

MINUTES OF THE
REGULAR MEETING – CITY COUNCIL
September 25, 2012

City Council Chambers, City Hall, 250 East L Street, complete proceedings of which are recorded on tape.

I. CALL TO ORDER:

Mayor Patterson called the meeting to order at 6:01 p.m.

II. CONVENE OPEN SESSION:

A. ROLL CALL

Council Member Strawbridge was absent. All other Council Members were present.

B. PLEDGE OF ALLEGIANCE

Glen led the Pledge of Allegiance.

C. REFERENCE TO THE FUNDAMENTAL RIGHTS OF THE PUBLIC.

VERBAL UPDATE ON DOWNTOWN INTERMODAL PROJECT:

Melissa Morton, Acting Public Works Director, gave a brief update on the Downtown Intermodal Project.

III. ADOPTION OF AGENDA:

On motion of Council Member Schwartzman, seconded by Council Member Hughes, Council adopted the Agenda, as presented, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes

Noes: (None)

IV. OPPORTUNITY FOR PUBLIC COMMENT:

A. WRITTEN COMMENT

One item (hard copy of PowerPoint presentation - copy on file).

B. PUBLIC COMMENT

None

V. BUSINESS ITEM:

A. WATER AND SEWER RATE INCREASES

RESOLUTION 12-114 - A RESOLUTION SETTING THE PUBLIC HEARING DATE FOR DECEMBER 4, 2012 TO CONSIDER INCREASING RATES FOR WATER AND SEWER SERVICE BY AMENDING CHAPTER 13.12 OF THE BENICIA MUNICIPAL CODE RELATING TO WATER RATES AND CHARGES AND CHAPTER 13.52 RELATING TO SEWER RATES AND CHARGES, AND DIRECTING STAFF TO PROCEED WITH MAILING NOTICES TO ALL PROPERTY OWNERS WITHIN THE CITY OF BENICIA

Melissa Morton, Interim Public Works Director, reviewed the staff report and a PowerPoint presentation.

Public Comment:

None

Council Member Hughes and Staff discussed the total increase per year for the ratepayers, how the City compares to other cities when the increase is factored in (Benicia should still be in the middle), and the senior discount issue.

Vice Mayor Campbell and Staff discussed the various options for the senior discount program provided in the staff report, the impacts those options would have on the City's budget, and the timing for setting a public hearing, and setting a new rate structure.

Mayor Patterson and Staff discussed how the project contributed to water conservation, the intertie project, water quality issues, and purple pipelines. They discussed to what extent the City has documented that the it does us bond financing or state revolving financing for maintenance and everyday basic operations, and to what extent Prop 218 was permissive for indexing.

Council Member Schwartzman and Staff discussed the past water rates not including a lot of funds for future projects. They discussed why the rate adjustments were happening now, and why nothing had been done between 2006 and 2012.

Council Member Schwartzman and Staff discussed whether the community would support subsidizing the senior discounts, changing the age of the senior

discount, and the possibility of combining age + income discount pricing.

Staff clarified they would like direction from Council on whether they preferred option 1, 2, or three, or a combination of any of them. Mr. Kilger also clarified that the one of the options was to put the rates in place, put it on as a measure (2/3 vote) and essentially the rest of the community would tax themselves to cover the ratepayer (seniors) so that the general fund would not pick up the cost.

Vice Mayor Campbell and Staff discussed his preference of option 3 for the water rates, and option 2 for the senior discount. He discussed concern regarding the use of the general fund to subsidize the senior discount. However, at some point, perhaps the next election regular election, this should be put to a vote. Staff clarified the election requirements for 50% and 2/3 votes.

Council Member Schwartzman expressed support for option 3 as well.

Council Member Hughes and Staff discussed agreed with the options recommended by Council Members Campbell and Schwartzman. He discussed the need to figure out why this is happening now, why it didn't happen in the past six years, etc.

Staff discussed the issue of cumulative bill impacts.

Council Member Hughes clarified that the cost increases were being discussed in 'monthly' increments. However, citizens receive bills every other month, so the impacts being discussed would be double on their bills.

Mayor Patterson discussed the intertie project, and suggested calling it the 'Emergency Preparedness Intertie Project.' There was funding available for such a project that the City did not apply for. She does not want the project to go away, and would like the City to get on it before the next five years. She discussed the options and their effects (hard landing vs. soft landing).

Council Member Hughes asked Staff to clarify options 2 & 3 for the senior discount.

Council Member Schwartzman and Staff discussed the income limitations and what effects the rate changes would have on low-income families (hard landing vs. soft landing). He discussed concern regarding the effects on the City's General Fund.

Mayor Patterson discussed providing incentives for people via assistance programs (water conservation, low flow toilets, etc) that could be of use to families who are just above the income limit.

Vice Mayor Campbell reiterated his desire to see the issue on a future ballot.

Council Member Hughes clarified that the staff report clarified that Council needed to address this now, however at some point in the future the issue would need to go before the voters. He would support option 3 (soft landing), as it was the fair thing to do. He would support the VWA recommendations on the sewer and water rates, and option 3 for the senior discounts. He offered a motion support those recommendations, which was seconded by Council Member Schwartzman.

Mayor Patterson stated that there would need to be a discussion, giving direction to staff, for instance, having a future ballot measure as described by Vice Mayor Schwartzman. She asked Ms. McLaughlin to give Council direction on how that should work. Ms. McLaughlin asked that Council allow Staff to do some research on the issue and bring it back to Council.

Mayor Patterson clarified that the direction to Staff (after the resolution is adopted) would be to come back to Council in a timely manner with the election process for consideration of a subsidized amount, and other issues that may be collected in that.

Council Member Schwartzman discussed the timing of putting this issue on a future ballot, and what effect it would have on the rates that are being set tonight.

Mr. Kilger clarified that essentially if Council agrees to go forward with this tonight, they are setting the rates for the Enterprise Funds, and they are asking Staff to look at bring forward for discussion a possible revenue measure so that the City can find a supplemental source of funding in lieu of using its General Fund dollars. It would not affect the rates. It would provide an alternate source of funding for the senior discounts.

Mayor Patterson asked if other things could be tacked on to the measure (such as a permanent source of funding for the crossing guards). Staff noted that would be an excellent discussion to have.

Mayor Patterson clarified that the motion was to adopt the Resolution setting the public hearing date for 12/4/12. The direction to Staff was to come back to Council with a report on going forward with an election (with the General Fund issue).

Vice Mayor Campbell clarified that the measure would not to be an alternate source of revenue, but whether or not to take money out of the General Fund to subsidize the senior discount. Staff clarified they would be coming back with a revenue measure for Council to discuss that would go before the voters to tax themselves to provide funding for the senior discount.

Mayor Patterson discussed the difference between a parcel tax (requires 2/3 voter approval) and a general increase (requires 50% voter approval). There are many revenue sources (sales tax, parcel tax, income tax, etc). Staff will bring a report back to Council on those choices.

Vice Mayor Campbell discussed concern regarding the cost that would have to come out of the City's General Fund.

On motion of Council Member Hughes, seconded by Council Member Schwartzman, Council adopted Resolution 12-114, on roll call by the following vote:

Ayes: Patterson, Schwartzman, Campbell, Hughes

Noes: (None)

VI. ADJOURNMENT:

Mayor Patterson adjourned the meeting at 7:40 p.m.

Lisa Wolfe, City Clerk