordinance, it exempted almost all businesses except home based businesses. The City modified the ordinance to remove these exemptions. As currently written, the City's Municipal Code requires all entities with a fixed location in the city to obtain a business license, regardless of whether they are operated for commercial, nonprofit, charitable or other purposes. Because of the nature of their business activities, some businesses are required to obtain a special business license, or employee permit, regardless of whether or not they have a permanent fixed location in the city. The following activities or enterprises are expressly exempt from the licensing requirement:

- Churches
- Libraries
- Agriculture
- Financial Institutions

For specific details on license applicability, please refer to the Rancho Cordova Municipal Code online at [www.codepublishing.com/CA/RanchoCordova/](http://www.codepublishing.com/CA/RanchoCordova/) Title 4.



## Efficiency

In fiscal year 2008/09 we implemented the Business License module of the Hansen system. This moved us from a manual process, managed by a spreadsheet in Excel, and renewal letter in Word, to an automated software package, greatly increasing our efficiency.

Staff is currently in the process of implementing an online business application process which may increase our efficiencies. This will be studied in the next User Fee Study and if it resulted in increased efficiencies, we would suggest lowering the Business License fee.

## Comparison

Cities either impose a business tax, or assess a license processing fee, or both. Business taxes can be calculated in many different ways. Some cities calculate the tax based on gross receipts, others on number of employees, or facility square footage. The following scenarios compare Rancho Cordova's fee to the fee or tax that would be due in other cities in the region.

**Annual Business License Fee  
for a business with 15 Employees**

| <b>Jurisdiction</b>                  | <b>Annual Cost</b> |
|--------------------------------------|--------------------|
| Rocklin                              | \$325              |
| City of Sacramento                   | \$300              |
| Folsom                               | \$272              |
| Roseville                            | \$100              |
| <b>Rancho Cordova – Proposed Fee</b> | <b>\$99</b>        |
| Citrus Heights                       | \$75               |
| Elk Grove                            | \$55               |
| <b>Rancho Cordova – Current Fee</b>  | <b>\$45</b>        |
| West Sacramento                      | \$40               |

**Annual Business License Fee for a business  
with \$500,000 Annual Gross Receipts**

| <b>Jurisdiction</b>                  | <b>Annual Cost</b> |
|--------------------------------------|--------------------|
| Rocklin                              | \$350              |
| City of Sacramento                   | \$226              |
| Roseville                            | \$200              |
| Folsom                               | \$147              |
| <b>Rancho Cordova – Proposed Fee</b> | <b>\$99</b>        |
| Citrus Heights                       | \$75               |
| Elk Grove                            | \$55               |
| <b>Rancho Cordova – Current Fee</b>  | <b>\$45</b>        |
| West Sacramento                      | \$40               |

This comparison indicates that our current fee is almost the lowest in the region, and our proposed fee would put the City at the average cost of a business license in the region.

## Periodic Review of Fees

Now that the City has completed the initial determination of the costs to provide business licensing, it is imperative that keep this information current. Various points of state law require

that the City recover amounts up to the full cost of providing services. Therefore, it is critical to maintain good cost information. Therefore, going forward, the City will conduct a User Fee Study no less than every three years.

### **Outreach**

Staff has conducted outreach to the business community, via the Chamber of Commerce and several local businesses. As of the date of this report, staff hasn't received significant negative feedback on this issue.

### **Summary**

Business licenses have a great impact on our City and they give us the ability to protect health and safety, protect the neighborhoods, maintain the zoning codes, and to understand our business community. It is staff's recommendation that business license fees be adjusted to full cost recovery levels with an annual renewal requirement

### **ATTACHMENT**

Resolution No. 48-2010 including **(Exhibit A)** Fee Schedule.



**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 48-2010**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
RANCHO CORDOVA TO ADOPT A SCHEDULE OF FEES FOR BUSINESS LICENSES**

**WHEREAS**, the City of Rancho Cordova ("City") previously established fees for the processing and administration of business licenses in Section 4.02.060 of the City of Rancho Cordova Municipal Code, based on the fees in effect at the County, upon incorporation of the City; and

**WHEREAS**, the City recently conducted an extensive and exhaustive analysis of the City's costs of processing and administering business licenses and determined that the existing fees and deposits do not recover the City's actual cost to provide such services; and

**WHEREAS**, the City Council desires to recover up to the full cost of processing business licenses from those persons required to obtain such licenses, so that general fund revenues are not diverted from other municipal services in order to subsidize these services; and

**WHEREAS**, Section 4.02.060 of the Rancho Cordova Municipal Code provides that the City Council of the City of Rancho Cordova may prescribe fees for the issuance and renewal of general business licenses, special business licenses and employee permits by resolution; and

**WHEREAS**, in adopting the business license fees set forth in this Resolution, the City Council of the City of Rancho Cordova is exercising its powers under Article XI, Section 7 of the California Constitution, Section 37101 of the California Government Code, and other applicable law; and

**WHEREAS**, notice of the public hearing at which this Resolution was adopted was given by publication ten (10) days in advance in accordance with Section 6062a of the Government Code; and;

**WHEREAS**, the City Council conducted a public hearing prior to adopting this Resolution establishing or revising the fees for the processing and administration business licenses and considered written and oral communications received during said public hearing; and

**WHEREAS**, the schedule of fees and the total amounts thereof, described in **Exhibit A** attached, are hereby determined to be reasonable in that the amounts thereof do not exceed the estimated reasonable costs of processing and administering business licenses; and

**WHEREAS**, the City Council of the City of Rancho Cordova desires to establish or revise the schedule of fees the City of Rancho Cordova charges for processing and administering business licenses and otherwise providing business license services.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the City Council of the City of Rancho Cordova as follows:

**Section 1. Findings.** The following findings are true and correct and adopted as the findings of the City Council:

A. The purpose of the fees and deposits set forth in **Exhibit A** of this Resolution are to recover up to the full, lawfully recoverable costs incurred by the City in providing business licensing processing and administration, and such fees are not levied for general revenue purposes.

B. After consideration of the data and information regarding the costs of processing and administering business licenses subject to this Resolution, all testimony received orally or in writing at or before the noticed public hearing, the agenda report and the background documents to the agenda report, the City Council of the City of Rancho Cordova approves and adopts such data and information, and finds that the costs listed for those fees and deposits which are to be increased and/or established as costs incurred by the City in processing and administering business licenses are reasonable estimates of the cost of providing such services, and that the revisions recommended to existing fees for such services are necessary to recover the reasonable, estimated cost of providing such services

C. Adoption of the fees set forth in **Exhibit A** of this Resolution are not subject to the California Environmental Quality Act ("CEQA") pursuant to 14 California Code of Regulations ("CEQA Guidelines") section 15378(b)(4) and/or CEQA Guidelines section 15061(b)(3).

**Section 2. Fee Schedule Adoption.** The schedule of fees and deposits set forth in **Exhibit A** of this Resolution, attached hereto and incorporated herein by reference, are hereby directed to be charged and applied by the various City departments, and to be collected by the City for the herein listed business licenses related services when provided by the City or its designated contractors.

**Section 5. Effective Date.** All new and/or increased business license fees shall be effective upon adoption of this Resolution.

**Section 6. Repealer.** These fees and deposits shall supersede the corresponding fees previously established by the City. All previously adopted and conflicting fees and all Resolutions and other actions of the City Council are hereby repealed to the extent they conflict with the contents of this Resolution.

**Section 7. Severability.** The individual fees and charges set forth in **Exhibit A** of this Resolution and all portions of this Resolution are severable. Should any of the fees or charges or any portion of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining fees, charges and/or Resolution portions shall be and continue in full force and effect, except as to those fees, charges, and/or Resolution portions that have been adjudged invalid. The City Council of the City of Rancho Cordova hereby declares that it would have adopted each of the fees and charges set forth in **Exhibit A** of this Resolution, and this Resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more of the fees, charges, or sections, subsections, clauses, sentences, phrases or other portions of this Resolution may be held invalid or unconstitutional.

The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.



**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

**EXHIBIT A**

**City of Rancho Cordova  
Planning, Building, and Public Works Fee and Deposit Schedule  
Exhibit A to Resolution 48-2010**

| Description                                                                          | Fee                                                        |
|--------------------------------------------------------------------------------------|------------------------------------------------------------|
| General Business License (New or Renewal)                                            | \$99.00                                                    |
| Residential Rental License                                                           | \$81.00                                                    |
| Special Business License                                                             | \$183 + fingerprinting charge set by Department of Justice |
| Special Business License Renewal                                                     | \$183.00                                                   |
| Employee Permit                                                                      | \$181 + fingerprinting charge set by Department of Justice |
| Employee Permit Renewal                                                              | \$181.00                                                   |
| Bingo License                                                                        | Special Business License fee + \$50                        |
| Ongoing law enforcement and public safety costs incurred related to bingo activities | current hourly rates                                       |
| Bingo Profit Penalty                                                                 | Not to exceed \$10,000                                     |
| License Renewal Late Fee                                                             | \$20.00                                                    |
| Business License Listing                                                             | 10                                                         |
| NSF-Returned Check Fee (initial)                                                     | \$25.00                                                    |
| Subsequent NSF - Returned Check Fee                                                  | \$35.00                                                    |



## MEMORANDUM

**DATE:** June 7, 2010  
**TO:** Mayor and Council Members  
**FROM:** Cyrus Abhar, Public Works Director



**SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE TWO ON-CALL CONTRACTS AND ONE AMENDMENT FOR CONSTRUCTION MANAGEMENT AND PLAN REVIEW SERVICES**

---

### **RECOMMENDATION**

Adopt Resolution No. 36-2010.

### **RESULT OF RECOMMENDED ACTION**

Adoption of Resolution No. 36-2010 would authorize the City Manager to execute on-call contracts as follows:

- Contract No. 33-2010 with Willdan, Inc. in the amount of \$500,000 for on-call inspection and plan review services.
- Contract No. 48-2010 with Psomas, Inc. in the amount of \$400,000 for on-call construction management and inspection services.
- Third Amendment Contract No. 47-2010 with the County of Sacramento in the amount of \$300,000 for construction management, inspection and plan review services.

### **BACKGROUND**

In order to provide flexibility to adapt to a variable development and construction market, the Public Works Department employs the assistance of qualified consultants for construction management, inspection and plan review services. The on-call contracts allow the City to draw upon greater resources, thus increasing the ability to handle workload peaks and maintain efficient response times. The services provided by the County are limited to those required for the annexation transition and closing out other previous projects initiated by the County. All new inspection and plan review projects are provided by City staff and consultants.

### **FISCAL IMPACT**

Construction management, inspection and plan review services associated with private development projects are fully recoverable through direct billing to developers. Construction Management of Capital Improvement Projects is paid through various funding sources earmarked for the projects. These services do not impact the general fund.

### **ATTACHMENT**

Resolution No. 36-2010.

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 36-2010**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
AUTHORIZING THE CITY MANAGER TO EXECUTE THREE CONTRACTS  
WITH THE COUNTY OF SACRAMENTO, WILLDAN, INC., AND PSOMAS, INC.  
TO PROVIDE ON-CALL CONSTRUCTION MANAGEMENT, INSPECTION AND  
PLAN REVIEW SERVICES**

**WHEREAS**, the City is desirous of entering into contract as detailed below:

- Contract No. 33-2010 with Willdan, Inc. in the amount of \$500,000 for inspection and plan review services.
- Contract No. 48-2010 with Psomas, Inc. in the amount of \$400,000 for construction management and inspection services.
- Third Amendment Contract No. 47-2010 with the County of Sacramento in the amount of \$300,000 for construction management, inspection and plan review services.

**WHEREAS**, the terms of the contracts are for the period from July 1, 2010 to July 1, 2012.

**NOW THEREFORE BE IT RESOLVED** that the City Council of the City of Rancho Cordova authorizes the City Manager to execute contracts with the County of Sacramento, Psomas, Inc., and Willdan, Inc. in a form approved by the City Attorney.

This resolution shall become effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk



## MEMORANDUM



**DATE:** June 7, 2010

**TO:** Honorable Mayor and Council Members

**FROM:** Cyrus Abhar, Public Works Director

**SUBJECT:** RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH MCE CORPORATION NOT TO EXCEED THE AMOUNT OF \$85,000 ANNUALLY FOR A CONTRACT MAINTENANCE WORKER

---

### **RECOMMENDATION**

Adopt Resolution No. 41-2010.

### **RESULT OF RECOMMENDED ACTION**

Adoption of this resolution will allow the Public Works Department to continue to contract with MCE Corporation for a maintenance worker to perform routine maintenance within the City limits for the next five years in the amount of \$85,000 per year.

### **BACKGROUND**

Since incorporation, the Public Works Department has contracted with the County of Sacramento and several private entities for some of the transportation operation and maintenance services, including landscaping and road rehabilitation services. Most recently, the City contracted with MCE Corporation for a full-time maintenance worker (Victor Ramos) to respond to emergencies and minor maintenance activities such as graffiti removal, sign replacement and filling potholes. This approach has proved to be more cost effective and responsive to the needs of the community. The Public Works Department has noticed a significant improvement in response time and a reduction in phone calls due to the proactive work performed by Victor Ramos. Therefore, the Public Works Department recommends extending the contract with MCE Corporation for an additional three years.

### **FISCAL IMPACT**

The funding for these contract services is included in the budget for the Public Works Department.

### **ATTACHMENT**

Resolution No. 41-2010 including (**Exhibit 1A**) Contract No. 53-2010.

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 41-2010**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH  
MCE CORPORATION NOT TO EXCEED THE AMOUNT OF \$85,000 ANNUALLY FOR A  
CONTRACT MAINTENANCE WORKER**

**WHEREAS**, since incorporation, the Public Works Department has contracted with several private entities, including the County of Sacramento, for some of the transportation, operation and maintenance services, including landscaping and road rehabilitation services, and

**WHEREAS**, most recently, the City contracted with MCE Corporation for a full-time maintenance worker (Victor Ramos) to respond to emergencies and minor maintenance activities such as graffiti removal, sign replacement and filling potholes, and

**WHEREAS**, this approach has proved to be cost effective and more responsive to the needs of the community, and

**WHEREAS**, the Public Works Department has noticed a significant improvement in response time and a reduction in phone calls due to the proactive work performed by Victor Ramos.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** authorizes the City Manager to execute a contract amendment (Contract No. 53-2010) with MCE Corporation (**Exhibit 1A**), in a form approved by the City Attorney. This resolution shall become effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_ day of \_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk



**FIRST AMENDMENT TO THE CONSULTING SERVICES AGREEMENT  
BETWEEN THE CITY OF RANCHO CORDOVA AND MCE CORPORATION**

This First Amendment to the Agreement for Consultant Services ("Amendment") is made by and between the City of Rancho Cordova ("City") and MCE Corporation ("Consultant") as of June 7, 2010. City and Consultant are hereinafter collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, the Parties entered into a Consultant Services Agreement ("CSA") dated November 1, 2009 for the purpose of providing a contract maintenance worker; and

**WHEREAS**, this Amendment will extend the contract maintenance worker contract for up to five year to allow the City to continue to use our contract maintenance worker for routine maintenance activities; and

**WHEREAS**, the Parties agree that changes to the term and services provided for in the CSA are necessary in order for the City to continue receiving services by Consultant.

**NOW, THEREFORE**, the Parties hereto agree as follows:

**AGREEMENT**

1. The Parties agree to modify the end date of the CSA from July 1, 2010, to July 1, 2015. The first sentence of Section 1.1 of the CSA, "Term of Service," is amended to read as follows:

"The term of this Agreement shall begin on the date first noted above and, until terminated by one or both parties pursuant to Section 8 hereof, this agreement will automatically renew for additional one year periods through July 1, 2015, a total of five (5) years, and Consultant shall complete the work described in Exhibit A prior to that date; unless the term of the Agreement is otherwise terminated or extended, as provided in Section 8."

2. Section 2 of the CSA, "Compensation," provides for the City to pay Consultant a sum not to exceed \$80,000. The Parties agree to amend Section 2 of the CSA in order to increase the compensation amount to pay Consultant for additional services. The first sentence of Section 2 of the CSA is amended to read as follows:

"City hereby agrees to pay Consultant a sum not to exceed Eighty-Five Thousand Dollars (\$85,000) per fiscal year, notwithstanding any contrary indication that may be contained in Consultant's proposal, for services to be performed and reimbursable costs incurred under this Agreement."

3. All other terms and conditions in the CSA shall remain in full force and effect to the extent they are not in conflict with this Amendment.

4. The signatures of the Parties to this Amendment may be executed and acknowledged on separate pages or in counterparts which, when attached to this Amendment, shall constitute one complete Amendment.

**IN WITNESS WHEREOF**, the Parties have executed this Amendment on the day and year first above written.

**CITY OF RANCHO CORDOVA**

**CONSULTANT**

\_\_\_\_\_  
**Ted A. Gaebler**, City Manager

\_\_\_\_\_  
**Chuck Fletcher**, President

Date:\_\_\_\_\_

Date:\_\_\_\_\_

Attest:

\_\_\_\_\_  
**Mindy Cuppy**, City Clerk

Date:\_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
**Adam Lindgren**, City Attorney

Date:\_\_\_\_\_

1208092.1



# MEMORANDUM



**DATE:** June 7, 2010

**TO:** Honorable Mayor and Council Members

**FROM:** Cyrus Abhar, Public Works Director

**SUBJECT:** **AWARD OF CONSTRUCTION CONTRACT FOR SUNRISE BOULEVARD NORTH OF WHITE ROCK ROAD PROJECT TO GRANITE CONSTRUCTION COMPANY IN THE AMOUNT OF \$174,471**

---

## **RECOMMENDATION**

Adopt Resolution 42-2010.

## **RESULT OF RECOMMENDED ACTION**

This resolution will authorize the City Manager to execute the contract with Granite Construction Company in the amount of \$174,471 for the construction of the Sunrise Boulevard North of White Rock Road Project.

The work to be performed under this contract will include the construction of the third lane as well as curb, gutter and sidewalk on the East side of Sunrise Boulevard between White Rock Road and Sunrise Park Drive.

## **BACKGROUND**

Construction of these improvements was originally a condition of the Sunridge Specific Plan. The developer was to construct the improvements and then be reimbursed with Impact Fees. The City chose to take the lead for the delivery of this project to avoid a costly utility pole relocation per our cooperative agreement with SMUD.

Bids for the project were solicited on the City's Website and the Sacramento County Builders Exchange beginning May 7, 2010. The project was also advertised in the Grapevine Independent on May 7, 2010 and May 14, 2010. The bids were publicly opened on May 20, 2010 at City Hall.

Three contractors bid on the project. The lowest bid received was \$147,302; however, that contractor discovered an error in their calculations and withdrew their bid. The second lowest bidder was Granite Construction with a bid amount of \$174,471. The Bid Result List is provided in **Attachment 2**.

## **FISCAL IMPACT**

The funding for this project comes from Transportation Funds and is included in the City's current CIP budget.

## **ATTACHMENTS**

1. Resolution No.42-2010 including **(Exhibit 1A)** Contract 58-2010
2. Bid Result List

CITY OF RANCHO CORDOVA

RESOLUTION NO. 42-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR THE  
CONSTRUCTION OF SUNRISE BOULEVARD NORTH OF WHITE ROCK ROAD TO  
GRANITE CONSTRUCTION COMPANY**

**WHEREAS**, the project was advertised in the Grapevine Independent on May 7, and 14, 2010, plans and specifications were also provided to local Builders Exchanges beginning May 7, 2010; and

**WHEREAS**, the bids were publicly opened on May 20, 2010 at 2729 Prospect Park Drive, Rancho Cordova, CA 95670; and

**WHEREAS**, the City recommends awarding the Sunrise Boulevard North of White Rock Road project to the lowest responsive bidder, Granite Construction Company in the amount of \$174,471.

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA** that the City Council authorizes the City Manager to execute a contract (**Exhibit 1A**) with Granite Construction Company in a form approved by the City Attorney.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_ day of \_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk



CONSTRUCTION SERVICES AGREEMENT BETWEEN  
THE CITY OF RANCHO CORDOVA AND GRANITE CONSTRUCTION COMPANY

THIS AGREEMENT made and entered between the City of Rancho Cordova ("City") and Granite Construction Company ("Contractor") as of June 7, 2010.

WITNESSETH:

**WHEREAS**, the City Council for the City heretofore caused plans and specifications for the work hereinafter mentioned to be prepared, and therefore did approve and adopt said plans and specifications; and

**WHEREAS**, the City Council for the City did cause to be published for the time and in the manner required by law, a Notice inviting sealed bids for the performance of said work; and

**WHEREAS**, the Contractor, in response to such Notice, submitted to the City Council for the City within the time specified in said Notice, and in the manner provided for therein, a sealed bid for the performance of the work specified in said plans and specifications, which said bid and proposal, and other bids and proposals submitted in response to said Notice, the City Council of public opened and canvassed in the manner provided by law; and

**WHEREAS**, the Contractor was the lowest responsible bidder for the performance of said work, and said City Council for the City as a result of the canvass of said bids, did determine and declare Contractor to be the lowest responsible bidder for said work and award to a contract therefore.

**NOW THEREFORE**, in consideration of the promises herein, it is mutually agreed between the parties hereto as follows:

**Section 1. CONTRACT DOCUMENTS.** The following documents are by this reference incorporated in and made a part of this Agreement: The County of Sacramento, Standard Construction Specifications dated January 2008.; the Special Provisions; the contract drawings, all addenda; the Notice to Contractors; the Proposal; all required bonds; and all supplemental Agreements covering alterations, amendments, or extensions to the contract. The documents which describe the work to be performed are sometimes collectively referred to herein as the Plans and Specifications.

**Section 2. SCOPE OF WORK.** That the Contractor will furnish all labor, materials, services, transportation, appliances, and mechanical workmanship required for Contract No. 58-2010, as provided for and set forth in said plans and specifications, or in either of them, which said plans and specifications are hereby referred and by such reference incorporated herein and made a part of this Agreement. All of the said work done under this Agreement shall be under the supervision of and performed to the satisfaction of the Public Works Director of the City of Rancho Cordova who shall have the right to reject any and all materials and supplies furnished by the Contractor which do not comply with said plans and specifications, together with the right to require the Contractor to replace any and all work furnished by the Contractor which shall not either in workmanship or material be in strict accordance with said plans and specifications.

**Section 3. COMPLETION.** Said work shall be completed and ready for acceptance.



**Section 4. PAYMENT.** Attached hereto as **Exhibit A** and by reference made a part hereof, is the bid and proposal of Contractor. Said bid and proposal will contain, as required by the terms of said specifications, the full and complete schedule of the different items with the lump sums or unit prices as so specified. The City agrees in consideration of the work to be performed herein and subject to the terms and conditions thereof, to pay Contractor all sums of money which may become due to Contractor in accordance with the terms of the aforesaid bid and proposal, and this Agreement, to wit: one hundred seventy four thousand four hundred seventy one dollars and no cents (\$174,471.00). Said sum shall be paid in accordance with Section 8 of the Standard Specifications. With respect to that portion of the above sum as is based upon the estimated quantities specified for the general scope of the work to be performed herein, actual payment will be based upon the quantities as measured upon completion. No payment made under this Agreement shall be construed to be an acceptance of defective work or improper materials.

**Section 5. PREVAILING WAGES.** Pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II, of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the work contemplated under this Agreement shall be paid to all workers, laborers and mechanics employed in the execution of said work by Contractor, or by any subcontractor doing or contracting to do any part of said work. The appropriate determination of the Director of the California Department of Industrial Relations is filed with, and available for inspection at 2729 Prospect Park Drive, Rancho Cordova, CA 95670, the office of the Clerk of the City. Contractor shall post, at each job site, a copy of such prevailing rate of per diem wages as determined by the Director for the California Department of Industrial Relations.

**Section 6. INSURANCE.** The Contractor shall carry and maintain during the life of this Agreement, such public liability, property damage and contractual liability, auto, worker's compensation and builders' risk insurance as required by the specifications.

**Section 7. WORKERS' COMPENSATION CERTIFICATION.** By execution of this Agreement, the Contractor certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

**Section 8. PERFORMANCE AND PAYMENT BONDS.** The Contractor shall, before beginning said work, file two bonds with the City, each made payable to the City. These bonds shall be issued by a surety company authorized to do business in the State of California, and shall be maintained during the entire life of the Agreement at the expense of the Contractor. One bond shall be in the amount of one hundred percent (100%) of the Agreement and shall guarantee the faithful performance of the Agreement. The second bond shall be the payment bond required by California Civil Code Division 3, Part 4, Title 15, Chapter 7, and shall be in the amount of one hundred percent (100%) of the Agreement. Any alterations made in the specifications which are a part of this Agreement or in any provision of this Agreement shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of California Civil Code Sections 2819 and 2845.



**Section 9. INDEMNIFICATION.** The Contractor shall defend, indemnify the City and save harmless the (including their officers, agents, members, employees, affiliates, and representatives) as set forth in Section 6-2 of the Standard Specifications.

**Section 10. MISCELLANEOUS PROVISIONS.**

**10.1** This Agreement shall bind and inure to the heirs, devisees, assignees, and successors in interest of Contractor and to the successors in interest of in the same manner as if such parties had been expressly named herein. All times states herein or in the contract documents are of the essence hereof. As used in this instrument the singular includes the plural, and the masculine includes the feminine and the neuter. This Agreement may create a possessory interest subject to property taxation, and Contractor may be subject to the payment of property taxes levied on such interest.

**10.2 Contract Administration.** This Agreement shall be administered by Britton Snipes ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

**10.3 Notices.** Any written notice to Consultant shall be sent to:

Collin Crawford  
Granite Construction Company  
585 West Beach Street  
Watsonville, CA 95076

Any written notice to City shall be sent to:

Britton Snipes  
City of Rancho Cordova  
2729 Prospect Park Drive  
Rancho Cordova, CA 95670

**10.4 IRS Form W-9.** Contractor shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

**IN WITNESS WHEREOF**, the City Council and Contractor have caused this Agreement to be executed as of the day and year first above written.

**CITY OF RANCHO CORDOVA:**

**CONTRACTOR:**

\_\_\_\_\_  
Ted A. Gaebler, City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

[SIGNATURES CONTINUE ON NEXT PAGE]

Attest:

\_\_\_\_\_  
**Mindy Cuppy, City Clerk**

\_\_\_\_\_  
Date

Approved as to Form:

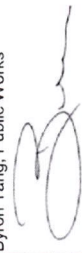
\_\_\_\_\_  
**Adam U. Lindgren, City Attorney**

\_\_\_\_\_  
Date



|  <b>Sunrise Boulevard Widening White Rock Road to Sunrise Park Drive</b><br><b>Rancho Cordova City Hall</b><br><b>2729 Prospect Park Drive, Rancho Cordova, CA 95670</b><br><b>May 20, 2010 at 2:00 PM</b> |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------|----------------------|--------------|------------------|----------------------|---------------|----------------------|--------------|-----------------|----------------------|
| Letter Designation                                                                                                                                                                                                                                                                            | Contractor                       | Proposal Signed | Contractor's License | List of Subs | Equal Employment | Public Contract Code | Non-Collusion | Debarment Suspension | Bidders Bond | Base Bid Amount | Alternate Bid Amount |
| A                                                                                                                                                                                                                                                                                             | Sierra Asphalt, Inc.             | x               | x                    | x            | x                | x                    | x             | x                    | x            | \$166,606.50    | \$173,740.00         |
| B                                                                                                                                                                                                                                                                                             | Martin General Engineering, Inc. | x               | x                    | x            | x                | x                    | x             | x                    | x            | \$137,367.65    | \$147,302.10         |
| C                                                                                                                                                                                                                                                                                             | Granite Construction Company     | x               | x                    | x            | x                | x                    | x             | x                    | x            | \$161,616.00    | \$174,471.00         |
| D                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| E                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| F                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| G                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| H                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| I                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| J                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| K                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| L                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| M                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| N                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |
| O                                                                                                                                                                                                                                                                                             |                                  |                 |                      |              |                  |                      |               |                      |              |                 |                      |

Attendees:  
 Bren Lehr, Deputy City Clerk  
 Brit Snipes, Public Works  
 Byron Tang, Public Works



Bren Lehr, Deputy City Clerk

## MEMORANDUM



**DATE:** June 7, 2010

**TO:** Honorable Mayor and Council Members

**FROM:** Reed Flory, Housing Services Administrator

**SUBJECT:** RESOLUTION AUTHORIZING THE SUBMITTAL OF AN APPLICATION FOR GRANT FUNDING TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) FOR CALHOME MONIES TO PROVIDE SINGLE-FAMILY REHABILITATION LOANS AT BELOW MARKET RATES TO HOME OWNERS WITH MODEST INCOMES

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### **RECOMMENDATION**

Adopt Resolution No. 45-2010.

### **RESULT OF RECOMMENDED ACTION**

Adoption of the resolution will authorize staff to submit an application to the California State Department of Housing and Community Development (HCD) for CalHome funding in an amount not to exceed \$600,000. If selected for this funding, the City Manager will authorize the execution of an agreement and any required amendments, and any other related documents necessary to participate in the CalHome program. With a successful application, the funds will be loaned over a two-year period to qualified resident homeowners for needed repairs to single-family dwellings.

### **BACKGROUND**

HCD released a Notice of Funding Availability (NOFA) on April 19, 2010 announcing the availability of approximately \$50 million from its CalHome Program. Over the last year, a working team of City staff assisted by a consultant have developed a comprehensive program to guide the award and administration of funds such as those in consideration for the rehabilitation of homes within the City. The requested State funds would complement an existing small amount of Community Development Block Grant funding currently being used for two "pilot" loans from the program. With this additional funding, it is anticipated that the City would make four to six loans per year for two years. Applications are due by June 25, 2010.

### **ATTACHMENTS**

Resolution No. 45-2010.



**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 45-2010**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
HEREBY AUTHORIZES THE CITY MANAGER TO SUBMIT AN APPLICATION TO THE  
CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
(HCD) FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A  
STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS  
THERE TO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE  
CALHOME PROGRAM**

**WHEREAS**, the City of Rancho Cordova, a political subdivision of the State of California, wishes to apply for and receive an allocation of funds through the CalHome Program; and

**WHEREAS**, the California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April 2004; and

**WHEREAS**, the City of Rancho Cordova wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$600,000.00.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that:**

1. The City of Rancho Cordova shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on April 19, 2010 which will request a funding allocation for the following activity:

To fund the City's Owner-occupied Rehabilitation Program which will provide loans to owner-occupants for the purpose of rehabilitation of the City's aging housing stock located within the Redevelopment Area of the City of Rancho Cordova.

2. If the application for funding is approved, the City of Rancho Cordova hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.
3. The City of Rancho Cordova authorizes the City Manager to execute in the name of the City of Rancho Cordova, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk



## MEMORANDUM



**DATE:** June 7, 2010  
**TO:** Honorable Mayor and Council Members  
**FROM:** Ted A. Gaebler, City Manager  
**SUBJECT:** RESOLUTION APPROVING CITY COUNCIL APPOINTMENT OF BETH WALTER TO THE CALIFORNIA CAPITAL AIRSHOW BOARD

---

### **RECOMMENDATION**

Adopt Resolution No. 50-2010.

### **RESULT OF RECOMMENDED ACTION**

Adoption of this resolution will would appoint Beth Walter to give Rancho Cordova representation on the California Capital Airshow Board specifically chosen by the City Council.

### **BACKGROUND**

The bylaws for the California Capital Airshow Board state that "the Rancho Cordova City Council shall appoint one director." This seat was previously filled by Linda Cutler from Gen Corp. who continues to serve on the Board but has now been appointed as the Sacramento Metropolitan Chamber of Commerce representative, creating a vacancy for the City Council's appointment.

Beth Walter is well known in our community and involved in many community and philanthropic activities, including the Rancho Cordova Chamber of Commerce and the Rancho Cordova Rotary Club. Until recently, she also served the California Capital Airshow Board as a representative of the Rancho Cordova Chamber of Commerce, which is in the process of appointing another local business person. I strongly recommend that appointing Beth Walter to this seat would give continuity to the City Council's interest in the best representation from this community.

### **ATTACHMENT**

Resolution No. 50-2010.

**CITY OF RANCHO CORDOVA**

**RESOLUTION NO. 50-2010**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
APPOINTING BETH WALTER TO REPRESENT THE CITY OF RANCHO CORDOVA ON THE  
CALIFORNIA CAPITAL AIRSHOW BOARD**

**WHEREAS**, the City Council is entitled to appoint a director to the California Capital Airshow Board by the Board's bylaws; and

**WHEREAS**, a City vacancy currently exists and the term of the appointment is at the pleasure of the City Council as the appointing authority; and

**WHEREAS**, Beth Walter has diligently worked in the City's best interest on activities of the California Capital Airshow and is a strong community leader.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** does hereby authorize Beth Walter to serve as the City's representative on the California Capital Airshow Board for an indefinite term.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_ day of \_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk



## MEMORANDUM



**DATE:** June 7, 2010  
**TO:** Mayor and City Council Members  
**FROM:** William Campbell, Principal Planner  
**SUBJECT:** RESOLUTION APPROVING WHITE ROCK PARK COMMUNITY BUILDING – PROJECT NO. DD6860 – DESIGN REVIEW

|                                                                                                                |                                                                                                               |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>PROPERTY OWNER:</b><br>Cordova Recreation and Park District<br>2197 Chase Drive<br>Rancho Cordova, CA 95670 | <b>APPLICANT:</b><br>Jerry Fox – Community Resources Services<br>2197 Chase Drive<br>Rancho Cordova, CA 95670 |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|

|                  |                                                    |
|------------------|----------------------------------------------------|
| <b>PROJECT:</b>  | White Rock Park Community Building – Design Review |
| <b>FILE:</b>     | DD6860                                             |
| <b>LOCATION:</b> | 10490 White Rock Road                              |
| <b>APN:</b>      | 077-0030-015                                       |
| <b>PLANNER:</b>  | William Campbell, Principal Planner                |

### **RECOMMENDATION**

Planning Commission recommends the City Council adopt Resolution No. 43-2010, approving the design of the new community building in White Rock Park, consistent with the submitted plans and subject to the Conditions of Approval.

### **RESULT OF RECOMMENDED ACTION**

Cordova Recreation and Park District (CRPD) proposes to build a new 2500+/- sf community building that will contain a recreation room that can be used for community meetings with bathrooms, a small administrative office, an employee break room, storage and janitorial closet. The new building is generally located in the western portion of the park and will front on White Rock Road.

### **PLANNING COMMISSION COMMENTS AND ACTION**

Motion by Vance second by Savorn and carried by a 7:0 vote; the Planning Commission forwards a recommendation of approval to the City Council according to the plans presented, with a recommendation that the Applicant provide City Council with alternatives designs to enhance the northwest wall. The Commission felt the wall needed some graphic or texture treatment to enhance an otherwise plain appearance. A number of design ideas were discussed from a mosaic, similar to the shower area, to a painted design that would complement the building and be easy to maintain, if subjected to graffiti. The Commission opted to forward the project to the City Council,



with the recommendation the applicant provide alternative designs for that building face for Council consideration and approval.

Within the agenda materials submitted by CRPD, there are three optional designs under consideration. Staff has reviewed the options, consulted with CRPD and would like to recommend option A. The trellis and landscape plantings will provide greater detail and definition to the northwest face of the building, and would not be as attractive for graffiti as options B and C would present.

## **BACKGROUND**

Cordova Recreation and Park District is proceeding with the major renovation of the 12 acre White Rock Park (see figure 1 below) and part of that renovation is the construction of a new community building. The new building is intended to accommodate a number of functions to serve the community. The master scheme for this portion of the park is to provide a community "Spray Park" aquatic feature. The "Spray Park" feature is similar, but much larger than the one installed in the Stonecreek Community Park in the Villages of Zinfandel. The aquatic feature will be available to the local area residences, free of charge and will not require Park's personnel to supervise the activity, unlike the supervised support a swimming pool feature would require.



**Figure 1 White Rock Park**



Prior to the Park District submittal of the project to the City, the park renovation plans have been shared with the community and input towards the features the community wished to see were sought by the District for a number of years. During that time, CRPD has been applying for state grants and other local assistance to perform the renovation of one of the original parks in Rancho Cordova. The community building will require design review approval by the City, prior to the issuance of building permits.

## **CONCLUSION**

The proposed renovation will have a significant positive aesthetic and functional effect on the community, the surrounding land uses, and the environment. This project will enhance the utilization of the park facility and promote recreational programs that the existing facility could not support. These renovations will improve the overall recreational facilities of this part of the community. Staff is recommending approval of the design review of this project, with option A design for the northwest face of the community building.

## **ENVIRONMENTAL ANALYSIS**

The project qualifies as a Categorical Exemption 15301, Existing Facilities (e) due to its size and it is a necessary improvement to the Park Districts ability to provide community facilities in an existing park.

## **FINANCIAL IMPLICATIONS TO CITY**

There are no significant cost implications to the City for this development.

## **RECOMMENDED MOTIONS**

Move the City Council adopts Resolution No. 43-2010 approving the new community building at White Rock Park, according to the plans presented and the attached conditions.”

## **ATTACHMENTS**

1. Resolution 43-2010, including Development Plans (**Exhibit A**) and subject to the Conditions of Approval (**Exhibit B**)
2. Alternative Design Options A, B and C
3. 500' Radius Mailing List

CITY OF RANCHO CORDOVA

CITY COUNCIL RESOLUTION NO. 43-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
APPROVING A DESIGN REVIEW FOR A NEW COMMUNITY BUILDING IN  
WHITE ROCK PARK, PROJECT # DD6860**

**WHEREAS**, Cordova Recreation and Park District (hereinafter referred to as Applicant) filed an application with the City of Rancho Cordova to approve a Design Review for a new 2,500+/- sf community building in White Rock Park; and

**WHEREAS**, the City Council is the appropriate authority to hear and take action on this project; and

**WHEREAS**, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code section 65090 and has duly considered all written and verbal testimony presented during the hearing.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
HEREBY RESOLVES AS FOLLOWS:**

1. The project qualifies as a Categorical Exemption 15301, Existing Facilities (e) due to its size and it is a necessary improvement to the Park Districts ability to provide community facilities in the local neighborhood.
2. Approve the Design Review, subject to the Project Plans (**Exhibit A**) and the Conditions of Approval (**Exhibit B**); supported by the following Findings and Evidence, as required by Zoning Code Section 1.14.050

Findings:

- a) *High quality building designs that consist of durable and maintainable materials and that provide visual interest and diversity to the community.*

Evidence: The applicant has proposed a major renovation to the White Rock Park that will be a tremendous improvement over the existing facilities. The addition of the new community building is designed to complement the residential character of the general area. The building mass is low profile and similar in height to many of the structures in the area. The mechanical equipment is screened from view by placing the equipment within a recessed well within the structure of the roof, (see attached elevations).

- b) *Building designs that maintain human scale and interest.*

Evidence: The proposed building maintains human scale to the street and the other buildings in the area.

- c) *Use of an architectural style and/or theme for new non-residential development that is consistent for building elevations of a single structure or consistent among all buildings within an integrated development.*



Evidence: The architecture is very functional for its intended use and will be very durable for the amount of public use the facility will receive. The building has incorporated the screening of mechanical equipment in the roof structure and it will not be seen from the public right-of-way. The design is simple and will not detract from the other buildings in the park area or the surrounding residential neighborhood.

- d) *Design of buildings or structures that is sensitive to the neighborhood character with regard to scale, architectural style, use of materials and bulk.*

Evidence: See "c" above.

- e) *Interesting and attractive architecture which includes varied relief of the facade elements and detailed articulation of the building features.*

Evidence: The proposed materials and architectural features will not detract from the visual interest of the area. The proposed architecture will project the appearance of a custom building rather than institutional. The proposed use of wood frame, masonry materials and metal roof will allow for routine maintenance of a public space that will be heavily used. The structure will visually improve the aesthetics of the area and will not detract from the other structures in the area.

- f) *Incorporate quality site design, including landscaping, signage and other elements of site design.*

Evidence: The design complements the neighborhood with a simple but functional building that is oriented to the street for easy access. The building features off-setting building walls and roof lines to break the "boxy" appearance. Additional details to exterior finish further enhance the buildings appearance.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

NOTES:

WHITE ROCK PARK & COMMUNITY CENTER  
PROJECT ADDRESS: APPROXIMATELY 13.85 ACRES  
PREPARATION DATE: APRIL 5TH, 2010

**OWNER / APPROVAL:** CORDOVA RECREATION & PARKS DISTRICT  
21700 GAGE DRIVE  
RANCHO CORDOVA, CA 95670

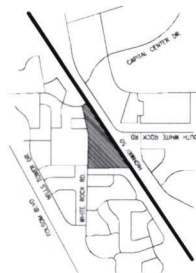
**CONTACT:** DOUG CRITCHFIELD - SENIOR LANDSCAPE ARCHITECT  
S: 916.282.8822  
F: 916.282.8822  
E-MAIL: N/A

**DESIGNER:** O'DELL ENGINEERING  
1155 BRIDGEMAN ROAD, SUITE A, MORGAN, CA 95960  
TEL: 916.282.8822  
FAX: 916.282.8822  
E-MAIL: INFO@ODELLENGINEERING.COM

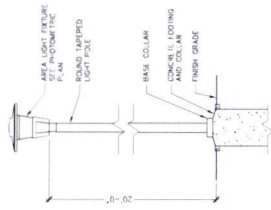
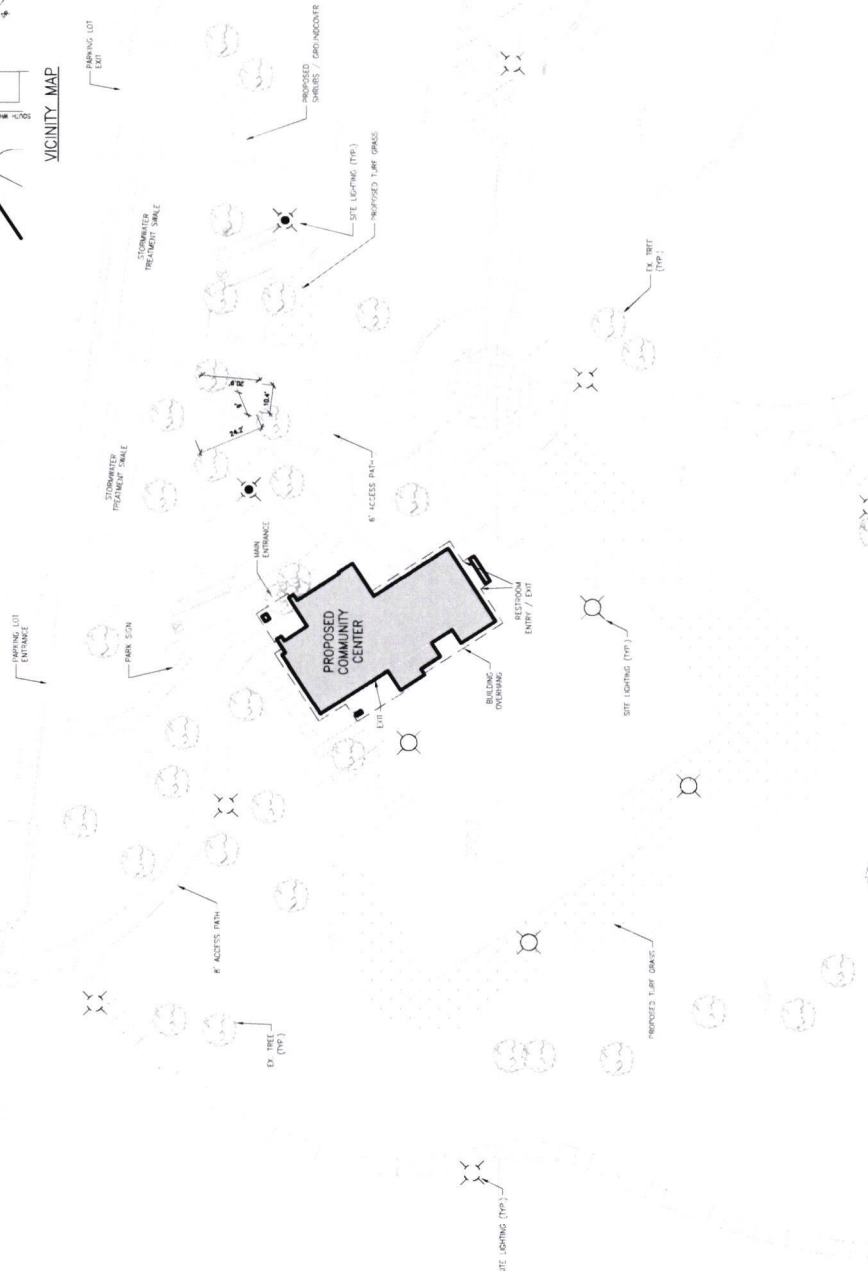
**CONTACT:** CHAD KINNEY - LANDSCAPE ARCHITECT  
209.571.1765  
FAX: 209.571.1765  
E-MAIL: CHAD@ODELLENGINEERING.COM

**PROJECT STATISTICS:** TOTAL BUILDING AREA: 2,790 S.F.  
TOTAL PARKING: 100 SPACES  
TOTAL ACCESSIBLE STALLS REQUIRED: 41  
PROPOSED STALLS: 3

**ADJACENT LAND USE:** EDUCATION  
WEST: REGIONAL HIGHWAY 50  
SOUTH: REGIONAL HIGHWAY 50



VICINITY MAP



SITE LIGHTING



EXAMPLE CONCRETE SIGN DETAIL



GRAPHIC SCALE  
(1 IN. = 20 FT.)  
1 inch = 20 ft.

NOTE: THIS DOCUMENT IS FOR CONCEPTUAL PLANNING PURPOSES ONLY. THIS DOCUMENT IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.

**PRELIMINARY**

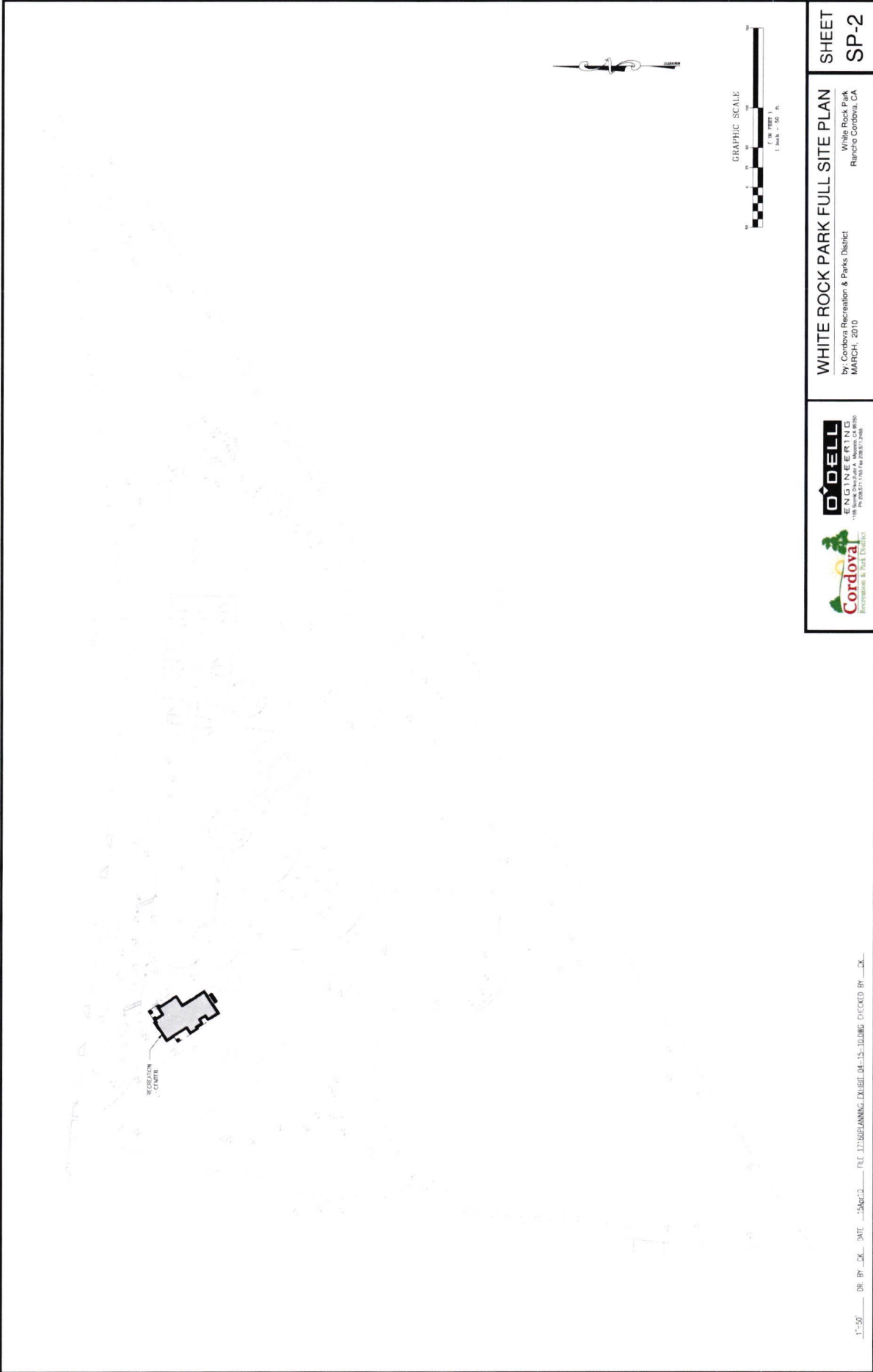
DATE: 15/04/10 FILE: J1186PANNING EXHIBIT D4-15-10.DWG CHECKED BY: DK



**WHITE ROCK PARK SITE PLAN**  
by: Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010

**SHEET SP-1**





SHEET  
SP-2

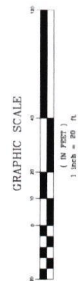
WHITE ROCK PARK FULL SITE PLAN  
by: Cordova Recreation & Parks District  
March, 2010  
White Rock Park  
Rancho Cordova, CA



1"=50' DR. BY: DATE: 11/10/10 FILE: 17166PLANNING EXHIBIT 04-15-10 DOWNS CHECKED BY: CK

**TREE REMOVAL**

| Time Slot | Frequency | 1.5 - 2.5 MHz Coverage | 1.5 - 2.5 MHz Coverage | 1.5 - 2.5 MHz Coverage          | Total Coverage |
|-----------|-----------|------------------------|------------------------|---------------------------------|----------------|
| 5:30      | 30°       | -                      | 2 times<br>330 S.E.    | 5 times<br>233 S.E.<br>246 S.E. | 862 S.E.       |
| 6:25      | N/A       | -                      | -                      | -                               | 4,153 S.E.     |
|           |           |                        |                        | Total Time Spent =              | 4,239 S.E.     |
|           |           |                        |                        | Total Area Reached =            | 4,466 S.E.     |
|           |           |                        |                        | Time Spent =                    | 10:55          |
|           |           |                        |                        | Forward Slope =                 | 50.25°         |

[illegible]

15-May-10 DATE 171620Z ANNAMC EMBRIT 04-15-10 DMC CHECKED BY CM

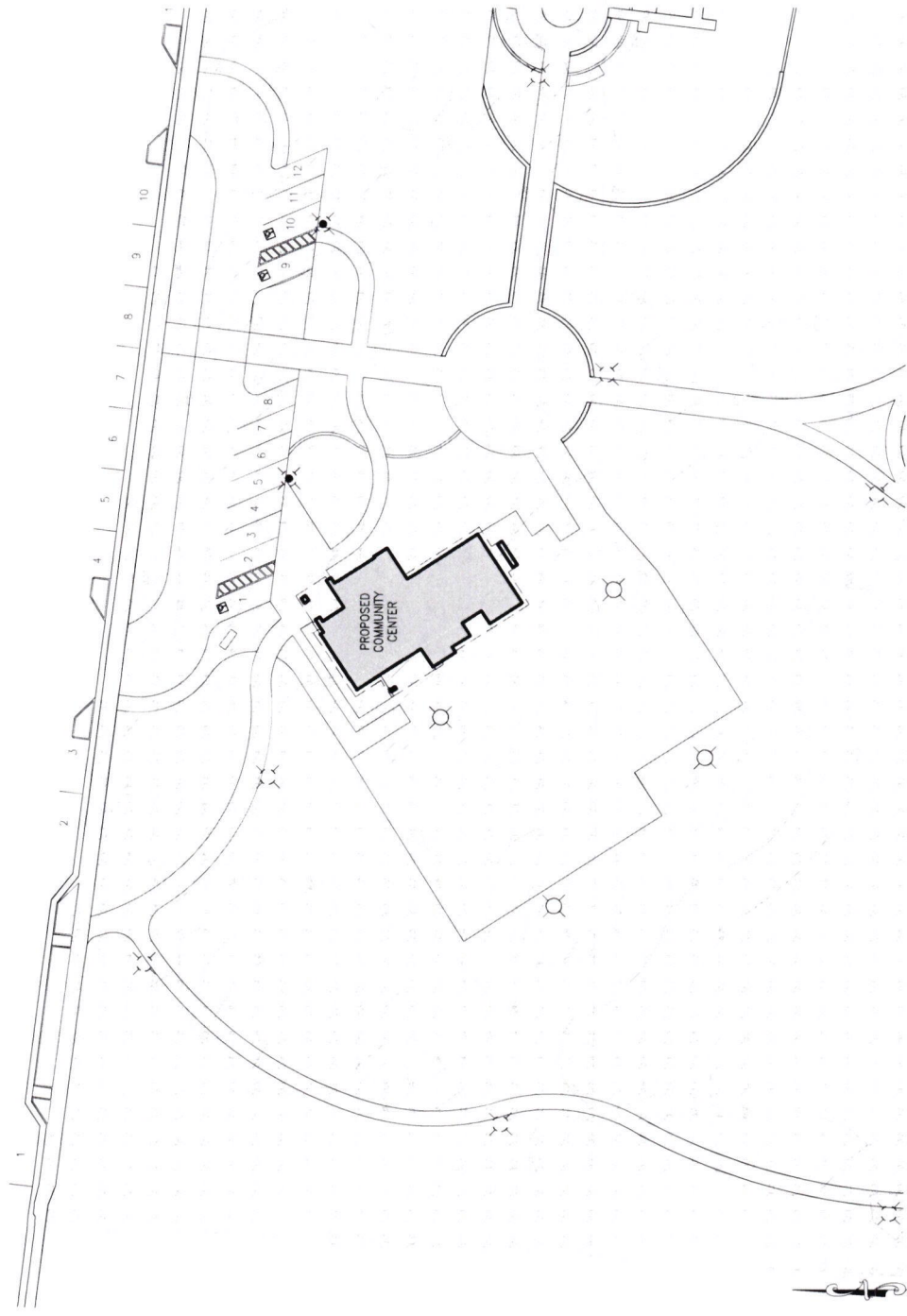
**Cordova**  
  
**O'DELL**  
**ENGINEERING**  
 11165 Sorok, Other Suite A, Menlo Park, CA 94030  
 (650) 326-5111 • (650) 326-5100 • Fax: (650) 326-5144

**WHITE ROCK PARK LANDSCAPE CONCEPT**

by: Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010

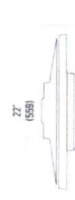
SHEET  
L-1





**LUMINAIRE SCHEDULE**

| SYMBOL | LABEL | DESCRIPTION | QUANTITY | HEIGHT (FT) | WATTAGE |
|--------|-------|-------------|----------|-------------|---------|
|        | 27    | 27' (558)   | 1        | 55.8        | 150     |
|        | 20    | 20' (508)   | 1        | 50.8        | 150     |
|        | 3'4"  | 3'4" (83)   | 1        | 8.3         | 150     |



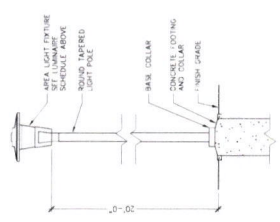
27' (558)



20' (508)

3'4" (83)

EXHAUST DETAIL



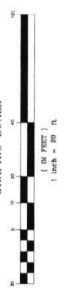
LIGHTING DETAIL

**PRELIMINARY**

NOTE: THIS DOCUMENT IS FOR CONCEPTUAL PLANNING PURPOSES ONLY. THIS DRAWING AND ANY PART OF IT ARE NOT TO BE USED FOR CONSTRUCTION PURPOSES.

DATE: 15-Mar-10 FILE: J:\JEEP\JANING EXHIBIT 24-15-10.DWG CHECKED BY: CK

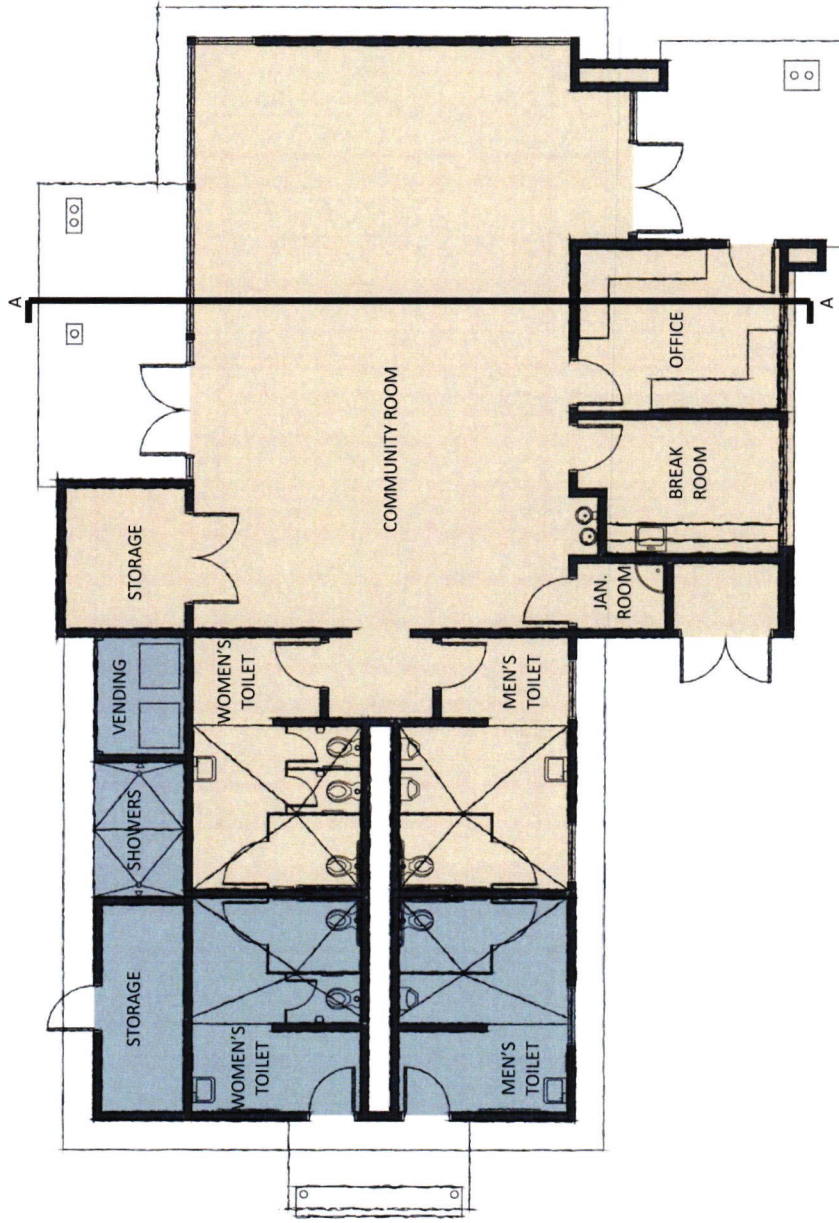
GRAPHIC SCALE



**WHITE ROCK PARK PHOTOMETRIC PLAN**

by Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010

**SHEET**  
**P-1**

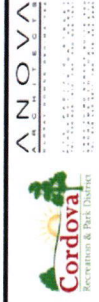


# FLOOR PLAN

SCALE: 1/8" = 1'-0"

BUILDING AREA = 2508 S.F.

BUILDING INCLUDING COVERED AREA = 3321 S.F.

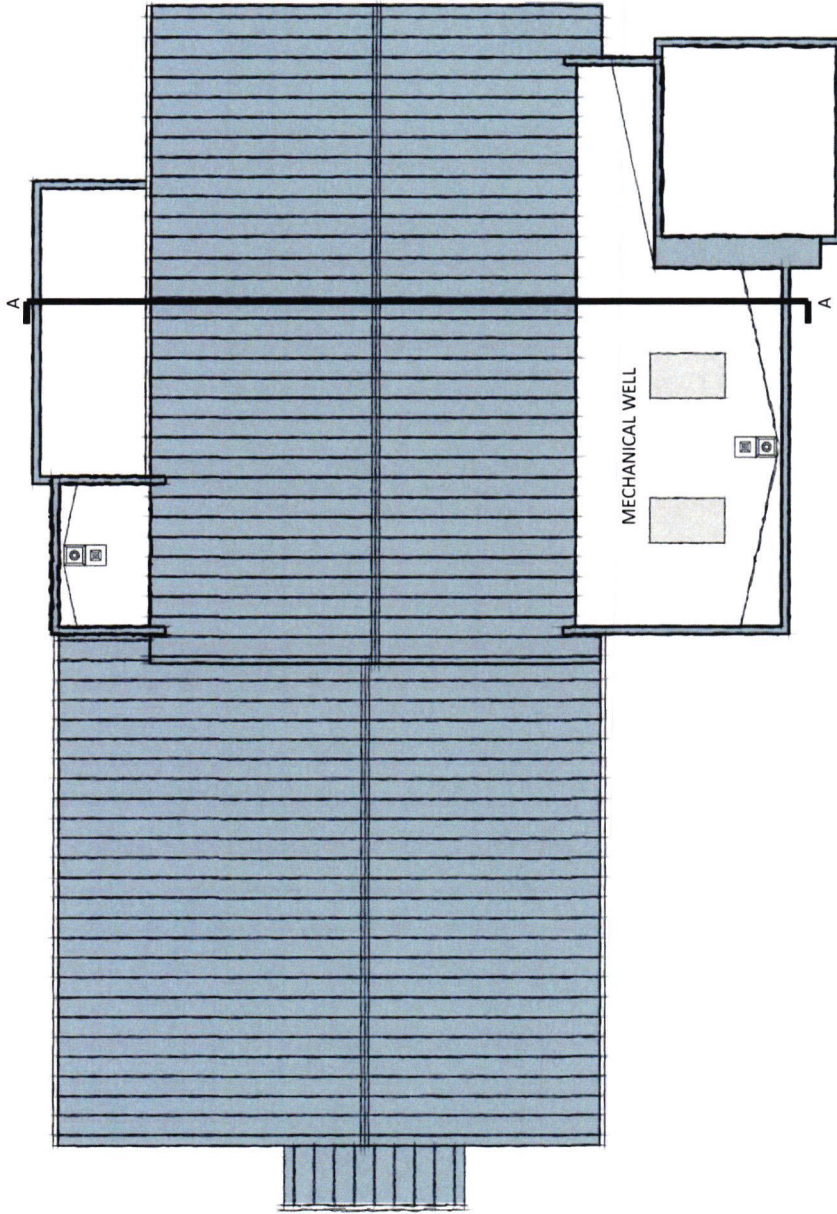


SHEET

WHITE ROCK PARK SITE PLAN

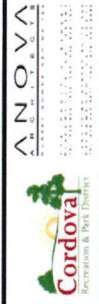
by Cordova Recreation & Park District  
White Rock Park  
March, 2010  
Rancho Cordova, CA





# ROOF PLAN

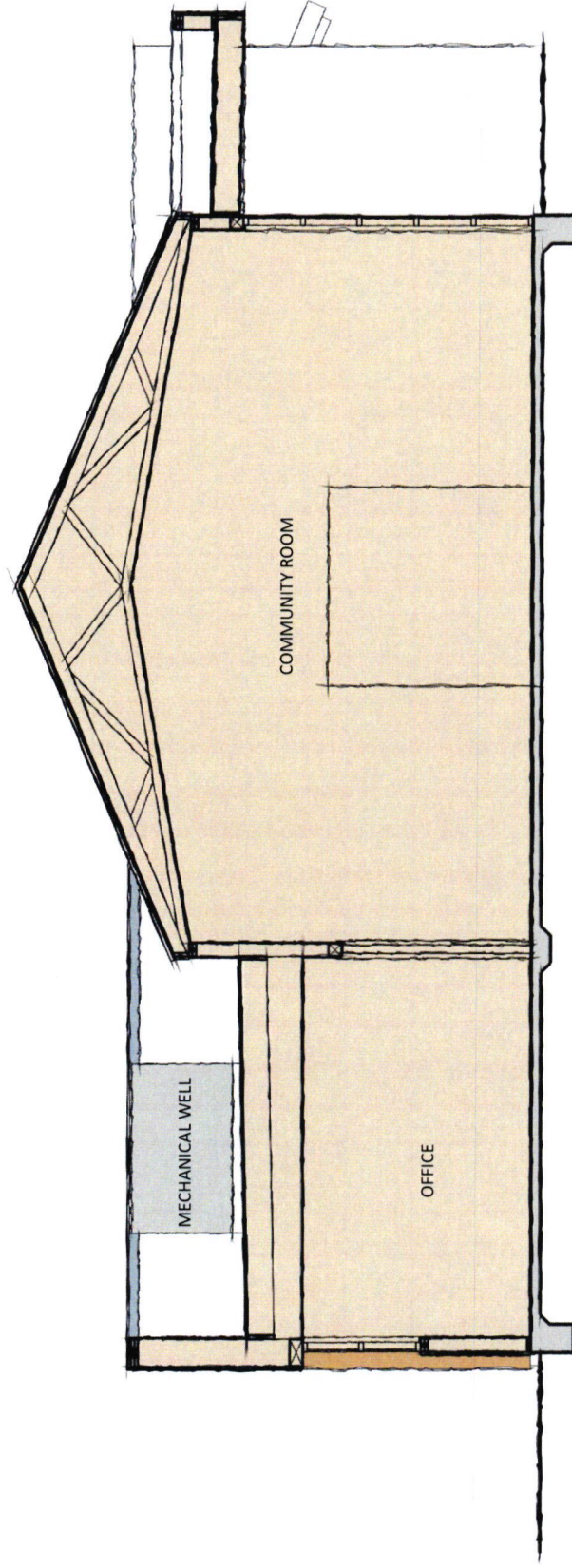
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SHEET

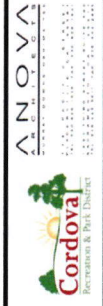
WHITE ROCK PARK SITE PLAN

by Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010



# BUILDING SECTION A

SCALE: 1/4" = 1'-0"

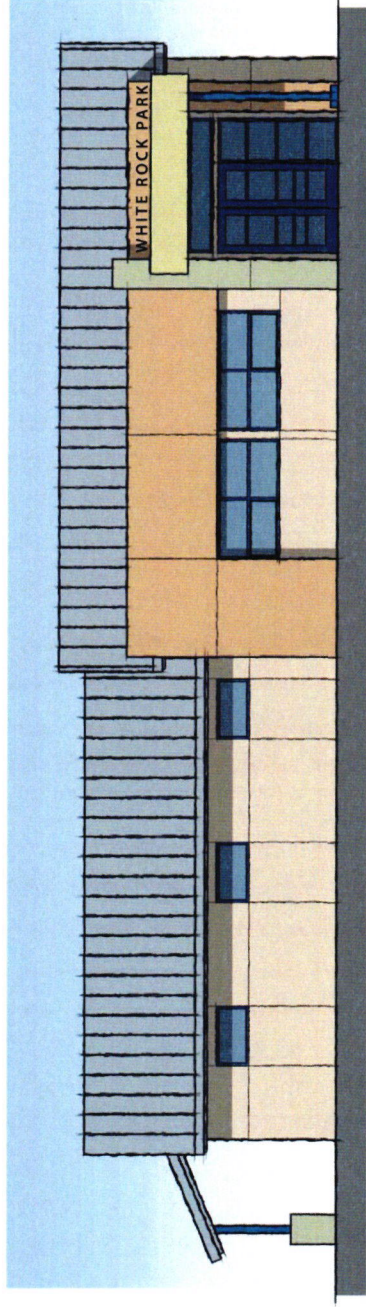


SHEET

WHITE ROCK PARK SITE PLAN

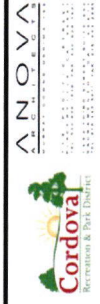
by Cordova Recreation & Park District  
MARCH, 2010  
White Rock Park  
Rancho Cordova, CA





## NORTHEAST ELEVATION

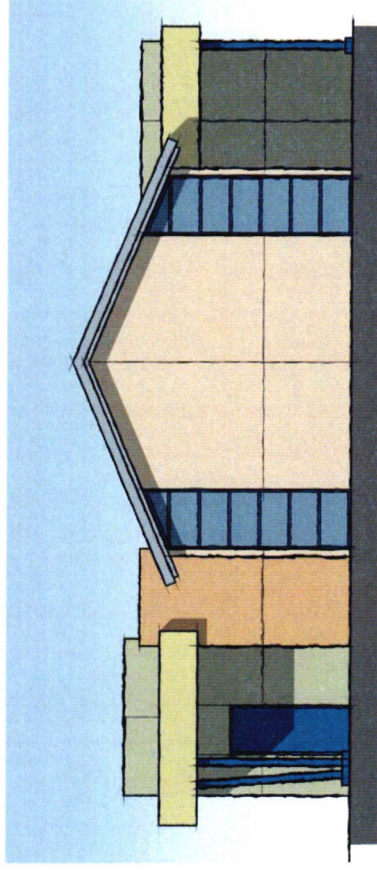
SCALE: 1/8" = 1'-0"



SHEET

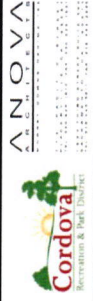
WHITE ROCK PARK SITE PLAN

by Cordova Recreation & Parks District  
White Rock Park  
March, 2010  
Rancho Cordova, CA



## NORTHWEST ELEVATION

SCALE: 1/8" = 1'-0"



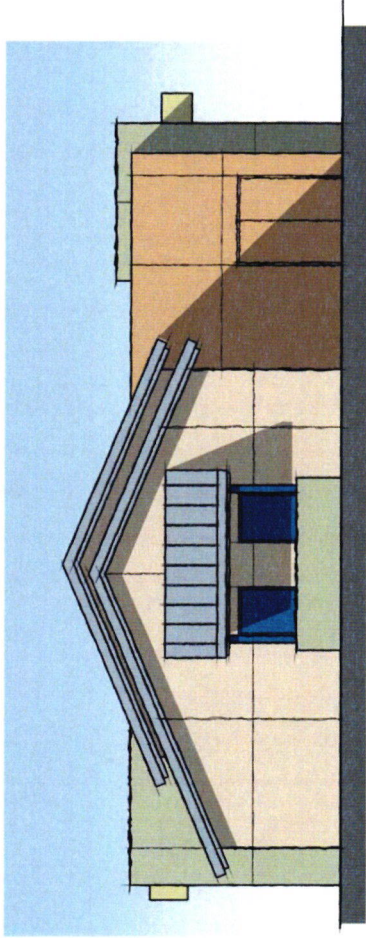
CORDOVA

WHITE ROCK PARK SITE PLAN

by Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010

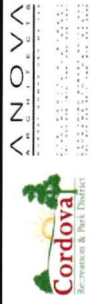
SHEET





## SOUTHEAST ELEVATION

SCALE: 1/8" = 1'-0"

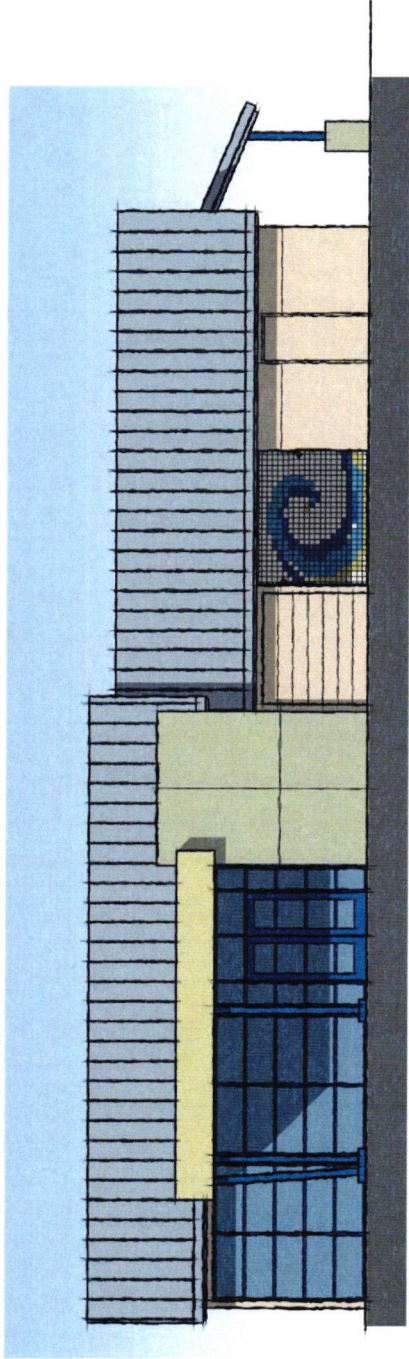


ANOVVA

WHITE ROCK PARK SITE PLAN

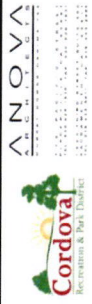
by Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010

SHEET



# SOUTHWEST ELEVATION

SCALE: 1/8" = 1'-0"



SHEET

WHITE ROCK PARK SITE PLAN

by: Cordova Recreation & Parks District  
MARCH, 2010  
White Rock Park  
Rancho Cordova, CA



| Draft Conditions of Approval/Mitigation Measures                                                                                                                                                                                                                                                                                                                                                                                                                             |                             |                  |                                 |         |          |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|---------------------------------|---------|----------|--------------|
| Section I Conditions of Approval                                                                                                                                                                                                                                                                                                                                                                                                                                             | Timing                      | Enforcing Agency | Verification Date and Signature | Monitor | Comments | Internal ID# |
| 1. The project shall be constructed in substantial compliance with the approved Design Review plans (Exhibit A) for the White Rock Community Building, project number DD6860. The District shall keep a positive balance on all accounts with the City for processing, plan review and inspections for the duration of the project.                                                                                                                                          | ONGOING                     | PLANNING         |                                 | N       |          | 106          |
| 2. The Applicant shall hold harmless the City, its Council Members, its Planning Commission, officers, agents, employees, and representatives from liability for any award, damages, costs and fees incurred by the City and/or awarded to any plaintiff in an action challenging the validity of this permit or any environmental or other documentation related to approval of this permit. Applicant further agrees to provide a defense for the City in any such action. | ONGOING                     | PLANNING         |                                 | N       |          | 107          |
| 3. Applicant shall be responsible for all damage to City streets associated with construction of the project and shall repair any damage as soon as possible.                                                                                                                                                                                                                                                                                                                | ONGOING                     | PUBLIC WORKS     |                                 | N       |          | 102          |
| 4. Applicant shall be responsible for all damage to City streets associated with construction of the project and shall repair any damage as soon as possible.                                                                                                                                                                                                                                                                                                                | ONGOING                     | PUBLIC WORKS     |                                 | N       |          | 108          |
| 5. Applicant shall photo-document the condition of adjacent streets, sidewalks and infrastructure to the satisfaction of the Public Works Department.                                                                                                                                                                                                                                                                                                                        | IMPROVEMENT PLAN - APPROVAL | PUBLIC WORKS     |                                 | N       |          | 101          |
| 6. An inspection of the finished building, colors and landscaping shall be conducted by the Planning Director.                                                                                                                                                                                                                                                                                                                                                               | BUILDING PERMIT - REVIEW    | PLANNING         |                                 | N       |          | 110          |

| Draft Conditions of Approval/Mitigation Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             |                  |                                 |         |          |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|---------------------------------|---------|----------|--------------|
| Section I Conditions of Approval                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Timing                      | Enforcing Agency | Verification Date and Signature | Monitor | Comments | Internal ID# |
| 7. The exterior building elevations shall be reviewed for architectural consistency with the approved plans by the Planning Director. The exterior of the building shall be treated with anti-graffiti materials.                                                                                                                                                                                                                                                                                                                                       | BUILDING PERMIT - ISSUANCE  | PLANNING         |                                 | N       |          | 109          |
| 8. Applicant shall submit grading and civil plans to the satisfaction of the Public Works Department. Plans shall include, but shall not be limited to:<br>" All onsite civil improvements.<br>" Civil Plans shall include an ADA Access Plan<br>" Install post-construction BMP's in compliance with State and local regulations<br>" Install drainage facilities to satisfaction of the Public Works Department<br>" Driveways<br>" Utility laterals<br>" All improvements to be designed and constructed to satisfaction of Public Works Department. | BUILDING PERMIT - ISSUANCE  | PUBLIC WORKS     |                                 | N       |          | 103          |
| 9. As-Built reproducible grading and improvement plans, as well as a compact disc containing said plans in AutoCAD format, shall be submitted and approved by the Public works Department.                                                                                                                                                                                                                                                                                                                                                              | BUILDING PERMIT - OCCUPANCY | PUBLIC WORKS     |                                 | N       |          | 104          |
| 10. Install improvements in accordance with the approved plans to the satisfaction of the Public Works Department.                                                                                                                                                                                                                                                                                                                                                                                                                                      | BUILDING PERMIT - OCCUPANCY | PUBLIC WORKS     |                                 | N       |          | 105          |





NORTHEAST ELEVATION

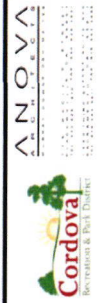
SCALE: 1/8" = 1'-0"



NORTHWEST ELEVATION

SCALE: 1/8" = 1'-0"

ORIGINAL



SHEET

WHITE ROCK PARK SITE PLAN

by Cordova Recreation & Parks District  
White Rock Park  
March, 2010  
Rancho Cordova, CA





NORTHEAST ELEVATION

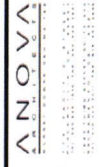
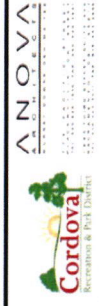
SCALE: 1/8" = 1'-0"



NORTHWEST ELEVATION

SCALE: 1/8" = 1'-0"

OPTION A



WHITE ROCK PARK SITE PLAN

by Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010

SHEET





NORTHEAST ELEVATION

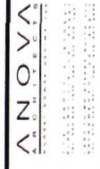
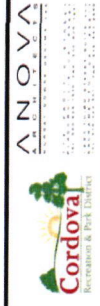
SCALE: 1/8" = 1'-0"



NORTHWEST ELEVATION

SCALE: 1/8" = 1'-0"

OPTION B



WHITE ROCK PARK SITE PLAN

by Cordova Recreation & Parks District  
White Rock Park  
Rancho Cordova, CA  
MARCH, 2010

SHEET





NORTHEAST ELEVATION

SCALE: 1/8" = 1'-0"



NORTHWEST ELEVATION

SCALE: 1/8" = 1'-0"

OPTION C





|                                                                                              |                                                                                            |                                                                              |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| ADAME HENRY R/MARINA<br>10552 MILLS ACRES CR<br>RANCHO CORDOVA, CA 95670                     | ALAN J/DIANE A LAWSON REVOCABLE<br>TRUST<br>10432 BLACKBURN WY<br>RANCHO CORDOVA, CA 95670 | ALICIA O MCKAY TRUST<br>10537 MILLS ACRES CR<br>RANCHO CORDOVA, CA 95670     |
| ANDRADE GABRIELA/MIGUEL<br>10429 WHITE ROCK RD<br>RANCHO CORDOVA, CA 95670                   | ARGUELLO JOSE M<br>10412 BLACKBURN WY<br>RANCHO CORDOVA, CA 95670                          | ARMSTRONG JOYCE E<br>10518 MILLS ACRES CIR<br>GOLD RIVER, CA 95670           |
| AVDALYAN KHACHATUR<br>2708 EL CAPRISE DR<br>RANCHO CORDOVA, CA 95670                         | BANK OF NEW YORK MELLON<br>1757 TAPO CYN RD SVW 88<br>SIMI VALLEY, CA 95670                | BANNISTER JAMES/REBECCA<br>3015 SWANSEA WY<br>RANCHO CORDOVA, CA 95670       |
| BARBARA A DESROCHERS REVOCABLE<br>TRUST<br>10500 MILLS ACRES CIR<br>RANCHO CORDOVA, CA 95670 | BARRERA DAVID T<br>10424 BLACKBURN WY<br>RANCHO CORDOVA, CA 95670                          | BEASLIN CAROLE R<br>3012 BLACKPOOL WY<br>RANCHO CORDOVA, CA 95670            |
| BECKNER EVA M<br>721 7TH ST<br>MYRTLE POINT, CA 95670                                        | BEN/MATSUKO BABA REVOCABLE<br>TRUST<br>3015 BLACKPOOL WY<br>RANCHO CORDOVA, CA 95670       | BIERMAN TOMMY<br>3011 BLACKPOOL WY<br>RANCHO CORDOVA, CA 95670               |
| BLACKPOOL TRUST<br>PO BOX 487<br>RANCHO CORDOVA, CA 95670                                    | BLOCKER JAMES M IV<br>2006 LAS PADRES<br>ROWLAN HEIGHTS, CA 95670                          | BOLDT MICHAEL R/CECILIA VIEGAS<br>679 MISTY RIDGE CIR<br>FOLSOM, CA 95670    |
| BOULIER ALAINA G/GERALD A<br>10557 MILLS ACRES CIR<br>RANCHO CORDOVA, CA 95670               | BOYCE MARVIN D<br>3042 LA RUE WY<br>RANCHO CORDOVA, CA 95670                               | BREAULT JOHN<br>10536 SILVERWOOD WY<br>RANCHO CORDOVA, CA 95670              |
| BROWNING CARL L/BERYL L<br>1010 1ST ST<br>GALT, CA 95670                                     | BUBELA MIVOSLAU/ROMAN<br>8912 BOULDER GLEN WY<br>SACRAMENTO, CA 95670                      | BUCK JOE K/MICHELLE N<br>10436 WHITE ROCK RD<br>RANCHO CORDOVA, CA 95670     |
| CADENA FERNANDO/CLAUDIA<br>10425 WHITE ROCK RD<br>RANCHO CORDOVA, CA 95670                   | CALDERON HONORIO A/DORFA A<br>3032 EVADNA DR<br>RANCHO CORDOVA, CA 95670                   | CALIFORNIA-AMERICAN WATER<br>COMPANY<br>PO BOX 5627<br>CHERRY HILL, CA 95670 |
| CANTRELL GREG<br>3085 SWANSEA WY<br>RANCHO CORDOVA, CA 95670                                 | CARTER DAVID L/LURLEAN<br>3074 SWANSEA WY<br>RANCHO CORDOVA, CA 95670                      | CHAPMAN JEREMY/LAYLA<br>3081 SWANSEA WY<br>RANCHO CORDOVA, CA 95670          |



CLARK DAN  
PO BOX 2227  
FAIR OAKS, CA 95670

CLARK DANIEL M  
PO BOX 2227  
FAIR OAKS, CA 95670

CLARK DANIEL M  
7732 TOBIA WY  
FAIR OAKS, CA 95670

COSEY ALBERT JR/JENELL L  
10529 MILLS ACRES CR  
RANCHO CORDOVA, CA 95670

COUNTY OF SACRAMENTO  
827 7TH ST 301  
SACRAMENTO, CA 95670

CRANFORD CHRISTINE L/ANNETTE M  
PROFIT  
03046 LA RUE WY  
RANCHO CORDOVA, CA 95670

DAHMS JOSEPH L/LEILANI R  
10556 MILLS ACRES CR  
RANCHO CORDOVA, CA 95670

DEUTSCHE BANK NATIONAL TRUST  
COMPANY  
1100 VIRGINIA DR  
FORT WASHINGTO, CA 95670

DIANA C MARTIN FAMILY TRUST  
3073 SWANSEA WY  
RANCHO CORDOVA, CA 95670

DIETZ MALCOLM D/NANCY D  
10415 WHITE ROCK RD  
RANCHO CORDOVA, CA 95670

DONALD R/DOROTHY M MARTIN  
FAMILY TRUST  
1706 CARACAS CT  
PETALUMA, CA 95670

DOUGLASS HENRY/JOSIE L  
3008 SWANSEA WY  
RANCHO CORDOVA, CA 95670

DUNCAN RONALD C/KATHLEEN C  
4119 WAYSIDE LN  
CARMICHAEL, CA 95670

DYANNE M TALBOT REVOCABLE TRUST  
3048 EVADNA DR  
RANCHO CORDOVA, CA 95670

FAIRA KEVIN F/FRANK G FARIA/MARY F  
10421 WHITE ROCK RD  
GOLD RIVER, CA 95670

FERNANDEZ ROBERT  
10565 MILLS ACRES CR  
RANCHO CORDOVA, CA 95670

FISHER RUSSELL D  
10560 MILLS ACRES CR  
RANCHO CORDOVA, CA 95670

FLORES JAIME J R  
3044 EVADNA DR  
RANCHO CORDOVA, CA 95670

FOGLE JOHN D/PHYLLIS K  
3007 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

FOLSOM CORDOVA UNIFIED SCHOOL  
DISTRICT  
125 E BIDWELL ST  
FOLSOM, CA 95670

FOSTER ANN G/CHARLES A  
3082 SWANSEA WY  
RANCHO CORDOVA, CA 95670

FULLER TIMOTHY A/CHABACHI  
10530 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

GARTH/VICKI MASON FAMILY 1996  
REVOCABLE TRUST  
4661 MOSSY GLEN CT  
SHINGLE SPGS, CA 95670

GEORGE HUDSON JR TRUST  
3055 SWANSEA WY  
RANCHO CORDOVA, CA 95670

GONZALEZ MANUEL N  
3086 SWANSEA WAY  
RANCHO CORDOVA, CA 95670

GRAHAM RAYMOND P  
03077 SWANSEA WY  
RANCHO CORDOVA, CA 95670

GRANDA ALFONSO ORLANDO  
9557 MIRANDY DR  
SACRAMENTO, CA 95670

GREEN RONALD B  
10421 BLACKBURN WY  
RANCHO CORDOVA, CA 95670

GUTTERRES LUIZ A  
3027 SWANSEA WY  
RANCHO CORDOVA, CA 95670

HAMILTON YVONNE M  
3038 LA RUE WY  
RANCHO CORDOVA, CA 95670



HANSON MATTHEW A/MARY/ORVIS  
3028 SWANSEA WY  
RANCHO CORDOVA, CA 95670

HANSON ORVIS A/MARY L  
3023 SWANSEA WY  
RANCHO CORDOVA, CA 95670

HARMOR FLORENCE E  
3012 SWANSEA WY  
RANCHO CORDOVA, CA 95670

HARNSBERGER ROYCE J  
7663 KRETH RD  
FAIR OAKS, CA 95670

HARVEY RUTH L  
3028 EVADNA DR  
RANCHO CORDOVA, CA 95670

HELDERLEIN-OLSON DEBORAH K  
3028 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

HINES REIT 3400 DATA DR LIMITED  
PARTNERSHIP  
101 CALIFORNIA ST 1000  
SAN FRANCISCO, CA 95670

HORTON WALTER M  
3045 SWANSEA WY  
RANCHO CORDOVA, CA 95670

HUGHES SHERRI S/NORA P MICHAUD  
3027 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

ISMAILYAN RAFIK/ARMINE  
MIKAYELIAN  
3040 SWANSEA WY  
GOLD RIVER, CA 95670

J SCOTT/LAMDUAN N MCARTHUR 2008  
REV TRST  
2300 IRON POINT RD 1521  
FOLSOM, CA 95670

JERRY/ERIKA JOHNSON REVOCABLE  
TRUST  
03070 SWANSEA WY  
RANCHO CORDOVA, CA 95670

JOHNSON 2005 LIVING TRUST  
3020 SWANSEA WY  
RANCHO CORDOVA, CA 95670

JOHNSON DAVID  
3019 SWANSEA WY  
RANCHO CORDOVA, CA 95670

JOHNSON STEVEN R/FRANCINE T/GARY  
R  
3024 SWANSEA WY  
RANCHO CORDOVA, CA 95670

JUDITH ANN REYNOLDS LIVING  
REVOCABLE TRUST  
1614 FALLEN LEAF DR  
MILPITAS, CA 95670

KALLIS ROBERT M/MARGARET E  
3078 SWANSEA WY  
RANCHO CORDOVA, CA 95670

KARAPETYAN RUZANNA  
10538 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

KATHLEEN SHIELDS REVOCABLE  
TRUST/ETAL  
100 SATURN ST  
SAN FRANCISCO, CA 95670

KATHRINE H SPENCER FAMILY TRUST B  
11263 CROCKER GROVE LN  
GOLD RIVER, CA 95670

KEAY C L  
PO BOX 2223  
RANCHO CORDOVA, CA 95670

KENNY RUTH A  
10518 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

KLH PROPERTIES INCORPORATED  
269 TECHNOLOGY WY 2B  
ROCKLIN, CA 95670

KNEE JANET K  
3049 LA RUE WY  
RANCHO CORDOVA, CA 95670

KRUECKEL FAMILY LIVING TRUST  
2083 GRANITE BAR WY  
GOLD RIVER, CA 95670

LEVITAN DORON/TONIE  
10541 MILLS ACRES CIR  
RANCHO CORDOVA, CA 95670

LEWIS YUKIKO  
10433 WHITE ROCK RD  
RANCHO CORDOVA, CA 95670

LILLY FAMILY TRUST  
3032 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

LOSER CARL R  
10522 SILVERWOOD WY  
GOLD RIVER, CA 95670

LUIS E/GLENDA B RAMIREZ FAMILY  
TRST  
3019 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

LUM YIP KEE  
2240 DOUGLAS BL 105  
ROSEVILLE, CA 95670

LYNCH JONATHAN/STACY  
03058 LA RUE WY  
RANCHO CORDOVA, CA 95670

MACK LAWRENCE L/ANTOINETTE  
10514 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

MANSEAU LIZANNE  
M/ROBERT/CHRISTINE L WAGNER/ETAL  
36830 RIVIERA DR  
FREMONT, CA 95670

MANZANARES BENNIE M  
10431 BLACKBURN WY  
RANCHO CORDOVA, CA 95670

MARRON ANTONIO L/LETICIA A  
10513 MILLS ACRES CIR  
RANCHO CORDOVA, CA 95670

MARVIN M CARNESS 1994 TRUST  
8783 FRUIT BARN LN  
SAN JOSE, CA 95670

MCKENNA CHARLA  
3023 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

MELLO CATRINA/JOSEPH/CAROL  
3033 LA RUE WY  
RANCHO CORDOVA, CA 95670

MENDOZA LEONSO  
2900 DAINCOURT  
RANCHO CORDOVA, CA 95670

METZGER CAROLYN D  
2800 MARTEL CT  
SACRAMENTO, CA 95670

MILLER GREGORY E  
10514 MILLS ACRES CR  
RANCHO CORDOVA, CA 95670

MILLER SILINA  
3175 JEFFERSON BL  
WEST SACRAMENT, CA 95670

MOORE THOMAS CLAUD/DEBRA ANNE  
3016 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

MORENO JUAN F/MARIA I  
10516 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

MORENO RICHARD/OLYMPIA  
P O BX 3012  
GONZALES, CA 95670

NILAND BAROODY TRUST  
1527 WALNUT ST  
ALAMEDA, CA 95670

ODOR JUSTAN  
10432 WHITE ROCK RD  
RANCHO CORDOVA, CA 95670

ORSBORN HARMON L  
10824 OLSON DR C-333  
RANCHO CORDOVA, CA 95670

PATRICIA M RIPPE FAMILY TRUST  
578 W MARIPOSA ST  
KINGSBURG, CA 95670

PAYRODA BIMAL L  
10444 WHITE ROCK RD  
RANCHO CORDOVA, CA 95670

PEREZ TOMMY/JOSIE  
3054 SWANSEA WY  
RANCHO CORDOVA, CA 95670

PISEL JUDY LEE  
10561 MILLS ACRES CR  
RANCHO CORDOVA, CA 95670

PRASAD RAKESH/SHAREEN  
10533 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

PRISCILLA F ANDRADE FAMILY TRUST  
10521 MILLS ACRES CIR  
RANCHO CORDOVA, CA 95670

RAJ SAILESH A  
3031 SWANSEA WY  
RANCHO CORDOVA, CA 95670

RAMIREZ FRANCISCO M/GUADALUPE L  
10533 MILLS ACRES CIR  
RANCHO CORDOVA, CA 95670

REDMOND ROBERT E/REGINA A  
10509 MILLS ACRES CR  
RANCHO CORDOVA, CA 95670

RENNER HOLLY M  
3003 SWANSEA WY  
RANCHO CORDOVA, CA 95670

REX T RICE SR REVOCABLE TRUST  
3062 SWANSEA WY  
RANCHO CORDOVA, CA 95670



REYES RITA/JAMES SMALL  
2925 COUNTRY DR 201  
SAINT PAUL, CA 95670

SALMANYAN NAZAR/OGIK/VARDUI  
GRIGIRYAN  
10532 SILVERWOOD WAY  
RANCHO CORDOVA, CA 95670

SHARMA LATCHMAN S  
3007 SWANSEA WY  
RANCHO CORDOVA, CA 95670

SINGH SUBASH C/MOHINI L  
3000 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

STEIDTMANN  
CAROL/HOWARD/NANCY/CHARLES  
PO BOX 933  
LOTUS, CA 95670

TESSIER MICHAEL A  
3062 LA RUE WY  
RANCHO CORDOVA, CA 95670

VEGA JUAN CARLOS/CONNY Z  
3913 ARDERLY CT  
SACRAMENTO, CA 95670

WILLCOX FREDRICK O/LOTTIE M  
3066 SWANSEA WY  
RANCHO CORDOVA, CA 95670

WRIGHT FAMILY REVOCABLE 2005  
TRUST  
10419 WHITE ROCK RD  
RANCHO CORDOVA, CA 95670

RICK/CLAUDIA FELSON FAMILY  
TRUST/ETAL  
17564 KNIGHT DR  
CASTRO VALLEY, CA 95670

SANDULEAC EDUARD  
3020 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

SHERGILL HARVINDER/PRADEEP S  
1985 TARBOLTON CIR  
FOLSOM, CA 95670

STACY ALVIE LEWIS/MILDRED  
LOUISE/TR  
3044 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

SYKES MATTHEW/PATRICIA A  
10526 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

TURNER WARREN GORDON/Alice ANN  
10420 WHITE ROCK RD  
RANCHO CORDOVA, CA 95670

VERANDES JAMES L  
10534 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

WILLIAMS MEDORA/HARRY  
3024 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

ZHIDOVLENKO VLADIMIR  
10517 WHITE ROCK RD  
RANCHO CORDOVA, CA 95670

ROZHENKO LILIYA/ANTONINA  
3512 RIOJO WY  
RANCHO CORDOVA, CA 95670

SEQUOIA EQUITIES-FAIRWAYS  
1777 BOTELHO DR 300  
WALNUT CREEK, CA 95670

SIMMONS FAMILY TRUST  
10537 SILVERWOOD WY  
RANCHO CORDOVA, CA 95670

STEIDMANN  
CAROL/CHARLES/HOWARD/NANCY  
PO BOX 933  
LOTUS, CA 95670

TARASYUK OLGA/PETR  
3050 LA RUE WY  
RANCHO CORDOVA, CA 95670

VAN E HARRISON SR LIVING TRUST  
03004 BLACKPOOL WY  
RANCHO CORDOVA, CA 95670

WIESE DANIEL R/DONNA  
3065 SWANSEA WY  
RANCHO CORDOVA, CA 95670

WITT PATRICIA A  
10418 BLACKBURN WY  
RANCHO CORDOVA, CA 95670

## MEMORANDUM



**DATE:** June 7, 2010  
**TO:** Honorable Mayor and Council Members  
**FROM:** Donna Silva, Finance Director and Cyrus Abhar, Public Works Director  
**SUBJECT:** BUILDING PERMIT FEE UPDATES

---

### **RECOMMENDATION**

Adopt Resolution No. 49-2010.

### **RESULT OF RECOMMENDED ACTION**

A new fee schedule for construction permits, commonly referred to as building permits, will be implemented 60 days after adoption of Resolution No. 49-2010. The new fee schedule is based on the cost of processing, inspecting and administering building permits and will allow for an increased level of cost recovery, helping to balance the budget for 2010.

### **BACKGROUND**

On May 17, 2010, Council introduced an ordinance amending Chapter 16.90 of the Rancho Cordova Municipal Code to establish Construction Permit Fees by resolution rather than ordinance. On May 17, 2010 and May 25, 2010, the Council was presented with draft results of a User Fee Study that indicated we were undercharging for building permits. After much discussion on concepts of cost recovery, cost containment, and the appropriateness of excluding certain costs and services as well as subsidizing certain permits and services, the Council directed staff to return on June 7, 2010 with an updated User Fee Study and a Resolution to adopt new building permit fees.

#### **User Fee Study and Fee Increases**

The User Fee Study was updated to refine the time estimates allocated for each fee type to reflect processes efficiencies. As directed by the Council, portions of the building and safety division expenses (approximately \$134,000) were removed from the costs included in the fee study for non-fee general customer support services and time spent handling violations. The results of the overall User Fee Study are summarized on the next page.



### Summary of User Fee Study Fee Increases

|                                                      |            |
|------------------------------------------------------|------------|
| Additional Revenue Identified for Full Cost Recovery | \$ 502,000 |
| General Customer Service & Other Non-Fee Services    | \$ 134,000 |
| Total Revenue Increase/Subsidy                       | \$ 368,000 |

Taking into account the excluded costs, if all fees were implemented at the rates identified in the User Fee Study to achieve full cost recovery, the additional revenue generated by the fee increases would be approximately \$368,000 based on the projected FY 10/11 permit activity.

The **Table 1** in **Attachment 1** shows the summaries of the existing average fees, the full cost recovery fee, the incremental dollar amount increase in fee, the percent fee increase, and the annual revenue generated from the increase based on the projected FY 10/11 permit volumes. Staff is asking Council to consider adopting the proposed fees to achieve full cost recovery per the User Fee Study. If Council decides that a subsidy is warranted because the procurement of a permit yields a broad community benefit vs. a specific benefit to an individual person or entity, or wants to encourage the purchase of building permits for small, yet important improvements such as water heater replacements, staff can respond with changes to the proposed Fee Schedule per Council direction.

### Fee Resolution

Staff requests Council to adopt Resolution No. 49-2010, **Attachment 2**, updating the Construction Permit fees, also referred to commonly as the building permit fees. **Exhibit A** to the Resolution is the revised Fee Schedule which is based on cost recovery and would generate approximately \$368,000. Council must either adopt Resolution No. 49-2010 with the Exhibit A Fee Schedule presented to them tonight, or clearly direct staff to make modifications to the Fee Schedule to reflect Council directed subsidies.

As a matter of timing, since the new building permit fees will not go into effect until 60 days after adoption of the Resolution, it has been determined by the City Attorney that the second reading of Ordinance No. 6-2010 that amended Chapter 16.90 of the Rancho Cordova Municipal Code to remove the Fee Schedule for Construction Permits should be continued to July 6, 2010. This will result in the Fee Schedule being removed from the ordinance effective August 6, 2010, which will coincide with the Fee Schedule adopted by Resolution going into effect 60 days from June 7, 2010, or August 7, 2010.

### ATTACHMENTS

1. Table 1 – Proposed Fees for Full Cost Recovery.
2. Resolution No. 49-2010 with **Exhibit A** Fee Schedule.

TABLE 1 - PROPOSED FEES FOR FULL COST RECOVERY

| PERMIT TYPE                                                         | Projected FY 10/11 |                      | Full Cost Recovery     |                 |                  |                   |
|---------------------------------------------------------------------|--------------------|----------------------|------------------------|-----------------|------------------|-------------------|
|                                                                     | Volume             | Existing Average Fee | Full Cost Recovery Fee | Increase in Fee | Percent Increase | Increased Revenue |
| <u><b>Residential Permits</b></u>                                   |                    |                      |                        |                 |                  |                   |
| Single Family Homes                                                 | 204                | \$2,399              | \$2,579                | \$180           | 8%               | \$36,788          |
| Master Plan Review                                                  | 30                 | \$954                | \$1,315                | \$361           | 38%              | \$10,844          |
| Residential additions, alterations, remodels                        | 107                | \$476                | \$935                  | \$460           | 97%              | \$49,197          |
| <u><b>Residential and Non-Residential Permits</b></u>               |                    |                      |                        |                 |                  |                   |
| Reroofs, Other structures, Demolition                               | 562                | \$250                | \$431                  | \$175           | 70%              | \$98,385          |
| Plumbing, Mechanical, Electrical (PME)                              | 671                | \$167                | \$448                  | \$225           | 135%             | \$150,639         |
| Swimming Pools                                                      | 22                 | \$640                | \$828                  | \$188           | 29%              | \$4,136           |
| <u><b>Commercial Permits</b></u>                                    |                    |                      |                        |                 |                  |                   |
| Commercial and Non-Residential new, additions, alterations, repairs | 111                | \$4,253              | \$4,376                | \$123           | 3%               | \$13,629          |
| Commercial Signs                                                    | 51                 | \$242                | \$329                  | \$87            | 36%              | \$4,437           |
| <b>TOTAL FEES FROM INCREASES</b>                                    |                    |                      |                        |                 |                  |                   |
|                                                                     |                    |                      |                        |                 |                  | <b>\$368,055</b>  |



CITY OF RANCHO CORDOVA

RESOLUTION NO. 49-2010

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
RANCHO CORDOVA TO ADOPT A SCHEDULE OF FEES FOR CONSTRUCTION PERMITS**

**WHEREAS**, the City of Rancho Cordova ("City") previously established fees related to construction permits in Section 16.90.030 of the City of Rancho Cordova Municipal Code, based on the fees in effect at the County, upon incorporation of the City and as adjusted to updated County rates effective January 1, 2004; and

**WHEREAS**, the City recently conducted an extensive and exhaustive analysis of the City's costs of processing, inspecting and administration of construction permits and determined that the existing fees do not recover the City's actual cost to provide such services; and

**WHEREAS**, the City Council desires to recover up to the full cost of processing, inspecting and administration of construction permits from those persons required to obtain such permits, so that general fund revenues are not diverted from other municipal services in order to subsidize these services; and

**WHEREAS**, in adopting the fees for construction permit related services as set forth in this Resolution, the City Council of the City of Rancho Cordova is exercising its powers under Article XI, Section 7 of the California Constitution, Section 66014 of the California Government Code, California Health & Safety Code Sections 17951, 19132.3, and 19852, and other applicable law; and

**WHEREAS**, in accordance with Government Code Section 66014, when a city charges fees or service charges for building inspections and building permits, those fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged; and

**WHEREAS**, fees adopted pursuant to Government Code Sections 66014, are to be imposed pursuant to Section 66016 of the Government Code, which imposes certain procedural requirements prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge; and

**WHEREAS**, in accordance with the Government Code Section 66016, the cost of analysis and support for a fee or deposit which will be levied pursuant to this Resolution was available for public review and comment for ten (10) days prior to the public hearing at which this Resolution was adopted; and

**WHEREAS**, in accordance with California Government Code Section 66016, at least fourteen (14) days prior to the public hearing at which the City Council first considered adoption of the fees and deposits established by this Resolution, notice of the time and place of the hearing was mailed to eligible interested parties who filed written requests with the City for mailed notice of meetings on new or increased fees or deposits; and

**WHEREAS**, notice of the public hearing at which this Resolution was adopted was given by publication ten (10) days in advance in accordance with Section 6062a of the Government Code; and;

**WHEREAS**, the City Council conducted a public hearing prior to adopting this Resolution establishing or revising the fees for the processing and inspection of construction permits and considered written and oral communications received during said public hearing; and

**WHEREAS**, the schedule of fees and the total amounts thereof, described in **Exhibit A** attached, are hereby determined to be reasonable in that the amounts thereof do not exceed the estimated reasonable costs of processing, inspection and administration of construction permits; and

**WHEREAS**, the City Council of the City of Rancho Cordova desires to establish or revise the schedule of fees the City of Rancho Cordova charges for processing, inspection and administration of construction permits and otherwise providing Building and Safety related services.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the City Council of the City of Rancho Cordova as follows:

**Section 1. Findings.** The following findings are true and correct and adopted as the findings of the City Council:

A. The purpose of the fees set forth in **Exhibit A** of this Resolution are to recover up to the full, lawfully recoverable costs incurred by the City in providing construction permit processing, inspection and administration, and such fees are not levied for general revenue purposes.

B. After consideration of the data and information regarding the costs of processing, inspecting and administering construction permits subject to this Resolution, all testimony received orally or in writing at or before the noticed public hearing, the agenda report and the background documents to the agenda report, the City Council of the City of Rancho Cordova approves and adopts such data and information, and finds that the costs listed for those fees which are to be increased and/or established as costs incurred by the City in processing, inspecting and administering construction permits are reasonable estimates of the cost of providing such services, and that the revisions recommended to existing fees for such services are necessary to recover the reasonable, estimated cost of providing such services

C. Adoption of the fees set forth in **Exhibit A** of this Resolution are not subject to the California Environmental Quality Act ("CEQA") pursuant to 14 California Code of Regulations ("CEQA Guidelines") section 15378(b)(4) and/or CEQA Guidelines section 15061(b)(3).

**Section 2. Definitions.**

- a) "Building Permit Fee" – 60% of Total Permit Fee
- b) "CASE" application types – electronic tracking for Building Code violations with a written Notice of Violation
- c) "C-BLDG" permits – commercial buildings
- d) "C-OTHER" permits – commercial accessory structures



- e) "C-SIGN" permits – commercial signs (there are no residential signs)
- f) "DEMO" permits – demolition only
- g) "FOUNDATION" permits – foundation of structures only (this is a child to the C-BLDG permit)
- h) "MASTERPLAN" reviews – review of master plan housing (no permit is actually issued for these types)
- i) "P-BLDG" permits – production homes
- j) "PARTIAL" permits – partial work may begin (this is a child to the C-BLDG permit)
- k) "Plan Review Fee" – 40% of Total Permit Fee
- l) "PME" permits – miscellaneous plumbing and/or mechanical and/or electrical work
- m) "POOL" permits – swimming pools and spas
- n) "R-BLDG" permits – residential buildings (includes custom homes)
- o) "R-OTHER" permits – residential accessory structures
- p) "REROOF" permits – re-roof work only
- q) "Supplemental Permit" – changes in the scope of a permit made while permit is still being inspected. Also called "Change in Scope", "Permit Change", "Scope Change", "Change in Contractor", "Plan Change"
- r) "Total Permit Fee" – The combination of the Building Permit fee and the Plan Review fee. Determined by using calculation method in fee schedule.
- s) "Zone Check Fee" – additional fee equal to 13% of Plan Review Fee

**Section 3. Fee Schedule Adoption.** The schedule of fees set forth in **Exhibit A** of this Resolution, attached hereto and incorporated herein by reference, are hereby directed to be charged and applied by the various City departments, and to be collected by the City for the herein listed construction permit related services when provided by the City or its designated contractors.

**Section 4. Effective Date.** In accordance with Government Code Section 66017, all new and/or increased fees shall be effective sixty (60) days following the effective date of this Resolution.

**Section 5. Repealer.** These fees shall supersede the corresponding fees previously established by the City. All previously adopted and conflicting fees and all Resolutions and other actions of the City Council are hereby repealed to the extent they conflict with the contents of this Resolution.

**Section 6. Severability.** The individual fees and charges set forth in **Exhibit A** of this Resolution and all portions of this Resolution are severable. Should any of the fees or charges or any portion of this Resolution be adjudged to be invalid and unenforceable by a body of competent jurisdiction, then the remaining fees, charges and/or Resolution portions shall be and continue in full force and effect, except as to those fees, charges, and/or Resolution portions that have been adjudged invalid. The City Council of the City of Rancho Cordova hereby declares that it would have adopted each of the fees and charges set forth in **Exhibit A** of this Resolution, and this Resolution and each section, subsection, clause, sentence, phrase and other portion thereof, irrespective of the fact that one or more of the fees, charges, or sections, subsections, clauses, sentences, phrases or other portions of this Resolution may be held invalid or unconstitutional.

The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk



**City of Rancho Cordova  
Construction Permit Fee Schedule**

**R3 (New Homes) and U (Garages, patios) or S (sheds) accessory (attached) to R3 – Permit Types: R-BLDG NEW; P-BLDG NEW**

| Total Valuation       | Total Permit Fee                                                        |
|-----------------------|-------------------------------------------------------------------------|
| \$1.00 to \$2,000     | \$302                                                                   |
| \$2,001 to \$100,000  | $\$302 + (0.0162 \times \text{valuation}^1 \text{ exceeding } \$2,000)$ |
| \$100,001 and greater | $\$1,890 + (0.00756 \times \text{valuation}^1)$                         |

**Master Plan Review - Upon submittal of a plan for plan review, a plan review fee of fifty-one percent (51%) of the total building permit fee shall be collected. When the plan is issued, the balance of the total permit fee (building permit fee plus plan review fee) is due.**

**R3 (Additions, alterations, remodels) and U (Garages, patios) or S (sheds) accessory (attached) to R3 – Permit Types: R-BLDG ADD, ALT, ADDALT; P-BLDG ADD, ALT, ADDALT**

| Total Valuation      | Total Permit Fee                                                          |
|----------------------|---------------------------------------------------------------------------|
| \$1.00 to \$2,000    | \$493                                                                     |
| \$2,001 to \$20,000  | $\$493 + (0.03152 \times \text{valuation}^1 \text{ exceeding } \$2,000)$  |
| \$20,001 and greater | $\$1060 + (0.0197 \times \text{valuation}^1 \text{ exceeding } \$20,000)$ |

**A, B, E, F1, F2, H1, H2, H3, H4, H5, I1, I2, I3, I4, M, R1, R2, R4, S1, S2 (Commercial and Non-Residential Buildings and Projects) – Permit Types: C-BLDG NEW, ADD, ALT, ADDALT**

| Total Valuation       | Total Permit Fee                                                             |
|-----------------------|------------------------------------------------------------------------------|
| \$1.00 to \$1,000     | \$299                                                                        |
| \$1,001 to \$2,000    | \$486                                                                        |
| \$2,001 to \$50,000   | $\$486 + (0.02781 \times \text{valuation}^1 \text{ exceeding } \$2,000)$     |
| \$50,001 to \$500,000 | $\$1,821 + (0.01545 \times \text{valuation}^1 \text{ exceeding } \$50,000)$  |
| \$500,001 and greater | $\$8,774 + (0.00824 \times \text{valuation}^1 \text{ exceeding } \$500,000)$ |

<sup>1</sup> Rounded up to the next multiple of \$1,000.

<sup>2</sup> Currently, PV Solar Systems are "no fee" permits by ordinance.

**U Occupancies (Carports, patio covers, fences, etc.), Reroof, demolition, fire repairs, PV solar systems[2] and other structures not requiring a plan review – Residential Permit Types: C-OTHER; R-OTHER; REROOF; R-BLDG REPAIR; C-BLDG REPAIR**

| Total Valuation      | Total Permit Fee                                              |
|----------------------|---------------------------------------------------------------|
| \$1.00 to \$2,000    | \$144                                                         |
| \$1,001 to \$10,000  | \$144 + (0.02768 x valuation <sup>1</sup> exceeding \$1,000)  |
| \$10,001 and greater | \$479 + (0.01730 x valuation <sup>1</sup> exceeding \$10,000) |

**U Occupancies (Carports, patio covers, fences, etc.), Roof Re-pitches, fire repairs, PV Solar Systems[1], and other structures requiring a minimal plan review – Residential Permit Types: C-OTHER; R-OTHER; REROOF; R-BLDG REPAIR; C-BLDG REPAIR**

| Total Valuation      | Total Permit Fee                                               |
|----------------------|----------------------------------------------------------------|
| \$1.00 to \$2,000    | \$287                                                          |
| \$1,001 to \$10,000  | \$287 + (0.02768 x valuation <sup>1</sup> \$1,000 to \$10,000) |
| \$10,001 and greater | \$479 + (0.01730 x valuation <sup>1</sup> exceeding \$10,000)  |

**Miscellaneous Plumbing Permits (PME)**

| Total Valuation      | Total Permit Fee                                               |
|----------------------|----------------------------------------------------------------|
| \$1.00 to \$1,000    | \$223                                                          |
| \$1,001 to \$10,000  | \$223 + (0.04304 x valuation <sup>1</sup> \$1,000 to \$10,000) |
| \$10,001 and greater | \$745 + (0.02690 x valuation <sup>1</sup> exceeding \$10,000)  |

**Miscellaneous Electrical Permits (PME)**

| Total Valuation      | Total Permit Fee                                               |
|----------------------|----------------------------------------------------------------|
| \$1.00 to \$1,000    | \$227                                                          |
| \$1,001 to \$10,000  | \$223 + (0.04304 x valuation <sup>1</sup> \$1,000 to \$10,000) |
| \$10,001 and greater | \$745 + (0.02690 x valuation <sup>1</sup> exceeding \$10,000)  |

**Miscellaneous Mechanical Permits (PME)**

| Total Valuation      | Total Permit Fee                                               |
|----------------------|----------------------------------------------------------------|
| \$1.00 to \$1,000    | \$227                                                          |
| \$1,001 to \$10,000  | \$223 + (0.04304 x valuation <sup>1</sup> \$1,000 to \$10,000) |
| \$10,001 and greater | \$745 + (0.02690 x valuation <sup>1</sup> exceeding \$10,000)  |

<sup>1</sup> Rounded up to the next multiple of \$1,000.

<sup>2</sup> Currently, PV Solar Systems are “no fee” permits by ordinance.



| <b>Sign Permits (C-SIGN) – Illuminated, All Types</b> |                                                                |
|-------------------------------------------------------|----------------------------------------------------------------|
| Total Valuation                                       | Total Permit Fee                                               |
| \$1.00 to \$1,000                                     | \$226                                                          |
| \$1,001 to \$10,000                                   | \$226 + (0.02176 x valuation <sup>1</sup> \$1,000 to \$10,000) |
| \$10,001 and greater                                  | \$377 + (0.0136 x valuation <sup>1</sup> exceeding \$10,000)   |

| <b>Sign Permits (C-SIGN) - Non-Illuminated, Monument</b> |                                                             |
|----------------------------------------------------------|-------------------------------------------------------------|
| Total Valuation                                          | Total Permit Fee                                            |
| \$1.00 to \$1,000                                        | \$113                                                       |
| \$1,001 and greater                                      | \$113 + (0.0136 x valuation <sup>1</sup> exceeding \$1,000) |

| <b>Sign Permits (C-SIGN) - Non-Illuminated, Wall / Appendage</b> |                                                            |
|------------------------------------------------------------------|------------------------------------------------------------|
| Total Valuation                                                  | Total Permit Fee                                           |
| \$1.00 to \$1,000                                                | \$92                                                       |
| \$1,001 and greater                                              | \$92 + (0.0136 x valuation <sup>1</sup> exceeding \$1,000) |

| <b>Private Swimming Pool Permits (POOL)</b> |                                                                |
|---------------------------------------------|----------------------------------------------------------------|
| Total Valuation                             | Total Permit Fee                                               |
| \$1.00 to \$1,000                           | \$227                                                          |
| \$1,001 to \$10,000                         | \$227 + (0.02064 x valuation <sup>1</sup> \$1,000 to \$10,000) |
| \$10,001 and greater                        | \$413 + (0.01806 x valuation <sup>1</sup> exceeding \$10,000)  |

| <b>Public Swimming Pool Permits (POOL)</b> |                                                               |
|--------------------------------------------|---------------------------------------------------------------|
| Total Valuation                            | Total Permit Fee                                              |
| \$1.00 to \$1,000                          | \$304                                                         |
| \$1,001 to \$10,000                        | \$304 + (0.0208 x valuation <sup>1</sup> \$1,000 to \$10,000) |
| \$10,001 and greater                       | \$490 + (0.01806 x valuation <sup>1</sup> exceeding \$10,000) |

| <b>Public or Private Spa Permits (POOL)</b> |                                                             |
|---------------------------------------------|-------------------------------------------------------------|
| Total Valuation                             | Total Permit Fee                                            |
| \$1.00 to \$2,000                           | \$272                                                       |
| \$2,001 to \$10,000                         | \$272+ (0.01806 x valuation <sup>1</sup> exceeding \$2,000) |

<sup>1</sup> Rounded up to the next multiple of \$1,000.

<sup>2</sup> Currently, PV Solar Systems are "no fee" permits by ordinance.

**Mobile Home Installation Permits (R-BLDG NEW) – Calculated valuation is reduced to 25% of valuation for New conventional home of same square footage.**

| Total Valuation       | Total Permit Fee                                                 |
|-----------------------|------------------------------------------------------------------|
| \$1.00 to \$2,000     | \$302                                                            |
| \$2,001 to \$100,000  | \$302 + (0.0162 x valuation <sup>1</sup> exceeding \$2,000)      |
| \$100,001 and greater | \$1,890 + (0.00756 x valuation <sup>1</sup> exceeding \$100,000) |

**Moved Building (R-BLDG NEW)**

Application and Posting Fee - \$250

When the application indicates that the building is to be moved from a location outside of the City of Rancho Cordova, the applicant shall pay an additional fee based on \$75.00 per hour plus 30 cents per mile to defray costs accrued outside of the unincorporated area of the City of Rancho Cordova. A separate R-BLDG ALT permit will be required to complete installation of building on new foundation, and any other work as needed, or desired.

**Other Fees**

|                                                                |                                                                                                             |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Partial Permit fee (PARTIAL)                                   | \$378 – (\$260 Partial Building Permit fee, \$104 Partial Plan Review fee, and \$14 Partial Zone Check fee) |
| Foundation Only Permit (FOUNDATION)                            | 4% of Total Permit Fee in addition to fees normally collected.                                              |
| Processing fee for changes or revisions to permits.            | Minimum one-hour charge of time for Permit Tech.                                                            |
| Expedited Plan Review                                          | Normal plan review fees plus costs direct billed, based on current labor rate schedule.                     |
| Plan review for Miscellaneous Permits (PME)                    | See current labor rate schedule.                                                                            |
| Additional plan review (if required) for Supplemental Permits. | See current labor rate schedule.                                                                            |
| Inspection outside of normal business hours                    | 3-hour minimum based on rate for Building Inspector II. See current labor rate schedule                     |
| Inspection for which no fee is specifically indicated          | See current labor rate schedule                                                                             |
| Each Re-inspection                                             | Based on 1 hour of time billed at Building Inspector II rate for one-hour. See current labor rate schedule. |
| Pre-Application / Pre-Construction reviews and meetings        | Direct billed. See current labor rate schedule                                                              |

<sup>1</sup> Rounded up to the next multiple of \$1,000.

<sup>2</sup> Currently, PV Solar Systems are “no fee” permits by ordinance.



|                                                |                                                                                                                                                             |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unfinaled Permit Investigations                | Direct billed. See current labor rate schedule                                                                                                              |
| Fee for Temporary Certificate of Occupancy     | Based on 3 hours of inspections to achieve final inspection after issuance of TCO. Based on rate for Building Inspector II. See current labor rate schedule |
| Issuance of duplicate Certificate of Occupancy | Based on ½ hour of Permit Technician processing time. See current labor rate schedule                                                                       |
| Permit Research Letter                         | See current labor rate schedule                                                                                                                             |
| Filing Fee for Building Board of Appeals       | \$200                                                                                                                                                       |
| Filing Fee for Accessibility Board of Appeals  | \$200                                                                                                                                                       |

<sup>1</sup> Rounded up to the next multiple of \$1,000.

<sup>2</sup> Currently, PV Solar Systems are “no fee” permits by ordinance.

## MEMORANDUM



**DATE:** June 7, 2010

**TO:** Honorable Mayor and Council Members

**FROM:** Donna Silva, Finance Director and Cyrus Abhar, Public Works Director

**SUBJECT:** PUBLIC HEARING ON, AND ADOPTION OF, THE FISCAL YEAR 2010/2011 OPERATING BUDGET FOR THE CITY OF RANCHO CORDOVA AND THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA, INCLUDING THE DETERMINATION OF THE APPROPRIATIONS (GANN) LIMIT FOR SAME, AND ADOPTION OF THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN 2010-2015

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### **RECOMMENDATION**

Receive input from the public on the Proposed Budget for Fiscal Year 2010/11 for the City of Rancho Cordova and the City of Rancho Cordova Community Redevelopment Agency. Direct staff to process changes discussed during the public hearing, if any, and return with a FY 2010/11 Proposed Budget for final deliberation at this meeting or on June 21, 2010. If no changes are directed, the Proposed Budget, Appropriation Limit and Five Year Capital Improvement Plan (CIP) can be adopted immediately following the public hearing by adopting:

- a) Resolution No. 51-2010 Approving the Appropriations Limit for Fiscal Year 2010-11 and Making the Annual Election for Adjustment Factors.
- b) Resolution No. 52-2010 Approving the Citywide Operating Budget for the City for the Fiscal Year July 1, 2010 through June 30, 2011, and Providing for the Appropriations and Expenditures of All Sums Set Forth Therein.
- c) Community Redevelopment Agency Resolution No. CRA 6-2010 Approving the Operating Budget for the Agency For the Fiscal Year July 1, 2010 Through June 30, 2011, and Providing for the Appropriations and Expenditures of All Sums Set Forth Therein.
- d) Resolution No. 53-2010 Approving the Five Year Capital Improvement Plan for the Five Fiscal Years Beginning July 1, 2010 and Ending June 30, 2015.

### **RESULT OF RECOMMENDED ACTION**

The Public Hearing will provide the public with the opportunity to have input on the fiscal year 2010/2011 budget prior to adoption of same by the City Council. If there are no changes to the FY 2010/2011 Proposed Budget directed as a result of the public hearing held at this meeting, the budget and Five Year CIP may be adopted as is, with state required Gann (appropriation) limit calculations.



The adoption of the budget will provide financial and program guidelines for the City and Redevelopment Agency's operations for the period beginning July 1, 2010 and ending June 30, 2011. The budget provides both anticipated resources and planned uses of those resources.

Approval of the Appropriations Limit and factors used therein will ensure compliance with state law. Adoption of the Five Year Capital Improvement Plan will provide a spending plan and timeline for approved projects and ensures that adequate resources are allocated to provide funding for these multiple year, large scale projects.

## **BACKGROUND**

### **Appropriations Limit**

State law requires that the City of Rancho Cordova adopt an Appropriations Limit as well as make an annual election to determine the adjustment factors that were used in calculating the Appropriations Limit. The limit, also referred to as the "GANN Limitation" is based on a delineation of revenues between those that are discretionary and those that are not discretionary. Discretionary revenues are those that the City can use for any purpose and non-discretionary revenues are those that are restricted in their use. The General Fund is usually considered to be discretionary while Special Revenue Funds are considered to be non-discretionary. Schedules 1 through 8 are attached to Resolution No. 51-2010 (**Exhibit A**) and form the basis of the Appropriations Limit calculation. The limit is increased by two factors:

- The change in the population of Rancho Cordova
- The change in the per capita income in California

These two factors are then multiplied together to arrive at the "factor" that is used to increase the appropriations limit for fiscal year 2010/11. As shown, that factor was a combination of a 1.01% increase in population and a 1.01% increase in per capita income to create an overall factor of 1.0241%. The Appropriations Limit for FY 2009/10 was \$49,062,242 and has been adjusted to \$50,113,160 for FY 2010/11. Our proposed budget appropriations (expenditures) are under our Appropriations Limit by \$28,709,149

### **Citywide Proposed Budget**

The City operates on a fiscal year that begins on July 1st and ends on June 30th of each year. The city financial operations are governed by a "budget document". The City Manager prepared and submitted to the Council a "Proposed FY 2010/2011 Budget" and a "Five Year Capital Improvement Plan" at a public workshop on May 17, 2010. There were no significant changes to the proposed budget as a result of the public workshop.

In July, 2009, the Governor signed ABX4-26 as part of the budget package, requiring \$2.05 billion of redevelopment funds to be paid to the state in 2009/10 and 2010/11. The California Redevelopment Association's (CRA) lawsuit was unsuccessful and agencies were required to make the \$1.7 billion payments this year. An additional \$350 million will be due to the State this year if CRA's appeal is lost. While the Community Redevelopment Agency of the City of Rancho Cordova was excluded from this requirement, the likelihood of a future taking is high. On May 14<sup>th</sup>, the Governor sent his May Revision to the legislature in an effort to address the \$24 billion deficit the State is

currently facing. The Governor has advised the legislature he will not sign a budget that does not include budget reform and pension reform. The budget discussions are still in their infancy and we expect many proposals to appear throughout the summer in an effort to pass the budget. We will continue to monitor the situation closely and keep the council educated on state budget resolutions that have a material effect upon our budget throughout the year.

#### **ATTACHMENTS**

1. Resolution No. 51-2010 (including Fiscal Year 2009/10 GANN Calculations Schedules No. 1 through No. 8).
2. Resolution No. 52-2010.
3. CRA Resolution No. 6-2010.
4. Resolution 53-2009.
5. City of Rancho Cordova Proposed Budget FY 2010-2011.
6. City of Rancho Cordova Five Year Capital Improvement Plan 2010-2015.



## CITY OF RANCHO CORDOVA

## RESOLUTION NO. 51-2010

**A RESOLUTION OF THE CITY COUNCIL ADOPTING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010/2011 AND MAKING THE ANNUAL ELECTION FOR ADJUSTMENT FACTORS**

**WHEREAS**, the people of California on November 6, 1979, added Article XIII-B to the State Constitution placing various limitations on the appropriations of state and local governments; and

**WHEREAS**, the State Legislature adopted Chapters 1205 and 1342 of the 1980 Statutes which implemented Article XIII-B; and

**WHEREAS**, the people of California on June 5, 1990 amended Article XIII-B effective July 1, 1990; and

**WHEREAS**, the provisions of the amendments have been interpreted by a coalition of statewide organizations, and the organizations have issued through the League of California Cities revised guidelines to calculate the appropriations limit; and

**WHEREAS**, section 7910 of the Government Code requires cities to adopt a resolution setting the annual appropriations limit at a regularly scheduled meeting or a noticed special meeting; and

**WHEREAS**, the City of Rancho Cordova has complied with the provisions of Article XIII-B in calculating the Appropriations Limit for Fiscal Year 2010/2011.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Rancho Cordova and shown on Schedules No. 1 through 8 (**Exhibit A**), that:

1. The Fiscal Year 2010/2011 Appropriations Limit shall be \$50,113,160,
2. The Fiscal Year 2010/2011 Appropriations subject to the Limit is \$21,404,011,
3. The annual election for Adjustment Factors shall be to use the growth in City population and the increase in the per-capita personal income for the State of California.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

## EXHIBIT A

CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2009-10 GANN CALCULATIONS

CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11 GANN CALCULATIONS

SCHEDULE NO. 1**USER FEES VERSUS COSTS**

|                                         | Planning Services   | Building & Safety | Engineering Fees    | Legal Fees          | FY 2010 - 2011<br>Fiscal Year |
|-----------------------------------------|---------------------|-------------------|---------------------|---------------------|-------------------------------|
| COSTS REASONABLY BORNE                  | \$ 1,589,750        | \$ 1,056,800      | \$ 4,063,550        | \$ 860,500          | \$ 7,570,600                  |
| FEES                                    | <u>871,000</u>      | <u>1,392,300</u>  | <u>3,399,400</u>    | <u>270,900</u>      | <u>5,933,600</u>              |
| AMOUNT OF FEE REVENUE<br>LESS THAN COST | <u>\$ (718,750)</u> | <u>\$ 335,500</u> | <u>\$ (664,150)</u> | <u>\$ (589,600)</u> | <u>\$ (1,637,000)</u>         |



CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2009-10 GANN CALCULATIONS

CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11 GANN CALCULATIONS

**SCHEDULE NO. 2**

**ALLOCATION OF TAXES**

|                                    | General Fund         |                     | Special Revenue Fund |                      | Total                |                      |
|------------------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|                                    | Subject              | Not Subject         | Subject              | Not Subject          | Subject              | Not Subject          |
| Property Taxes                     | \$ 8,206,100         | \$ -                | \$ -                 | \$ -                 | \$ 8,206,100         | \$ -                 |
| Property Taxes In Lieu             | 4,750,000            | -                   | -                    | -                    | 4,750,000            | -                    |
| Sales Taxes                        | 9,748,000            | -                   | -                    | -                    | 9,748,000            | -                    |
| Other Taxes:                       |                      |                     |                      |                      |                      |                      |
| Garbage Franchise Fee              | -                    | 785,000             | -                    | -                    | -                    | 785,000              |
| Cable Franchise Fee                | -                    | 310,000             | -                    | -                    | -                    | 310,000              |
| PG&E Franchise Fee                 | -                    | 74,000              | -                    | -                    | -                    | 74,000               |
| Other Franchise                    | -                    | 67,900              | -                    | -                    | -                    | 67,900               |
| Property Transfer Tax              | 262,000              | -                   | -                    | -                    | 262,000              | -                    |
| Police Tax                         | 930,000              | -                   | -                    | -                    | 930,000              | -                    |
| Utility User Tax                   | 1,961,400            | -                   | -                    | -                    | 1,961,400            | -                    |
| Transient Occupancy Tax            | 2,074,500            | -                   | -                    | -                    | 2,074,500            | -                    |
| Traffic Mitigation Fees            | -                    | -                   | -                    | -                    | -                    | -                    |
| <b>TOTAL TAXES</b>                 | <b>27,932,000</b>    | <b>1,236,900</b>    | <b>-</b>             | <b>-</b>             | <b>27,932,000</b>    | <b>1,236,900</b>     |
| From State:                        |                      |                     |                      |                      |                      |                      |
| Motor Vehicle In Lieu              | 170,800              | -                   | -                    | -                    | 170,800              | -                    |
| Gas Tax                            | -                    | -                   | -                    | 987,300              | -                    | 987,300              |
| Homeowners Relief                  | 100,000              | -                   | -                    | -                    | 100,000              | -                    |
| TDA                                | -                    | -                   | 26,300               | -                    | 26,300               | -                    |
| SB 90 Reimbursements               | -                    | -                   | -                    | -                    | -                    | -                    |
| <b>Sub-Total</b>                   | <b>270,800</b>       | <b>-</b>            | <b>26,300</b>        | <b>987,300</b>       | <b>297,100</b>       | <b>987,300</b>       |
| Other Intergovernmental            |                      |                     |                      |                      |                      |                      |
| Measure A Sales Tax                | -                    | -                   | -                    | 8,226,600            | -                    | 8,226,600            |
| Proposition 42                     | -                    | -                   | -                    | 632,000              | -                    | 632,000              |
| CDBG Block Grant                   | -                    | -                   | -                    | 1,103,730            | -                    | 1,103,730            |
| Other Intergovernmental            | -                    | 45,000              | -                    | -                    | -                    | 45,000               |
| Grants                             | -                    | -                   | -                    | 17,717,270           | -                    | 17,717,270           |
| <b>Sub-Total Other Intergovt'l</b> | <b>-</b>             | <b>45,000</b>       | <b>-</b>             | <b>27,679,600</b>    | <b>-</b>             | <b>27,724,600</b>    |
| Locally Raised:                    |                      |                     |                      |                      |                      |                      |
| Sp. Benefit - Assmt. Districts     | -                    | -                   | -                    | 997,000              | -                    | 997,000              |
| Zinfandel Impact Fees              | -                    | -                   | -                    | 10,200               | -                    | 10,200               |
| Comm. Fac. Fees                    | -                    | -                   | -                    | 587,500              | -                    | 587,500              |
| Traffic Impact Fees                | -                    | -                   | -                    | 1,147,500            | -                    | 1,147,500            |
| Park Renovation Fees               | -                    | -                   | -                    | 105,000              | -                    | 105,000              |
| Low Income Housing                 | -                    | -                   | -                    | 15,000               | -                    | 15,000               |
| Sunrise Douglas Impact             | -                    | -                   | -                    | 1,855,100            | -                    | 1,855,100            |
| General Plan Impact                | -                    | -                   | -                    | 30,260               | -                    | 30,260               |
| Environmental Impact               | -                    | -                   | -                    | -                    | -                    | -                    |
| Mather Field Impact                | -                    | -                   | -                    | -                    | -                    | -                    |
| Roadway Improvement Fund           | -                    | -                   | -                    | 182,390              | -                    | 182,390              |
| Storm Water Utility Tax            | -                    | -                   | -                    | 1,079,000            | -                    | 1,079,000            |
| Licenses Permits & Fees            | -                    | 540,200             | -                    | 75,000               | -                    | 615,200              |
| Fines/Forfeitures & Penalties      | -                    | 1,157,000           | -                    | -                    | -                    | 1,157,000            |
| Rents                              | -                    | 317,000             | -                    | -                    | -                    | 317,000              |
| Charges for Services               | -                    | 482,800             | -                    | -                    | -                    | 482,800              |
| Transfers In                       | -                    | 892,000             | -                    | -                    | -                    | 892,000              |
| Other                              | -                    | -                   | -                    | 35,000               | -                    | 35,000               |
| <b>Sub-Total Locally Raised</b>    | <b>-</b>             | <b>3,389,000</b>    | <b>-</b>             | <b>6,118,950</b>     | <b>-</b>             | <b>9,507,950</b>     |
| <b>TOTAL ALL FUNDS</b>             | <b>\$ 28,202,800</b> | <b>\$ 4,670,900</b> | <b>\$ 26,300</b>     | <b>\$ 34,785,850</b> | <b>\$ 28,229,100</b> | <b>\$ 39,456,750</b> |

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2009-10 GANN CALCULATIONS**

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11 GANN CALCULATIONS**

***SCHEDULE NO. 3***

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***INTEREST EARNINGS PRODUCED BY TAXES***

|                                             | Amount                   | Source        |
|---------------------------------------------|--------------------------|---------------|
| A. Non-Interest Tax Proceeds                | \$ 28,229,100            | Worksheet # 2 |
| B. Minus Exclusions                         | <u>7,045,372</u>         | Worksheet # 7 |
| C. Net Invested Taxes                       | <u>21,183,728</u>        | ( A-B )       |
| D. Total Non-Interest Budget                | <u>45,390,350</u>        | Worksheet # 2 |
| E. Tax Proceeds as % of Budget              | 46.67%                   | ( C/D )       |
| F. Interest Earnings                        | 472,000                  | Budget        |
| G. Amount of Interest Earned from Taxes     | <u><u>\$ 220,283</u></u> | ( E*F )       |
| H. Amount of Interest Earned from Non-Taxes | <u><u>\$ 251,717</u></u> | ( F-G )       |



**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2009-10 GANN CALCULATIONS**

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11 GANN CALCULATIONS**

***SCHEDULE NO. 4***

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***APPROPRIATIONS SUBJECT TO LIMITATION***

|                                         | Amount                 | Source         |
|-----------------------------------------|------------------------|----------------|
| A. Proceeds of Taxes                    | \$ 28,449,383          | Schedule No. 8 |
| B. Exclusions                           | <u>7,045,372</u>       | Schedule No. 7 |
| C. Appropriations Subject to Limitation | <u>21,404,011</u>      | ( A-B )        |
| D. Current Year Limitation              | <u>50,113,160</u>      | Schedule No. 6 |
| E. Over/(Under) Limit                   | <u>\$ (28,709,149)</u> | ( C-D )        |

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2009-10 GANN CALCULATIONS**

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11 GANN CALCULATIONS**

**SCHEDULE NO. 5**

**APPROPRIATIONS LIMIT**

|                                           | <u>Amount</u>               | <u>Source</u>  |
|-------------------------------------------|-----------------------------|----------------|
| A. Last Year's Limit                      | \$ 49,062,242               | Voter Approved |
| B. Adjustment Factors                     |                             |                |
| 1. Growth in Rancho Cordova Population    | 1.0127                      | State Finance  |
| 2. Growth in California Per Capita Income | 1.0086                      | State Finance  |
| Total Adjustment %                        | 1.0214                      | ( B1 * B2 )    |
| C. Annual Adjustment \$                   | <u>1,050,918</u>            | ( B*A)         |
| D. Other Adjustments                      |                             |                |
| Lost Responsibility (-)                   | -                           |                |
| Transfer to Private (-)                   | -                           |                |
| Transfer to Fees (-)                      | -                           |                |
| Assumed Responsibility (+)                | <u>-</u>                    |                |
| Subtotal                                  | -                           |                |
| E. Total Adjustments                      | <u>1,050,918</u>            | ( C+D )        |
| F. This Year's Limit                      | <u><b>\$ 50,113,160</b></u> | ( A+E)         |



**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2009-10 GANN CALCULATIONS**

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11 GANN CALCULATIONS**

***SCHEDULE NO. 6***

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***APPROPRIATIONS LIMIT ANALYSIS***

|                                          |                      |
|------------------------------------------|----------------------|
| <b>FY 2009-2010 Appropriations Limit</b> | <b>\$ 49,062,242</b> |
|------------------------------------------|----------------------|

Adjustment Factors

|                                                     |        |
|-----------------------------------------------------|--------|
| Change in Per Capita Personal Income (FY 2009-2010) | 1.0127 |
|-----------------------------------------------------|--------|

|                                       |        |
|---------------------------------------|--------|
| Increase in Rancho Cordova Population | 1.0086 |
|---------------------------------------|--------|

|                                  |        |
|----------------------------------|--------|
| Factor for Fiscal Year 2010-2011 | 1.0214 |
|----------------------------------|--------|

|                                          |                      |
|------------------------------------------|----------------------|
| <b>FY 2009-2010 Appropriations Limit</b> | <b>\$ 50,113,160</b> |
|------------------------------------------|----------------------|

|                                |            |
|--------------------------------|------------|
| FY 2009-2010 Proceeds of Taxes | 28,449,383 |
|--------------------------------|------------|

|           |                    |
|-----------|--------------------|
| Exclusion | <u>(7,045,372)</u> |
|-----------|--------------------|

|                                                     |                          |
|-----------------------------------------------------|--------------------------|
| <b>FY 2009-2010 Appropriations Subject to Limit</b> | <b><u>21,404,011</u></b> |
|-----------------------------------------------------|--------------------------|

|                                                |                      |
|------------------------------------------------|----------------------|
| <b>FY 2009-2010 Appropriations Under Limit</b> | <b>\$ 28,709,149</b> |
|------------------------------------------------|----------------------|

**City of Rancho Cordova, CA  
FISCAL YEAR 2009-10**

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11**

**SCHEDULE NO. 7**

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**APPROPRIATIONS LIMIT**

|              |    |   |
|--------------|----|---|
| COURT ORDERS | \$ | - |
|--------------|----|---|

FEDERAL MANDATES

|                             |               |
|-----------------------------|---------------|
| FLSA Payments               | 12,600        |
| Medicare Payments           | 73,672        |
| Landfill Closure Costs      | -             |
| Underground Tank Monitoring | -             |
| Unemployment Payments       | -             |
| TOTAL FEDERAL MANDATES      | <u>86,272</u> |

QUALIFIED CAPITAL OUTLAYS

|                         |               |
|-------------------------|---------------|
| Technology Enhancements | 123,000       |
| Building Improvements   | 90,800        |
| Vehicles                | -             |
| Other Capital Equipment | <u>30,600</u> |
|                         | 244,400       |

QUALIFIED DEBT SERVICE

|                               |                  |
|-------------------------------|------------------|
| Certificates of Participation | 720,000          |
| Transition Costs              | -                |
| Revenue Neutrality Payment    | <u>6,714,700</u> |
|                               | 6,714,700        |

|                               |           |                  |
|-------------------------------|-----------|------------------|
| TOTAL EXCLUDED APPROPRIATIONS | <u>\$</u> | <u>7,045,372</u> |
|-------------------------------|-----------|------------------|



**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2009-10 GANN CALCULATIONS**

**CITY OF RANCHO CORDOVA, CA  
FISCAL YEAR 2010-11 GANN CALCULATIONS**

***SCHEDULE NO. 8***

***CALCULATION OF PROCEEDS OF TAXES***

| <b>REVENUE</b>                        | <b>Proceeds of<br/>Taxes</b> | <b>Non-Proceeds<br/>of Taxes</b> | <b>Total</b>  |
|---------------------------------------|------------------------------|----------------------------------|---------------|
| Taxes                                 | \$ 27,932,000                | \$ 1,236,900                     | \$ 29,168,900 |
| Subventions from State                |                              |                                  | -             |
| Motor Vehicle In Lieu                 | 170,800                      | -                                | 170,800       |
| Gas Tax                               | -                            | 987,300                          | 987,300       |
| Homeowner's Relief                    | 100,000                      | -                                | 100,000       |
| SB 90 Reimbursements                  | -                            | -                                | -             |
| TDA                                   | 26,300                       | -                                | 26,300        |
| Other Intergovernmental               | -                            | 1,780,730                        | 1,780,730     |
| Locally Raised                        |                              |                                  | -             |
| Local Dedicated Sales Tax             | -                            | 8,226,600                        | 8,226,600     |
| Special Benefit-Landscape Assessments | -                            | 997,000                          | 997,000       |
| Impact Fees                           | -                            | 3,750,560                        | 3,750,560     |
| Grants                                | -                            | 17,717,270                       | 17,717,270    |
| Licenses and Permits                  | -                            | 615,200                          | 615,200       |
| Fines, Forfeiture and Penalties       | -                            | 1,157,000                        | 1,157,000     |
| Rents                                 | -                            | 317,000                          | 317,000       |
| Charges for Services                  | -                            | 482,800                          | 482,800       |
| Storm Water Utility Tax               | -                            | 1,079,000                        | 1,079,000     |
| Roadway Improvement Fund              | -                            | 182,390                          | 182,390       |
| User Fees                             | -                            | 5,933,600                        | 5,933,600     |
| Transfers In                          | -                            | 892,000                          | 892,000       |
| Other                                 | -                            | 35,000                           | 35,000        |
| Subtotal                              | 28,229,100                   | 45,390,350                       | 73,619,450    |
|                                       |                              |                                  | -             |
| Interest Earnings                     | 220,283                      | 251,717                          | 472,000       |
| Total Revenue                         | 28,449,383                   | 45,642,067                       | 74,091,450    |
| Reserve Withdrawals                   | -                            | -                                | -             |
| TOTAL BUDGET APPROPRIATIONS           | \$ 28,449,383                | \$ 45,642,067                    | \$ 74,091,450 |

CITY OF RANCHO CORDOVA

RESOLUTION NO. 52-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
ADOPTING AN OPERATING BUDGET FOR THE CITY FOR THE FISCAL YEAR JULY 1,  
2010 THROUGH JUNE 30, 2011, AND PROVIDING FOR THE APPROPRIATIONS AND  
EXPENDITURES OF ALL SUMS SET FORTH THEREIN**

**RECITALS**

**WHEREAS**, the City Manager has submitted to the City Council of Rancho Cordova a Fiscal Year 2010/2011 Proposed Budget; and

**WHEREAS**, after conducting a workshop and a public hearing on the proposed budget, the City Council has approved the same; and

**WHEREAS**, it is the intention of the Council to adopt the proposed budget as submitted by the City Manager; and

**WHEREAS**, with respect to providing an appropriation to the Cordova Community Council, the City Council finds that providing funds to the Cordova Community Council will serve a public purpose by aiding the City in its ongoing effort to improve the image of the community and the quality of life for all Rancho Cordova citizens;

**DECISION**

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Rancho Cordova as follows:

1. That certain document referred to as "The City of Rancho Cordova Proposed Budget Fiscal Year 2010-2011" presented by the City Manager is hereby adopted and the appropriations for the annual budget of the City of Rancho Cordova for the fiscal year beginning on July 1, 2010 and ending on June 30, 2011, is hereby adopted; and
2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects, and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget; and
3. The City Manager is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.



**ATTACHMENT 2**

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

CITY OF RANCHO CORDOVA

AGENCY RESOLUTION NO. 6-2010

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF RANCHO CORDOVA ADOPTING AN OPERATING BUDGET FOR THE AGENCY FOR THE FISCAL YEAR JULY 1, 2010 THROUGH JUNE 30, 2011, AND PROVIDING FOR THE APPROPRIATIONS AND EXPENDITURES OF ALL SUMS SET FORTH THEREIN**

**WHEREAS**, the Executive Director has submitted to the Agency Board a Fiscal Year 2010/2011 Proposed Budget; and

**WHEREAS**, after conducting a workshop and a public hearing on the proposed budget, the Agency Board has approved the same; and

**WHEREAS**, it is the intention of the Board to adopt the proposed budget as submitted by the Executive Director; and

**WHEREAS**, under Section 33334.2(a) of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), not less than 20% of all taxes allocated to the Community Redevelopment Agency must be set aside by the Agency in a Housing Reserve Fund and used for the purpose of increasing, improving and preserving the community's supply of low and moderate income, and

**WHEREAS**, under section 33334.3(d) of the California Community Redevelopment Law (Health and Safety Code section 33000 et seq.), the amount of money spent for planning and general administration from the Housing Reserve Fund must not be disproportionate to the amount actually spent for the cost of production;

**NOW, THEREFORE BE IT RESOLVED** by the board of the Community Redevelopment Agency of the City of Rancho Cordova as follows:

1. That certain document referred to as "The City of Rancho Cordova Proposed Budget Fiscal Year 2010-2011" presented by the Executive Director is hereby adopted and the appropriations for the annual budget of the Community Redevelopment Agency of the City of Rancho Cordova for the fiscal year beginning on July 1, 2010 and ending on June 30, 2011, is hereby adopted.
2. That the amounts stated in the proposed budget shall become and thereafter be appropriated to the offices, departments, activities, objects, and purposes stated therein and said monies are hereby authorized to be expended for the purposes and objects specified in said budget.
3. The Executive Director is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.
4. The Agency hereby determines that it is necessary to use \$82,300 of the \$182,300 2010/2011 Low to Moderate Income Housing Fund budget for planning and administrative expenses for the production, improvement or preservation of low and moderate housing during the 2010/2011 fiscal year.



**ATTACHMENT 3**

**PASSED AND ADOPTED** at a meeting of the Community Redevelopment Agency of the City of Rancho Cordova held on the \_\_\_\_ day of \_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Chairperson

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

CITY OF RANCHO CORDOVA

RESOLUTION NO. 53-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
ADOPTING THE FIVE YEAR CAPITAL IMPROVEMENT PLAN 2010-2015 AND THE  
CAPITAL IMPROVEMENT PLAN EXPENDITURE BUDGET FOR THE FISCAL YEAR  
BEGINNING JULY 1, 2010 AND ENDING JUNE 30, 2011, AND PROVIDING FOR THE  
APPROPRIATIONS AND EXPENDITURES OF ALL SUMS SET FORTH THEREIN**

**WHEREAS**, the Public Works Director has submitted to the City Council of Rancho Cordova a Five Year Capital Improvement Plan for 2010-2015;

**WHEREAS**, the Five Year Capital Improvement Plan contains the Fiscal Year 2010/2011 Proposed Budget for the Capital Improvement Projects and a proposed fund allocation through Fiscal Year 2014/2015;

**WHEREAS**, after conducting workshops and a public hearing on the proposed Five Year Capital Improvement Plan and proposed 2010/2011 expenditure budget, the City Council has approved the same;

**WHEREAS**, it is the intention of the Council to adopt the Five Year Capital Improvement Plan and approve the Fiscal Year 2010/2011 Capital Improvement Plan budget and allocate the funding to the Capital Improvement Projects;

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA** as follows:

1. That certain document referred to as "The City of Rancho Cordova Five Year Capital Improvement Plan 2010-2015" presented by the Public Works Director is hereby adopted and the appropriations for the annual budget for the Capital Improvement Projects for the fiscal year beginning on July 1, 2010 and ending on June 30, 2011, is hereby adopted; and
2. That the amounts stated in the proposed budget for the Capital Improvement Projects shall become and thereafter be appropriated to the Projects and purposes stated therein and said monies are hereby allocated and authorized to be expended for the purposes and objected specified in said budget; and
3. The City Manager is authorized to approve expenditure adjustments within individual funds so long as the total appropriated within each major fund is not exceeded.



**ATTACHMENT 4**

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

## MEMORANDUM



**DATE:** June 7, 2010  
**TO:** Honorable Mayor and Council Members  
**FROM:** Donna Silva, Finance Department  
**SUBJECT:** 2010/2011 FISCAL YEAR BUDGET DOCUMENT REPLACEMENT PAGES

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At a Budget Workshop on May 17, 2010, Council was presented a Proposed 2010/2011 Fiscal Year Budget document for review.

At that time, a full electronic version of the Proposed 2010/2011 Fiscal Year Budget document was posted to the City's website at <http://www.cityofranhocordova.org/index.aspx?recordid=2336&page=351>.

At the workshop Council directed staff to make revisions to the proposed 2010/2011 Budget document. Attached are replacement pages that reflect Council's changes.



# City Manager's Budget Message



## Rightsizing

Many governmental entities are having severe budget problems because of their inability to adjust expenditures to their current revenue levels. We at the City of Rancho Cordova do not have this problem. Our sound fiscal management has allowed us to stay flexible and adapt to the changing economic climate. Our careful strategic planning in years past has ensured we do not need to rely on borrowing, accounting gimmicks, or "kicking the can down the road." Instead, we are practicing what we call rightsizing.

Rightsizing is our term for adjusting our on-going expenditures to match our on-going revenues. In other words, budgeting only for income we have by adjusting operations to fit accordingly. It is this practice that has enabled us to produce yet another balanced budget without the use of reserve funds or one-time, short term gimmicks.

## Fiscal Year 2009-10 Accomplishments, Despite Less Than Expected Revenues

The fiscal year 2009-10 adopted budget was our best estimate (last May) at revenues and expenditures from July 1, 2009 to June 30, 2010. The reality is that general fund revenues are lower than we projected. To adjust, we have actively managed our expenditures and targeted them to fall below our current revenue projections. Despite lower than expected revenue, we still accomplished:

- We became more aggressive at pursuing outside funding, especially grants. The largest source of outside funding in the last fiscal year was the American Recovery and Reinvestment Act (Recovery Act). With \$7.8 million in Recovery Act funding secured by City staff, the City of Rancho Cordova was highly effective at bringing in more than its fair share of Recovery Act dollars. With these monies we:
  - Commenced construction of the International Drive extension;
  - Completed road rehabilitation work on Coloma Road;
  - Will complete energy efficiency upgrades to community facilities; and
  - Acquired three parcels for the development of affordable housing.

- The City's financial prowess continues to be strong as compared to many other jurisdictions. This excellence in financial management resulted in a Standard & Poor's credit rating upgrade to A+. We were surprised and delighted when the Sacramento Bee ran an article in their July 10, 2009 Opinion section stating that the City's "prudent policies" are something that others within the State and surrounding region should emulate.
- At our annual Financial Issues Workshop in February, City staff unveiled "*Connecting the Dots...Your Tax Dollars at Work in Rancho Cordova*." This video was a collaborative effort of multiple City departments that helps to explain how and where tax revenues are spent by the City. This video has, and will continue to, advance our goals of practicing sound fiscal management and fostering responsible citizenship. By openly discussing how we spend tax revenue in this video, we hope to further instill confidence in our citizens of our ability to responsibly manage their finances.

### **During Our Current Fiscal Year We Also Had Other Significant Accomplishments**

- We completed the annexation of what we call the "finger" area. Comprised of the area running east of Sunrise from Folsom Boulevard south to Costco, this area will be within the City's legal boundaries starting July 1, 2010. This 1.2 square mile area currently includes 500 businesses, almost no new residents, and will provide logical boundaries for the City.
- Being an All America City Award finalist is a prestigious accomplishment for any community; doing it two consecutive years is twice as prestigious. For the second straight year the City has been nominated as one of the 27 finalists to appear in Kansas City for a shot at the award. This accomplishment is a direct result of the City's continued mission of being a **broker, catalyst, facilitator** to empower our citizens to improve their community.
- Major strides were made to improve Folsom Boulevard. The long-sought removal of the Stagger Inn was finally accomplished. Demolished to make way for much needed affordable senior housing, the Stagger Inn demolition symbolizes an increasingly changed landscape along Folsom Boulevard. Further west, a development agreement was executed with Los Rios Community College District for a satellite campus to be located on Folsom Boulevard across from the Mather/Mills light rail station.

### **The New 2010-11 Proposed Fiscal Year Budget**

*"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."* Winston Churchill

The good news is we like to consider ourselves optimists. It is for this reason that we see opportunity in these difficult economic times. Due to sound fiscal management, through our first seven years of Cityhood, we have been able to stay nimble and quickly adjust to the changing economic climate. Balancing this new fiscal year budget was accomplished through a continual examination of our expenditures over the last fiscal year and rightsizing accordingly.

We have taken advantage of every opportunity to make small reductions on a regular basis so we don't need to make large reductions now. In order to guarantee structural integrity for the next seven years of Cityhood, we are planning for activities according to a conservative estimation of revenues. Additionally, we will ensure adequate levels of services are provided to citizens within the confines of our revenue.



## **The Difficulty**

Growth rates seen during the first four years of Cityhood, in both the building and retail industries, are not expected to return. Instead of waiting for the “recovery,” we are methodically working to establish a realistic general fund expenditure base. As part of our rightsizing efforts, the staff first had to alleviate an estimated \$2.9 million general fund shortfall for the coming fiscal year. We project this shortfall for the following reasons:

- Tax revenue, including sales tax, Transient Occupancy Tax (TOT), Utility Users Tax (UUT), and property tax will be in decline in the coming year. Our conservative estimation is that these four revenue sources will result in over \$1.1 million in revenue decline.
- A \$750,000 decline from a combination of four factors; reductions in investment earnings from low interest rates; costs not being recovered from development services; lower office lease income associated with the decline in the office space rental market; and reductions in “transfer-in” revenue, which are various sources of special revenues that supplement the general fund.
- California Revenue and Taxation law provides for newly incorporated cities to receive a supplemental increase in their Vehicle License Fee (VLF) for the first seven years of incorporation. In fiscal year 2010-11 there will be no VLF supplemental revenue. Termed the revenue “bump,” fiscal year 2009-10 was the final year the City received the increase. Loss of the “bump” results in a \$550,000 reduction in VLF revenue.
- A \$254,000 increase in the City’s revenue neutrality payment to the County.
- Costs of operation are projected to rise in the coming fiscal year. Our estimates of increasing costs include repair/maintenance contracts and rate increases for water, sewer, and electricity. This amounts to approximately \$176,000.

## **The Opportunity**

In order to ensure the City continues its proud tradition of delivering balanced budgets, we have placed ourselves in a position to catch any economic updrafts that present themselves in the coming fiscal year. Countless hours were spent examining every aspect of our operation. Intelligently reducing expenditures to ensure that the taxpayers’ investment in City services is fully returned was the overriding goal of our rightsizing process.

To close the budget shortfall for the coming year we focused on three topics: completing the long awaited annexation of the “finger” area, internal reductions, and some cuts in service. The result is what we think to be the most equitable way to reduce expenditures and achieve a new base.

## **Annexation**

- The City will receive some additional revenues based on the resolution of a protracted negotiation with Sacramento County. The deal brokered with the County is expected to

bring approximately \$1.92 million in total additional revenue to the City in fiscal year 2010-11. Of this, approximately \$950,000 will be spent providing services to the annexation area and \$973,000 will be revenue the City will utilize to help close the budget shortfall.

- Addition of the “finger” area is not only a further accomplishment of City Goal #12 (Establish Logical City Boundaries) but was the single most important factor in our ability to close the projected budget shortfall for fiscal year 2010-11. All revenue will come from three sources; sales taxes, TOT, and UUT. The City will not receive any current property tax from the area at annexation, but as the assessed value increases in the area the City will receive a small share of property tax from the portion that replaced motor vehicle in-lieu revenues.

### **Internal Reductions**

- As revenues and expenditures shrink, the result is a reduced work load. The direct effect of a reduced work load is the need for fewer staff. Accordingly, we will not be filling some staff positions vacated in fiscal year 2009-10, a net loss of 6 positions.
- Our internal process for determining individual department funding is called discretionary spending requests. Cuts in these requests resulted in roughly \$300,000 in savings.
- We have once again made the decision to furlough our employees and reduce their benefits. We have also increased the number of furlough days by three over the previous fiscal year. We understand there is an external impact of this decision as City Hall and the Rancho Cordova Neighborhood Center will be closed for a total of ten business days during fiscal year 2010-11. We project the furloughs will reduce our expenditures by \$260,000.
- Renegotiating our cell phone vendor contract to reduce costs resulted in \$29,000 in savings. Thanks to a commendable effort lead by our Information Technology Department, the City will be saving a respectable amount of money on communications.

### **External Cuts**

- The fiscal year 2010-11 police budget is \$153,000 less than we budgeted for the last fiscal year (about 1%). Through renegotiation of our police services contract with the Sacramento County Sheriff’s Department, we have reduced the cost of our service plan. Because we will be servicing the newly annexed “finger area,” we have increased our Community Service Officers and have been able to retain some existing officers. We are reducing two traffic motor officer positions – one of which will be reduced upon a retirement. A currently vacant shared Lieutenant position will also be removed in fiscal year 2010-11. In addition, our Crime Suppression Unit officers will be returned to regular patrol to reduce overtime expenses and we will eliminate two canines (It should be noted that the dogs were not harmed in the balancing of this budget. They are owned by the City and simply being removed from service at this time).

### **Realistic Performance in the Coming Year**

In fiscal year 2010-11, we will continue to advance our citywide goals. Our staff has worked diligently over the past few months to not only close the projected budget shortfall but also to ensure that tangible projects occur. Our realistic expectations for performance include:



- We look forward to accepting the annexed business community into the City's new and more logical boundaries. On July 1, when we accept full responsibility for the annexation area, we will begin providing this area with police, street sweeping, road maintenance, and other services at a higher level than the County was providing to the area.
- This year we purchased property to the east of our Kilgore Road building. Purchased several years ago as the location for a police station, the Kilgore Road building is required to have two entrances to serve its intended use. By acquiring the adjacent property we are now able to construct a second entrance and will proceed with remodeling the building to house the Police Department. We will begin construction in fiscal year 2010-11.
- Efforts to continue making improvements along Folsom Boulevard will continue. Construction will begin on a second phase of safety and beautification improvements from Rod Beaudry to Mather Field Road.
- Construction will begin on an affordable rental housing development behind the former Stagger Inn site. Named Crossings @ New Rancho, this development project will be fully funded by a creative combination of Recovery Act funding and the California Low Income Housing Tax Credit program. Our goal for this project is to build the most energy efficient, "green", and progressive affordable housing development in the region and/or state.
- Construction will be completed on the Highway 50 sound walls. A long-time desire of our citizens, these walls will not only help to make some of our neighborhoods safer and quieter, they will beautify our main thoroughfare and further foster a positive image of Rancho Cordova.
- We will continue to make roadway improvements to our City streets. Street improvement projects identified in this budget include Horn Road, Capital Center Drive, Zinfandel Drive, Rossmoor Drive, and more.
- As a product of one of our internal cross-departmental teams, Equipo Verde (Green Team), the City of Rancho Cordova will be facilitating the Rancho Cordova Green Forum. The Forum will focus on local businesses and will explore how green programs can save dollars, promote economic development and create a healthier community.

## Policy Decisions

As the staff continues to aggressively manage our expenditures in the coming year, it is important to point out that our elected officials have a significant policy role to play. To close the projected shortfall in the coming fiscal year we have included in this budget the long overdue rightsizing of user fees in accordance with our recent User Fee Study.

The laws of the State of California include provisions that fees for specific services used by only a few can include "all costs reasonably borne" (for example a building permit). Our Fee Study has found that we are not fully recouping our costs for business licenses, the release of impounded vehicles, various planning fees, public works fees, and building permits. The end result is that all taxpayers are subsidizing services received by a small number of citizens.

To address this inequality and to close the projected shortfall in the coming fiscal year, we have included in this budget the modification of user fees in accordance with the User Fee Study.

Based on the findings of our User Fee Study, we have adjusted user fee revenue to rates close to full cost recovery. Approximately \$1 million in additional revenue is projected as a result of these increases. Without these increases there will be a budget shortfall of just under \$1 million that can only be closed by drastically cutting services and impacting all of our citizens.

## **Acknowledgements**

Everyone understands that the City Manager does not produce this budget. It is always a deeply collaborative effort and I want to thank many staff members who have spent long hours carefully and diligently doing the myriad of tasks needed to produce this fiscal year 2010-11 budget.

Once again, we present a document that is in balance, and just as important, an underlying financial structure with integrity. The primary responsibility for this feat belongs to Finance Director Donna Silva and Senior Accountant Liisa Behrends, with dedicated support from Advisory Team members Assistant City Manager Joe Chinn, Planning Director Paul Junker, and Economic Development Director Curt Haven.

I sincerely thank Human Resources Manager Stacey Peterson, Human Resources Analyst Lisa Brown, Administrative Assistant Stacy Delaney, and all the department heads and staff who worked very hard as part of the team to continually rise to the challenges of providing the highest level of public service to the Rancho Cordova community. Robin Borre and Stacy Leitner both contributed special analyses that influenced our budget decisions. Housing Assistant David Gassaway was particularly helpful this year by volunteering to craft the budget message for his first time. I thank him for that.

**Ted A. Gaebler**  
**City Manager**



## **Rancho Cordova**

The City of Rancho Cordova is fortunate to have a strong employment base. There are approximately 45,000 employees in the various business parks located throughout the City, and this large employment base will continue to drive both residential and commercial growth within the City. Rancho Cordova attracts businesses and economic development into the area based on its attributes of:

- Affordable and seismically-stable land
- Large business park environment
- Strong workforce
- Access to infrastructure and air cargo services
- Synergistic clusters of business industries such as home improvement and manufacturing

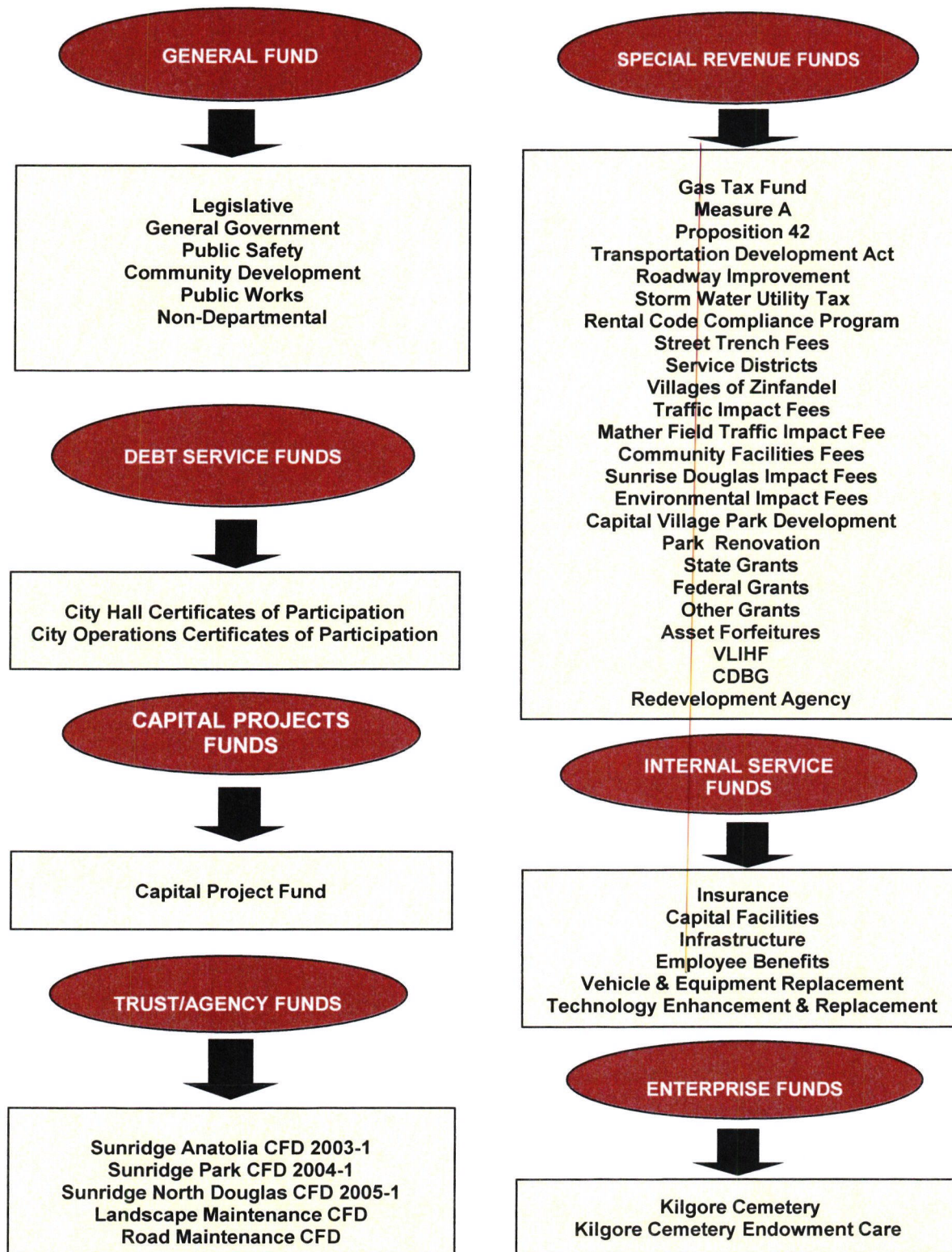
The largest industries in Rancho Cordova are professional and business services, financial activities, and wholesale and retail trade.

| <b>Company</b>              | <b>Employees</b> | <b>Industry</b>                    |
|-----------------------------|------------------|------------------------------------|
| State of California         | 3,000            | Government                         |
| Health Net Inc              | 2,500            | Health Insurance                   |
| Vision Service Plan (VSP)   | 1,800            | Health Insurance                   |
| Aerojet/GenCorp             | 1,600            | Manufacturing                      |
| EDS, an HP Company          | 1,200            | Data Processing/Preparation        |
| Delta Dental                | 1,100            | Health Insurance                   |
| Verizon Wireless            | 1,100            | Telecommunications                 |
| Franklin Templeton Investor | 1,000            | Financial Services                 |
| Catholic Healthcare West    | 700              | Healthcare                         |
| Bank of America             | 700              | Commercial Bank                    |
| Volcano Corp                | 600              | Health Equipment Manufacturing     |
| BloodSource                 | 500              | Laboratory/Blood Bank              |
| Progressive Insurance       | 450              | Insurance Agent/Broker             |
| CVC Construction            | 400              | Concrete Contractor                |
| Hartford                    | 400              | Insurance Agent/Broker             |
| Sprint Communications       | 350              | Telecommunications                 |
| Cisco Systems               | 350              | Software Development               |
| Teledyne                    | 300              | Electronic Equipment Manufacturing |
| Motion Control Engineering  | 300              | Elevator Manufacturing             |
| Pearson School              | 220              | Software Development               |

Figure 2: Top 20 Employers in Rancho Cordova



## DIAGRAM OF FUNDS USED IN THE CITY





## **FISCAL YEAR 2010 – 2011 PROJECTS**

The City has 13 overall goals as stated on page 2. Listed below are the projects, above and beyond our normal operations, targeted for initiation or completion in the upcoming fiscal year. The projects are grouped by the overall goal that they serve.

### **Foster a Positive Image of Rancho Cordova – Goal #1**

1. Create and publish new marketing materials for the new Enterprise Zone.
2. Hold two training events focused on the Enterprise Zone incentives so that our local business take advantage of the program.
3. Improve the image of Rancho Cordova through advertising and article placement in 20 areas.
4. Market the Rancho CordoVan shuttle to our major employers.
5. Create and distribute a quarterly e-newsletter to brokers, developers, business community, and regional partners, highlighting the development success and opportunities in the City.

### **Ensure the Availability of the Best Public Services in the Region – Goal #4**

6. Evaluate the Design Review requirements and recommend changes to improve the development process.

### **Drive Diverse Economic Opportunities Goal – #9**

7. Facilitate the pre-development process of the Folsom Lake College - Rancho Cordova Center as part of the Mills Station Crossing Project.
8. Facilitate a marketing effort for the existing recreational/sports businesses along Folsom Boulevard to attract more users to those businesses.
9. Create business growth opportunities by conducting targeted business visits to our business community, including businesses located in the area to be annexed on July 1, 2010.
10. Assess the needs of our business community by conducting a business roundtable with our top revenue creating businesses.
11. Target the development of medical device companies in Rancho Cordova to support this strong existing cluster.
12. Partner with regional business development and entrepreneurial groups to grow startup companies.
13. Work with the Rancho Cordova Chamber of Commerce in marketing the "Cordova CASH" program.
14. In order to be successful in business attraction and retention, work with local commercial brokers to understand location needs and analysis.

15. Conduct a Business Walk in participation with the Metro and Rancho Cordova Chamber to build relationships with our businesses.
16. Assist in marketing the new Farmer's Market to the community and evaluate the feasibility for a weekday market.
17. Begin the process to expand the Redevelopment Area into the recently annexed area and contaminated GenCorp property.
18. Evaluate the non-residential future growth needs for our new growth areas in order to provide direction on sustaining an economically viable city.
19. Spearhead a new "Business Boosters" campaign to highlight new and existing programs and services available through the City and partner agencies.
20. Facilitate the distribution of welcome packages that include city contacts and business resources to new commercial and home-based businesses.
21. Facilitate the newly formed Education committee that includes the fourteen post high school facilities in the City.

#### **Continue To Provide Regional Leadership – Goal #13**

22. Participate in regional economic development efforts to provide input and direction to make Rancho Cordova a leader in the region.
23. Participate in the California Redevelopment Association Brownfield Committee.
24. Participate in regional company attraction by partnering with Sacramento Area Trade and Commerce Organization (SACTO) in the recruitment efforts.
25. Participate in regional business retention by participation in the Metropulse program.
26. Participate in the Rancho Cordova Tourism Committee with area hotels.

#### **PROPOSED FISCAL YEAR 2010-2011 BUDGET**

##### **EXPENDITURES:**

|                | <b>FY 2008<br/>Actual</b> | <b>FY 2009<br/>Actual</b> | <b>FY 2010<br/>Budget</b> | <b>FY 2010<br/>Estimated<br/>Actual</b> | <b>FY 2011<br/>Proposed<br/>Budget</b> |
|----------------|---------------------------|---------------------------|---------------------------|-----------------------------------------|----------------------------------------|
| Salaries       | \$ 202,266                | \$ 186,930                | \$ 178,100                | \$ 185,800                              | \$ 189,100                             |
| Benefits       | 83,716                    | 82,565                    | 81,500                    | 76,000                                  | 77,500                                 |
| Operating      | 116,194                   | 68,418                    | 87,600                    | 87,900                                  | 66,500                                 |
| Capital Outlay | -                         | -                         | -                         | -                                       | -                                      |
| Transfers Out  | -                         | -                         | -                         | -                                       | -                                      |
| <b>TOTALS</b>  | <b>\$ 402,176</b>         | <b>\$ 337,913</b>         | <b>\$ 347,200</b>         | <b>\$ 349,700</b>                       | <b>\$ 333,100</b>                      |

##### **FUNDING SOURCES:**

|                |                   |
|----------------|-------------------|
| General Fund - | \$ 333,100        |
|                | <u>\$ 333,100</u> |



# FULL-TIME ALLOCATION—CITY EMPLOYEES

|                        | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |                                    | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |
|------------------------|--------------------------|-----------------|---------------------------|------------------------------------|--------------------------|-----------------|---------------------------|
| City Manager           | 4.0                      | -1.0            | 3.0                       | Economic Development/Redevelopment | 4.0                      |                 | 4.0                       |
| Public Information     | 1.0                      |                 | 1.0                       | Housing Services                   | 2.0                      |                 | 2.0                       |
| City Clerk             | 4.0                      | -1.0            | 3.0                       | Neighborhood Services              | 10.0                     | -1.0            | 9.0                       |
| Human Resources        | 3.0                      |                 | 3.0                       | Public Works                       | 17.0                     | 0.6             | 17.6                      |
| Administrative Support | 5.0                      | -1.0            | 4.0                       | Building and Safety                | 7.0                      | -1.0            | 6.0                       |
| Finance                | 9.0                      |                 | 9.0                       | Facilities Management              | 3.0                      |                 | 3.0                       |
| Information Technology | 2.0                      |                 | 2.0                       | <b>Total</b>                       | <b>71.0</b>              | <b>-4.4</b>     | <b>66.6</b>               |

|                                                   | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |                                                     | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |
|---------------------------------------------------|--------------------------|-----------------|---------------------------|-----------------------------------------------------|--------------------------|-----------------|---------------------------|
| <b>City Manager</b>                               |                          |                 |                           | <b>Economic Development/Redevelopment</b>           |                          |                 |                           |
| City Manager                                      | 1.0                      |                 | 1.0                       | Economic Development Director                       | 1.0                      |                 | 1.0                       |
| Assistant City Manager                            | 1.0                      |                 | 1.0                       | Senior Management Analyst                           | 1.0                      |                 | 1.0                       |
| Senior Management Analyst                         | 1.0                      |                 | 1.0                       | Management Technician                               | 1.0                      |                 | 1.0                       |
| Management Analyst I                              | 1.0                      | -1.0            | 0.0                       | Administrative Assistant                            | 1.0                      |                 | 1.0                       |
| <b>Total</b>                                      | <b>4.0</b>               | <b>-1.0</b>     | <b>3.0</b>                | <b>Total</b>                                        | <b>4.0</b>               | <b>0.0</b>      | <b>4.0</b>                |
| <b>Public Information</b>                         |                          |                 |                           | <b>Housing Services</b>                             |                          |                 |                           |
| Public Relations and Communications Mgr           | 1.0                      |                 | 1.0                       | Housing Administrator                               | 1.0                      |                 | 1.0                       |
| <b>Total</b>                                      | <b>1.0</b>               |                 | <b>1.0</b>                | Housing Services Assistant (Reclass from Admin Sec) | 1.0                      |                 | 1.0                       |
| <b>City Clerk</b>                                 |                          |                 |                           | <b>Total</b>                                        | <b>2.0</b>               | <b>0.0</b>      | <b>2.0</b>                |
| City Clerk                                        | 1.0                      |                 | 1.0                       | <b>Neighborhood Services</b>                        |                          |                 |                           |
| Deputy City Clerk                                 | 1.0                      |                 | 1.0                       | Neighborhood Services Manager                       | 1.0                      |                 | 1.0                       |
| Customer Service Specialist                       | 1.0                      | -1.0            | 0.0                       | Code Enforcement Officer                            | 6.0                      | -0.5            | 5.5                       |
| Administrative Secretary                          | 1.0                      |                 | 1.0                       | Animal Services Officer                             | 2.0                      | -0.5            | 1.5                       |
| <b>Total</b>                                      | <b>4.0</b>               | <b>-1.0</b>     | <b>3.0</b>                | Accounting Technician                               | 1.0                      |                 | 1.0                       |
| <b>Human Resources</b>                            |                          |                 |                           | <b>Total</b>                                        | <b>10.0</b>              | <b>-1.0</b>     | <b>9.0</b>                |
| Human Resources Manager                           | 1.0                      |                 | 1.0                       | <b>Public Works</b>                                 |                          |                 |                           |
| Human Resources Analyst                           | 1.0                      |                 | 1.0                       | Public Works Director / Chief Building Official     | 1.0                      |                 | 1.0                       |
| Human Resources Technician                        | 1.0                      |                 | 1.0                       | Senior Civil Engineer                               | 5.0                      |                 | 5.0                       |
| <b>Total</b>                                      | <b>3.0</b>               | <b>0.0</b>      | <b>3.0</b>                | Associate Civil Engineer                            | 1.0                      |                 | 1.0                       |
| <b>Administrative Support</b>                     |                          |                 |                           | Assistant Civil Engineer                            | 1.0                      |                 | 1.0                       |
| Executive Assistant to City Manager               | 1.0                      |                 | 1.0                       | Assistant Land Surveyor                             | 1.0                      |                 | 1.0                       |
| Administrative Assistant                          | 1.0                      | 1.0             | 2.0                       | Street Operations/Maintenance Mgr                   | 1.0                      |                 | 1.0                       |
| Administrative Secretary (Moved to Bldg & Safety) | 1.0                      | -1.0            | 0.0                       | Integrated Waste Manager                            | 1.0                      |                 | 1.0                       |
| Customer Service Specialist                       | 2.0                      | -1.0            | 1.0                       | Management Analyst II                               | 2.0                      |                 | 2.0                       |
| <b>Total</b>                                      | <b>5.0</b>               | <b>-1.0</b>     | <b>4.0</b>                | Streets Maintenance Worker                          | 1.0                      |                 | 1.0                       |
| <b>Finance</b>                                    |                          |                 |                           | Accounting Technician                               | 1.0                      |                 | 1.0                       |
| Finance Director                                  | 1.0                      |                 | 1.0                       | Engineering Technician                              | 1.0                      |                 | 1.0                       |
| Senior Accountant                                 | 2.0                      |                 | 2.0                       | Administrative Assistant                            | 1.0                      |                 | 1.0                       |
| Senior Finance Analyst                            | 1.0                      |                 | 1.0                       | Special Project Manager (Limited term)              | 0.0                      | 0.6             | 0.6                       |
| Accountant                                        | 2.0                      |                 | 2.0                       | <b>Total</b>                                        | <b>17.0</b>              | <b>0.6</b>      | <b>17.6</b>               |
| Senior Accounting Technician                      | 1.0                      |                 | 1.0                       | <b>Building and Safety</b>                          |                          |                 |                           |
| Accounting Technician                             | 2.0                      |                 | 2.0                       | Special Project Manager                             | 1.0                      | -1.0            | 0.0                       |
| <b>Total</b>                                      | <b>9.0</b>               | <b>0.0</b>      | <b>9.0</b>                | Supervising Building Inspector                      | 1.0                      |                 | 1.0                       |
| <b>Information Technology</b>                     |                          |                 |                           | Building Inspector II                               | 1.0                      |                 | 1.0                       |
| Information Technology Manager                    | 1.0                      |                 | 1.0                       | Building Permit Services Supervisor                 | 1.0                      |                 | 1.0                       |
| Information Technology Technician                 | 1.0                      |                 | 1.0                       | Building Permit Technician                          | 1.0                      |                 | 1.0                       |
| <b>Total</b>                                      | <b>2.0</b>               | <b>0.0</b>      | <b>2.0</b>                | Administrative Secretary                            | 1.0                      |                 | 1.0                       |
|                                                   |                          |                 |                           | Customer Service Specialist                         | 1.0                      |                 | 1.0                       |
|                                                   |                          |                 |                           | <b>Total</b>                                        | <b>7.0</b>               | <b>-1.0</b>     | <b>6.0</b>                |
|                                                   |                          |                 |                           | <b>Facilities Management</b>                        |                          |                 |                           |
|                                                   |                          |                 |                           | Facilities Services Manager                         | 1.0                      |                 | 1.0                       |
|                                                   |                          |                 |                           | Facilities Maintenance Worker                       | 1.0                      |                 | 1.0                       |
|                                                   |                          |                 |                           | Facilities Services Rep (Reclass from CSS)          | 1.0                      |                 | 1.0                       |
|                                                   |                          |                 |                           | <b>Total</b>                                        | <b>3.0</b>               | <b>0.0</b>      | <b>3.0</b>                |
|                                                   |                          |                 |                           | <b>TOTAL</b>                                        | <b>71.0</b>              | <b>-4.4</b>     | <b>66.6</b>               |

# FULL-TIME ALLOCATION-CONTRACT EMPLOYEES

|                        | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |                     | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |
|------------------------|--------------------------|-----------------|---------------------------|---------------------|--------------------------|-----------------|---------------------------|
| City Attorney          | 2.00                     | 0.00            | 2.00                      | Planning            | 7.50                     | 0.00            | 7.50                      |
| City Manager           | 0.80                     | -0.10           | 0.70                      | Police              | 73.00                    | -2.40           | 70.60                     |
| Information Technology | 1.00                     | 0.00            | 1.00                      | Public Works        | 0.80                     | 0.00            | 0.80                      |
|                        |                          |                 |                           | Building and Safety | 2.30                     | 0.00            | 2.30                      |
|                        |                          |                 |                           | <b>Total</b>        | <b>87.40</b>             | <b>(2.50)</b>   | <b>84.90</b>              |

|                               | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |                            | FY<br>2009-10<br>Adopted | Add/<br>Deletes | FY<br>2010-11<br>Proposed |
|-------------------------------|--------------------------|-----------------|---------------------------|----------------------------|--------------------------|-----------------|---------------------------|
| <b>City Attorney</b>          |                          |                 |                           | <b>Planning</b>            |                          |                 |                           |
| City Attorney                 | 1.00                     |                 | 1.00                      | Planning Director          | 1.00                     |                 | 1.00                      |
| Deputy City Attorney          | 1.00                     |                 | 1.00                      | Principal Planner          | 1.00                     |                 | 1.00                      |
| <b>Total</b>                  | <b>2.00</b>              | <b>0.00</b>     | <b>2.00</b>               | Senior Planner             | 1.00                     |                 | 1.00                      |
|                               |                          |                 |                           | Associate Planner          | 1.50                     |                 | 1.50                      |
| <b>City Manager</b>           |                          |                 |                           | Assistant Planner          | 1.00                     |                 | 1.00                      |
| PR Consultant                 | 0.40                     |                 | 0.40                      | Planning Technician        | 1.00                     |                 | 1.00                      |
| Administrative Consultant     | 0.30                     |                 | 0.30                      | Planning Clerk / Admin     | 1.00                     |                 | 1.00                      |
| Management Consultant         | 0.10                     | -0.10           | 0.00                      | <b>Total</b>               | <b>7.50</b>              | <b>0.00</b>     | <b>7.50</b>               |
| <b>Total</b>                  | <b>0.80</b>              | <b>-0.10</b>    | <b>0.70</b>               |                            |                          |                 |                           |
|                               |                          |                 |                           | <b>Police</b>              |                          |                 |                           |
| <b>Information Technology</b> |                          |                 |                           | Sworn Officers             | 60.80                    | -4.20           | 56.60                     |
| GIS Manager                   | 0.50                     |                 | 0.50                      | Non-sworn positions        | 12.20                    | 1.80            | 14.00                     |
| Project Manager               | 0.50                     |                 | 0.50                      | <b>Total</b>               | <b>73.00</b>             | <b>-2.40</b>    | <b>70.60</b>              |
| <b>Total</b>                  | <b>1.00</b>              | <b>0.00</b>     | <b>1.00</b>               |                            |                          |                 |                           |
|                               |                          |                 |                           | <b>Public Works</b>        |                          |                 |                           |
|                               |                          |                 |                           | GIS Analyst                | 0.80                     |                 | 0.80                      |
|                               |                          |                 |                           | <b>Total</b>               | <b>0.80</b>              | <b>0.00</b>     | <b>0.80</b>               |
|                               |                          |                 |                           |                            |                          |                 |                           |
|                               |                          |                 |                           | <b>Building and Safety</b> |                          |                 |                           |
|                               |                          |                 |                           | Building Inspector II      | 1.50                     | 0.30            | 1.80                      |
|                               |                          |                 |                           | Permit Technician          | 0.80                     | -0.30           | 0.50                      |
|                               |                          |                 |                           | <b>Total</b>               | <b>2.30</b>              | <b>0.00</b>     | <b>2.30</b>               |
|                               |                          |                 |                           | <b>TOTAL</b>               | <b>87.40</b>             | <b>(2.50)</b>   | <b>84.90</b>              |



Only Printed  
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# CITY OF RANCHO CORDOVA



CALIFORNIA

*Incorporated 2003*

**FIVE YEAR  
CAPITAL IMPROVEMENT PLAN  
2010-2015  
PROPOSED**

## MEMORANDUM



**DATE:** June 7, 2010  
**TO:** Honorable Mayor and Council Members  
**FROM:** Donna Silva, Finance Director  
**SUBJECT:** PLACEMENT OF 3 TAX MEASURES ON THE NOVEMBER 2, 2010 BALLOT RELATING TO UTILITY USERS', CARDROOMS AND TRANSIENT OCCUPANCY

---

### **RECOMMENDATION**

Adopt Resolution Nos. 47-2010, 44-2010, and 46-2010.

### **RESULT OF RECOMMENDED ACTION**

Residents of the City of Rancho Cordova will have the opportunity to vote on three separate ballot measures in the November 2, 2010 General Election:

- Technical correction to the Transient Occupancy Tax (TOT) Ordinance resulting in a longer statute of limitations
- Technical corrections to the Utility Users' Tax (UUT) Ordinance resulting in the protection of the tax from the threats of existing legislation and the modernization of the language to capture advances in communications technology.
- The creation of a Cardroom Gross Receipts Tax, the proceeds of which may be used for general purposes.

### **BACKGROUND**

#### **TRANSIENT OCCUPANCY TAX (TOT)**

Staff recently commissioned Muni Services to perform an analysis of our TOT collections, administration, and ordinance. Their report reached three important conclusions:

1. Our ordinance needs revision in order to lengthen the record keeping requirements and to extend the statute of limitation to be in conformance with state law. This allows us a longer period of time in which we can hold an establishment responsible for the lack of payment, or underpayment of TOT due. Because this will result in a change to a voter approved ordinance, the change itself requires voter approval.
2. Contrary to popular belief and previous interpretation of our existing ordinance, we need not provide an exemption for government employees. Our ordinance



states that "No tax shall be imposed on any person as to whom, or any occupancy as to which, it is beyond the power of the city to impose the tax herein provided" (Section 3.08.040). Muni Services advised that it is not beyond the power of the City to impose the Tax on government employees. It is only beyond the power of the City to impose the Tax where the incidence would fall directly upon the federal or state government. For example, if a representative from a government calls a hotel and books a block of rooms and pays for them in advance in one payment, then the "government" is deemed to have rented the rooms and the "government" is exempt from the tax. However, if an individual from the government booked the room for his or herself, and paid the hotel at the end of their stay, then the exemption does not apply. It was determined in the analysis that we are currently losing up to \$60,000 per year by the improper application of this exemption. Staff will correct this for fiscal year 2010/11 and beyond.

3. Online bookings: several governments have brought forth lawsuits against online booking agents claiming that they were assessing the TOT but failing to remit the TOT to the hotels and ultimately to the taxing governments. To date, three U.S. Courts of Appeal have decided in favor of the online booking agencies. In cases where the government has prevailed in the lawsuit they have lost revenues, as the online booking agencies will no longer book rooms in hotels in those cities. Given these findings, staff does not recommend pursuing action against on line booking agents.

#### TOT Summary and Recommendation:

Staff recommends placing an amendment to the TOT ordinance on the ballot of the November 2, 2010 General Election to increase the statute of limitations and record keeping requirements. Furthermore, staff will cease offering an exemption to government employees (to the extent allowed by law) and will not take action with respect to the online bookings.

#### UTILITY USERS' TAX

With emerging technologies now providing traditional telephone services, the City's Utility Users' Tax (UUT) ordinance is not applied to all communications users fairly. The proposed ordinance will ensure that all communications users are treated fairly, regardless of the means of transmission or the technology used. The proposed ordinance also addresses changes in federal law, protecting the tax, and our ability to maintain funding for our current service levels, against the threat of loss due to existing litigation in other jurisdictions.

#### UUT Analysis

The City of Rancho Cordova assesses a 2.5% Utility Users' Tax (UUT) on users of electricity, gas, cable, and telecommunications, resulting in approximately \$2 million of general fund revenues annually, our fourth largest revenue source.

Upon incorporation in July 2003, the City adopted the County of Sacramento's UUT ordinance. The ordinance is outdated as it applies to telecommunications usage and needs to be amended to reflect recent changes in Federal tax law and to modernize the



definition of telecommunications so that it is technology neutral. With emerging technologies now providing and replacing traditional land line telephone services, the City's Utility Users' Tax ordinance is not applied to all communications users fairly. The proposed ordinance will ensure that all communications users are treated fairly, regardless of the technology used.

The City's tax has historically been applied in a similar manner as the application of the Federal Excise Tax (FET) upon local and long distance telecommunication services as the Internal Revenue Service (IRS) interprets the FET. The FET statute defines long distance or "toll" calls as those for which charges varied according to both the elapsed time of the call and the distance between the persons on the call. Today, long distance calls are based on time only, or in the case of cellular calls, they are based on a flat monthly rate.

On May 25, 2006, the IRS issued a Notice that it intended to stop applying the FET to nearly all telephone communication services, except local exchange services, which leaves only about 25% of all the telecommunication services as federally taxable. This IRS action came following many federal court cases losses involving the outdated definition of "toll telephone service" (or long distance) contained in the FET. Like the vast majority of California cities that have a UUT ordinance, Rancho Cordova's UUT ordinance is based on the FET and some of its many exemptions. This was done in response to the telephone companies' request many years ago to achieve administrative ease. The Treasury Department's May 25th Notice reversed its prior Revenue Rulings and interpretation of the FET, calling in to question the validity of our ordinance as it applies to long distance telephone calls.

The proposed Ordinance primarily updates the telecommunications portion of the City's existing UUT ordinance. Because of the many changes to, and additions of, definitions it was prudent to rewrite the ordinance in its entirety. The new ordinance will modernize the communications tax definitions and other provision by, among other things, eliminating the reference to the FET and broadening the scope of communication services to include: wireless communications, private communication service (e.g. T-1 lines); paging and Voice Over Internet (VoIP). Importantly, the new definitions are technology neutral and anticipate additional changes in technology. This broadening of definitions closes "technology loopholes", and ensures that all taxpayers will be treated the same, regardless of the technology used.

There are over 150 cities in California with a Utility Users' Tax. Rancho Cordova is unique amongst the majority of these cities in that our ordinance, as interpreted and originally enforced by the County of Sacramento, does not apply to wireless communications. It is fairly clear that the intent of the ordinance was to tax phone users, however it was crafted prior to the widespread availability of cell phones and other emerging technologies. This has created a significant inequality in the tax. Under this interpretation, the tax burden is borne solely by individuals utilizing land line telephones. Those using cell phones or T-1 lines currently do not pay the tax. Broadening the base to which the tax applies corrects for this inequality. In addition to reducing the tax rate, it protects our existing revenues and is likely to generate additional revenues, furthering our ability to provide high quality municipal services to our citizens.



The following is a brief summary of the changes to the City's UUT relative to telecommunication and video services:

- Includes a modern, functional definition of telecommunication services that is technology neutral, and now adds or specifically identifies the following services: interstate and international calls; wireless; VoIP, paging, private communication services (e.g. T-1 lines for providing data, video and voice services)
- Incorporates definitions of "ancillary telecommunication services" that are commonly recognized by the industry as being part of such services
- Anticipates the possibility of new technologies and services to provide telecommunication and video services, so that all taxpayers will be treated the same
- Does not tax internet access such as DSL and cable modem lines
- Nor does it tax internet services such as purchase transactions or downloads of music, books, ring tones, games, etc.
- Provides other administrative tools for addressing telecommunication taxation issues including administrative rulings and sourcing, bundling and nexus guidelines.

Over the past three years 51 other cities in California have asked their voters to approve modernized UUT ordinances. All were passed except two, City of Covina who was also seeking a significant increase in the rate, and the City of Rancho Cordova, who was the only city to take it to ballot as a special tax, which required 2/3 voter approval instead of the simple majority required for a general tax. An estimated 8 more cities are scheduled to take similar UUT measures to the ballot in November 2010, including the City of Elk Grove. The City of Sacramento successfully updated their ordinance in November 2008.

Failure to modernize the City's UUT ordinance relative to telecommunication services could result in a loss of up to 100% of the telecommunications portion of the tax (currently \$475,000 annually). This would have a substantial impact on the City's ability to maintain current service levels and would most likely result in an immediate and ongoing reduction in service levels. If we do not amend our ordinance and the current litigation prevails, the City would immediately lose the entire tax on the long distance component, which currently is approximately \$250,000 annually. Additionally, the City would be required to repay all taxes received on long distances calls back to August 1, 2006. This equates to over \$500,000 at this time but could be more depending upon when the litigation is resolved. The remaining \$250,000 from local land line phones will erode over time as technology advances and escapes the language of our existing ordinance and more people convert from land line phones to cell phones.

#### UUT Recommendation

Staff recommends that the City Council adopt the attached resolution calling for a measure to be placed on the November 2010 ballot. This resolution requires a 4/5 vote of the City Council. The measure would need to be approved by a simple majority of voters. Measure B, put before the voters on May 19, 2009.

#### CARD ROOM TAX

In 2009 the City negotiated a revenue sharing agreement with the owner of the largest card room in the City, where the owner agreed to pay the City three thousand dollars (\$3,000) for each card table that it was authorized to operate and to pay the City a certain percentage of the card rooms' gross gaming revenues.

In the agreement the City acknowledged its intent to be fair to all card rooms in the City, by requesting council to approve a ballot measure to seek voter approval on an ordinance which, if approved, would impose a similar tax on all card rooms in the City. State law currently limits the number of card rooms in the City to two. Therefore this ordinance would apply the tax structure agreed to by the largest card room in the City, to the one other card room in the city.

The proposed ordinance requires the payment of an annual "per table" tax of \$3,000 as well as a gross gaming receipts tax in the following structure:

- 2% of the annual Gross Gaming Revenues between \$1,000,000 and \$1,500,000.
- 2.5% of the annual Gross Gaming Revenues between \$1,500,000 and 2,500,000.
- 3% of the annual Gross Gaming Revenues between \$2,500,000 and \$4,000,000.
- 4% of the annual Gross Gaming in Excess of \$4,000,000.

For example: if the annual Gross gaming Revenues are \$4,500,000, the City will receive \$100,000, calculated as follows:

2% of (\$1,500,000 minus \$1,000,000) equals \$10,000, plus  
2.5% of (\$2,500,000 minus \$1,500,000) equals \$25,000, plus  
3% of (\$4,000,000 minus \$2,500,000) equals \$45,000, plus  
4% of (\$4,500,000 minus \$4,000,000) equals \$20,000.

#### Card Room Tax Recommendation

As this is a tax that affects only two businesses in the City, and one of the two cities has voluntarily agreed to pay the proposed tax, staff recommends adoption of Resolution No. 46-2010 calling for an election on November 2, 2010 on Ordinance No. 10-2010 establishing a Card Room Tax.

#### ATTACHMENTS

1. Resolution No. 47-2010 pertaining to Transient Occupancy Tax including **(Exhibit A)** Ordinance No. 11-2010 pertaining to Transient Occupancy Tax.
2. Resolution No. 44-2010 pertaining to Utility Users' Tax including **(Exhibit A)** Ordinance No. 9-2010 pertaining to Utility Users' Tax.
3. Resolution No. 46-2010 pertaining to Card Room Tax including **(Exhibit A)** Ordinance No. 10-2010 pertaining to Card Room Tax.



CITY OF RANCHO CORDOVA

RESOLUTION NO. 47-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ESTABLISHING NOVEMBER 2, 2010, AS THE DATE FOR AN ELECTION ON A PROPOSED BALLOT MEASURE SEEKING VOTER APPROVAL TO MODIFY THE CITY'S EXISTING TRANSIENT OCCUPANCY TAX, ESTABLISHING POLICIES AND PROCEDURES IN CONNECTION WITH SUCH AN ELECTION, AND REQUESTING THAT THE COUNTY OF SACRAMENTO CONDUCT SUCH AN ELECTION**

**RECITALS**

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, pursuant to Rancho Cordova Municipal Code Chapter 3.08, the City of Rancho Cordova ("City") imposes a Transient Occupancy Tax of twelve percent, which is charged to hotel occupants by hotel operators for the privilege of occupancy; and

**WHEREAS**, the Transient Occupancy Tax is a general tax, the revenues of which are used for general governmental purposes, and placed in the City's general fund for the usual current expenses of the City; and

**WHEREAS**, the City Council desires to modify the City's existing Transient Occupancy Tax to require that records pertaining to the Transient Occupancy Tax be preserved for a period of five years and to provide that the statute of limitations for actions to collect transient occupancy taxes shall be four years; and

**WHEREAS**, the City's current Transient Occupancy Ordinance was previously approved by the voters, and pursuant to California Constitution Article XIII C, Section 2, changes to the tax may not be adopted unless, and until, that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, California Constitution Article XIII C, Section 2, further requires that a measure proposing to impose, extend or increase a general tax must be consolidated with a city's general municipal election for members of the City Council; and

**WHEREAS**, November 2, 2010 is the date of the City's regular municipal election; and

**WHEREAS**, the City Council is authorized by California Elections Code Section 9222 to place measures before the voters; and

**WHEREAS**, the City Council desires to place the Transient Occupancy Tax Ordinance, attached hereto as **Exhibit A**, as a measure before the voters on the November 2, 2010 general election; and

**WHEREAS**, the tax to be submitted to the voters, if approved, would require that records pertaining to the Transient Occupancy Tax be preserved for a period of five years and state that the statute of limitations for actions to collect transient occupancy taxes shall be four years; and

**WHEREAS**, the City Council desires that the proposed measure be consolidated with the November 2, 2010 regularly scheduled general election, be held on the same date, and that within the City, the polling places and election officers of the two elections be the same, and that the County Election Department of the County of Sacramento canvass the returns of the general election and that the election be held in all respects as if there were only one election.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, the City Council of the City of Rancho Cordova does ordain as follows:

**1. Placement of Measure on the Ballot.** Pursuant to California Elections Code Section 9222, the City Council hereby resolves that the ballot for the November 2, 2010 election shall include a measure that, if approved, would require that records pertaining to the transient occupancy tax be preserved for a period of five years and state that the statute of limitations for actions to collect transient occupancy taxes shall be four years

(a) Ballot Language.

The ballot language for the measure shall be as follows:

TRANSIENT OCCUPANCY TAX MODERNIZATION MEASURE. Shall an ordinance be adopted to modify the City of Rancho Cordova's existing transient occupancy tax to require that records pertaining to the transient occupancy tax be preserved for a period of five years and to provide that the statute of limitations for actions to collect transient occupancy taxes shall be four years?

☐ Yes

☐ No

**2. Proposed Ordinance.** The ordinance authorizing the amendments to the transient occupancy tax to be approved by the voters pursuant to Section 1 is as set forth in **Exhibit A** hereto. The City Council hereby approves the submission of the ordinance to the voters of the City at the November 2, 2010, election. The City requests that County of Sacramento print **Exhibit A** in its entirety with the election materials.

**3. Publication of Measure.** The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Rancho Cordova, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.



**4. Request to Consolidate and Conduct Election and Canvass Returns.**

(a) Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Sacramento is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide Election on Tuesday, November 2, 2010, for the purpose of placing the measure set forth in Section 1 on the ballot.

(b) The County of Sacramento Election Department is authorized to canvass the returns of the regularly scheduled General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

(c) The Board of Supervisors is requested to issue instructions to the County of Sacramento Election Department to take any and all steps necessary for the holding of the consolidated election.

(d) The City of Rancho Cordova recognizes that additional costs will be incurred by the County of Sacramento by reason of this consolidation and agrees to reimburse the County for any additional costs above and beyond those reimbursed by the State.

**5. Submission of Ballot Arguments and Impartial Analysis.**

(a) The last day for submission of direct arguments for or against the measure shall be by 5 p.m. on August 5, 2010.

(b) The last day for submission of rebuttal arguments for or against the measure shall be by 5 p.m. on August 12, 2010.

(c) Direct arguments shall not exceed three hundred words and shall be signed by not more than five persons.

(d) Rebuttal arguments shall not exceed two hundred fifty words and shall be signed by not more than five persons; those persons may be different persons than the persons who signed the direct arguments.

(e) The City Attorney shall prepare an impartial analysis of the measure by July 27, 2010.

(f) Pursuant to California Elections Code Section 9282, the Mayor is hereby authorized to prepare a written argument in favor of the proposed measure, not to exceed 300 words, on behalf of the City Council. At the Mayor's discretion, the argument may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure. In the event that an argument is filed against the measure, the Mayor is also authorized to prepare a rebuttal argument on behalf of the City Council, which may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure.

## CITY OF RANCHO CORDOVA

## ORDINANCE NO. 11-2010

**AN ORDINANCE OF THE CITY COUNCIL AMENDING CHAPTER 3.08 ENTITLED  
"TRANSIENT OCCUPANCY TAX" OF THE RANCHO CORDOVA MUNICIPAL CODE TO  
REQUIRE THAT RECORDS PERTAINING TO THE TRANSIENT OCCUPANCY TAX BE  
PRESERVED FOR A PERIOD OF FIVE YEARS AND TO PROVIDE THAT THE STATUTE OF  
LIMITATIONS FOR ACTIONS TO COLLECT TRANSIENT OCCUPANCY TAXES  
SHALL BE FOUR YEARS**

**WHEREAS**, California Constitution Article XIIC, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, pursuant to Rancho Cordova Municipal Code Chapter 3.08, the City of Rancho Cordova ("City") imposes a Transient Occupancy Tax of twelve percent, which is charged to hotel occupants by hotel operators for the privilege of occupancy; and

**WHEREAS**, the Transient Occupancy Tax is a general tax, the revenues of which are used for general governmental purposes, and placed in the City's general fund for the usual current expenses of the City; and

**WHEREAS**, the City Council now desires to modify the City's existing Transient Occupancy Tax to require that records pertaining to the Transient Occupancy Tax be preserved for a period of five years and to provide that the statute of limitations for actions to collect transient occupancy taxes shall be four years.

**THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:**

**Section 1.** Section 3.08.070 "Records" of Chapter 3.08 of Title 8 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**3.08.070       Records.**

It shall be the duty of every operator liable for the collection and payment to the city of any tax imposed by this chapter to keep and preserve, for a period of five years, all records necessary to determine the amount of the tax for which the operator may have been liable for the collection of and payment to the city. Records include, but are not limited to, all business records and bank statements, including electronic records. The tax collector shall have the right to inspect records at all reasonable times, including pursuant to the audit provisions of RCMC 3.08.090.

**Section 2.** Section 3.08.160 "Actions to collect" of Chapter 3.08 of Title 8 of the Rancho Cordova Municipal Code is hereby amended to read as follows:

**3.08.160       Actions to collect.**

Any tax required to be paid by any transient under the provisions of this chapter shall be deemed a debt owed by the transient to the city. Any such tax collected by an operator which has not been paid to the city shall be deemed a debt owed by the operator to the city. Any person owing money to the city under the provisions of his chapter shall be liable for an action brought in the name of the city for recovery of such amount together with any penalty, interest,



court fees, attorney's fees and other legal fee incident thereto any time within four years after the tax required to be collected becomes due and payable.

**Section 3. Severability.**

If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declares that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

**Section 4. Effective Date.**

This Ordinance shall become effective immediately upon the date that this Ordinance is approved by the voters of the City of Rancho Cordova at the Election of November 2, 2010 as confirmed by the City Council's declaration of the vote.

**APPROVED** by the following vote of the People of the City of Rancho Cordova on November 2, 2010.

**ADOPTED** by Declaration of the vote by the City Council of the City of Rancho Cordova on \_\_\_\_\_, 2010:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Adam U. Lindgren, City Attorney

CITY OF RANCHO CORDOVA

RESOLUTION NO. 44-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ESTABLISHING NOVEMBER 2, 2010, AS THE DATE FOR AN ELECTION ON A PROPOSED BALLOT MEASURE SEEKING VOTER APPROVAL TO MODIFY THE CITY'S EXISTING UTILITY USERS' TAX FOR GENERAL FUND PURPOSES, ESTABLISHING POLICIES AND PROCEDURES IN CONNECTION WITH SUCH AN ELECTION, AND REQUESTING THAT THE COUNTY OF SACRAMENTO CONDUCT SUCH AN ELECTION**

**RECITALS**

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, pursuant to Rancho Cordova Municipal Code Chapter 3.40, the City of Rancho Cordova ("City") imposes a Utility Users' Tax of two and one-half percent, which is charged to persons utilizing electrical energy; gas delivered through mains or pipes; using intrastate, interstate and international telephone services; using cable television service furnished by a cable television corporation; and using sewer service within the City; and

**WHEREAS**, the Utility Users' Tax is a general tax, the revenues of which are used for general governmental purposes, and placed in the City's general fund for the usual current expenses of the City; and

**WHEREAS**, the City Council desires to update its definitions of telecommunication and video (cable-like) services so that taxpayers are treated the same regardless of the technology used; and

**WHEREAS**, the City's current Utility Users' Tax Ordinance was previously approved by the voters, and pursuant to California Constitution Article XIII C, Section 2, changes to the tax may not be adopted unless, and until, that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, California Constitution Article XIII C, Section 2, further requires that a measure proposing to impose, extend or increase a general tax must be consolidated with a city's general municipal election for members of the City Council; and

**WHEREAS**, November 2, 2010 is the date of the City's regular municipal election; and

**WHEREAS**, the City Council is authorized by California Elections Code Section 9222 to place measures before the voters; and

**WHEREAS**, the City Council desires to place the Utility Users' Tax Ordinance, attached hereto as **Exhibit A**, as a measure before the voters on the November 2, 2010 general election; and

**WHEREAS**, the tax to be submitted to the voters, if approved, would be paid by persons using electrical energy, gas, telephone service, telecommunication service, cable television and video (cable-like) service and sewer service, as described above, within the City; and



**WHEREAS**, the City Council desires that the proposed measure be consolidated with the November 2, 2010 regularly scheduled general election, be held on the same date, and that within the City, the polling places and election officers of the two elections be the same, and that the County Election Department of the County of Sacramento canvass the returns of the general election and that the election be held in all respects as if there were only one election.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, the City Council of the City of Rancho Cordova does ordain as follows:

**1. Placement of Measure on the Ballot.** Pursuant to California Elections Code Section 9222, the City Council hereby resolves that the ballot for the November 2, 2010 election shall include a measure that, if approved, would update its definitions of telecommunication and video (cable-like) services so that taxpayers are treated the same, regardless of the technology used, in order to fund general services in the City.

(a) Ballot Language.

The ballot language for the measure shall be as follows:

UTILITY USER TAX MODERNIZATION AND FAIRNESS MEASURE.  
Shall an ordinance be adopted to continue the City of Rancho Cordova's existing 2.5% utility users tax on telecommunication and video services; modernize the ordinance to treat taxpayers equally regardless of technology used; to preserve funding for general municipal services such as neighborhood improvements and safety including, but not limited to, police services, maintenance of and improvements to city streets, sidewalks, landscaping and graffiti removal?

☐ Yes

☐ No

**2. Proposed Ordinance.** The ordinance authorizing the general tax to be approved by the voters pursuant to Section 1 is as set forth in **Exhibit A** hereto. The City Council hereby approves the submission of the ordinance to the voters of the City at the November 2, 2010, election. The City requests that County of Sacramento print **Exhibit A** in its entirety with the election materials.

**3. Publication of Measure.** The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Rancho Cordova, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

**4. Request to Consolidate and Conduct Election and Canvass Returns.**

(a) Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Sacramento is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide Election on Tuesday, November 2, 2010, for the purpose of placing the measure set forth in Section 1 on the ballot.

(b) The County of Sacramento Election Department is authorized to canvass the returns of the regularly scheduled General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

(c) The Board of Supervisors is requested to issue instructions to the County of Sacramento Election Department to take any and all steps necessary for the holding of the consolidated election.

(d) The City of Rancho Cordova recognizes that additional costs will be incurred by the County of Sacramento by reason of this consolidation and agrees to reimburse the County for any additional costs above and beyond those reimbursed by the State.

**5. Submission of Ballot Arguments and Impartial Analysis.**

(a) The last day for submission of direct arguments for or against the measure shall be by 5 p.m. on August 5, 2010.

(b) The last day for submission of rebuttal arguments for or against the measure shall be by 5 p.m. on August 12, 2010.

(c) Direct arguments shall not exceed three hundred words and shall be signed by not more than five persons.

(d) Rebuttal arguments shall not exceed two hundred fifty words and shall be signed by not more than five persons; those persons may be different persons that the persons who signed the direct arguments.

(e) The City Attorney shall prepare an impartial analysis of the measure by July 27, 2010.

(f) Pursuant to California Elections Code Section 9282, the Mayor is hereby authorized to prepare a written argument in favor of the proposed measure, not to exceed 300 words, on behalf of the City Council. At the Mayor's discretion, the argument may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure. In the event that an argument is filed against the measure, the Mayor is also authorized to prepare a rebuttal argument on behalf of the City Council, which may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure.

(g) Pursuant to California Elections Code Section 9285, when the City Clerk has selected the arguments for and against the measure, which will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument, which it seeks to rebut.

**6. Effective Date.** This Resolution shall become effective immediately upon its passage and adoption, and the City Clerk is directed to send certified copies of this Resolution to the Sacramento Board of Supervisors, to the County Clerk-Recorder, and County of Sacramento Election Department.



7. **Passage of the Resolution.** Pursuant to California Government Code Section 53724(b), this Resolution, including the approval of the submission of the proposed Ordinance (attached as **Exhibit A**) must be approved by a two-thirds vote of all members of the City Council.

8. **CEQA.** This Resolution is exempt from the California Environmental Quality Act (Public Resources Code §21000, "CEQA") pursuant to CEQA guidelines 15060, "Preliminary Review," subdivision (c)(2) in that it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and 15378, "Project," subdivisions (2) and (4) of subdivision (b), in that this tax does not constitute a project under CEQA and therefore review under CEQA is not required.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova this \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

ORDINANCE NO. 9-2010

**AN ORDINANCE OF THE CITY OF RANCHO CORDOVA ADDING  
CHAPTER 3.40 OF THE RANCHO CORDOVA MUNICIPAL CODE  
WITH RESPECT TO A UTILITY USERS' TAX**

**WHEREAS**, the City desires to update the definitions of telecommunication and video (cable-like) services in the City's Municipal Code Chapter 3.40 pertaining to the utility users' tax in order that taxpayers be treated the same regardless of the technology used; and

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that a measure proposing to impose, extend or increase a general tax must be consolidated with a regularly scheduled general election for members of the City Council.

**THE PEOPLE OF THE CITY OF RANCHO CORDOVA DO ORDAIN AS FOLLOWS:**

SECTION 1: Chapter 3.40 of the Municipal Code is hereby deleted and replaced in its entirety to read as follows:

**CHAPTER 3.40**

**UTILITY USERS' TAX**

- 3.40.010 Short Title.
- 3.40.020 Definitions.
- 3.40.030 Constitutional, Statutory, and Other Exemptions.
- 3.40.040 Telecommunication Tax.
- 3.40.050 Video Tax.
- 3.40.060 Electricity Tax.
- 3.40.070 Gas Tax.
- 3.40.080 Collection of tax from service users receiving direct purchase of gas or electricity.
- 3.40.090 Sewer Tax.
- 3.40.100 Bundling Taxable Items with Non-taxable Items.
- 3.40.110 Substantial Nexus / Minimum Contacts.
- 3.40.120 Duty to collect--Procedures.
- 3.40.130 Collection Penalties – Service Suppliers.
- 3.40.140 Actions to Collect.
- 3.40.150 Deficiency Determination and Assessment – Tax Application Errors.
- 3.40.160 Administrative Remedy - Non-Paying Service Users.
- 3.40.170 Additional powers and duties of the Tax Administrator.
- 3.40.180 Records.
- 3.40.190 Refunds.
- 3.40.200 Appeals.
- 3.40.210 Notice No Injunction/Writ of Mandate.
- 3.40.220 Notice of Changes to Ordinance.



3.40.230 Effect of State and Federal Reference/Authorization.

3.40.240 Independent Audit of Tax Collection, Exemption, Remittance, and Expenditure.

3.40.250 Remedies Cumulative.

3.40.260 Interaction with Prior Tax.

**3.40.010 Short Title.**

This Chapter shall be known as the "Utility Users' Tax Ordinance" of the City.

**3.40.020 Definitions.**

The following words and phrases whenever used in this Chapter shall be construed as defined in this section.

(a) "Ancillary telecommunication services" means services that are associated with or incidental to the provision, use or enjoyment of telecommunications services, including but not limited to the following services:

(1) "Conference bridging service" means an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunications services used to reach the conference bridge.

(2) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.

(3) "Directory assistance" means an ancillary service of providing telephone number information, and/or address information.

(4) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.

(5) "Voice mail service" means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.

(b) "Ancillary video services" means services that are associated with or incidental to the provision or delivery of video services, including but not limited to electronic program guide services, search functions, recording services, or other interactive services or communications that are associated with or incidental to the provision, use or enjoyment of video services.

(c) "Billing Address" shall mean the mailing address of the service user where the service supplier submits invoices or bills for payment by the customer.

(d) "City" shall mean the City of Rancho Cordova.

## EXHIBIT A

(e) "Gas" shall mean natural or manufactured gas or any alternate hydrocarbon fuel which may be substituted therefor.

(f) "Mobile Telecommunications Service" has the meaning and usage as set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124) and the regulations thereunder.

(g) "Month" shall mean a calendar month.

(h) "Non-Utility Service Supplier" means:

(1) a service supplier, other than a supplier of electric distribution services to all or a significant portion of the City, which generates electricity for sale to others, and shall include but is not limited to any publicly-owned electric utility, investor-owned utility, cogenerator, distributed generation provider, exempt wholesale generator (*15 U.S.C. Section 79z-5a*), municipal utility district, federal power marketing agency, electric rural cooperative, or other supplier or seller of electricity;

(2) an electric service provider (ESP), electricity broker, marketer, aggregator, pool operator, or other electricity supplier other than a supplier of electric distribution services to all or a significant portion of the City, which sells or supplies electricity or supplemental services to electricity users within the City; or

(3) a gas service supplier, aggregator, marketer or broker, other than a supplier of gas distribution services to all or a significant portion of the City, which sells or supplies gas or supplemental services to gas users within the City.

(i) "Paging service" means a "telecommunications service" that provides transmission of coded radio signals for the purpose of activating specific pagers; such transmissions may include messages and/or sounds.

(j) "Person" shall mean, without limitation, any natural individual, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and non-profit), municipal district or municipal corporation (other than the City), cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

(k) "Place of Primary Use" means the street address representative of where the customer's use of the telecommunications service primarily occurs, which must be the residential street address or the primary business street address of the customer.

(l) "Post-paid telecommunication service" means the telecommunication service obtained by making a payment on a telecommunication-by-telecommunication basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a service number which is not associated with the origination or termination of the telecommunication service.

(m) "Prepaid telecommunication service" means the right to access telecommunication services, which must be paid for in advance and which enables the origination of telecommunications using an access number or authorization code, whether manually or



## EXHIBIT A

electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

(n) "Private telecommunication service" means a telecommunication service that entitles the customer to exclusive or priority use of a telecommunications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels. A telecommunications channel is a physical or virtual path of telecommunications over which signals are transmitted between or among customer channel termination points (i.e., the location where the customer either inputs or receives the telecommunications).

(o) "Service Address" shall mean the residential street address or the business street address of the service user. For a telecommunication or video service user, "service address" means either:

(1) The location of the service user's telecommunication or video equipment from which the communication originates or terminates, regardless of where the communication is billed or paid; or,

(2) If the location in subsection (1) of this definition is unknown (e.g., mobile telecommunications service or VoIP service), the service address shall mean the location of the service user's place of primary use.

(3) For prepaid telecommunication service, "service address" shall mean the location associated with the service number, or if unknown, the point of sale of the services.

(p) "Service Supplier" shall mean any entity or person, including the City, that provides telecommunication or video service to a user of such service within the City.

(q) "Service User" shall mean a person required to pay a tax imposed under the provisions of this Article.

(r) "State" shall mean the State of California.

(s) "Streamlined Sales and Use Tax Agreement shall mean the multi-state agreement commonly known and referred to as the Streamlined Sales and Use Tax Agreement, and as it is amended from time to time.

(t) "Tax Administrator" means the Finance Director of the City or his or her designee.

(u) "Telecommunications services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points, whatever the technology used. The term "telecommunications services" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such services are referred to as voice over internet protocol (VoIP) services or are classified by the Federal Telecommunications Commission as enhanced or value added, and includes video and/or



data services that is functionally integrated with "telecommunication services". "Telecommunications services" include, but are not limited to the following services, regardless of the manner or basis on which such services are calculated or billed: ancillary telecommunication services; intrastate, interstate, and international telecommunication services; mobile telecommunications service; prepaid telecommunication service; post-paid telecommunication service; private telecommunication service; paging service; 800 service (or any other toll-free numbers designated by the Federal Telecommunications Commission); 900 service (or any other similar numbers designated by the Federal Telecommunications Commission for services whereby subscribers who call in to pre-recorded or live service).

(v) "Video Programming" means those programming services commonly provided to subscribers by a "video service supplier" including but not limited to basic services, premium services, audio services, video games, pay-per-view services, video on demand, origination programming, or any other similar services, regardless of the content of such video programming, or the technology used to deliver such services, and regardless of the manner or basis on which such services are calculated or billed.

(w) "Video Services" means "video programming" and any and all services related to the providing, recording, delivering, use or enjoyment of "video programming" (including origination programming and programming using Internet Protocol, e.g., IP-TV and IP-Video) using one or more channels by a "video service supplier", regardless of the technology used to deliver, store or provide such services, and regardless of the manner or basis on which such services are calculated or billed, and includes ancillary video services, data services, "telecommunication services", or interactive communication services that are functionally integrated with "video services".

(x) "Video Service Supplier" means any person, company, or service which provides or sells one or more channels of video programming, or provides or sells the capability to receive one or more channels of video programming, including any telecommunications that are ancillary, necessary or common to the provision, use or enjoyment of the video programming, to or from a business or residential address in the City, where some fee is paid, whether directly or included in dues or rental charges for that service, whether or not public rights-of-way are utilized in the delivery of the video programming or telecommunications. A "video service supplier" includes, but is not limited to, multichannel video programming distributors [as defined in 47 U.S.C.A. Section 522(13)]; open video systems (OVS) suppliers; and suppliers of cable television; master antenna television; satellite master antenna television; multichannel multipoint distribution services (MMDS); video services using internet protocol (e.g., IP-TV and IP-Video, which provide, among other things, broadcasting and video on demand), direct broadcast satellite to the extent federal law permits taxation of its video services, now or in the future; and other suppliers of video services (including two-way communications), whatever their technology.

(y) VoIP (voice over internet protocol) means the digital process of making and receiving real-time voice transmissions over any Internet Protocol network.

(z) "800 service" means a "telecommunications service" that allows a caller to dial a toll-free number without incurring a charge for the call. The service is typically marketed under the name "800", "855", "866", "877", and "888" toll-free calling, and any subsequent numbers designated by the Federal Communications Commission.



(aa) "900 service" means an inbound toll "telecommunications service" purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service. "900 service" does not include the charge for: collection services provided by the seller of the "telecommunications services" to the subscriber, or service or product sold by the subscriber to the subscriber's customer. The service is typically marketed under the name "900" service, and any subsequent numbers designated by the Federal Communications Commission.

#### **3.40.030 Constitutional, Statutory and Other Exemptions.**

(a) Nothing in this Chapter shall be construed as imposing a tax upon any person or service when the imposition of such tax upon such person or service would be in violation of a federal or state statute, the Constitution of the United States or the Constitution of the State.

(b) Any service user that is exempt from the tax imposed by this Chapter pursuant to subsection (a) of this section shall file an application with the Tax Administrator for an exemption; provided, however, this requirement shall not apply to a service user that is a state or federal agency or subdivision with a commonly recognized name for such service. Said application shall be made upon a form approved by the Tax Administrator and shall state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and shall include the names of all utility service suppliers serving that service user. If deemed exempt by the Tax Administrator, such service user shall give the Tax Administrator timely written notice of any change in utility service suppliers so that the Tax Administrator can properly notify the new utility service supplier of the service users' tax exempt status. A service user that fails to comply with this section shall not be entitled to a refund of utility users' taxes collected and remitted to the Tax Administrator from such service user as a result of such noncompliance.

The decision of the Tax Administrator may be appealed pursuant to Section 3.40.200 of this Chapter. Filing an application with the Tax Administrator and appeal to the Chief Executive Officer pursuant to Section 3.40.200 of this Chapter is a prerequisite to a suit thereon.

The City Council may, by resolution, establish one or more classes of persons or one or more classes of utility service otherwise subject to payment of a tax imposed by this Chapter and provide that such classes of persons or service shall be exempt, in whole or in part from such tax for a specified period of time.

#### **3.40.040 Telecommunication Users' Tax.**

(a) There is hereby imposed a tax upon every person in the City using telecommunication services. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such services and shall be collected from the service user by the telecommunication services supplier or its billing agent. There is a rebuttable presumption that telecommunication services, which are billed to a billing or service address in the City, are used, in whole or in part, within the City's boundaries, and such services are subject to taxation under this Chapter. There is also a rebuttable presumption that prepaid telecommunication services sold within the City are used, in whole or in part, within the City and are therefore subject to taxation under this Chapter. If the billing address of the service user is different from the service address, the service



address of the service user shall be used for purposes of imposing the tax. As used in this Section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the telecommunication services.

(b) "Mobile Telecommunications Service" shall be sourced in accordance with the sourcing rules set forth in the *Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124)*. The Tax Administrator may issue and disseminate to telecommunication service suppliers, which are subject to the tax collection requirements of this Chapter, sourcing rules for the taxation of other telecommunication services, including but not limited to post-paid telecommunication services, prepaid telecommunication services, VoIP, and private communication services, provided that such rules are based upon custom and common practice that further administrative efficiency and minimize multi-jurisdictional taxation (e.g., Streamline Sales and Use Tax Agreement).

(c) The Tax Administrator may issue and disseminate to telecommunication service suppliers, which are subject to the tax collection requirements of this Chapter, an administrative ruling identifying those telecommunication services, or charges therefor, that are subject to or not subject to the tax of subsection (a) above.

(d) As used in this section, the term "telecommunication services" shall include, but are not limited to charges for: connection, reconnection, termination, movement, or change of telecommunication services; late payment fees; detailed billing; central office and custom calling features (including but not limited to call waiting, call forwarding, caller identification and three-way calling); voice mail and other messaging services; directory assistance; access and line charges; universal service charges; regulatory, administrative and other cost recovery charges; local number portability charges; and text and instant messaging. "Telecommunication services" shall not include digital downloads that are not "ancillary telecommunications services", such as books, music, ringtones, games, and similar digital products.

(e) To prevent actual multi-jurisdictional taxation of telecommunication services subject to tax under this section, any service user, upon proof to the Tax Administrator that the service user has previously paid the same tax in another state or local jurisdiction on such telecommunication services, shall be allowed a credit against the tax imposed to the extent of the amount of such tax legally imposed in such other state or local jurisdiction; provided, however, the amount of credit shall not exceed the tax owed to the City under this section.

(f) The tax on telecommunication services imposed by this section shall be collected from the service user by the service supplier. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20th) day of the following month.

#### **3.40.050 Video Users' Tax.**

(a) There is hereby imposed a tax upon every person in the City using video services. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such services and shall be collected from the service user by the video service supplier or its billing agent. There is a rebuttable presumption that video services, which are billed to a billing or service address in the City, are used, in whole or in part,



within the City's boundaries, and such services are subject to taxation under this Chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used for purposes of imposing the tax.

(b) As used in this section, the term "charges" shall include, but is not limited to, charges for the following:

- (1) regulatory fees and surcharges, franchise fees and access fees (PEG);
- (2) initial installation of equipment necessary for provision and receipt of video services;
- (3) late fees, collection fees, bad debt recoveries, and return check fees;
- (4) activation fees, reactivation fees, and reconnection fees;
- (5) video programming and video services;
- (6) ancillary video programming services (e.g., electronic program guide services, search functions, recording functions, or other interactive services or communications that are ancillary, necessary or common to the use or enjoyment of the video services);
- (7) equipment leases (e.g., remote, recording and/or search devices; converters); and,
- (8) service calls, service protection plans, name changes, changes of services, and special services.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the video services.

(d) The Tax Administrator may issue and disseminate to video service suppliers, which are subject to the tax collection requirements of this Chapter, an administrative ruling identifying those video services, or charges therefor, that are subject to or not subject to the tax of subsection (a) above.

(e) The tax imposed by this section shall be collected from the service user by the video service supplier, its billing agent, or a reseller of such services. In the case of video service, the service user shall be deemed to be the purchaser of the bulk video service (e.g., an apartment owner), unless such service is resold to individual users, in which case the service user shall be the ultimate purchaser of the video service. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20<sup>th</sup>) day of the following month.

#### **3.40.060 Electricity Users Tax.**

(a) There is hereby imposed a tax upon every person using electricity in the City. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the

charges made for such electricity, and for any supplemental services or other associated activities directly related to and/or necessary for the provision of electricity to the service user, which are provided by a service supplier or non-utility service supplier to a service user. The tax shall be collected from the service user by the service supplier or non-utility service supplier, or its billing agent. Notwithstanding the foregoing, the first forty-five dollars (\$45.00) in total monthly charges made for electrical energy to a residential service user shall be exempt from the tax levied by this Section 3.40.060.

(b) As used in this section, the term "charges" shall apply to all services, components and items that are: i) necessary for or common to the receipt, use or enjoyment of electric service; or, ii) currently are or historically have been included in a single or bundled rate for electric service by a local distribution company to a class of retail customers. The term "charges" shall include, but is not limited to, the following charges:

- (1) energy charges;
- (2) distribution or transmission charges;
- (3) metering charges;
- (4) stand-by, reserves, firming, ramping, voltage support, regulation, emergency, or other similar charges for supplemental services to self-generation service users;
- (5) customer charges, late charges, service establishment or reestablishment charges, demand charges, fuel or other cost adjustments, power exchange charges, independent system operator (ISO) charges, stranded investment or competitive transition charges (CTC), public purpose program charges, nuclear decommissioning charges, trust transfer amounts (bond financing charges), franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees or surcharges which are necessary for or common to the receipt, use or enjoyment of electric service; and,
- (6) charges, fees, or surcharges for electricity services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the electricity or services related to the provision of such electricity.

(d) The Tax Administrator, from time to time, may survey the electric service suppliers to identify the various unbundled billing components of electric retail service that they commonly provide to residential and commercial/industrial customers in the of the City, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such electric service. The Tax Administrator, thereafter, may issue and disseminate to such electric service suppliers an administrative ruling identifying those components and items which are: i) necessary for or common to the receipt, use or enjoyment of electric service; or, ii) currently are or historically have been included in a single or bundled rate for electric service by a local



distribution company to a class of retail customers. Charges for such components and items shall be subject to the tax of subsection (a) above.

(e) As used in this section, the term "using electricity" shall not include the mere receiving of such electricity by an electrical corporation or governmental agency at a point within the City for resale.

(f) The tax on electricity provided by self-production or by a non-utility service supplier not under the jurisdiction of this Chapter shall be collected and remitted in the manner set forth in Section 3.40.080 of this Chapter. All other taxes on charges for electricity imposed by this section shall be collected from the service user by the electric service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20<sup>th</sup>) day of the following month; or, at the option of the person required to collect and/or remit the tax, such person shall remit an estimated amount of tax measured by the tax billed in the previous month or upon the payment pattern of the service user, which must be received by the Tax Administrator on or before the twentieth (20<sup>th</sup>) day of the following month, provided that such person shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator, may be applied against any subsequent remittance that becomes due.

#### **3.40.070 Gas Users' Tax.**

(a) There is hereby imposed a tax upon every person using gas in the City, which is transported and delivered through a pipeline or by mobile transport. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such gas, including all services related to the storage, transportation and delivery of such gas. The tax shall be collected from the service user by the service supplier or non-utility service supplier, or its billing agent, and shall apply to all uses of gas, including but not limited to, heating, electricity generation, and the use of gas as a component of a manufactured product. Notwithstanding the foregoing, the charges made for the baseline rate usage approved by the California Public Utilities Commission for gas furnished to a residential service user shall be exempt from the tax levied by this Section 3.40.080.

(b) As used in this section, the term "charges" shall apply to all services, components and items for gas service that are: i) necessary for or common to the receipt, use or enjoyment of gas service; or, ii) currently are or historically have been included in a single or bundled rate for gas service by a local distribution company to a class of retail customers. The term "charges" shall include, but is not limited to, the following charges:

(1) the commodity charges for purchased gas, or the cost of gas owned by the service user (including the actual costs attributed to drilling, production, lifting, storage, gathering, trunkline, pipeline, and other operating costs associated with the production and delivery of such gas), which is delivered through a gas pipeline distribution system;

(2) gas transportation charges (including interstate charges to the extent not included in commodity charges);



(3) storage charges; provided, however, that the service supplier shall not be required to apply the tax to any charges for gas storage services when the service supplier cannot, as a practical matter, determine the jurisdiction where such stored gas is ultimately used; but it shall be the obligation of the service user to self-collect the amount of tax not applied to any charge for gas storage by the service supplier and to remit the tax to the appropriate jurisdiction;

(4) capacity or demand charges, late charges, service establishment or reestablishment charges, transition charges, customer charges, minimum charges, annual and monthly charges, and any other charges which are necessary for or common to the receipt, use or enjoyment of gas service; and,

(5) charges, fees, or surcharges for gas services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the gas or services related to the delivery of such gas.

(d) The Tax Administrator, from time to time, may survey the gas service suppliers to identify the various unbundled billing components of gas retail service that they commonly provide to residential and commercial/industrial customers in the City, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such gas service. The Tax Administrator, thereafter, may issue and disseminate to such gas service suppliers an administrative ruling identifying those components and items which are: i) necessary for or common to the receipt, use or enjoyment of gas service; or, ii) currently are or historically have been included in a single or bundled rate for gas service by a local distribution company to a class of retail customers. Charges for such components and items shall be subject to the tax of subsection (a) above.

(e) There shall be excluded from the calculation of the tax imposed in this section, charges made for gas which is to be resold and delivered through a pipeline distribution system.

(f) The tax on gas provided by self-production or by a non-utility service supplier not under the jurisdiction of this Chapter shall be collected and remitted in the manner set forth in Section 3.40.080 of this Chapter. All other taxes on charges for gas imposed by this section shall be collected from the service user by the gas service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator, on or before the twentieth (20<sup>th</sup>) day of the following month; or, at the option of the person required to collect and/or remit the tax, such person shall remit an estimated amount of tax measured by the tax billed in the previous month or upon the payment pattern of the service user, which must be received by the Tax Administrator on or before the twentieth (20<sup>th</sup>) day of the following month, provided that such person shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator, may be applied against any subsequent remittance that becomes due.



**3.40.080 Collection of Tax from Service Users Receiving Direct Purchase of Gas or Electricity.**

(a) Any service user subject to the tax imposed by Section 3.40.060 or by Section 3.40.070 of this Chapter, which produces gas or electricity for self-use; which receives gas or electricity, including any related supplemental services, directly from a non-utility service supplier not under the jurisdiction of this Chapter; or which, for any other reason, is not having the full tax collected and remitted by its service supplier, a non-utility service supplier, or its billing agent on the use of gas or electricity in the City, including any related supplemental services, shall report said fact to the Tax Administrator and shall remit the tax due directly to the Tax Administrator within thirty (30) days of such use, based on the charges for, or value of, such gas or electricity, or supplemental services, as provided in subsection (b). In lieu of paying said actual tax, the service user may, at its option, remit to the Tax Administrator within thirty (30) days of such use an estimated amount of tax measured by the tax billed in the previous month, or upon the payment pattern of similar customers of the service supplier using similar amounts of gas or electricity, provided that the service user shall submit an adjusted payment or request for credit, as appropriate, within sixty (60) days following each calendar quarter. The credit, if approved by the Tax Administrator in writing, may be applied against any subsequent tax bill that becomes due.

(b) The Tax Administrator may require said service user to identify its non-utility service supplier, and otherwise provide, subject to audit: invoices; books of account; or other satisfactory evidence documenting the quantity of gas or electricity used, including any related supplemental services, and the cost or price thereof. If the service user is unable to provide such satisfactory evidence, or if the administrative cost of calculating the tax in the opinion of the Tax Administrator is excessive, the Tax Administrator may determine the tax by applying the tax rate to the equivalent charges the service user would have incurred if the gas or electricity used, including any related supplemental services, had been provided by the service supplier that is the primary supplier of gas or electricity within the City. Rate schedules for this purpose shall be available from the City.

**3.40.090 Sewer Tax.**

(a) There is hereby imposed a tax upon every person in the City using sewer services within the City. The tax imposed by this section shall be at the rate of two and 50/100 percent (2.5%) of the charges made for such sewer service. The tax shall be paid by the person using such sewer service.

(b) As used in this section, the term "charges" shall apply to all services, components and items that are: i) necessary for or common to the receipt, use or enjoyment of sewer service; or, ii) currently are or historically have been included in a single or bundled rate for sewer service to retail customers. The term "charges" shall include, but is not limited to, the following charges:

- (1) customer charges, late charges, service establishment or reestablishment charges, annual and monthly charges, and other charges, fees and surcharges which are necessary for or common to the receipt, use or enjoyment of sewer service; and,



- (2) charges, fees, or surcharges for sewer services or programs, which are mandated by the City, a state or federal agency, whether or not such charges, fees, or surcharges appear on a bundled or line item basis on the customer billing.

(c) The tax on sewer service imposed by this section shall be collected from the service user by the sewer service supplier or its billing agent. The amount of tax collected in one (1) month shall be remitted to the Tax Administrator, and must be received by the Tax Administrator on or before the twentieth (20<sup>th</sup>) day of the following month.

**3.40.100 Bundling Taxable Items with Non-Taxable Items.**

If any nontaxable charges are combined with and not separately stated from taxable service charges on the customer bill or invoice of a service supplier, the combined charge is subject to tax unless the service supplier identifies, by reasonable and verifiable standards, the portions of the combined charge that are nontaxable and taxable through the service supplier's books and records kept in the regular course of business, and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. If the service supplier offers a combination of taxable and non-taxable services, and the charges are separately stated, then for taxation purposes, the values assigned the taxable and non-taxable services shall be based on its books and records kept in the regular course of business and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. The service supplier has the burden of proving the proper valuation and apportionment of the taxable and non-taxable services.

**3.40.110 Substantial Nexus / Minimum Contacts.**

For purposes of imposing a tax or establishing a duty to collect and remit a tax under this Chapter, "substantial nexus" and "minimum contacts" shall be construed broadly in favor of the imposition, collection and/or remittance of the utility users tax to the fullest extent permitted by state and federal law, and as it may change from time to time by judicial interpretation or by statutory enactment. Any telecommunication service (including VoIP) used by a person with a service address in the City, which service is capable of terminating a call to another person on the general telephone network, shall be subject to a rebuttable presumption that "substantial nexus/minimum contacts" exists for purposes of imposing a tax, or establishing a duty to collect and remit a tax, under this Chapter. A service supplier shall be deemed to have sufficient activity in the City for tax collection and remittance purposes if its activities include, but are not limited to, any of the following: maintains or has within the City, directly or through an agent, affiliate, or subsidiary, a place of business of any nature; solicits business in the City by employees, independent contractors, resellers, agents or other representatives; solicits business in the City on a continuous, regular, seasonal or systematic basis by means of advertising that is broadcast or relayed from a transmitter within the City or distributed from a location within the City; or advertises in newspapers or other periodicals printed and published within the City or through materials distributed in the City by means other than the United States mail; or if there are activities performed in the City on behalf of the service supplier that are significantly associated with the service supplier's ability to establish and maintain a market in the City for the provision of utility services that are subject to a tax under this Chapter.



**3.40.120 Duty to Collect-Procedures.**

(a) **Collection by Service Suppliers.** The duty of service suppliers to collect and remit the taxes imposed by the provisions of this Chapter shall be performed as follows:

(1) The tax shall be collected by service suppliers insofar as practicable at the same time as, and along with, the collection of the charges made in accordance with the regular billing practice of the service supplier. Where the amount paid by a service user to a service supplier is less than the full amount of the charge and tax which was accrued for the billing period, a proportionate share of both the charge and the tax shall be deemed to have been paid. In those cases where a service user has notified the service supplier of refusal to pay the tax imposed on said charges, Section 3.40.160 shall apply.

(2) The duty of a service supplier to collect the tax from a service user shall commence with the beginning of the first regular billing period applicable to the service user where all charges normally included in such regular billing are subject to the provisions of this Chapter. Where a service user receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period.

(b) **Filing Return and Payment.** Each person required by this Chapter to remit a tax shall file a return to the Tax Administrator, on forms approved by the Tax Administrator, on or before the due date. The full amount of the tax collected shall be included with the return and filed with the Tax Administrator. The Tax Administrator is authorized to require such additional information as he or she deems necessary to determine if the tax is being levied, collected, and remitted in accordance with this Chapter. Returns are due immediately upon cessation of business for any reason. Pursuant to *Revenue and Tax Code Section 7284.6*, the Tax Administrator, and its agents, shall maintain such filing returns as confidential information that is exempt from the disclosure provisions of the Public Records Act.

**3.40.130 Collection Penalties – Service Suppliers.**

(a) Taxes collected by service supplier from a service user are delinquent if not received by the Tax Administrator on or before the due date. Should the due date occur on a weekend or legal holiday, the return must be received by the Tax Administrator on the first regular working day following the weekend or legal holiday. A direct deposit, including electronic fund transfers and other similar methods of electronically exchanging monies between financial accounts, made by a service supplier in satisfaction of its obligations under this subsection shall be considered timely if the transfer is initiated on or before the due date, and the transfer settles into the City's account on the following business day.

(b) If the person required to collect and/or remit the utility users' tax fails to collect the tax (by failing to properly assess the tax on one or more services or charges on the customer's billing) or fails to remit the tax collected on or before the due date, the Tax Administrator shall attach a penalty for such delinquencies or deficiencies at the rate of fifteen (15%) percent of the total tax that is delinquent or deficient in the remittance, and shall pay interest at the rate of and 75/100ths (0.75%) percent per month, or any fraction



thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid.

(c) The Tax Administrator shall have the power to impose additional penalties upon persons required to collect and remit taxes pursuant to the provisions of this Chapter for fraud or gross negligence in reporting or remitting at the rate of fifteen (15%) percent of the amount of the tax collected and/or required to be remitted, or as recomputed by the Tax Administrator.

(d) For collection purposes only, every penalty imposed and such interest that is accrued under the provisions of this section shall become a part of the tax herein required to be paid.

(e) Notwithstanding the foregoing, the Tax Administrator may, in his or her discretion, modify the due dates of this Chapter to be consistent with any uniform standards or procedures that are mutually agreed upon by other public agencies imposing a utility users tax, or otherwise legally established, to create a central payment location or mechanism.

**3.40.140 Actions to Collect.** Any tax required to be paid by a service user under the provisions of this Chapter shall be deemed a debt owed by the service user to the City. Any such tax collected from a service user which has not been remitted to the Tax Administrator shall be deemed a debt owed to the City by the person required to collect and remit and shall no longer be a debt of the service user. Any person owing money to the City under the provisions of this Chapter shall be liable to an action brought in the name of the City for the recovery of such amount, including penalties and interest as provided for in this Chapter, along with any collection costs incurred by the City as a result of the person's noncompliance with this Chapter, including, but not limited to, reasonable attorneys fees. Any tax required to be collected by a service supplier or owed by a service user is an unsecured priority excise tax obligation under *11 U.S.C.A. Section 507(a)(8)(C)*. Service suppliers who seek to collect charges for service in bankruptcy proceedings shall also include in any such claim the amount of taxes due the City for those services, unless the Tax Administrator determines that such duty is in conflict with any federal or state law, rule, or regulation or that such action would be administratively impractical.

**3.40.150 Deficiency Determination and Assessment – Tax Application Errors.**

(a) The Tax Administrator shall make a deficiency determination if he or she determines that any service supplier or service user required to pay, collect, and/or remit taxes pursuant to the provisions of this Chapter has failed to pay, collect, and/or remit the proper amount of tax by improperly or failing to apply the tax to one or more taxable services or charges. Nothing herein shall require that the Tax Administrator institute proceedings under this Section 3.40.150 if, in the opinion of the Tax Administrator, the cost of collection or enforcement likely outweighs the tax benefit.

(b) The Tax Administrator shall mail a notice of such deficiency determination to the person or entity allegedly owing the tax, which notice shall refer briefly to the amount of the taxes owed, plus interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax from the date on which the tax should have



been received by the City. Within fourteen (14) calendar days after the date of service of such notice, the person or entity allegedly owing the tax may request in writing to the Tax Administrator for a hearing on the matter.

(c) If the person or entity allegedly owing the tax fails to request a hearing within the prescribed time period, the amount of the deficiency determination shall become a final assessment, and shall immediately be due and owing to the City. If the person requests a hearing, the Tax Administrator shall cause the matter to be set for hearing, which shall be scheduled within thirty (30) days after receipt of the written request for hearing. Notice of the time and place of the hearing shall be mailed by the Tax Administrator to such person or entity at least ten (10) calendar days prior to the hearing, and, if the Tax Administrator desires said person or entity to produce specific records at such hearing, such notice may designate the records requested to be produced.

(d) At the time fixed for the hearing, the Tax Administrator shall hear all relevant testimony and evidence, including that of any other interested parties. At the discretion of the Tax Administrator, the hearing may be continued from time to time for the purpose of allowing the presentation of additional evidence. Within a reasonable time following the conclusion of the hearing, the Tax Administrator shall issue a final assessment (or non-assessment), thereafter, by confirming, modifying or rejecting the original deficiency determination, and shall mail a copy of such final assessment to person or entity owing the tax. The decision of the Tax Administrator may be appealed pursuant to Section 3.40.200 of this Chapter. Filing an application with the Tax Administrator and appeal to the Chief Executive Officer pursuant to Section 3.40.200 of this Chapter is a prerequisite to a suit thereon.

(e) Payment of the final assessment shall become delinquent if not received by the Tax Administrator on or before the thirtieth (30th) day following the date of receipt of the notice of final assessment. The penalty for delinquency shall be fifteen percent (15%) on the total amount of the assessment, along with interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date of delinquency, until paid. The applicable statute of limitations regarding a claim by the City seeking payment of a tax assessed under this Chapter shall commence from the date of delinquency as provided in this subsection (e).

(f) All notices under this section may be sent by regular mail, postage prepaid, and shall be deemed received on the third calendar day following the date of mailing, as established by a proof of mailing.

#### **3.40.160 Administrative Remedy - Non-Paying Service Users.**

(a) Whenever the Tax Administrator determines that a service user has deliberately withheld the amount of the tax owed by the service user from the amounts remitted to a person required to collect the tax, or whenever the Tax Administrator deems it in the best interest of the City, he or she may relieve such person of the obligation to collect the taxes due under this Chapter from certain named service users for specific billing periods. To the extent the service user has failed to pay the amount of tax owed for a period of two (2) or more billing periods, the service supplier shall be relieved of the obligation to collect taxes due. The service supplier shall provide the City with the names and addresses of such service users and the amounts of taxes owed under the provisions of this Chapter. Nothing herein shall require that the Tax Administrator



institute proceedings under this Section 3.40.160 if, in the opinion of the Tax Administrator, the cost of collection or enforcement likely outweighs the tax benefit.

(b) In addition to the tax owed, the service user shall pay a delinquency penalty at the rate of fifteen percent (15%) of the total tax that is owed, and shall pay interest at the rate of 75/100ths (0.75%) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the due date, until paid.

(c) The Tax Administrator shall notify the non-paying service user that the Tax Administrator has assumed the responsibility to collect the taxes due for the stated periods and demand payment of such taxes, including penalties and interest. The notice shall be served on the service user by personal delivery or by deposit of the notice in the United States mail, postage prepaid, addressed to the service user at the address to which billing was made by the person required to collect the tax; or, should the service user have a change of address, to his or her last known address.

(d) If the service user fails to remit the tax to the Tax Administrator within thirty (30) days from the date of the service of the notice upon him or her, the Tax Administrator may impose an additional penalty of fifteen percent (15%) of the amount of the total tax that is owed.

#### **3.40.170 Additional Powers and Duties of the Tax Administrator.**

(a) The Tax Administrator shall have the power and duty to enforce each and all of the provisions of this Chapter.

(b) The Tax Administrator may adopt administrative rules and regulations consistent with provisions of this Chapter for the purpose of interpreting, clarifying, carrying out and enforcing the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be on file in the Tax Administrator's office. To the extent that the Tax Administrator determines that the tax imposed under this Chapter shall not be collected in full for any period of time from any particular service supplier or service user, that determination shall be considered an exercise of the Tax Administrator's discretion to settle disputes and shall not constitute a change in taxing methodology for purposes of *Government Code Section 53750* or otherwise. The Tax Administrator is not authorized to amend the City's methodology for purposes of *Government Code Section 53750* and the City does not waive or abrogate its ability to impose the utility users' tax in full as a result of promulgating administrative rulings or entering into agreements.

(c) Upon a proper showing of good cause, the Tax Administrator may make administrative agreements, with appropriate conditions, to vary from the strict requirements of this Chapter and thereby: (1) conform to the billing procedures of a particular service supplier so long as said agreements result in the collection of the tax in conformance with the general purpose and scope of this Chapter; or, (2) to avoid a hardship where the administrative costs of collection and remittance greatly outweigh the tax benefit. A copy of each such agreement shall be on file in the Tax Administrator's office, and are voidable by the Tax Administrator or the City at any time.

(d) The Tax Administrator may conduct an audit, to ensure proper compliance with the requirements of this Chapter, of any person required to collect and/or remit a tax



pursuant to this Chapter. The Tax Administrator shall notify said person of the initiation of an audit in writing. In the absence of fraud or other intentional misconduct, the audit period of review shall not exceed a period of three (3) years next preceding the date of receipt of the written notice by said person from the Tax Administrator. Upon completion of the audit, the Tax Administrator may make a deficiency determination pursuant to Section 3.40.150 of this Chapter for all taxes (and applicable penalties and interest) owed and not paid, as evidenced by information provided by such person to the Tax Administrator. If said person is unable or unwilling to provide sufficient records to enable the Tax Administrator to verify compliance with this Chapter, the Tax Administrator is authorized to make a reasonable estimate of the deficiency. Said reasonable estimate shall be entitled to a rebuttable presumption of correctness.

(e) Upon receipt of a written request of a taxpayer, and for good cause, the Tax Administrator may extend the time for filing any statement required pursuant to this Chapter for a period of not to exceed forty-five (45) days, provided that the time for filing the required statement has not already passed when the request is received. No penalty for delinquent payment shall accrue by reason of such extension. Interest shall accrue during said extension at the rate of 75/100ths (0.75%) percent per month, prorated for any portion thereof.

(f) The Tax Administrator shall determine the eligibility of any person who asserts a right to exemption from, or a refund of, the tax imposed by this Chapter.

(g) Notwithstanding any provision in this Chapter to the contrary, the Tax Administrator may waive any penalty or interest imposed upon a person required to collect and/or remit for failure to collect the tax imposed by this Chapter if the non-collection occurred in good faith. In determining whether the non-collection was in good faith, the Tax Administrator shall take into consideration the uniqueness of the product or service, industry practice or other precedence. The Tax Administrator may also participate with other UUT public agencies in conducting coordinated compliance reviews with the goal of achieving administrative efficiency and uniform tax application determinations, where possible. To encourage full disclosure and on-going cooperation on annual compliance reviews, the Tax Administrator, and its agents, may enter into agreements with the tax-collecting service providers and grant prospective only effect on any changes regarding the taxation of services or charges that were previously deemed by the service provider, in good faith and without gross negligence, to be non-taxable. In determining whether the non-collection was in good faith and without gross negligence, the Tax Administrator shall take into consideration the uniqueness of the product or service, industry practice or other precedence.

#### **3.40.180 Records.**

(a) It shall be the duty of every person required to collect and/or remit to the City any tax imposed by this Chapter to keep and preserve, for a period of at least three (3) years, all records as may be necessary to determine the amount of such tax as he/she may have been liable for the collection of and remittance to the Tax Administrator, which records the Tax Administrator shall have the right to inspect at a reasonable time.

(b) The City, through the City Council, may issue an administrative subpoena to compel a person to deliver, to the Tax Administrator, copies of all records deemed necessary by



the Tax Administrator to establish compliance with this Chapter, including the delivery of records in a common electronic format on readily available media if such records are kept electronically by the person in the usual and ordinary course of business. As an alternative to delivering the subpoenaed records to the Tax Administrator on or before the due date provided in the administrative subpoena, such person may provide access to such records outside the City on or before the due date, provided that such person shall reimburse the City for all reasonable travel expenses incurred by the City to inspect those records, including travel, lodging, meals, and other similar expenses, but excluding the normal salary or hourly wages of those persons designated by the City to conduct the inspection.

(c) The Tax Administrator is authorized to execute a non-disclosure agreement approved by the City Attorney to protect the confidentiality of customer information pursuant to *California Revenue and Tax Code Sections 7284.6 and 7284.7*.

(d) If a service supplier uses a billing agent or billing aggregator to bill, collect, and/or remit the tax, the service supplier shall: i) provide to the Tax Administrator the name, address and telephone number of each billing agent and billing aggregator currently authorized by the service supplier to bill, collect, and/or remit the tax to the City; and, ii) upon request of the Tax Administrator, deliver, or effect the delivery of, any information or records in the possession of such billing agent or billing aggregator that, in the opinion of the Tax Administrator, is necessary to verify the proper application, calculation, collection and/or remittance of such tax to the City .

(e) If any person subject to record-keeping under this section unreasonably denies the Tax Administrator access to such records, or fails to produce the information requested in an administrative subpoena within the time specified, then the Tax Administrator may impose a penalty of \$500 on such person for each day following: i) the initial date that the person refuses to provide such access; or, ii) the due date for production of records as set forth in the administrative subpoena. This penalty shall be in addition to any other penalty imposed under this Chapter.

#### **3.40.190 Refunds.**

Whenever the amount of any tax has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Tax Administrator under this Chapter from a service user or service supplier, it may be refunded as provided in this section:

(a) The Tax Administrator may refund any tax that has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Tax Administrator under this Chapter from a service user or service supplier, provided that no refund shall be paid under the provisions of this section unless the claimant or his or her guardian, conservator, executor, or administrator has submitted a written claim to the Tax Administrator within one year of the overpayment or erroneous or illegal collection of said tax. Such claim must clearly establish claimant's right to the refund by written records showing entitlement thereto. Nothing herein shall permit the filing of a claim on behalf of a class or group of taxpayers unless each member of the class has submitted a written claim under penalty of perjury as provided by this subsection. It is the intent of the City Council that the one year written claim requirement of this subsection be given retroactive effect; provided, however, that any claims which arose prior to the commencement of the one year claims period of this subsection, and which are not



otherwise barred by a then applicable statute of limitations or claims procedure, must be filed with the Tax Collector as provided in this subsection within ninety days following the effective date of this ordinance.

(b) The City Manager, where the claim is less than the settlement authority established in 2.04.110 of the Municipal Code, or the City Council where the claim is in excess of that amount, shall act upon the refund claim within forty-five (45) days of the initial receipt of the refund claim. Said decision shall be final. If the City Manager/City Council fails or refuses to act on a refund claim within the forty-five (45) day period, the claim shall be deemed to have been rejected by the City Manager/City Council on the forty-fifth (45th) day. The Tax Administrator shall give notice of the action in a form which substantially complies with that set forth in California Government Code Section 913.

(c) The filing of a written claim pursuant to California Government Code Section 935 is a prerequisite to any suit thereon. Any action brought against the City pursuant to this section shall be subject to the provisions of California Government Code Sections 945.6 and 946.

(d) Notwithstanding the notice provisions of subsection (a) of this Section, the Tax Administrator may, at his or her discretion, give written permission to a service supplier, who has collected and remitted any amount of tax in excess of the amount of tax imposed by this Chapter, to claim credit for such overpayment against the amount of tax which is due the City upon a subsequent monthly return(s) to the Tax Administrator, provided that: i) such credit is claimed in a return dated no later than one year from the date of overpayment or erroneous collection of said tax; ii) the Tax Administrator is satisfied that the underlying basis and amount of such credit has been reasonably established; and, iii) in the case of an overpayment by a service user to the service supplier that has been remitted to the City, the Tax Administrator has received proof, to his or her satisfaction, that the overpayment has been refunded by the service supplier to the service user in an amount equal to the requested credit.

### **3.40.200 Appeals.**

(a) The provisions of this section apply to any decision (other than a decision relating to a refund pursuant to Section 3.40.190 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator. Any person aggrieved by any decision (other than a decision relating to a refund pursuant to Section 3.40.200 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator, shall be required to comply with the appeals procedure of this section. Compliance with this section shall be a prerequisite to a suit thereon. [See *Government Code Section 935(b)*]. Nothing herein shall permit the filing of a claim or action on behalf of a class or group of taxpayers.

(b) If any person is aggrieved by any decision (other than a decision relating to a refund pursuant to Section 3.40.190 of this Chapter), deficiency determination, assessment, or administrative ruling of the Tax Administrator; he or she may appeal to the City Manager by filing a notice of appeal with the City Clerk within fourteen (14) days of the date of the decision, deficiency determination, assessment, or administrative ruling of the Tax Administrator which aggrieved the service user or service supplier.



(c) The matter shall be scheduled for hearing before an independent hearing officer selected by the City Manager, no more than thirty (30) days from the receipt of the appeal. The appellant shall be served with notice of the time and place of the hearing, as well as any relevant materials, at least five (5) calendar days prior to the hearing. The hearing may be continued from time to time upon mutual consent. At the time of the hearing, the appealing party, the Tax Administrator, and any other interested person may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

(d) Based upon the submission of such evidence and the review of the City's files, the hearing officer shall issue a written notice and order upholding, modifying or reversing the determination from which the appeal is taken. The notice shall be given within fourteen (14) days after the conclusion of the hearing and shall state the reasons for the decision. The notice shall specify that the decision is final and that any petition for judicial review shall be filed within ninety (90) days from the date of the decision in accordance with *Code of Civil Procedure Section 1094.6*.

(e) All notices under this section may be sent by regular mail, postage prepaid, and shall be deemed received on the third calendar day following the date of mailing, as established by a proof of mailing.

**3.40.210 No Injunction/Writ of Mandate.**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action, or proceeding in any court against this City or against any officer of the City to prevent or enjoin the collection under this Chapter of any tax or any amount of tax required to be collected and/or remitted.

**3.40.220 Notice of Changes to Ordinance.**

If a tax under this Chapter is added repealed, increased, reduced, or the tax base is changed, the Tax Administrator shall follow the notice requirements of *California Public Utilities Code Section 799*.

**3.40.230 Effect of State and Federal Reference/Authorization.**

Unless specifically provided otherwise, any reference to a state or federal statute in this Chapter shall mean such statute as it may be amended from time to time, provided that such reference to a statute herein shall not include any subsequent amendment thereto, or to any subsequent change of interpretation thereto by a state or federal agency or court of law with the duty to interpret such law, to the extent that such amendment or change of interpretation would require voter approval under California law, or to the extent that such change would result in a tax decrease (as a result of excluding all or a part of a utility service, or charge therefor, from taxation). Only to the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent.



To the extent that the City's authorization to collect or impose any tax imposed under this Chapter is expanded or limited as a result of changes in state or federal law, no amendment or modification of this Chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this Chapter.

**3.40.240 Independent Audit of Tax Collection, Exemption, Remittance, and Expenditure.**

The City shall annually verify that the taxes owed under this Chapter have been properly applied, exempted, collected, and remitted in accordance with this Chapter, and properly expended according to applicable municipal law. The annual verification shall be performed by a qualified independent third party and the review shall employ reasonable, cost-effective steps to assure compliance, including the use of sampling audits. The verification shall not be required of tax remitters where the cost of the verification may exceed the tax revenues to be reviewed.

**3.40.250 Remedies Cumulative.**

All remedies and penalties prescribed by this Chapter or which are available under any other provision of law or equity, including but not limited to the California False Claims Act (*Government Code Section 12650 et seq.*) and the California Unfair Practices Act (*Business and Professions Code Section 17070 et seq.*), are cumulative. The use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

**3.40.260 Interaction with Prior Tax.**

(a) Collection of Tax by Service Providers. Service providers shall begin to collect the tax imposed by this amended Chapter 3.40 as soon as feasible after the effective date of the Chapter, but in no event later than permitted by *Section 799 of the California Public Utilities Code*.

(b) Satisfaction of Tax Obligation by Service Users. Prior to April 1, 2011, any person who pays the tax levied pursuant to Chapter 3.40 of this Code, as it existed prior to its amendment as provided herein, with respect to any charge for a service shall be deemed to have satisfied his or her obligation to pay the tax levied pursuant to Chapter 3.40 as amended herein, with respect to that charge. The intent of this paragraph is to prevent the imposition of multiple taxes upon a single utility charge during the transition period from the prior Utility Users' Tax ordinance to the amended Utility Users' Tax ordinance (which transition period ends April 1, 2011) and to permit service providers or other persons with an obligation to remit the tax hereunder, during that transition period, to satisfy their collection obligations by collecting either tax.

(c) In the event that a final court order should determine that the election enacting this Chapter 3.40 (as amended herein) is invalid for whatever reason, or that any tax imposed under this Chapter 3.40 (as amended herein) is invalid in whole or in part, then the taxes imposed under Chapter 3.40 of this Code, as it existed prior to its amendment as provided herein, shall automatically continue to apply with respect to any service for which the tax levied pursuant to this Chapter has been determined to be invalid. Such automatic continuation shall be effective beginning as of the first date of service (or billing date) for



which the tax imposed by this Chapter is not valid. However, in the event of an invalidation, any tax (other than a tax that is ordered refunded by the court or is otherwise refunded by the City) paid by a person with respect to a service and calculated pursuant to this Chapter 3.40 (as amended herein) shall be deemed to satisfy the tax imposed under Chapter 3.40, as it existed prior to its amendment as provided herein, on that service, so long as the tax is paid with respect to a service provided no later than six months subsequent to the date on which the final court order is published.

**SECTION 2. Effective Date.** This Chapter shall become effective immediately upon the date that this Ordinance is approved by the voters of the City of Rancho Cordova at the Election of November 2, 2010, as confirmed by the City Council's declaration of the vote.

**SECTION 3. Amendment or Repeal.** Chapter 3.40 of the Municipal Code may be repealed or amended by the City Council without a vote of the people. However, as required by Chapter XIII C of the California Constitution, voter approval is required for any amendment provision that would increase the rate of any tax levied pursuant to this Ordinance. The People of the City of Rancho Cordova affirm that the following actions shall not constitute an increase of the rate of a tax:

1. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance, if the City Council has acted to reduce the rate of the tax.
2. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Ordinance.
3. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Ordinance).
4. The collection of the tax imposed by this Ordinance, even if the City had, for some period of time, failed to collect the tax.

**SECTION 4. Severability.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declares that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

**SECTION 5. Ratification of Prior Tax.** The voters of the City of Rancho Cordova hereby ratify and approve the past collection of the Utility Users' Tax under Chapter 3.40 of the Municipal Code as it existed prior to the effective date of this Ordinance.



**EXHIBIT A**

**APPROVED** by the following vote of the People of the City of Rancho Cordova on November 2, 2010

**ADOPTED** by Declaration of the vote by the City Council of the City of Rancho Cordova on \_\_\_\_\_, 2010:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Adam U. Lindgren, City Attorney

CITY OF RANCHO CORDOVA

RESOLUTION NO. 46-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ESTABLISHING NOVEMBER 2, 2010 AS THE DATE FOR AN ELECTION ON A PROPOSED BALLOT MEASURE SEEKING VOTER APPROVAL TO IMPOSE A CARDROOM TAX FOR GENERAL FUND PURPOSES, ESTABLISHING POLICIES AND PROCEDURES IN CONNECTION WITH SUCH AN ELECTION, AND REQUESTING THAT THE COUNTY OF SACRAMENTO CONDUCT SUCH AN ELECTION**

**RECITALS**

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, the City recognizes that its cardrooms are a source of entertainment for people throughout the Sacramento region; and

**WHEREAS**, in 2009, the City negotiated a revenue sharing agreement with the owner of the largest cardroom in the City, where the owner voluntarily agreed to pay the City three thousand dollars (\$3,000) for each card table that it was authorized to operate under the City Municipal Code and State law, and to pay the City a certain percentage of the cardroom's gross gaming revenues; and

**WHEREAS**, in the revenue sharing agreement, the City acknowledged its intent to be fair to all cardrooms by agreeing to consider submitting, subject to City Council approval, a tax for voter approval which if approved would impose a similar tax on all cardrooms in the City; and

**WHEREAS**, the Cardroom Tax is intended to be a general tax, the revenues of which will be used for general governmental purposes, and placed in the City's general fund for the usual current expenses of the City; and

**WHEREAS**, California Constitution Article XIII C, Section 2, further requires that a measure proposing to impose, extend or increase a general tax must be consolidated with a city's general municipal election for members of the City Council; and

**WHEREAS**, November 2, 2010 is the date of the City's regular municipal election; and

**WHEREAS**, the City Council is authorized by California Elections Code Section 9222 to place measures before the voters; and

**WHEREAS**, the City Council desires to place the Cardroom Tax Ordinance, attached hereto as **Exhibit A**, as a measure before the voters on the November 2, 2010 general election; and

**WHEREAS**, the tax to be submitted to the voters, if approved, would require a cardroom to pay the City three thousand dollars (\$3,000) for each card table that a cardroom is authorized to operate under applicable law, and pay the City a certain percentage of the cardroom's gross gaming revenues; and



**WHEREAS**, the cardroom tax imposed by this Ordinance will result in an equal treatment of all cardrooms in the City and will provide additional revenue to the City to help preserve funding for general municipal services such as neighborhood improvements and safety including, but not limited to, police services, maintenance of and improvements to city streets, sidewalks, landscaping and graffiti removal; and

**WHEREAS**, the City Council desires that the proposed measure be consolidated with the November 2, 2010 regularly scheduled general election, be held on the same date, and that within the City, the polling places and election officers of the two elections be the same, and that the County Election Department of the County of Sacramento canvass the returns of the general election and that the election be held in all respects as if there were only one election.

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, the City Council of the City of Rancho Cordova does ordain as follows:

**1. Placement of Measure on the Ballot.** Pursuant to California Elections Code Section 9222, the City Council hereby resolves that the ballot for the November 2, 2010 election shall include a measure that, if approved, would require all cardrooms within the City to pay the City a tax in the amount of three thousand dollars (\$3,000) for each card table that a cardroom is authorized to operate under applicable law and pay the City a certain percentage of the cardroom's gross gaming revenues.

(a) Ballot Language.

The ballot language for the measure shall be as follows:

**CARDROOM TAX MEASURE.** Shall an ordinance be adopted to require all cardrooms within the City to pay the City a tax in the amount of \$3,000 for each card table that a cardroom is authorized to operate under applicable law, and pay the City a percentage of the cardroom's gross gaming revenues in the following amounts: a) 2% of annual Gross Gaming Revenues between \$1,000,000 and \$1,500,000; b) 2.5% of the annual Gross Gaming Revenues between \$1,500,000 and 2,500,000; c) 3% of the annual Gross Gaming Revenues between \$2,500,000 and \$4,000,000; and d) 4% of the annual Gross Gaming in Excess of \$4,000,000; to preserve funding for general municipal services such as neighborhood improvements and safety including, but not limited to, police services, maintenance of and improvements to city streets, sidewalks, landscaping and graffiti removal?

☐ Yes

☐ No

**2. Proposed Ordinance.** The ordinance authorizing the general tax to be approved by the voters pursuant to Section 1 is as set forth in **Exhibit A** hereto. The City Council hereby approves the submission of the ordinance to the voters of the City at the

November 2, 2010 election. The City requests that County of Sacramento print **Exhibit A** in its entirety with the election materials.

**3. Publication of Measure.** The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Rancho Cordova, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

**4. Request to Consolidate and Conduct Election and Canvass Returns.**

(a) Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Sacramento is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide Election on Tuesday, November 2, 2010, for the purpose of placing the measure set forth in Section 1 on the ballot.

(b) The County of Sacramento Election Department is authorized to canvass the returns of the regularly scheduled General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

(c) The Board of Supervisors is requested to issue instructions to the County of Sacramento Election Department to take any and all steps necessary for the holding of the consolidated election.

(d) The City of Rancho Cordova recognizes that additional costs will be incurred by the County of Sacramento by reason of this consolidation, and agrees to reimburse the County for any additional costs above and beyond those reimbursed by the State.

**5. Submission of Ballot Arguments and Impartial Analysis.**

(a) The last day for submission of direct arguments for or against the measure shall be by 5 p.m. on August 5, 2010.

(b) The last day for submission of rebuttal arguments for or against the measure shall be by 5 p.m. on August 12, 2010.

(c) Direct arguments shall not exceed three hundred words and shall be signed by not more than five persons.

(d) Rebuttal arguments shall not exceed two hundred fifty words and shall be signed by not more than five persons; those persons may be different persons that the persons who signed the direct arguments.

(e) The City Attorney shall prepare an impartial analysis of the measure by July 27, 2010.

(f) Pursuant to California Elections Code Section 9282, the Mayor is hereby authorized to prepare a written argument in favor of the proposed measure, not to exceed 300 words, on behalf of the City Council. At the Mayor's discretion, the argument may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure. In the event that an argument is filed against the measure, the Mayor is also authorized to prepare a rebuttal argument on behalf of the City Council, which



may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure.

(g) Pursuant to California Elections Code Section 9285, when the City Clerk has selected the arguments for and against the measure, which will be printed and distributed to the voters, the City Clerk shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

**6. Effective Date.** This Resolution shall become effective immediately upon its passage and adoption, and the City Clerk is directed to send certified copies of this Resolution to the Sacramento Board of Supervisors, to the County Clerk-Recorder, and County of Sacramento Election Department.

**7. Passage of the Resolution.** Pursuant to California Government Code Section 53724(b), this Resolution, including the approval of the submission of the proposed Ordinance (attached as **Exhibit A**) must be approved by a two-thirds vote of all members of the City Council.

**8. CEQA.** This Resolution is exempt from the California Environmental Quality Act (Public Resources Code §21000, "CEQA") pursuant to CEQA guidelines 15060, "Preliminary Review," subdivision (c)(2) in that it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and 15378, "Project," subdivisions (2) and (4) of subdivision (b), in that this tax does not constitute a project under CEQA and therefore review under CEQA is not required.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on this \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

ORDINANCE NO. 10-2010

**AN ORDINANCE OF THE CITY OF RANCHO CORDOVA ADDING CHAPTER  
3.60 OF THE RANCHO CORDOVA MUNICIPAL CODE WITH RESPECT TO A  
CARDROOM TAX**

**WHEREAS**, the City recognizes that its cardrooms are a source of entertainment for people throughout the Sacramento region; and

**WHEREAS**, in 2009, the City negotiated a revenue sharing agreement with the owner of the largest cardroom in the City, where the owner voluntarily agreed to pay the City three thousand dollars (\$3,000) for each card table that it was authorized to operate under the City Municipal Code and State law and to pay the City a certain percentage of the cardroom's gross gaming revenues; and

**WHEREAS**, in the revenue sharing agreement, the City acknowledged its intent to be fair to all cardrooms by agreeing to consider submitting, subject to City Council approval, a tax for voter approval which if approved would impose a similar tax on all cardrooms in the City; and

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that no local government may impose, extend or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote; and

**WHEREAS**, California Constitution Article XIII C, Section 2, provides that a measure proposing to impose, extend or increase a general tax must be consolidated with a regularly scheduled general election for members of the City Council; and

**WHEREAS**, November 2, 2010 is the date of the City's regular municipal election; and

**WHEREAS**, the cardroom tax imposed by this Ordinance will result in an equal treatment of all cardrooms in the City and will provide additional revenue to the City to help preserve funding for general municipal services such as neighborhood improvements and safety including, but not limited to, police services, maintenance of and improvements to city streets, sidewalks, landscaping and graffiti removal.

**THE PEOPLE OF THE CITY OF RANCHO CORDOVA DO ORDAIN AS FOLLOWS:**

**SECTION 1:** Chapter 3.60, titled "Cardroom Tax," is hereby added to the Rancho Cordova Municipal Code to read as follows:

**CHAPTER 3.60**

**CARDROOM TAX**

|                 |                                                           |
|-----------------|-----------------------------------------------------------|
| <u>3.60.010</u> | <u>Short Title.</u>                                       |
| <u>3.60.020</u> | <u>Purpose and intent.</u>                                |
| <u>3.60.030</u> | <u>Definitions.</u>                                       |
| <u>3.60.040</u> | <u>Payment of tax.</u>                                    |
| <u>3.60.050</u> | <u>Statement of Revenue.</u>                              |
| <u>3.60.060</u> | <u>Payment – Timing.</u>                                  |
| <u>3.60.070</u> | <u>Audit of Gross Gaming Revenue Reports and Payment.</u> |



|          |                                                            |
|----------|------------------------------------------------------------|
| 3.60.080 | <u>Notice Not Required by City.</u>                        |
| 3.60.090 | <u>Tax Deemed Debt to City.</u>                            |
| 3.60.100 | <u>Deficiency determinations.</u>                          |
| 3.60.110 | <u>Tax Assessment; Nonpayment; Fraud.</u>                  |
| 3.60.120 | <u>Tax assessment; notice requirements.</u>                |
| 3.60.130 | <u>Tax Assessment; Hearing.</u>                            |
| 3.60.140 | <u>Conviction for Chapter Violation; Taxes Not Waived.</u> |

**3.60.010 Short Title.**

This chapter shall be known as the Rancho Cordova Cardroom Tax Ordinance.

**3.60.020 Purpose and intent.**

This chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation.

**3.60.030 Definitions.**

A. "Annual Gross Gaming Revenues" shall mean the Gross Gaming Revenues produced each calendar year between January 1st through December 31st. For new cardrooms, the first annual Gross Gaming Revenues shall begin on the date the certificate of the occupancy is issued for the cardroom and end on December 31st of that same year."

B. "Discontinued, dissolved or otherwise terminated" shall mean the date the cardroom is no longer in operation as described in the business license(s) issued to the cardroom by the City pursuant to Title 4 of this Code. The Finance Director, using all evidence, including evidence provided by the cardroom licensee, shall make the determination as to whether a cardroom has been discontinued, dissolved or otherwise terminated.

C. "Gross Gaming Revenues" means all the money or other compensation received by the cardroom from players at all tables and games in the cardroom except fees charged to players that are returned to the players as tournament or jackpot bonuses. Gross Gaming Revenues do not include money or other compensation received by the cardroom for food, drink and tips or fees paid to the cardroom for any marketing purposes.

D. "Licensee" means a person who has been issued a cardroom business license under Title 4 of this Code.

**3.60.040 Payment of tax.**

In addition to any requirements imposed by Title 4 of this Code, Each licensee operating a cardroom shall pay the following taxes:

A. Each licensee operating a cardroom shall pay an annual tax of three thousand dollars (\$3,000) per year for each card table that it is authorized to operate under applicable law, including this Code, any conditional use permits, and any City licenses. The table tax will be based on the maximum number of tables that are allowed to be operated and will not be reduced if fewer tables are actually in operation.

B. In addition to the table tax, each licensee operating a cardroom will pay the City a portion of the Gross Gaming Revenues received by the cardroom.

1. The amount of the Gross Gaming Revenues from the cardroom that will be paid to the City shall be the following:
  - a. The City will receive 2% of the annual Gross Gaming Revenues between \$1,000,000 and \$1,500,000.
  - b. The City will receive 2.5% of the annual Gross Gaming Revenues between \$1,500,000 and 2,500,000.
  - c. The City will receive 3% of the annual Gross Gaming Revenues between \$2,500,000 and \$4,000,000.
  - d. The City will receive 4% of the annual Gross Gaming in Excess of \$4,000,000.
2. For example: if the annual Gross gaming Revenues are \$4,500,000, the City will receive \$100,000, calculated as follows:
  - a. 2% of (\$1,500,000 minus \$1,000,000) equals \$10,000, plus
  - b. 2.5% of (\$2,500,000 minus \$1,500,000) equals \$25,000, plus
  - c. 3% of (\$4,000,000 minus \$2,500,000) equals \$45,000, plus
  - d. 4% of (\$4,500,000 minus \$4,000,000) equals \$20,000.

**3.60.050 Statement of Revenue.**

Before the 30th day following the end of each quarter, the licensee shall file with the City Finance Department a statement, under oath, showing the true and correct amount of annual Gross Revenue derived from the card game business allowed by the license issued to the licensee for the preceding quarter. A signed declaration shall be attached to the statement included therein, which shall be in substantially the same form as: "I hereby declare under penalty of perjury that the foregoing is true and correct." Pursuant to Section 3.60.070 of this Chapter, the City shall have the right to audit the matters reported in the statement to determine the accuracy of the figures contained therein.

**3.60.060 Payment – Timing.**

A. All taxes imposed by this Chapter shall be made at the same time the licensee files the statement of revenue with the Finance Department. Payment of taxes imposed by this Chapter shall accompany the statement of revenue and shall be in the correct amount of taxes due and owing in accordance with Section 3.60.040 of this Chapter. Such sums correctly reflecting the quarterly fees payable for the preceding quarter shall be accepted by the City, subject, however, to the City's right to conduct an audit pursuant to Section 3.60.070 of this Chapter.

B. In the case of a cardroom which is discontinued, dissolved or otherwise terminated before the expiration of a tax period, the due date for any taxes accrued and owing to the City under the provisions of this Chapter shall be the date of the discontinuance, dissolution or termination of the cardroom business.



C. Payments not received within 30 days of the end of the quarter will be subject to a late fee of one and one-half percent (1.5%) per month of the amount past due, plus all reasonable collection fees and costs.

**3.60.070 Audit of Gross Gaming Revenue Reports and Payment.**

A. The City shall have the right to audit the matters referred to in the statement of revenue, and to determine the correctness of the figures set forth in such statement and the amount payable to the City pursuant to the provisions of Section 3.60.040.

B. The books, records and accounts of any licensee may be inspected and audited by the City.

C. Such an inspection and audit may be performed by the Finance Director, a qualified accountant or City official who shall be selected by the Finance Director.

D. To facilitate such audits, the licensee shall keep complete records of all transactions related to the receipt or disbursement of funds arising out of or related to cardroom operations during the preceding three-year period. All such records shall be made available to the City for audit at the licensee's place of doing business after reasonable prior notice.

E. Any failure or refusal of any licensee to make and file a statement of revenue as required within the time required, or to pay such sums by way of taxes when the same are due and payable in accordance with the provisions of this Chapter, or to permit such inspection of such books, records and accounts of such licensee shall be and constitute full and sufficient grounds for suspension or revocation of any cardroom business license issued to the licensee pursuant to Title 4 of this Code.

**3.60.080 Notice Not Required by City.**

The City is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Chapter, and failure to send such notice or bill shall not affect the validity of any tax, interest or penalty due under the provisions of this Chapter.

**3.60.090 Tax Deemed Debt to City.**

The amount of any tax, penalties and interest imposed by the provisions of this Chapter shall be deemed a debt to the City, and any licensee carrying on any business without having paid the tax under this Chapter to the City shall be liable to an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such business.

**3.60.100 Deficiency Determinations.**

A. If the Finance Director is not satisfied that a statement of revenue filed, as required under the provisions of this Chapter, is correct, or that the amount of tax is correctly computed, the Finance Director may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement of revenue or upon the basis of any information in the City's possession or that may come into the City's possession.

B. The City may make more than one deficiency determinations of the amount of tax due for a period or periods.

C. In the case of a cardroom which is discontinued, dissolved or otherwise terminated, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due.

D. Whenever a deficiency determination is made, the City shall provide a notice to the person concerned in the same manner as notices of assessment are given under Section 3.60.120.

**3.60.110 Tax Assessment; Nonpayment; Fraud.**

A. Under any of the following circumstances, the Finance Director may make and give notice of an assessment of the amount of tax owed by a person under this Chapter:

1. If the person has not filed any statements of revenue required under the provisions of this Chapter;
2. If the person has not paid any tax due under the provisions of this Chapter;
3. If the person has not, after demand by the Finance Director, filed a corrected statement of revenue or furnished to the Finance Director adequate substantiation of the information contained in a statement of revenue already filed, or paid any additional amount of tax due under the provisions of this Chapter.

B. The notice of assessment shall separately set forth the amount of any tax known or estimated by the Finance Director to be due, after full consideration of all information within his or her knowledge concerning the cardroom business and activities of the person assessed and shall include the amount of any penalties, costs or interest accrued on each amount to the date of the notice of assessment.

**3.60.120 Tax Assessment; Notice Requirements.**

The notice of assessment shall be served upon the licensee either by personally serving it to the licensee, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the licensee at the address of the location of the business appearing on the face of the business license(s) issued under Title 4 to the licensee, or to such other address as he or she shall register with the Finance Director for the purpose of receiving notices provided under this Chapter. For the purposes of this Section, a service by mail is complete at the time of deposit in the United States mail.

**3.60.130 Tax Assessment; Hearing.**

A. Within ten (10) days after the date of service of a notice under Section 3.60.120 of this Chapter, the licensee may apply in writing to the Finance Director for a hearing on the assessment.



B. If application for a hearing before the Finance Director is not made within the time herein prescribed, the tax assessed by the Finance Director shall become final and conclusive.

C. Within thirty (30) days of the receipt of any such application for hearing, the Finance Director shall cause the matter to be set for hearing before him or her not later than thirty (30) days after the date of application, unless a later date is agreed to by the Finance Director and the licensee requesting the hearing.

D. Notice of such hearing shall be given by the Finance Director to the licensee requesting such hearing not later than five (5) days prior to such hearing. At such hearing, said licensee may appear and offer evidence why the assessment as made by the Finance Director should not be confirmed and fixed as a tax.

E. After such hearing the Finance Director shall determine and reassess the proper tax to be charged and shall give written notice thereof to the licensee in the manner prescribed in Section 3.60.120 for giving notice of assessment.

**3.60.140 Conviction for Chapter Violation; Taxes Not Waived.**

A. The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction.

B. No civil action shall prevent a criminal prosecution for any violation of the provisions of this Chapter or of any State Law requiring the payment of all taxes.

**SECTION 2. Effective Date.** This Chapter shall become effective immediately upon the date that this Ordinance is approved by the voters of the City of Rancho Cordova at the Election of November 2, 2010 as confirmed by the City Council's declaration of the vote.

**SECTION 3. Amendment or Repeal.** Chapter 3.60 of the Municipal Code may be repealed or amended by the City Council without a vote of the people. However, as required by Chapter XIII C of the California Constitution, voter approval is required for any amendment provision that would increase the rate of any tax levied pursuant to this Ordinance. The People of the City of Rancho Cordova affirm that the following actions shall not constitute an increase of the rate of a tax:

1. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance, if the City Council has acted to reduce the rate of the tax;

2. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Ordinance.

3. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Ordinance); and

4. The collection of the tax imposed by this Ordinance, even if the City had, for some period of time, failed to collect the tax.

**SECTION 4. Severability.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declares that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

**APPROVED** by the following vote of the People of the City of Rancho Cordova on November 2, 2010.

**ADOPTED** by Declaration of the vote by the City Council of the City of Rancho Cordova on \_\_\_\_\_, 2010:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Adam U. Lindgren, City Attorney



## MEMORANDUM



**DATE:** June 7, 2010

**TO:** Mayor and Council Members

**FROM:** Joe Chinn, Assistant City Manager  
Cyrus Abhar, Public Works Director

**SUBJECT: PROPOSED POLICE STATION AT 2897 KILGORE ROAD AND 2880 GOLD TAILINGS DRIVE**

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### **RECOMMENDATION**

Receive staff presentation and hear public testimony regarding the use of the Kilgore Building as the City's future police station and direct staff to proceed with the architectural design and preparation of construction contract documents.

### **RESULT OF RECOMMENDED ACTION**

With City Council direction, staff to continue with the design of the proposed police station at 2897 Kilgore Road.

### **BACKGROUND**

For the last several months, the City has been exploring the possibility of relocating its police station from the current location on Rockingham Drive to a City owned building at 2897 Kilgore Road. The current lease for the Rockingham Station, which was set to expire on September 30, 2010, has been extended on a month-to-month lease until June 30, 2011. The idea of using the City owned building on Kilgore Road to house the City's Police Department was first presented to the City Council in the Fall of 2009. On November 2, 2009, the City Council authorized the purchase of the building at 2880 Gold Tailings Drive as it provides an efficient and cost effective solution for the City's future police station needs by providing secondary access and additional space for light automotive repair and maintenance. Since it is not expected that the entire building at 2880 Gold Tailings Drive will be utilized by the Police Department, the City will have additional space available for storage, a limited use corporation yard, and other civic uses. A concept currently being explored by City staff is the possibility of relocating Code Enforcement and Animal Services from the Rancho Cordova Neighborhood Center (RCNC) to the City owned building on Gold Tailings Drive. This move will save the City \$60,000 a year in rent for RCNC, provide proximity for collaboration between Code Enforcement and Police personnel, provide additional security for Neighborhood Services personnel and a more secure place for the Neighborhood Services vehicles. Staff is also requesting the City Council's input and direction on this proposal.

In December 2009, the City entered into an agreement with Calpo Hom and Dong Architects for architectural design and project construction administration. In February 2010, City

Council authorized staff to proceed with retaining DesCor Builders for construction management services.

### **SELECTION CRITERIA**

City staff in coordination with the Police Department staff evaluated several locations to serve as the City's police facility for the next 15 to 20 years. The options analyzed included the current facility on Rockingham Drive, a new facility on Folsom Boulevard and the City owned building at 2897 Kilgore Road.

Several criteria were used to analyze the merits of each site. The primary criteria included cost, ability to serve the existing community as well as the annexation and the new growth areas, run times to various areas throughout the City, and ease of access to major roadways and thoroughfares. The 2897 Kilgore Road location was the highest ranking location based on the criteria.

### **FUTURE EXPANSION**

At the current police facility at Rockingham Drive, the County has leased approximately 21,200 square feet of office space and another 3,800 square feet for automotive maintenance. There are 107 secure parking spaces and 28 public parking spaces at the Rockingham site.

The Kilgore Building is 30,600 square feet which provides additional capacity for future growth and expansion. It is also envisioned that California Highway Patrol (CHP) and the Sacramento County Sheriff East Division will utilize some of the office space at this building. The building at 2880 Gold Tailings provides an additional 11,700 feet which will be used for storage, automotive repair and additional office space. The Kilgore and Gold Tailings sites currently have 140 parking spaces combined. Another 15 parking spaces will be constructed on the vacant lot adjacent to the Kilgore Building as part of the proposed site improvements.

The vacant land adjacent to the Kilgore building also allows the City to potentially construct a car wash facility on the property. The police building will also include a large community room and a public restroom. The public restroom will also be utilized to service the Kilgore Cemetery during normal business hours and also during events after hours and on the weekends.

The Health and Safety Code designates a police station as an "essential services" building. An "essential services" facility is a building that meets certain structural criteria and remains operational in the event of major seismic or other natural disasters. The proposed building at 2897 Kilgore Road does not meet the criteria for use as an "essential services" building and it will be cost prohibitive to seismically retrofit the building to meet the criteria. Under the contract model for police services, other Sacramento County Sheriff facilities will function as "essential services" buildings during and after major emergencies. The vacant City owned land adjacent to 2897 Kilgore Road provides the opportunity for the City to build an "essential services" facility in the future in order to operate a standalone police department if desired. In consultation with the Department of the State Architect, an option will be for the City to construct a separate building which meets the "essential services" criteria to house emergency response services including dispatch and a command center.



## **LOCATION**

The building at 2897 Kilgore Road is very close to the geographic center of the City. The proposed site has relatively easy access to Folsom Boulevard, Highway 50, and Sunrise Boulevard. Staff analyzed "run times" from this facility to various areas throughout the City and found that this location saves significant drive time and is best suited to serve the existing community as well as the annexation and the new growth areas east of Sunrise Boulevard.

The Police Department has also identified access to two public roads as an important consideration for a new police facility. The site at 2897 Kilgore in combination with the building at 2880 Gold Tailings Drive provides access points to Kilgore Road as well as Gold Tailings Drive.

The City Planning Department has determined that the proposed police station use is consistent with the City's General Plan and General Plan EIR, and that no impacts would occur due to the operation of the police facility that are peculiar to the project or parcel on which the project would be located (CEQA Guidelines Section 15183).

## **LEASE VERSUS OWN**

The buildings at 2897 Kilgore Road and 2880 Gold Tailings Drive are owned by the City. Staff evaluated the cost of leasing a police facility compared to the cost of relocating and utilizing the City owned building on Kilgore Road. Due to the cost of initial improvements to the existing building, it will take approximately 15 years for the option of owning and operating Kilgore as a police facility to reach a break-even point with the lease option. It is expected that with the slowdown in the economy, the facility at 2897 Kilgore Road will serve the community for at least the next 20 years. Under this scenario, relocating the facility to the Kilgore site is more cost effective than leasing. In addition, after approximately ten years, the Rockingham station will be insufficiently sized to accommodate our needs.

The cost of renovating the Kilgore building for a police station is under half the cost of building a new police station.

## **FISCAL IMPACT**

The total cost of the proposed police building is currently estimated around \$5,500,000. This estimate includes the cost of purchasing the Gold Tailings site and all support costs including engineering and architectural expenses. Five million dollars of the project funding comes from a combination of the remaining bond proceeds from a certificate of participation bond issued for this site, capital facility fees, the capital facility internal service fund, and an EECBG grant. Once the architectural design is complete the project cost will be updated. If costs are estimated to exceed the \$5 million currently available, the remaining funds can come from a number of different alternatives including existing general fund balances, or project cost reductions. Staff has also submitted a Federal Appropriations request for \$1,000,000 as part of the Law Enforcement Technology and Equipment Initiative. If approved, this grant will close the funding gap and will be used for technology enhancements to the new building including computers, dispatching equipment and other tools necessary to provide police protection to the residents of Rancho Cordova.

However, if the City is not awarded the grant, the funding may need to come from the General Fund Balance. While this may be the first time that the City has utilized its General Fund balance, this is the appropriate type of expenditure upon which to utilize fund balances. Fund Balance should not be used to pay for ongoing operating costs, but it is very reasonable to use fund balance to pay for one time capital expenditures such as this. Prior to any construction award, staff will come to City Council with the proposal to allocate funding by source to this project.

#### **ATTACHMENTS**

1. Location Map
2. Proposed Site Plan



- RANCHO CORDOVA CITY LIMITS
- PLANNING AREA BOUNDARY
- FUTURE ANNEX (JULY 2010)



Current Police Station  
(10361 Rockingham Dr.)

Proposed Police Station  
Location (2897 Kilgore Rd.)

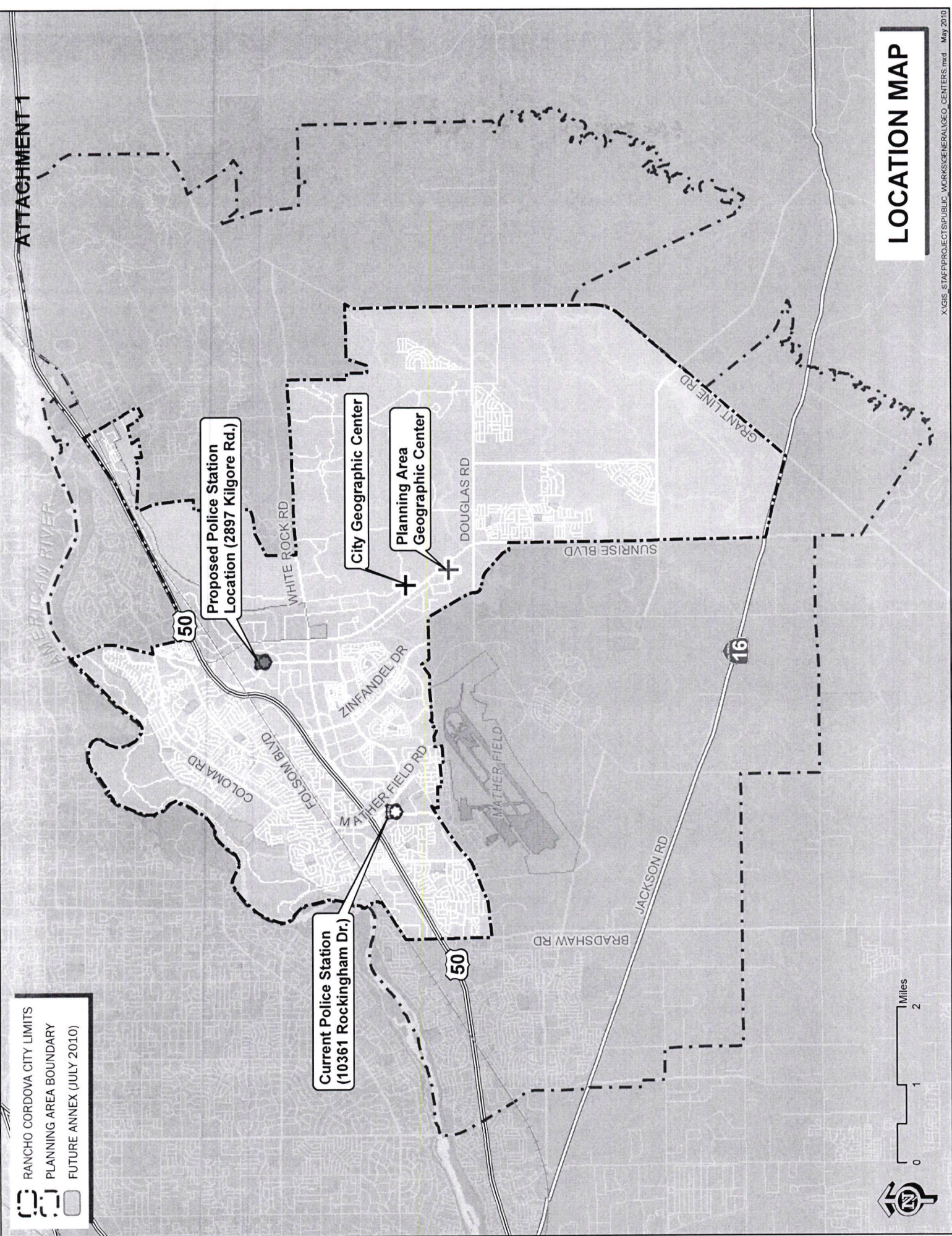
City Geographic Center

Planning Area  
Geographic Center



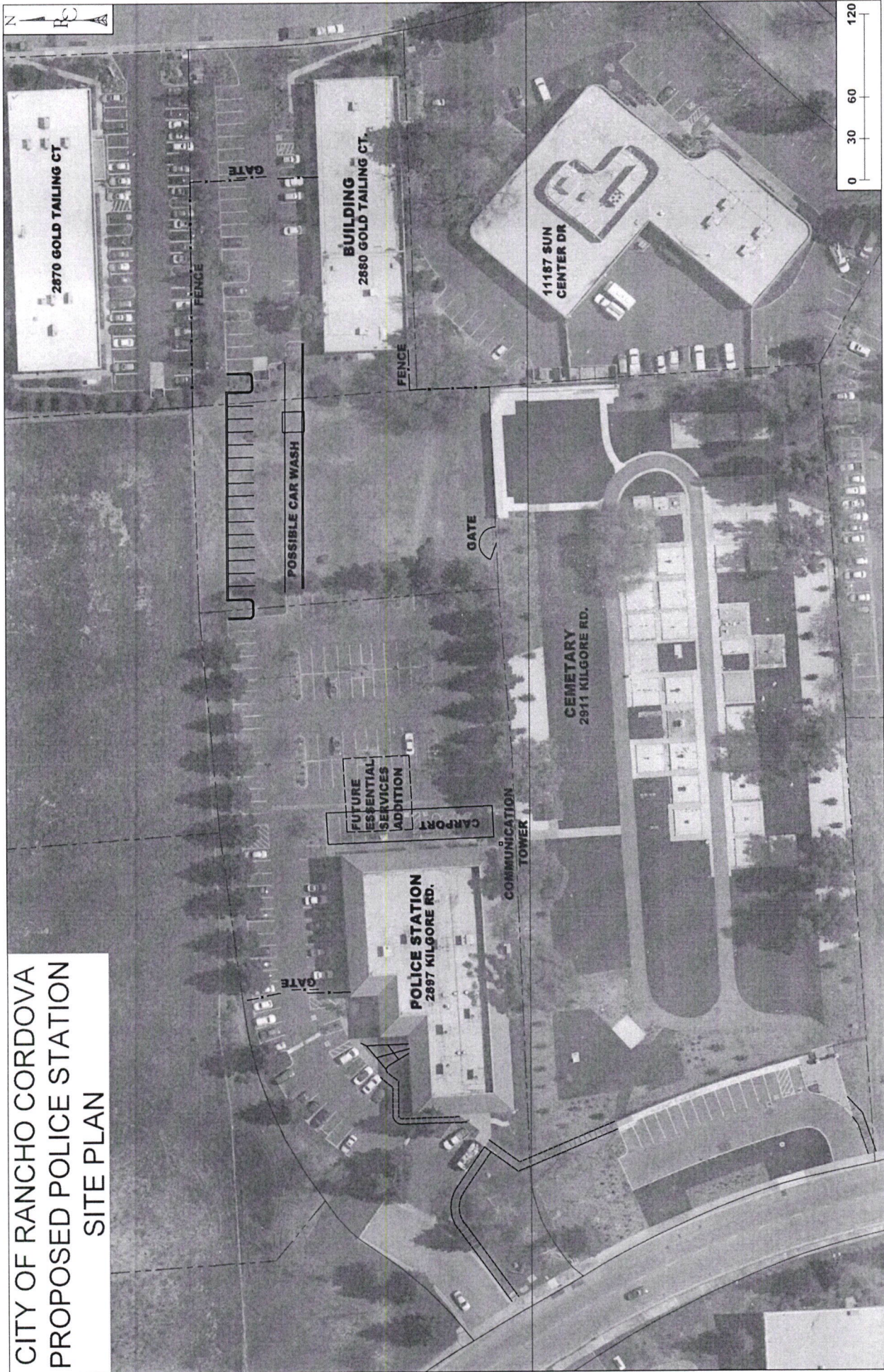
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# LOCATION MAP





CITY OF RANCHO CORDOVA  
PROPOSED POLICE STATION  
SITE PLAN





## MEMORANDUM



**DATE:** June 7, 2010

**TO:** Honorable Mayor and Council Members

**FROM:** Stephanie Snyder, City Manager's Office

**SUBJECT:** CITY COUNCIL POSITION ON PROPOSITION 16 IMPOSING TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS

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### RECOMMENDATION

Accommodate request of elected Sacramento Municipal Utility District (SMUD) Board representative Nancy Bui to discuss the merits of taking a position in opposition on Proposition 16.

### RESULT OF RECOMMENDED ACTION

The City Council will be able to discuss the proposed Initiative Constitutional Amendment and determine if taking a position to oppose is in the City's best interest.

### BACKGROUND

SMUD Director Nancy Bui forwarded a request (**Attachment 1**) to the Rancho Cordova Mayor and City Council from several members of the SMUD Board in opposition to Proposition 16 on the June 8 ballot, requesting that the City formally join the coalition to oppose the measure. **Attachment 2** includes the official ballot pamphlet material to assist in a review of the arguments in favor of and against the measure, and **Attachment 3** is a resolution that can be adopted opposing the proposition if the Council so desires.

### ATTACHMENTS

1. SMUD Letter Request
2. Official Ballot Arguments and Text of Proposed Law
3. Resolution No. 56-2010 Opposing Proposition 16, the New Two-Thirds Requirement for Local Public Electricity providers—Initiative Constitutional Amendment

Dear Rancho Cordova Mayor and City Council Members:

As elected members of the Sacramento Municipal Utility District, we are writing to you as individual members of the Board in **opposition** to Proposition 16. The SMUD Board of Directors voted to oppose PG & E's ballot initiative – Proposition 16. We are asking you to join the SMUD Board and oppose this measure.

The following is a sampling of organizations that have joined the coalition to oppose Proposition: AARP, Sierra Club, California Association of Realtors, Consumer Federation of California, California Tax Reform Association, League of Women Voters of California, League of California Cities, California State Association of Counties, City of Folsom, Folsom Chamber of Commerce and The Utility Reform Network.

### **Position and Funding**

In short, PG&E has qualified for the ballot a measure that would require any city or special district that provides electricity to its customers to secure a two thirds vote prior to extending its service or providing new service to its customers. This measure is an attempt by PG&E to restrict the ability of a city or special district from competing with them in the electricity market.

This measure also could have significant impacts on SMUD and how we conduct business **within** our current service area. More information can be found at [www.smud.org](http://www.smud.org). As is not uncommon in these types of initiatives, the measure is ambiguous in its drafting. For public utilities that are not considered **SOLE** electric providers in its own service area, this measure would require a 2/3 voter approval before the utility could provide service to a new building or home **WITHIN** its service territory. For SMUD to qualify for an exemption in the measure, SMUD must be the sole electric provider in its service area. In today's modern electrical world with distributed generation like solar proliferating, most "munis" like SMUD may not be the sole electric provider in the service territory. Additionally, there is at least one customer in SMUD service territory that is still served by PG&E. The result, and the harm to our county, may be the high risk of protracted litigation when SMUD would want to add customers right here is Sacramento County. The uncertainty surrounding electric service delivery could be a significant detractor to companies looking to conduct business in Sacramento.

There is only one company funding this initiative: PG&E, the largest for-profit utility in the state. Southern California Edison and San Diego Gas & Electric, the state's other investor-owned utilities, have not taken a position on the ballot initiative and have not contributed any funds to the campaign. PG&E has been the sole contributor (Secretary of State: <http://cal-access.sos.ca.gov>) to the Yes on Prop. 16 Political Action Committee (PAC). They have contributed a total of \$35 million to support the measure. Alternatively, municipal utilities are not allowed to use ratepayer money for political purposes. All funds must be raised privately.

### **PG&E's Real Reason for Prop 16**

TV and radio ads funded by PG&E have called Prop 16, "Tax Payers Right to Vote" despite having no bearing on taxation or government spending. PG&E portrays public power as "big government." Many public utilities, such as SMUD, are not government run and are owned by



rate payers. The CA Attorney General re-titled the measure to appear on the ballot as, "New Two-Thirds Vote Requirement for Local Public Electricity Providers."

When asked what prompted PG&E to fund Prop 16, PG&E CEO Peter Darbee was quite clear on a March, 2010 Wall Street conference call: "...the idea was to diminish, you know, rather than year after year different communities coming in as this or that and putting this up for vote and us having to spend millions and millions of shareholder dollars to defend it repeatedly, we thought that this was a way that we could sort of diminish that." There was no mention of taxpayers' rights or protecting consumers in CEO Darbee's reason for funding Proposition 16.

### **Public Power Success – Folsom Annexation Example**

During the Folsom annexation campaign, PG&E tried to convince customers that their rates would dramatically increase and there would be blackouts throughout the district. Rates were lowered and reliability increased. Since 1984, Folsom customers have saved over \$240 million on their electric bills as a direct result of being served by SMUD as opposed to PG&E. The entire community has saved over \$350 million because Folsom joined SMUD. Today, Folsom residents enjoy rates that are on average 25% less than PG&E. Companies who are major contributors to the economic growth in Folsom, such as Intel, have stayed in Folsom due in part to SMUD's low public power rates.

### **California Chamber of Commerce**

During the Senate and Assembly hearing on Proposition 16, Senator Mark Leno was highly critical of the measure and said he thought it was "astounding" that the California Chamber of Commerce would support a measure that would limit competition in electricity markets. Local Chambers of Commerce are not unified in their support. "We don't think it's needed, and we're concerned it could negatively impact the sustainability of Silicon Valley Power," said Steve Van Dorn, president of the Santa Clara Chamber of Commerce. "We have received several legal opinions that if it passed, the addition of a large office building in our city would require us to get a two-thirds vote to provide it with electrical power," said Van Dorn. Van Dorn said he's surprised at the state chamber's support of the measure and has written a letter to its officials seeking an explanation. "I don't understand it," Van Dorn said. "It doesn't match the chamber's prior positions on supporting the free market. We've had great success in our city with public power, and Prop. 16 will jeopardize it." (Silicon Valley Business Journal, March 5, 2010)

### **High Rates and Anti-Competition**

The passage of the measure would provide PG&E with a virtual monopoly over its electric service territory. As a state regulated utility, PG&E already has a near monopoly on its ratepayers. Assemblymember Jared Huffman has noted that this initiative creates a double standard by requiring a majority vote for PG&E to annex new territory but requiring a 2/3 vote for a city or district to annex a new territory. The requirement of a two thirds vote before annexation or providing new service would make it virtually impossible for dissatisfied customers to leave PG&E, to create their own public power agency, or be annexed by a neighboring public utility. What this means for ratepayers and business owners is that they will never have the option of



seeking lower rates through a publicly run utility and will be held hostage to the high rates of PG&E.

PG&E has some of the highest rates in the country and in the State of California. They now they want to increase rates even more. PG&E has proposed an average 8.3% increase in residential rates for 2011, and a corresponding 3.3% to 5.4% increase for business customers. All told, the increases would generate a total of \$4.1 billion in new revenue over three years (Sacramento Bee, Jul. 22, 2009).

### **Environmental Stewardship**

In 2009, according to the California Public Utilities Commission, only about 12 percent of the energy PG&E delivered to customers came from renewable sources. There is a state mandate to have 20% of energy come from renewable resources by 2010. In a letter written by several state Senators to PG&E: "It is unacceptable for a company that is falling behind in meeting state-adopted goals for clean energy to impede the efforts of others who would attain those goals through innovative means...We strongly urge PG&E to carefully consider our concerns and refrain from pursuing this initiative." Proposition 16 "is a dagger aimed directly at a movement to enable municipalities to offer renewable green power to their residents in competition with private utilities," said Michael Hiltzik, a columnist for the Los Angeles Times.

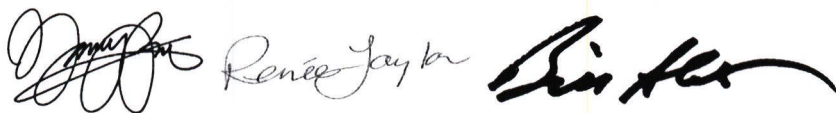
Cities and Districts are enacting innovative and promising renewable energy programs in keeping with state mandates and federal stimulus funds. The Cities and Districts eligible for such grants and funds would be effectively prohibited from providing such programs to new customers and new territories should Prop 16 pass. This proposition would severely limit choice in the source of electricity and limit the access to lower cost green energy for those in investor owned utility service areas.

### **Join the Coalition**

As the Fresno Bee put it, "The PG&E ballot measure (Proposition 16) is another example of the initiative process going awry in California, of a powerful special interest seizing the initiative process for its own narrow benefit." To use the initiative process to benefit a single business through a constitutional amendment is not a proper use of the initiative process in this state. Should this Proposition pass, it will send a message that a single company with enough money can change our State's constitution. This is not a precedent that should be set.

This measure is bad for Sacramento County, bad for SMUD, bad for business, and bad for electric ratepayers. Please join the coalition against Proposition 16 and let PG&E know they cannot buy away our right to cost efficient, safe and reliable power.

Signed,



SMUD Directors Nancy Bui-Thompson, Renee Taylor and Bill Slaton



**Who Opposes Prop 16? Partial List – more endorsements can be found at [noprop16.org](http://noprop16.org)**

**Newspaper Editorial Boards**

- Fresno Bee
- Long Beach Press Telegram
- Marin Independent-Journal
- Merced Sun-Star
- Modesto Bee
- Oakland Tribune
- Redding Record Searchlight
- Sacramento Bee
- Sacramento News & Review
- San Francisco Bay Guardian:
- San Jose Mercury News
- Vallejo Times Herald

**Business Organizations**

- Agricultural Energy Consumers Association
- California Manufacturers & Technology Association
- California Association of Realtors
- California Farm Bureau
- Association of California Water Agencies
- Folsom Chamber of Commerce
- Fremont Chamber of Commerce
- Greater Riverside Chambers of Commerce
- San Diego Chamber of Commerce
- Santa Clara Chamber of Commerce
- Santa Clarita Chamber of Commerce
- Stockton Chamber of Commerce

**Civic Organizations**

- AARP - American Association of Retired Persons
- California Alliance for Retired Americans (CARA)
- California Tax Reform Association
- CALPIRG
- Citizens Against Pollution
- Consumer Federation of California
- Consumer First
- Consumer Watchdog
- Friends Committee on Legislation of California
- Global Exchange
- League of Women Voters of California
- Taxpayers to Stop the PG&E Power Grab
- TURN (The Utility Reform Network)
- UCAN–Utilities Consumers Action Network

**Local Governments & Municipal Utilities**

- California State Association of Counties (CSAC)
- League of California Cities
- California Special Districts Association (CSDA)
- California Municipal Utilities Association (CMUA)
- Northern California Power Agency Commission
- Southern California Public Power Authority
- Burbank Water & Power
- City and County of San Francisco
- City of Alameda
- City of Berkeley
- City of Burbank
- City of Davis
- City of Folsom
- City of Glendale
- City of Gridley
- City of Healdsburg
- City of Larkspur
- City of Lemoore
- City of Lodi
- City of Palo Alto
- City of Pasadena
- City of Redding
- City of Roseville
- City of Sacramento (unanimous vote in committee, ratification by full council at next meeting)
- City of San Rafael
- City of Santa Clara
- City of Santa Rosa
- City of Sebastopol
- City of Tulare
- County of Marin
- East Bay Municipal Utility District (EBMUD)
- Marin Energy Authority, representing:
  - The Modesto Irrigation District
  - Marin Municipal Water District
  - San Joaquin Valley Power Authority
- San Francisco Local Agency Formation Commission
- South San Joaquin Irrigation District (SSJID)
- Town of Fairfax
- Town of Ross
- Town of Tiburon

**Environmental Organizations**

- California League of Conservation Voters
- California Sierra Club
- CALPIRG — California Public Interest Research Group
- Clean Power SF
- Climate Protection Campaign



- Earth Island Institute
- Ecological Options Network
- Local Clean Energy Alliance
- Local Power
- Pacific Environment
- Planning and Conservation League
- The Vote Solar Initiative
- Women's Energy Matters

**Elected Officials (Partial List)**

- Sacramento Municipal District Board of Directors
- United States Representative John Garamendi
- California State Senate President Pro Tempore Darrell Steinberg
- California State Senator Mark Leno
- California State Assemblymember Jared Huffman
- California State Assemblymember Mariko Yamada
- San Anselmo Mayor Barbara Thornton
- San Francisco Mayor Gavin Newsom
- Marin County Council of Mayors and Councilmembers

**Blogs**

- PG&E Ballot Initiative Fact Sheet, John Geesman, former CEC commissioner
- TURN against Prop 16 by The Utility Reform Network
- Calitics: PG&E Strike Force
- Beyond Chron: Prop 16 is Worst Measure on June Ballot
- Stop Proposition 16
- Local Power blog by Paul Fenn

**Below is a sampling of news articles relating to Proposition 16. Over 140 article links can be found at: <http://www.powergrab.info/news.html>)**

San Francisco Chronicle

Chronicle recommends No on Proposition 16

April 18, 2010

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/04/18/IN2N1D0432.DTL>

Sacramento Bee

Dan Morain: PG&E flips the switch on a ballot power play

April 10, 2010

<http://www.sacbee.com/2010/04/11/2668460/dan-morain-pge-flips-the-switch.html>

Capitol Weekly

PG&E's price tag for Prop. 16 could reach \$35 million

March 10, 2010

<http://www.capitolweekly.net/article.php?xid=yop43xz99gt7cw>

Silicon Valley Business Journal  
Silicon Valley cities fear PG&E power play  
March 5, 2010

<http://www.bizjournals.com/sanjose/stories/2010/03/08/story1.html?b=1268024400%5E2990551>

Sacramento Bee  
Dan Walters: PG&E taking a tough line on public rivals  
Feb. 26, 2010

<http://www.sacbee.com/2010/02/26/2566120/dan-walters-pge-taking-a-tough.html>

Business Journal/Associated Press  
Public power backers cry foul over utility effort  
February 15, 2010

<http://thebusinessjournal.com/energy/3926-public-power-backers-cry-foul-over-utility-effort->

Fresno Bee  
PG&E funding Prop. 16 to keep its stranglehold  
February 13, 2010

<http://www.fresnobee.com/2010/02/13/1821204/pge-funding-prop-16-to-keep-its.html>

LA Times  
PG & E amps up bid for power  
February 10, 2010

<http://www.latimes.com/business/la-fi-hiltzik10-2010feb10,0,1802722.column>

San Jose Mercury News  
PG&E spending millions to block local utilities  
January 31, 2010

[http://www.mercurynews.com/business-headlines/ci\\_14296650](http://www.mercurynews.com/business-headlines/ci_14296650)

Sacramento Bee  
Editorial: PG&E makes a new power grab  
Jan. 19, 2010

<http://www.sacbee.com/2010/01/19/2471258/pge-makes-a-new-power-grab.html>



# IMPOSES NEW TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS. INITIATIVE CONSTITUTIONAL AMENDMENT.

## IMPOSES NEW TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS. INITIATIVE CONSTITUTIONAL AMENDMENT.

- Requires local governments to obtain the approval of two-thirds of the voters before providing electricity service to new customers or expanding such service to new territories using public funds or bonds.
- Requires same two-thirds vote to provide electricity service through a community choice program using public funds or bonds.
- Requires the vote to be in the jurisdiction of the local government and any new territory to be served.
- Provides exceptions to the voting requirements for a limited number of identified projects.

### Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- **Unknown net impact on state and local government costs and revenues due to uncertainty as to the measure's effects on public electricity providers and on electricity rates. These effects are unlikely to be significant in the short run.**

## ANALYSIS BY THE LEGISLATIVE ANALYST

### BACKGROUND

#### Provision of Electricity Service in California

**California Electricity Providers.** Californians generally receive their electricity service from one of three types of providers: investor-owned utilities (IOUs), local publicly owned electric utilities, or electric service providers (ESPs). These provide 68 percent, 24 percent, and 8 percent, respectively, of retail electricity service in the state.

**Investor-Owned Utilities.** The IOUs are owned by private investors and provide electricity service for profit. The three largest electricity IOUs in the state are Pacific Gas and Electric (PG&E), Southern California Edison, and San Diego Gas and Electric. Each IOU has a unique, defined geographic service area and is required by law to serve customers in that area. The California Public Utilities Commission (CPUC) regulates the rates charged by IOUs and how they provide electricity service to their customers.

**Publicly Owned Utilities.** Publicly owned electric utilities are public entities that provide electricity service to residents and businesses in their local area. While not regulated by CPUC, publicly owned electric utilities are governed by locally elected boards which set their own terms of service, including the rates charged to their customers. Electricity service is currently provided by local governments through several different governmental structures authorized under state law, including:

- Utility departments of cities, such as the Los Angeles Department of Water and Power.
- Municipal utility districts, such as the Sacramento Municipal Utility District (SMUD).
- Public utility districts, such as the Truckee Donner Public Utility District.
- Irrigation districts, such as the Imperial Irrigation District.



PROP  
**16** IMPOSES NEW TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL  
PUBLIC ELECTRICITY PROVIDERS. INITIATIVE CONSTITUTIONAL AMENDMENT.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

**Electric Service Providers.** The ESPs provide electricity to customers who have chosen not to receive electricity from the IOU or publicly owned utility that would otherwise serve their geographic area. Under this approach, an electricity customer enters into what is termed a “direct access” contract with an ESP that delivers electricity to the customer through the local utility’s transmission and distribution system.

**The Creation and Expansion of Publicly Provided Electricity Services**

**Community Choice Aggregation.** In addition to the ESP arrangements discussed above, state law allows a city or a county, or a combination of the two, to arrange to provide electricity within their jurisdiction through a contract with an electricity provider other than the IOU that would otherwise serve that local area. This is referred to as “community choice aggregation.” Although only one community choice aggregator (CCA) currently exists to provide electricity in California, several communities are exploring this option. A CCA could get its electricity from an ESP, using the transmission and distribution system of the IOU serving that local area. Electricity customers within that area would automatically get their electricity from the CCA unless they elected to continue to receive service from the IOU.

**Proposals to Create and Expand Public Electricity Providers.** In recent years, a limited number of local governments in the state have explored the idea of creating new public providers of electricity or expanding publicly owned utilities into new territory currently served by an IOU. For example, the City and County of San Francisco has considered creating a CCA that would include territory currently served by PG&E. As another example, Yolo County explored having SMUD provide electricity service to territory within the county currently served by PG&E. In some cases, these proposals have been put before the voters for their approval, under provisions of state law discussed below.

**Voter Approval Requirements for Publicly Owned Electricity Providers.** As noted above, publicly owned utilities can be organized under several different types of government structures. Each type of local government entity that is authorized to provide electricity service, and that is considering either the start-up of electricity service or the expansion of existing service beyond its current service area, is subject to certain state requirements.

Various statutes specify whether voter approval is required for the *start-up* of electricity service by authorized local government entities. Under state law, if a local government intends to *expand* its electricity service into a new territory, that new area must be annexed and, in certain cases, a majority of the voters in the area proposed for annexation must approve the expansion. In such cases, however, no vote of the public is generally required within the existing service territory of the local governmental entity that is proposing the expansion. (In some cases, a local commission requires such a vote as a condition of approving the annexation.) In contrast, local agency action to *create and begin implementation of a CCA* may be undertaken upon a vote of the local agency governing board and does not require local voter approval.

**PROPOSAL**

The measure places new voter approval requirements on local governments before they can use “public funds”—defined broadly in the measure to include tax revenues, various forms of debt, and ratepayer funds—to start up electricity service, expand electricity service into a new territory, or implement a CCA.

- First, before an authorized local government entity can start up electricity service, it must receive approval by two-thirds of the voters in the area proposed to be served.
- Second, before an existing publicly owned utility can expand its electric delivery service



PROP 16 IMPOSES NEW TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS: INITIATIVE CONSTITUTIONAL AMENDMENT.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

into a new territory, it must receive approval by two-thirds of the voters in the area currently served by the utility and two-thirds of the voters in the new area proposed to be served.

- Third, the measure requires two-thirds voter approval for a local government to implement a CCA.

The measure provides three exemptions to local governments from these voter approval requirements:

- If the use of public funds has been previously approved by the voters both within the existing local jurisdiction and the territory proposed for expansion.
- If the public funds would be used solely to purchase, provide, or supply specified types of electricity from renewable sources, such as wind or solar power.
- If the public funds would be used only to provide electric delivery service for the local government's own use.

## FISCAL EFFECTS

### *Local Administrative Costs for Elections.*

Because this measure requires voter approval for specified local government actions that can currently be accomplished without such votes, it would result in additional elections costs. These costs would primarily be related to preparing and mailing election-related materials. In most cases, the balloting could be consolidated with already scheduled elections. As a result, the increased election-related costs due to this measure would probably be minor.

***Potential Impact on State and Local Government Costs and Revenues.*** This measure could affect local government costs and revenues due to its potential effects on the operation of publicly owned utilities and CCAs. It could also affect the finances of state and local government agencies in California because of its potential impact on electricity rates. These effects would largely depend upon future actions of voters and local governments. We discuss these potential effects in more detail below.

First, the new public voter approval requirements for the start-up or expansion of publicly owned utilities or the implementation of CCAs could result in public disapproval of such changes. Also, the existence of these new voter approval requirements could deter some local government agencies from proceeding with such plans. To the extent that this occurred, these local government agencies would be somewhat smaller in size and have fewer customers than would otherwise be the case. As a result, they would have lower total revenues and costs.

Second, the enactment of this measure could also affect the finances of state and local government agencies in California due to its potential impact on electricity rates. As noted above, some local government agencies might not start up or expand a publicly owned utility into a new territory or implement a CCA as a result of the measure's new voter approval requirements. In this event, the rates paid by electricity customers in that and neighboring jurisdictions could be higher or lower than would otherwise have been the case. For example, if this measure prevented



**PROP**  
**16** **IMPOSES NEW TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS. INITIATIVE CONSTITUTIONAL AMENDMENT.**

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**CONTINUED**

the expansion of publicly provided electrical service that depended upon the construction of new energy infrastructure, rates might be held lower than might otherwise occur. On the other hand, if this measure lessened the competitive pressures on private electricity providers by reducing the opportunities for expansion of publicly provided electrical service, the rates charged to electricity customers might eventually be higher than otherwise. These impacts could affect state and local government costs, since many public agencies are themselves large consumers of electricity. To the extent that changes in electricity

rates affect business profits, sales, and taxable income, these factors could also affect state and local tax revenues.

In the short run, the net fiscal effect of all of these factors on the finances of state and local government agencies is unlikely to be significant on a statewide basis. This is due to the relatively limited number of local government agencies considering the start-up or expansion of electricity services into new territory. In the long run, the net fiscal effect of the measure is unknown and would depend on future actions of local governments and voters.



# PROP 16 IMPOSES NEW TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS. INITIATIVE CONSTITUTIONAL AMENDMENT.

## ★ ARGUMENT IN FAVOR OF PROPOSITION 16 ★

Vote YES on Proposition 16, the Taxpayers Right to Vote Act.

Proposition 16, the Taxpayers Right to Vote Act, does one simple thing: It requires voter approval before local governments can spend public money or incur public debt to get into the electricity business. And like most local special tax and bond decisions in California, two-thirds voter approval will be required.

In tough economic times like these, local voters have every right to have the final say on an issue as important as who provides them with local electric service, and how much it will cost.

Two-thirds voter approval is our best protection against costly and risky government schemes to take over local electric service.

Several local governments in California are trying to take over private electric businesses—often using eminent domain—and are refusing to let local voters have the final say in the decision, because state law doesn't require it. This measure establishes clear voter approval requirements before local governments can spend public money or incur public debt to go into the local electricity business.

These days, with government spending out of control and mounting government debt—the best financial safeguard for taxpayers is to give voters the final say in these decisions.

Supporters of Proposition 16, the Taxpayers Right to Vote Act, including the California Taxpayers' Association, the California Chamber of Commerce and Pacific Gas and Electric Company, believe that the voters should decide. It is our electric service, our public money and, in the end, it is everyone's problem if a government-run electricity business fails. We, the voters, deserve the right to have the final say about how our money is spent.

Vote YES on Proposition 16, the Taxpayers Right to Vote Act.

[www.taxpayersrighttovote.com](http://www.taxpayersrighttovote.com)

**TERESA CASAZZA**, President  
California Taxpayers' Association

**ALLAN ZAREMBERG**, President  
California Chamber of Commerce

## ★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 16 ★

Vote No on Proposition 16 to stop the worst case yet of a big special interest—this time it's PG&E, the giant, for-profit private utility—misusing the initiative process.

Don't let PG&E fool you. Proposition 16 doesn't touch your taxes one way or the other. It's all about PG&E maintaining its monopoly and eliminating its competition. That could mean higher electric bills and poorer service for all Californians—regardless of where you live.

PG&E is making up a threat that doesn't exist to distract you. What's really bothering PG&E is many communities are now choosing to purchase renewable energy at wholesale prices. We believe that residents should be allowed to have the choice of buying electricity at lower cost without requiring a 2/3 supermajority vote. But that choice is what PG&E designed Proposition 16 to stop.

So when you see TV ads for Proposition 16, remember that most of the money for each one came from people's utility bills. The Utility Reform Network says, "It's just wrong for

PG&E to take money from families, and then spend it on a political campaign to benefit itself." Especially considering that PG&E recently paid big bonuses to its executives after going bankrupt—just like Wall Street.

The League of Women Voters of California urges you to Vote NO, joining AARP, every newspaper that's reviewed it, and groups representing California's consumers, taxpayers, environmentalists and farmers. Vote NO to give local, nonprofit utilities the chance to compete for your service—with low-cost, renewable energy.

**MICHAEL BOCCADORO**, Executive Director  
Agricultural Energy Consumers Association

**LENNY GOLDBERG**, Executive Director  
California Tax Reform Association

**JANIS R. HIROHAMA**, President  
League of Women Voters of California



# PROP 16 IMPOSES NEW TWO-THIRDS VOTER APPROVAL REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS. INITIATIVE CONSTITUTIONAL AMENDMENT.

## ★ ARGUMENT AGAINST PROPOSITION 16 ★

Proposition 16 does two things:

First, it drastically limits your choices on who provides you with electricity.

Second, it makes it easier for the for-profit utilities in California to raise your electricity rates.

It's cleverly written, because the backers of Proposition 16 want to fool the voters. They say this measure is about protecting taxpayers. But what it really protects is the monopoly enjoyed by a giant, for-profit electric utility.

You should be allowed to have more choices in who provides your electricity, if those choices would give you lower cost and better service. Vote No on Proposition 16.

Most people would agree that if a local nonprofit organization wants to buy green power at wholesale rates, and sell it to communities at an affordable cost, it should be allowed to do so. But Proposition 16 makes it just about impossible.

Severely limiting your choice in the source of your electricity. No lower cost green energy. Fewer choices and higher costs. That's what Proposition 16 does to you.

Who's the *sole* sponsor of Proposition 16?

PG&E, the largest for-profit utility in the state. When this argument was written, PG&E had contributed \$6.5 million to the "yes" campaign and signaled they're prepared to spend tens of millions more. PG&E was the *only* contributor to put this proposition on the ballot.

Why? Again, PG&E wants to protect its monopoly. Proposition 16 isn't about protecting taxpayers—it's about protecting PG&E's for-profit monopoly on electricity.

Just read the ballot title and summary, and you'll see.

As the Fresno Bee put it, "The PG&E ballot measure (Proposition 16) is another example of the initiative process going awry in California, of a powerful special interest seizing the initiative process for its own narrow benefit."

AARP urges No on Proposition 16 because by restricting competition, Proposition 16 could mean higher electricity costs for you. A No vote protects you against the potential for crippling rate hikes.

In fact, PG&E and other for-profit utilities already charge higher rates than municipal, nonprofit utilities. And now they want to increase rates another \$5 billion.

The Consumer Federation of California says VOTE NO because like Wall Street, PG&E paid huge bonuses to its executives, even after it went bankrupt and ratepayers bailed it out. Now PG&E wants to lock-in its monopoly once and for all—so smaller, local nonprofit utilities are not allowed to compete.

Sierra Club says VOTE NO because Proposition 16 requires a 2/3 supermajority vote before communities can purchase clean power and other power at competitive prices. These community choice programs are voluntary and do not raise taxes.

Proposition 16 "is a dagger aimed directly at a movement to enable municipalities to offer renewable green power to their residents in competition with private utilities," said Michael Hiltzik, a columnist for the Los Angeles Times.

Say NO to another wasteful initiative that says one thing but really does something very different. Vote No on Proposition 16 to keep money in your pocket and to protect your utility choices.

**JEANNINE ENGLISH**, California State President  
AARP

**ANDY KATZ**, Chair  
Sierra Club California

**RICHARD HOLOBER**, Executive Director  
Consumer Federation of California

## ★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 16 ★

Why are the opponents of Proposition 16 afraid to give taxpayers the right to vote? Voting gives you the ultimate choice on how government spends your money. Opponents of Proposition 16 want to deny you that right.

Opponents of Proposition 16 are not telling the truth. Let's be clear:

- Proposition 16 does NOT affect electric rates.
- Proposition 16 does NOT threaten green power.

Yes on Proposition 16 simply gives taxpayers the right to vote before local governments spend your money or go deeper into debt to get into the retail electricity business.

The last time government thought they knew more about the electricity business than the electric utility companies,

we had the 2001 energy crisis. Rates skyrocketed and we had rolling blackouts. The cost to consumers was devastating and it created chaos throughout California.

Yes on Proposition 16. Voter approval is everyone's best protection against costly and risky local government schemes to get into the retail electricity business.

[www.taxpayersrighttovote.com](http://www.taxpayersrighttovote.com)

**TERESA CASAZZA**, President  
California Taxpayers' Association

**ALLAN ZAREMBERG**, President  
California Chamber of Commerce



*Franchise Tax Board shall adjust, on or before September 1, the minimum contribution amount specified in subdivision (b) as follows:*

*(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the calendar year multiplied by the inflation factor adjustment as specified in subparagraph (A) of paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.*

*(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.*

*(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.*

SEC. 6. The provisions of Section 81012 of the Government Code, which allow legislative amendments to the Political Reform Act of 1974, shall apply to all of the provisions of this act that are placed on the June 8, 2010, ballot, except that Section 91157 of the Government Code, and Article 8.6 (commencing with Section 18798) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code may be amended or repealed by a statute passed in each house of the Legislature, a majority of the membership concurring, and signed by the Governor.

SEC. 8. The section of this act that adds Chapter 12 (commencing with Section 91015) to Title 9 of the Government Code shall be deemed to amend the Political Reform Act of 1974 as amended and all of the provisions of the Political Reform Act of 1974 as amended that do not conflict with Chapter 12 shall apply to the provisions of that chapter.

## PROPOSITION 16

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8 of the California Constitution.

This initiative measure expressly amends the California Constitution by adding a section thereto; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

### PROPOSED LAW

#### Section 1. FINDINGS AND DECLARATIONS

The People do find and declare:

(a) This initiative shall be known as "The Taxpayers Right to Vote Act."

(b) California law requires two-thirds voter approval for tax increases for specific purposes.

(c) The politicians in local governments should be held to the same standard before using public funds, borrowing,

issuing bonds guaranteed by ratepayers or taxpayers, or obtaining other debt or financing to start or expand electric delivery service, or to implement a plan to become an aggregate electricity provider.

(d) Local governments often start or expand electric delivery service, or implement a plan to become an aggregate electricity provider, without approval by a vote of the people.

(e) Frequently the start-up, expansion, or implementation plan requires either construction or acquisition of facilities or other services necessary to deliver the electric service, to be paid for with public funds, borrowing, bonds guaranteed by ratepayers or taxpayers, or other debt or financing.

(f) The source of the public funds, borrowing, debt, and bond financing is generally the electricity rates charged to ratepayers as well as surcharges or taxes imposed on taxpayers.

(g) Such use of public funds and many forms of borrowing, debt or financing do not presently require approval by a vote of the people, and where a vote is required, only a majority vote may be required.

#### Section 2. STATEMENT OF PURPOSE

(a) The purpose of this initiative is to guarantee to ratepayers and taxpayers the right to vote any time a local government seeks to use public funds, public debt, bonds or liability, or taxes or other financing to start or expand electric delivery service to a new territory or new customers, or to implement a plan to become an aggregate electricity provider.

(b) If the start-up or expansion requires the construction or acquisition of facilities or services that will be paid for with public funds, or financed through bonds to be paid for or guaranteed by ratepayers or taxpayers, or to be paid for by other forms of public expenditure, borrowing, liability or debt, then two-thirds of the voters in the territory being served and two-thirds of the voters in the territory to be served, voting at an election, must approve the expenditure, borrowing, liability or debt. Also, if the implementation of a plan to become an aggregate electricity provider requires the use of public funds, or financing through bonds guaranteed by ratepayers or taxpayers, or other forms of public expenditure, borrowing, liability or debt, then two-thirds of the voters in the jurisdiction, voting at an election, must approve the expenditure, borrowing, liability or debt.

Section 3. Section 9.5 is added to Article XI of the California Constitution to read:

*SEC. 9.5. (a) Except as provided in subdivision (h), no local government shall, at any time, incur any bonded or other indebtedness or liability in any manner or use any public funds for the construction or acquisition of facilities, works, goods, commodities, products or services to establish or expand electric delivery service, or to implement a plan to become an aggregate electricity*



provider, without the assent of two-thirds of the voters within the jurisdiction of the local government and two-thirds of the voters within the territory to be served, if any, voting at an election to be held for the purpose of approving the use of any public funds, or incurring any liability, or incurring any bonded or other borrowing or indebtedness.

(b) "Local government" means a municipality or municipal corporation, a municipal utility district, a public utility district, an irrigation district, a city, including a charter city, a county, a city and county, a district, a special district, an agency, or a joint powers authority that includes one or more of these entities.

(c) "Electric delivery service" means (1) transmission of electric power directly to retail end-use customers, (2) distribution of electric power to customers for resale or directly to retail end-use customers, or (3) sale of electric power to retail end-use customers.

(d) "Expand electric delivery service" does not include (1) electric delivery service within the existing jurisdictional boundaries of a local government that is the sole electric delivery service provider within those boundaries, or (2) continuing to provide electric delivery service to customers already receiving electric delivery service from the local government prior to the enactment of this section.

(e) "A plan to become an aggregate electricity provider" means a plan by a local government to provide community choice aggregation services or to replace the authorized local public utility in whole or in part for electric delivery service to any retail electricity customers within its jurisdiction.

(f) "Public funds" means, without limitation, any taxes, funds, cash, income, equity, assets, proceeds of bonds or other financing or borrowing, or rates paid by ratepayers. "Public funds" do not include federal funds.

(g) "Bonded or other indebtedness or liability" means, without limitation, any borrowing, bond, note, guarantee or other indebtedness, liability or obligation, direct or indirect, of any kind, contingent or otherwise, or use of any indebtedness, liability or obligation for reimbursement of any moneys expended from taxes, cash, income, equity, assets, contributions by ratepayers, the treasury of the local government, or other sources.

(h) This section shall not apply to any bonded or other indebtedness or liability or use of public funds that (1) has been approved by the voters within the jurisdiction of the local government and within the territory to be served, if any, prior to the enactment of this section; or (2) is solely for the purpose of purchasing, providing or supplying renewable electricity from biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, or providing electric delivery service for the local government's own end use and not for electric delivery service to others.

#### Section 4. CONFLICTING MEASURES

A. This initiative is intended to be comprehensive. It is the intent of the people that in the event that this initiative and another initiative relating to the same subject appear on the same statewide election ballot, the provisions of the other initiative or initiatives are deemed to be in conflict with this initiative. In the event this initiative shall receive the greater number of affirmative votes, the provisions of this initiative shall prevail in their entirety, and all provisions of the other initiative or initiatives shall be null and void.

B. If this initiative is approved by voters but superseded by law or by any other conflicting ballot initiative approved by the voters at the same election, and the conflicting law or ballot initiative is later held invalid, this initiative shall be self-executing and given full force of law.

#### Section 5. SEVERABILITY

The provisions of this initiative are severable. If any provision of this initiative or its application is held to be invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

### PROPOSITION 17

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure amends a section of, and adds a section to, the Insurance Code; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be added are printed in *italic type* to indicate that they are new.

#### PROPOSED LAW

##### SECTION 1. Title

This measure shall be known as the Continuous Coverage Auto Insurance Discount Act.

SEC. 2. The people of the State of California find and declare that:

(a) Under California law, the Department of Insurance regulates insurance rates and determines what discounts auto insurance companies can give drivers.

(b) However, an inconsistency in California's insurance laws allows insurers to provide a discount for drivers who continue with the same insurer, but prohibits them from offering this discount to new customers. Drivers who maintain insurance coverage are not able to keep a continuous coverage discount if they change insurers.

(c) This measure corrects that inconsistency and ensures that all drivers who continually maintain their automobile insurance are eligible for this discount even if they change their insurance company.

(d) This measure does not change the provisions in current law that require insurers to base their rates primarily on driving safety record, miles driven annually,



CITY OF RANCHO CORDOVA

RESOLUTION NO. 56-2010

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA  
OPPOSING PROPOSITION 16, THE NEW TWO-THIRDS REQUIREMENT FOR LOCAL  
PUBLIC ELECTRICITY PROVIDERS—INITIATIVE CONSTITUTIONAL AMENDMENT**

**WHEREAS**, the New Two-Thirds Requirement for Local Public Electricity Providers—Initiative Constitutional Amendment will be on the June 8, 2010, Statewide Primary Election; and

**WHEREAS**, if passed this initiative will amend the Constitution of the State of California; and

**WHEREAS**, this initiative will require municipal utilities such as the Sacramento Municipal Utility District (SMUD) to obtain a two-thirds voter majority of both voters in the existing territory and voters in any proposed expanded territory any time prior to expending funds for expansion or construction of facilities outside current boundaries or to establish service within existing boundaries; and

**WHEREAS**, this initiative would prevent elected representatives or a simple majority of citizens from determining whether they want to have public power; and

**WHEREAS**, Pacific Gas & Electric (PG&E) Company is the sole funding source for this initiative, which calls into question the motives of the company; and

**WHEREAS**, PG&E is also requesting rate increases at the same time it is asserting through this initiative that the passage will protect taxpayers; and

**WHEREAS**, this initiative would also have a potentially significant negative impact on local utility rates and municipal operations.

**NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA** opposes Proposition 16, the New Two-Thirds Requirement for Local Public Electricity Providers—Initiative Constitutional Amendment.

**PASSED AND ADOPTED** by the City Council of the City of Rancho Cordova on the \_\_\_\_ day of \_\_\_\_, 2010 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
Ken Cooley, Mayor

**ATTEST:**

\_\_\_\_\_  
Mindy Cuppy, City Clerk



## Building Permit Fee Updates



## User Fee Study

- User Fee Study Update
- Non-Fee Customer Support Services
- Fee Increases



## Summary of Results

|                                                         |            |
|---------------------------------------------------------|------------|
| Additional Revenue Identified<br>for Full Cost Recovery | \$ 491,000 |
| General Customer Service &<br>Non-Fee Services          | \$ 134,000 |
| Total Potential Fee Revenue<br>Increase                 | \$ 357,000 |

## Fee Increases & Revenues

| Summary of Increased Revenue                    |            |            |
|-------------------------------------------------|------------|------------|
| Residential Permits                             | 8%         | \$ 36,788  |
| Master Plan Review                              | N/A        | N/A        |
| Residential Additions, Alterations, Remodels    | 31% - 160% | \$ 49,197  |
| Reroofs, Demolition, Other Structures           | 70%        | \$ 98,385  |
| Plumbing, Mechanical, Electrical                | 34% -200%  | \$ 150,639 |
| Swimming Pools                                  | 29%        | \$ 4,136   |
| Commercial New, Additions, Alterations, Repairs | 3%         | \$ 13,629  |
| Commercial Signs                                | 36%        | \$ 4, 437  |
| TOTAL POTENTIAL ADDITIONAL FEE<br>REVENUE       |            | \$ 357,211 |

## Fee Comparison – Existing vs. Proposed

### Commercial Permits New Construction

|                       | Construction<br>Valuation | Existing<br>Permit Fee | Proposed<br>Permit Fee | Increase |
|-----------------------|---------------------------|------------------------|------------------------|----------|
| Warehouse (20,000 sf) | \$ 1,548,000              | \$ 16,902              | \$ 17,410              | 3%       |
| Office (20,000 sf)    | \$ 2,808,800              | \$ 26,988              | \$ 27,799              | 3%       |
| Retail (20,000 sf)    | \$ 2,149,200              | \$ 21,712              | \$22,363               | 3%       |
|                       |                           |                        |                        |          |

## Fee Comparison – Existing vs. Proposed

### Commercial Permits – Tenant Improvements

|            | Construction<br>Valuation | Existing<br>Permit Fee | Proposed<br>Permit Fee | Increase |
|------------|---------------------------|------------------------|------------------------|----------|
| Alteration | \$ 25,000                 | \$ 1,093               | \$ 1,126               | 3%       |
|            | \$ 250,000                | \$ 4,768               | \$ 4,911               | 3%       |
|            | \$ 500,000                | \$ 8,518               | \$8,774                | 3%       |
|            | \$ 1,000,000              | \$ 12,518              | \$ 12,894              | 3%       |
|            |                           |                        |                        |          |



## Fee Comparison – Existing vs. Proposed

### Residential Permits

|                                       | Valuation | Existing Permit Fee | Proposed Permit Fee | Increase |
|---------------------------------------|-----------|---------------------|---------------------|----------|
| Single Family Homes                   | \$200,000 | \$ 2,450            | \$2 ,646            | 8%       |
| Addition, alteration, remodel, repair | \$1,000   | \$250               | \$650               | 160%     |
| Addition, alteration, remodel, repair | \$5,000   | \$298               | \$698               | 134%     |
| Addition, alteration, remodel, repair | \$15,000  | \$458               | \$ 858              | 87%      |
| Addition, alteration, remodel, repair | \$ 20,000 | \$ 538              | \$938               | 74%      |
| Addition, alteration, remodel, repair | \$ 50,000 | \$ 838              | \$ 1,100            | 31%      |

## Fee Comparison – Existing vs. Proposed

### Residential/Non-Residential Permits

|                          | Valuation | Existing Permit Fee | Proposed Permit Fee | Increase |
|--------------------------|-----------|---------------------|---------------------|----------|
|                          |           |                     |                     | %        |
| Reroof (Non-structural)  | \$ 10,000 | \$ 227              | \$ 386              | 70%      |
| Roof Re-Pitch Structural | \$ 25,000 | \$ 427              | \$ 726              | 70%      |
| Patio Cover              | \$ 11,000 | \$ 325              | \$ 553              | 70%      |

## Fee Comparison – Existing vs. Proposed

### Plumbing, Mechanical, Electrical (PME)

|                                          | Valuation | Existing Permit Fee | Proposed Permit Fee | Increase |
|------------------------------------------|-----------|---------------------|---------------------|----------|
| Water Heater Change Out                  | \$1,000   | \$ 83               | \$249               | 200%     |
| Electrical Panel Change Out (Commercial) | \$2,000   | \$99                | \$ 265              | 168%     |
| Sewer Connection                         | \$5,000   | \$214               | \$313               | 46%      |
| HVAC (Residential)                       | \$ 8,000  | \$ 294              | \$ 393              | 34%      |
| HVAC (Commercial)                        | \$ 15,000 | \$ 411              | \$ 731              | 78%      |

## Regional Comparison - SFD

| City                       | Plan Check     | Inspection     | Total          |
|----------------------------|----------------|----------------|----------------|
| County of Sacramento       | \$1,358        | \$2,038        | \$3,396        |
| Citrus Heights             | \$1,108        | \$1,662        | \$2,770        |
| Folsom                     | \$1,184        | \$1,480        | \$2,664        |
| City of Sacramento         | \$1,008        | \$1,633        | \$2,641        |
| Elk Grove                  | \$709          | \$1,773        | \$2,482        |
| <i>Average</i>             | <i>\$1,074</i> | <i>\$1,717</i> | <i>\$2,791</i> |
| Rancho Cordova – Current   | \$980          | \$1,470        | \$2,450        |
| Rancho Cordova – Full Cost | \$1,058        | \$1,588        | \$2,646        |

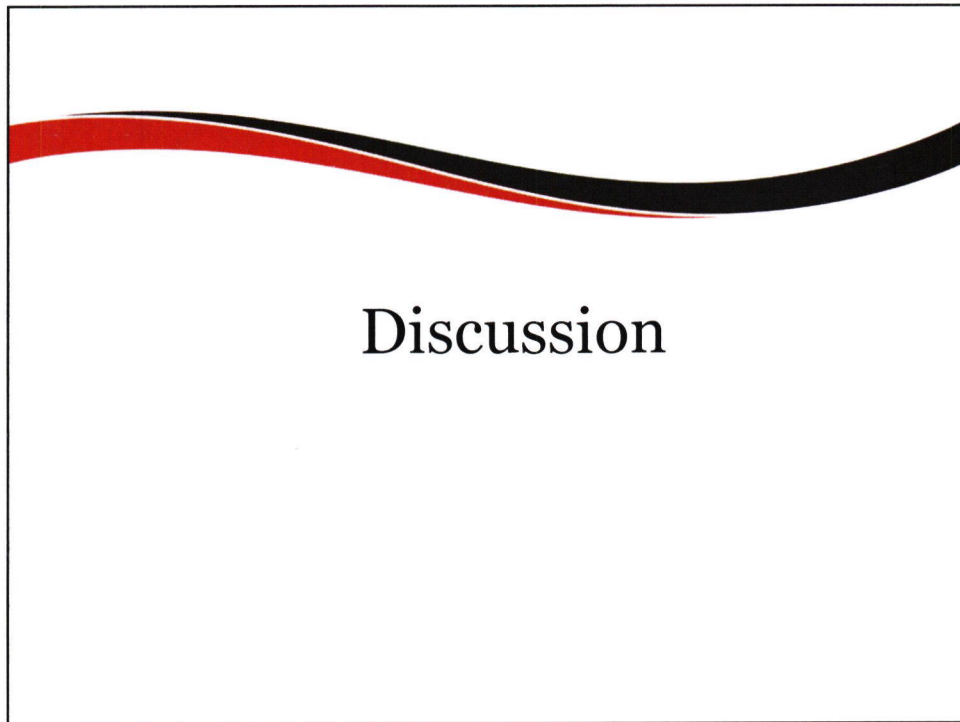


## Regional Comparison – PMEs

| Category<br>Valuation         | Reroof<br>\$10,000 | Water Heater<br>\$ 1,000 | HVAC \$<br>8,000 | Panel C/O<br>\$1,000 |
|-------------------------------|--------------------|--------------------------|------------------|----------------------|
| County of Sacramento          | \$315              | \$87                     | \$372            | \$87                 |
| Citrus Heights                | \$193              | \$91                     | \$98             | \$100                |
| Folsom                        | \$ 212             | \$130                    | \$260            | \$130                |
| City of Sacramento            | \$ 175             | \$75                     | \$ 175           | \$75                 |
| Elk Grove                     | \$231              | \$81                     | \$195            | \$65                 |
| Roseville                     | \$ 165             | \$40                     | \$ 138           | \$ 80                |
| <i>Average</i>                | <i>\$215</i>       | <i>\$84</i>              | <i>\$206</i>     | <i>\$90</i>          |
| Rancho Cordova -<br>Current   | \$ 227             | \$ 83                    | \$ 195           | \$ 83                |
| Rancho Cordova – Full<br>Cost | \$ 393             | \$ 223                   | \$ 524           | \$ 223               |

## Recommended Actions

- Adoption of Resolution and Fee Schedule for Full Cost Recovery
- Consider Alternatives
- Provide clear direction to staff to make changes to the Fee Schedule







June 7, 2010

The Honorable Ken Cooley, Mayor  
 The Honorable Robert McGarvey, Vice Mayor  
 The Honorable Linda Budge, Councilwoman  
 The Honorable David Sander, Councilman  
 The Honorable Dan Skoglund, Councilman  
 City of Rancho Cordova  
 2729 Prospect Park Drive  
 Rancho Cordova, CA 95670

**RE: City of Rancho Cordova's June 7th, 2010 City Council Meeting, Agenda Item 10.1**

Mayor, Vice-Mayor and Council Members:

I write today on behalf of the North State Building Industry Association (BIA) regarding your Council agenda Item 10.1 concerning Construction/Building Permit Fees. On behalf of the BIA and our members I wish to thank the City Council and staff for incorporating the changes to date.

Removing the work activity connected to violations and non-fee supported general customer support resulted in a lower proposed fee increase. While moving in the right direction, we still have a few unanswered questions and would request that your Council delay any action until information is presented (in advance).

- Since this fee increase will be used to pay for the services of your for-profit vendor, prior to increasing fees on those paying the permit, we believe that those providing the service should be reducing their costs to the City. What costs have your for-profit vendors reduced? How much per hour have their billing rates gone down? Nowhere in the staff report is there a discussion related to cost reduction efforts of your for-profit vendors.
- While the cost for "non-fee general customer support services" were removed, how was that cost identified? The methodology and supporting documentation were not included in the staff report.

We recognize the substantial changes that have already been put in place with this proposal. But the difficulty that we confront is that the documentation to support the staff proposal is not included in the staff report. We truly

A. Each licensee operating a cardroom shall pay an annual tax of three thousand dollars (\$3,000) per year for each card table that it is authorized to operate under applicable law, including this Code, any conditional use permits, and any City licenses. The table tax will be based on the maximum number of tables that are allowed to be operated and will not be reduced if fewer tables are actually in operation.

B. In addition to the table tax, **beginning on March 10, 2011**, each licensee operating a cardroom will pay the City a portion of the Gross Gaming Revenues received by the cardroom.

1. The amount of the Gross Gaming Revenues from the cardroom that will be paid to the City shall be the following:
  - a. The City will receive 2% of the annual Gross Gaming Revenues between \$1,000,000 and \$1,500,000.
  - b. The City will receive 2.5% of the annual Gross Gaming Revenues between \$1,500,000 and 2,500,000.
  - c. The City will receive 3% of the annual Gross Gaming Revenues between \$2,500,000 and \$4,000,000.
  - d. The City will receive 4% of the annual Gross Gaming in Excess of \$4,000,000.
2. For example: if the annual Gross gaming Revenues are \$4,500,000, the City will receive \$100,000, calculated as follows:
  - a. 2% of (\$1,500,000 minus \$1,000,000) equals \$10,000, plus
  - b. 2.5% of (\$2,500,000 minus \$1,500,000) equals \$25,000, plus
  - c. 3% of (\$4,000,000 minus \$2,500,000) equals \$45,000, plus
  - d. 4% of (\$4,500,000 minus \$4,000,000) equals \$20,000.

### **3.60.050 Statement of Revenue.**

Before the 30th day following the end of each quarter, the licensee shall file with the City Finance Department a statement, under oath, showing the true and correct amount of annual Gross Revenue derived from the card game business allowed by the license issued to the licensee for the preceding quarter. A signed declaration shall be attached to the statement included therein, which shall be in substantially the same form as: "I hereby declare under penalty of perjury that the foregoing is true and correct." Pursuant to Section 3.60.070 of this Chapter, the City shall have the right to audit the matters reported in the statement to determine the accuracy of the figures contained therein.

### **3.60.060 Payment – Timing.**

A. All taxes imposed by this Chapter shall be made at the same time the licensee files the statement of revenue with the Finance Department. Payment of taxes imposed by this Chapter shall accompany the statement of revenue and shall be in the correct amount of taxes due and owing in accordance with Section 3.60.040 of this Chapter. Such sums correctly reflecting the quarterly fees payable for the preceding quarter shall be accepted by the City, subject, however, to the City's right to conduct an audit pursuant to Section 3.60.070 of this Chapter.