

**MINUTES
CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY/PUBLIC FINANCING AUTHORITY CONCURRENT
MEETING OF JANUARY 14, 2014**

Council Chamber - City Hall, 425 N. El Dorado Street, Stockton, California

Councilmember Tubbs will be attending the meeting via teleconference from the following locations:

Closed Session at 3:30 p.m. from:
The Center for Healthy Communities 1000 North Alameda Street Los Angeles,
CA 90012 AND Open Session at 5:30 p.m. from:
Radisson Hotel Midtown at USC 3540 S Figueroa Street Los Angeles, CA
90007

1. CLOSED SESSION CALL TO ORDER/ROLL CALL (3:31 PM)

Note: Councilmember Tubbs will be participating in Closed Session via teleconferencing.

Councilmember Holman arrived to Closed Session at 3:33 p.m.

Roll Call

Present:

Councilmember Burgos Medina
Councilmember Miller
Councilmember Tubbs
Councilmember Zapien
Vice Mayor Canepa
Mayor Silva

Absent:

Councilmember Holman .

2. ADDITIONS TO CLOSED SESSION AGENDA

3. ANNOUNCEMENT OF CLOSED SESSION

14-

0046

3.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Four Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662) Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741) Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118) Name of Case: Richard Price, et al. v.

City of Stockton, Redevelopment Agency, et al. (United States District Court, Eastern District Case No. CIV.S-02-0065 LKK JFM) This Closed Session is authorized pursuant to Section 54956.9(a) of the Government Code.

3.2 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Interim City Manager Kurt Wilson
Employee Organizations: Unrepresented Units, Stockton City Employees' Association, Operating Engineer's Local 3, Mid-Management/Supervisory Level Unit, Unrepresented Management/Confidential, Law Department, Stockton Police Management Association, Stockton Firefighters Local 456 International Association of Firefighters, Stockton Fire Management, Stockton Police Officers' Association (SPOA) This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code

3.3 CONFERENCE WITH LABOR NEGOTIATOR

Agency Designated Representative: Teresia Zadroga-Haase City Manager
This Closed Session is authorized pursuant to Section 54957.6(a) of the Government Code.

3.4 PUBLIC EMPLOYEE APPOINTMENT

Title: City Manager This Closed Session is authorized pursuant to Government Code Section 54957.

4. PUBLIC COMMENT*

Tocan Nguyen shared her personal political views

5. RECESS TO CLOSED SESSION

Note: The Council recessed to Closed Session at 3:36 PM. The Council returned from Closed Session and recessed at 4:50 PM.

6. REGULAR SESSION CALL TO ORDER/ROLL CALL (5:32 PM)

Roll Call

Present:

Councilmember Burgos Medina
Councilmember Holman
Councilmember Miller
Councilmember Zapien
Vice Mayor Canepa
Mayor Silva

Absent:

Councilmember Tubbs.

Note: Councilmember Tubbs did not attend regular session.

7. INVOCATION/PLEDGE TO FLAG

Pastor Bud Locke of Stockton Covenant Church provided the Invocation. The Pledge of Allegiance was led by Councilmember Holman

8. REPORT OF ACTION TAKEN IN CLOSED SESSION

City Attorney John Luebberke announced that there was no reportable action taken during Closed Session this evening.

9. ADDITIONS TO REGULAR SESSION AGENDA**

None.

10. PROCLAMATIONS, COMMENDATIONS, OR INVITATIONS

Proclamation Recognizing the Stockton Black Leadership for the New Year's Day Parade - Recipient Ralph White

ANNOUNCEMENTS BY CITY CLERK:

1. Statement from Councilmember Tubbs read into record:

Happy New Years! I am currently at a leadership institute learning best practices in participatory democracy and civic engagement. I'm sorry I'm not able to attend this meeting, but I am excited about gaining the skills and learning strategies that will serve our City well in the coming years. The only comment I have on the agenda is around the Economic Development Plan- it's so sorely needed as we emerge from bankruptcy and I'm interested in figuring out how to intertwine consultant and staff expertise with knowledge from the business community and the community writ large to chart a path forward. Although not present, I'm "happily here" in spirit. Lastly, I look forward to continuing the great work we are engaged in because as the shooting on Mosswood Ave illustrates, we have work to do. Thanks!

11. CITIZENS' COMMENTS, ANNOUNCEMENTS, OR INVITATIONS*

Tocan Nguyen expressed her personal political views

Lynett Contino thanked the Council for their support with the problems she experienced at her Tam O'Shanter Drive property

Roy Hoggard spoke to promoting chess clubs in public schools; Board of

Supervisors declared drought and conservation measures, encouraged the City to follow suit; next Tuesday meeting at University Plaza Hotel on Fighting the Tunnels; he reported persons he witnessed painting graffiti on his fence; requested that someone contact him to let him know if the men that vandalized his fence were apprehended

William Black related his observations and eye witness account of the Cleveland School shooting

James Young reported a bump in the sidewalk at the intersection of Swain Road and Pershing Avenue; would like to help the Mayor

Reverend Dennis Moore informed everyone about the Martin Luther King celebrations at 6:00 p.m. Sunday evening and Monday morning breakfast; would like to continue partnership with the City

Cynthia Gail Boyd spoke about being victimized in her own neighborhood and the lack of African American officers within the Stockton Police Department; claims that had African-American Police Officers responded to her Police calls over the years she would have received better Police service

Clyde Livingston expressed support for agenda Item 12.02 the McKinley Avenue Bridge Erosion Repairs Project; suggests similar plans for restoration of Stockton and the Delta environment

Jewel Fay Abraham thanked the City for cleaning up the lot she had reported; would like to have everyone come together and clean up the City

12. CONSENT AGENDA

Council passed a Motion to adopt the Consent Agenda with a single vote.

Moved by: Councilmember Burgos Medina, seconded by Councilmember Zapien.

Vote: Motion carried 6-0

Yes: Councilmember Burgos Medina, Councilmember Holman , Councilmember Miller, Councilmember Zapien, Vice Mayor Canepa, and Mayor Silva.

Absent: Councilmember Tubbs.

12.1 13-1035 APPOINTMENT TO THE COMMUNITY DEVELOPMENT COMMITTEE

Resolution 2014-01-14-1201 reappointing James Gorman to the Community Development Committee for a term effective immediately and ending on September 30, 2016.

Legislation Text

Attachment A - Boards and Commissions Vacancies

Attachment B - Application for Appointment

Resolution - Reappointment of CDC Member Gorman

Approved Resolution 2014-01-14-1201 - Reappointment of CDC Member Gorman

12.2 **13-1047 APPROVE PLANS AND SPECIFICATIONS, AND THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING REPORTING PROGRAM FOR THE MCKINLEY AVENUE BRIDGE EROSION REPAIRS, PROJECT NO. 08-18**

Resolution 2014-01-14-1202 approving the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring Reporting Program, and authorizing the filing of a Notice of Determination under the California Environmental Quality Act (CEQA) for the McKinley Avenue Bridge Erosion Repairs over North Branch of French Camp Slough, Project No. 08-18. In addition, it is recommended that the City Council approve a motion to adopt the plans and specifications for the McKinley Avenue Bridge Erosion Repairs over North Branch of French Camp Slough, Project 08-18. It is further recommended that the City Manager be authorized to take appropriate actions to carry out the purpose and intent of the respective resolution and motion.

Legislation Text

Attachment A - Vicinity Map

Proposed Resolution - McKinley Avenue Bridge Erosion Repairs

Approved Resolution 2014-01-14-1202 - McKinley Avenue Bridge Erosion Repairs

12.3 **13-1069 2014 ANNUAL OPERATING BUDGET AND ASSESSMENT FOR THE STOCKTON TOURISM BUSINESS IMPROVEMENT DISTRICT**

Resolution 2014-01-14-1203 approving 2014 Annual Operating Budget and Assessment for the Stockton Tourism Business Improvement District.

Legislation Text

Proposed Resolution - 2014 SCVB Annual Budget

Exhibit 1 - 2014 - SCVB Annual Service Plan

Exhibit 2 - 2014 SCVB Budget - Final

Approved Resolution 2014-01-14-1203 - 2014 SCVB Annual Budget

12.4 13-1095 AGREEMENTS WITH THE STATE OF CALIFORNIA BOARD OF EQUALIZATION TO DISTRICT PERFORM ALL FUNCTIONS INCIDENT TO THE ADMINISTRATION AND OPERATION OF THE 3/4 CENT SALES TAX TO BE IMPLEMENTED ON APRIL 1, 2014

Resolution 2014-01-14-1204 authorizing the City Manager to execute the "Preparatory Agreement" and the "Administrative Agreement" with the State of California, Board of Equalization to District performs exclusively all functions incident to the administration and operation of the 3/4 cent sales tax to be implemented on April 1, 2014.

Legislation Text

Proposed Resolution for BOE

Exhibit A - Preparatory Agreement

Exhibit B - Administrative Agreement

Approved Resolution 2014-01-14-1204 Agreements with Board of Equalization

12.5 14-0043 APPROVAL OF CITY COUNCIL MINUTES

Motion 2014-01-14-1205 approving minutes from the December 3, 2013 regular meeting.

Legislation Text

2013-12-03 Minutes

13. ADMINISTRATIVE MATTERS

None.

14. UNFINISHED BUSINESS

None.

15. NEW BUSINESS

15.1 13-1045 ADOPT THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING REPORTING PROGRAM, AND AWARD A CONSTRUCTION CONTRACT FOR THE ARCH ROAD SANITARY SEWER TRUNK LINE, PROJECT NO. M09106

Legislation Text

Attachment A - Vicinity Map

Attachment B - Construction Contract with DSS Company dba Knife River Construction

Resolution - Arch Road Sanitary Sewer Trunk Line, Project No. M09106

Approved Resolution 2014-01-14-1501 Arch Road Sanitary Sewer Trunk Line, Project No. M09106

PowerPoint Presentation

Resolution 2014-01-14-1501 approving the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring Reporting Program, and authorizing the filing of a Notice of Determination under the California Environmental Quality Act (CEQA) for the Arch Road Sanitary Sewer Trunk Line, Project No. M09106.

Moved by: Councilmember Miller, seconded by Councilmember Holman .

Vote: Motion carried 6-0

Yes: Councilmember Burgos Medina, Councilmember Holman , Councilmember Miller, Councilmember Zapien, Vice Mayor Canepa, and Mayor Silva.

Absent: Councilmember Tubbs.

Motion 2014-01-14-1501 to adopt the plans and specifications, authorizing the City Manager to execute a Construction Contract in the amount of \$2,559,862 to the lowest responsible bidder, DSS Company dba Knife River Construction (Knife River Construction), for the Arch Road Sanitary Sewer Trunk Line, Project No. M09106. It is further recommended that the City Manager be authorized to take appropriate actions to carry out the purpose and intent of the respective resolution and motion.

Moved by: Vice Mayor Canepa, seconded by Councilmember Miller.

Vote: Motion carried 6-0

Yes: Councilmember Burgos Medina, Councilmember Holman , Councilmember Miller, Councilmember Zapien, Vice Mayor Canepa, and Mayor Silva.

Absent: Councilmember Tubbs.

15.2 **13-1046 REQUEST FOR PROPOSALS FOR THE DEVELOPMENT OF AN ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR THE CITY OF STOCKTON**

Legislation Text

Attachment A - Economic Development Strategic Plan - RFP

PowerPoint Presentation

Motion 2014-01-14-1502 authorizing the issuance of a Request for Proposals (RFP) for the development of a comprehensive Economic Development Strategic Plan for the City of Stockton and authorizing the City Manager to take necessary and appropriate actions to carry out the purpose and intent of the motion.

Moved by: Vice Mayor Canepa, seconded by Councilmember Burgos Medina.

Vote: Motion carried 6-0

Yes: Councilmember Burgos Medina, Councilmember Holman , Councilmember Miller, Councilmember Zapien, Vice Mayor Canepa, and Mayor Silva.

Absent: Councilmember Tubbs.

15.3 13-1091 FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2012

Legislation Text

Attachment A - Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012

Attachment B - SAS 115 Communicating Internal Control Related Matters Identified in an Audit

Attachment C - Unrecorded Audit Adjusting Journal Entries

PowerPoint Presentation

City Clerk, Bonnie Paige noted the receipt of Mr. Leiba's letter; it has been circulated around the bench; noting that the letter would be made part of the permanent record (document filed)

Ned Leiba Document

Vanessa Burke, CFO clarified and responded to the letter received from Ned Leiba

CFO, Vanessa Burke explained that work on next CAFR will be complete in March and staff will report out to council in April; regarding the release of draft financial statements, in compliance with 15C212 Security Exchange Commission (SEC) we must release information as it becomes publicly available; if draft information is released prior to public release it could become subject to SEC litigation

Vice Mayor Canepa asked for clarification regarding unfunded liabilities; internal service fund; workers compensation

CFO, Vanessa Burk shared with the Council the unfunded liabilities as of June 30, 2011 unfunded liabilities as follows: Public Safety Plan has an unfunded amount of \$117 million dollars and is 85.4% funded Miscellaneous Plan, which includes the rest of City staff, has an unfunded amount of \$54.9 million dollars and is 90.4% funded. Small Closed PARS Plan for Municipal Utilities has an unfunded amount of \$5 million dollars and is 40% funded Post-Retirement Benefit Plan has an unfunded amount of \$416.7 million dollars and is 0 % funded Due to bankruptcy filing the Post- Retirement Health Benefits unfunded amount will decrease; negotiating tentative settlement; other liabilities will be recorded in future financial statements per GASB68 In terms of workers compensation current claims are being paid, prior claims have an unfunded balance of \$44 million dollars; finding in Auditor's Management Letter recommends that staff return to Council with a plan to pay off the \$44 million dollars in unfunded workers compensation claims over time

Mayor Silva inquired about comparison to other cities audits; regarding financial weaknesses identified is there a recommendations for moving forward

Ken Pun, Pun & McGeady explained that due to the bankruptcy and dissolution of the Redevelopment Agency the audit has been difficult; audit firm is comfortable with issuing a clean audit opinion; in terms of moving forward the auditing firm looked into the causes of weakness and provided a plan for staff consideration

Councilmember Miller underscores where the city was leading up to bankruptcy filing; happy to be getting 2013 CAFR; thanked staff and Audit Committee for work done

Vice Mayor Canepa asked CFO, Vanessa Burke to discuss process of work done and issues with lack of staffing CFO, Vanessa Burke shared frustration with antiquated financial system and lack of manpower; explained that staff works tirelessly to complete reports in lieu of running day to day operations

Councilmember Burgos Medina thanked staff for work done by Audit Committee and financial staff

Councilmember Holman thanked staff; General Fund reporting showed that the City would not have made payroll July 2012 without filing for bankruptcy

Motion 2014-01-14-1503 accepting the Comprehensive Annual Financial Report for the year ended June 30, 2012.

Moved by: Councilmember Burgos Medina, seconded by Vice Mayor Canepa.

Vote: Motion carried 6-0

Yes: Councilmember Burgos Medina, Councilmember Holman , Councilmember Miller, Councilmember Zapien, Vice Mayor Canepa, and Mayor Silva.

Absent: Councilmember Tubbs.

16. HEARINGS***

16.1 14-0051 APPEAL OF THE PLANNING COMMISSION'S DENIAL OF THE REQUEST FOR A USE PERMIT TO UPGRADE THE OFF-SALE OF BEER AND WINE TO THE OFF-SALE OF GENERAL ALCOHOLIC BEVERAGES IN AN EXISTING RETAIL OUTLET AT 8024 NORTH EL DORADO STREET (P13-148)

[Legislation Text](#)

[Attachment A - Appeal Letter](#)

[Attachment B - Project Location Maps](#)

[Attachment C - September 12, 2013 Planning Commission Staff Report](#)

[Attachment D - Findings for Denial](#)

[Proposed Resolution - Affirming Planning Commission Denial](#)

[PowerPoint Presentation](#)

Vice Mayor Canepa noted publicly that he spoke with Mr. Hakeem outside of current meeting

Mike Hakeem, attorney representing applicant spoke in opposition to the denial

Mayor Silva asked City Attorney John Luebberke for clarification regarding possible Council action per Stockton Municipal Code

City Attorney, John Luebberke explained the need for a vote of 5 in favor of approving the appeal of the Planning Commission's denial

Vice Mayor Canepa spoke to previous Council appeal decisions; expressed the need to establish set policy within the City; suggested

possible referral to Legislative Environmental Committee

Councilmember Holman inquired about length of ownership at current location and current license; complaints on current location

Councilmember Miller disclosed conversation with Mr. Hakeem prior to meeting; asked for clarification regarding existing licenses; when type 21 was open were there increased calls to the Police Department; referenced map for existing type 21 licenses; questioned distance to travel to next type 21; does not feel that this is an over concentration of type 21 establishments in area

Community Development Deputy Director Forrest Ebbs clarified that although there was a high volume of calls to Stockton Police Department, the fact that the type 21 establishment in question was a department store, a majority of calls to the Police Department were for shoplifting, which is normal for an establishments like that

Councilmember Burgos Medina inquired about standard concentration in census tract and ratio of types of licenses; is there an increase in crime or calls to Police Department when establishments change from type 20 to 21

Community Development Deputy Director Forrest Ebbs explained that per capita the City of Stockton has 2.4 times the recommended alcohol sales than surrounding cities; possible training for establishment owners/managers

Councilmember Zapien spoke to the standard for review; disclosed prior conversation with Mr. Hakeem; asked for clarification as to what the Planning Commission heard with the first presentation

City Attorney John Luebberke noted that Municipal Code establishes voting threshold

Councilmember Holman disclosed prior conversation with Mr. Hakeem; is there a defined criterion in place to revoke permit

Councilmember Miller spoke to floor space limitation

Gary Malloy shared his experience at Rite Aide

Cynthia Gail Boyd asked for clarification regarding hours of operation; expressed concern for saturation in her area

Anthony Burgher spoke in support of advancement; expressed concern of the value that would be added

Motion to continue Public Hearing directing staff to return on a date certain February 25, 2014 with resolution granting appeal with conditions

Moved by: Mayor Silva, seconded by Councilmember Holman .

Vote: Motion carried 5-1

Yes: Councilmember Burgos Medina, Councilmember Holman , Councilmember Miller, Vice Mayor Canepa, and Mayor Silva.

No: Councilmember Zapien.

Absent: Councilmember Tubbs.

17. COUNCIL COMMENTS

Vice Mayor Canepa provided an update on the Audit Committee that included, Moss Adams training staff and Council on Internal Controls; still to go before the Audit Committee are the Performance Improvement Project, Internal Controls, the basic Internal Audit, and some audit timelines switched due to staff leaves; Sperry Road ribbon cutting; stickers on Municipal Utility Department vehicles removed; road at the Municipal Utilities Plant named in memory of employee Larry Howe; gift give-away at City Hall in December; need to inform citizens to voluntarily be proactive in water conservation efforts in light of drought conditions

Councilmember Holman encouraged everyone to attend the Martin Luther King Celebration at the Civic Auditorium starting Sunday at 6:00 p.m., Monday 7:00 a.m. breakfast, and Youth Rally in the afternoon; one of the strengths of Stockton is its diversity of cultures

Councilmember Zapien thanked everyone who participated in the Wilson Way Neighborhood Initiative Watch kick-off on January 4th; encouraged anyone associated with a community based organization in a position to offer services to residents in that area to contact him or the Stockton Police Department

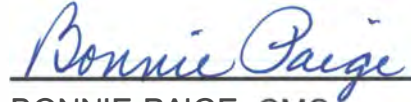
Councilmember Miller wished everyone a Happy New Year, reported that water conservation was discussed at Water Committee meeting, and Municipal Utilities has a plan for water conservation measures that will go through the Committee very soon; thanked everyone in the community who participated in collecting donations for the under-privileged in December; thanked staff and public for messages of condolences in the passing of her 87 year old Stepfather

Councilmember Burgos Medina extended her condolences to Councilmember Miller; suggested the Legislative/Environmental Committee address the number of liquor stores in the City; thanked Councilmember Tubbs for his leadership with the Leadership Training at Maya Angelou Library over the Winter Break; plans to attend the Martin Luther King event on Sunday; noted crab feed

season, encouraged everyone to support a good cause and attend one

Vice Mayor Canepa proposed closing the meeting in honor of Councilmember Miller's Stepfather Art Widling

18. **ADJOURNMENT (8:05 PM) - The meeting adjourned in Memory of Art Widling**



BONNIE PAIGE, CMC
CITY CLERK OF THE CITY OF
STOCKTON