

CITY OF WILDOMAR CITY COUNCIL
AGENDA

3:30 P.M. – SPECIAL MEETING

JULY 7, 2011
Council Chambers
23873 Clinton Keith Road



Marsha Swanson, Mayor
Ben Benoit, Mayor Pro Tem
Bob Cashman, Council Member
Bridgette Moore, Council Member
Timothy Walker, Council Member

City Manager
Frank Oviedo

City Attorney
Julie Hayward Biggs

**WILDOMAR CITY COUNCIL
SPECIAL MEETING AGENDA
July 7, 2011**

CALL TO ORDER – CLOSED SESSION - 3:30 P.M.

ROLL CALL

The City Council will meet in closed session pursuant to the provisions of Government Code Section 54956(c) to confer with legal counsel regarding potential initiation of litigation. The facts and circumstances for this closed session relate to the recent approval by the State of California of SB 89.

**RECONVENE IN OPEN SESSION - REPORTABLE ACTION FROM
CLOSED SESSION**

PUBLIC COMMENTS

1.0 CONSENT CALENDAR

1.1 Ratify Lobbying Contract with Gonsalves & Sons

RECOMMENDATION: Staff recommends that the City Council ratify a contract with Gonsalves & Sons for State lobbying services.

2.0 GENERAL BUSINESS

2.1 Senate Bill 89 Fiscal Impact Discussion

RECOMMENDATION: Staff recommends that the City Council consider the fiscal impacts of Senate Bill 89 on the City's budget and provide direction to Staff on how to address the shortfall for FY 2011-12.

ADJOURNMENT

If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

Any person that requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting, may request such modification, accommodation, aid or service by contacting the City Clerk either in person or by phone at (951) 677-7751, no later than 10:00 A.M. on the day preceding the scheduled meeting.

POSTING STATEMENT: On July 6, 2011, by 12:30 p.m., a true and correct copy of this agenda was posted at the three designated posting locations:
Wildomar City Hall, 23873 Clinton Keith Road
U.S. Post Office, 21392 Palomar Street
Mission Trail Library, 34303 Mission Trail Blvd

CITY OF WILDOMAR – CITY COUNCIL
Agenda Item #1.1
CONSENT CALENDAR
Meeting Date: July 7, 2011

TO: Mayor and City Council Members
FROM: Frank Oviedo, City Manager
SUBJECT: Ratify Lobbying Contract with Gonsalves and Sons

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council ratify a contract with Gonsalves & Sons for State lobbying services.

DISCUSSION:

On June 30, 2011 the Governor signed Senate Bill 89 which shifted \$1.8 million of the Vehicle License Fee (VLF) away from the City of Wildomar to the State to cover their deficit. This shift in funds amounted to 22% of the general fund.

The cities most impacted by this shift were newly incorporated communities in Riverside County. As a result of an emergency meeting with the other impacted cities the City Manager used his authority to enter into a contract with the lobbying firm of Gonsalves and Sons to represent our City's interest in Sacramento in an attempt to redress this financial situation. Because the window of time to address this issue was closing, a quick decision was made.

The goal of engaging a lobbying firm was to assist in restoring our funding completely or attempt to get legislation in place that would put us at par with the other cities in the State given the disproportionate treatment of newly incorporated cities. Without having representation at the State Capital there is very little chance Wildomar's interests would be represented.

By way of background, Gonsalves and Sons is the same lobbying firm that worked with the City of Wildomar's Incorporation Committee to seek bi-partisan support for a bill (AB 1602) which ultimately provided the financial framework allowing the City of Wildomar, Menifee, Eastvale, and Jurupa Valley to incorporate.

Staff is asking that the Council ratify the contract in order to affirm the need for a lobbyist to assist in our efforts in Sacramento.

FISCAL IMPACT:

The monthly retainer for lobbying services is \$3,000 (annually \$36,000). There is a 30 day out clause that can be exercised at any time.

Submitted and Approved by:

Frank Oviedo
City Manager

ATTACHMENTS:

Gonsalves and Sons Contract

AGREEMENT

BETWEEN JOE A. GONSALVES & SON AND THE CITY OF WILDOMAR

The CITY OF WILDOMAR (hereinafter "CITY") wishes to engage the services of JOE A. GONSALVES & SON (hereinafter "ADVOCATE"), located at 925 L Street, Suite 250, Sacramento, California, to provide services in legislative advocacy and governmental affairs in matters affecting cities in the State of California.

The purpose of this Agreement is to state the terms and conditions under which ADVOCATE will provide services to CITY.

The terms and conditions are limited to the following:

1. ADVOCATE's Scope of Services. ADVOCATE agrees to assume and perform the following duties and responsibilities:
 - a. ADVOCATE is designated and authorized by CITY to act as its official legislative advocate with the California State Legislature and all California State Agencies regarding issues affecting CITY.
 - b. ADVOCATE shall review all legislative bills introduced in the California Legislature and shall inform CITY of all such legislation affecting CITY's interests. ADVOCATE shall forward weekly a copy of all such bills to the CITY.
 - c. ADVOCATE shall assist CITY in identifying and obtaining state funding available for CITY programs and proposed capital projects.
 - d. ADVOCATE shall provide a monthly written summary conducted on behalf of the CITY during the legislative session and at other times if significant activity warrants it.
 - e. ADVOCATE shall arrange meetings with legislative representatives for CITY elected officials and staff when necessary.
 - f. ADVOCATE shall initiate legislative proposals on behalf of the CITY.
 - g. ADVOCATE shall attend and provide testimony on behalf of CITY in legislative hearings when warranted.

2. CITY's Duties and Responsibilities:
 - a. CITY shall analyze and review all legislative bills submitted to it by ADVOCATE and inform ADVOCATE, in writing, of its position on any and all such bills CITY wishes ADVOCATE to pursue.
 - b. CITY shall, on a timely and continuing basis, apprise ADVOCATE of the specific issues and bills it wishes to have analyzed or pursued by ADVOCATE under this Agreement.
 - c. CITY shall, on a timely basis, pay all bills and invoices submitted to it by ADVOCATE.
3. Effective Date and Term. This agreement shall become effective on the 30th day of June 2011, and shall continue in full force and effect unless and until terminated by CITY and/or by ADVOCATE.
4. Compensation. CITY shall pay to ADVOCATE the monthly sum of \$3,000 (THREE THOUSAND DOLLARS) payable in advance on the first day of each month.
5. Costs and Expenses. CITY shall reimburse ADVOCATE for any travel and/or other expenses directly related to any request by CITY for ADVOCATE to participate in any meetings or activities outside of Sacramento.
6. Attorney's Fees and Costs. If any legal action is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.
7. Indemnification. ADVOCATE agrees to indemnify and hold harmless CITY, its officers, agents and employees from any and all claims and losses accruing or resulting in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by ADVOCATE's performance of this Agreement as a result of the sole negligence of ADVOCATE and totally without fault to the CITY, its officers, agents or employees.
8. Governing Law. This Agreement shall be governed by the laws of the State of California.
9. Entire Agreement/Severability. This Agreement has 3 (THREE) pages. It constitutes the entire Agreement between parties regarding its subject matter. If any provision of this Agreement is held by any court to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

10. Notice of Termination.

- a. Notice of termination under this Agreement by ADVOCATE shall be given to CITY by certified mail to the following address:

Frank Oviedo, City Manager
City of Wildomar
23873 Clinton Keith Rd., Ste. 201
Wildomar, CA 92595

- b. Notice of termination under this Agreement by CITY shall be given at the following address:

Joe A. Gonsalves & Son
925 L Street, Suite 250
Sacramento, CA 95814.

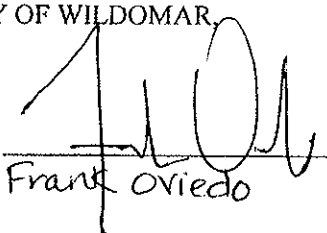
11. Amendments. The Agreement may be modified or amended only by a written document executed by both ADVOCATE and CITY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as follows:

JOE A. GONSALVES & SON

DATED: _____ BY _____

THE CITY OF WILDOMAR

DATED: 6/30/11 BY 
Frank Oviedo

CITY OF WILDOMAR – CITY COUNCIL
Agenda Item #2.1
GENERAL BUSINESS
Meeting Date: July 7, 2011

TO: Mayor and City Council Members
FROM: Frank Oviedo, City Manager
SUBJECT: Senate Bill 89 Fiscal Impact Discussion

STAFF REPORT

RECOMMENDATION:

Staff recommends that the City Council consider the fiscal impacts of Senate Bill 89 on the City's budget and provide direction to staff on how to address the shortfall for FY2011-12.

DISCUSSION:

The California State Senate passed Senate Bill 89 on Wednesday June 29, 2011, and was signed by the Governor on June 30, 2011. The Bill contained a provision shifting Vehicle License Fees from cities to other programs related to public safety, COPS Grants, booking fees, and a number of other areas, as part of a newly created local law enforcement services account. This was done in a manner the Governor's Office believed did not violate Proposition 22 which prevents the State from taking funds that are directed for local services.

This "shift" in funds was not originally part of the Governor's budget he vetoed on June 16, 2011. Consequently, as negotiations restarted with the legislative leadership a new budget was drafted with additional implementation bills to close a \$9.6 billion deficit. As their budget deadline was looming many of the "trailer" bills were being drafted without traditional hearings at their respective Committees but were being brought straight to the floor of the voting body. The Committee hearings are the traditional venue where public testimony and interested parties are able to address their legislative leaders directly and ask for changes to legislation, which is the equivalent to a Council meeting. However in this case, nobody was included in the process and ultimately most everyone was caught by surprise. In many cases, as we later learned, Legislators were not made aware of what language was contained in the bills before they were introduced on the floor of the Senate for votes. In this case, SB 89 and the language in question, was a surprise to the League of California Cities along with every city impacted statewide.

Immediately after the bill was passed out of the Senate on June 29, and the impacted cities became aware of the devastating impact to local services, cities began a letter writing campaign in hope the Governor would either veto the bill or amend it, as in our

case, to address the disproportionate impact to newly incorporated cities namely Wildomar, Menifee, Eastvale, and Jurupa Valley. Neither action took place. In fact, the Governor quickly signed the bill on Thursday, June 30, 2011.

This \$130 million shift represents a major reduction in general fund revenues to cities statewide. Both the League of California Cities and the Statewide Police Chief's Association have voiced major concerns on how this impacts municipal operations. Specifically, the cities that incorporated after 2006 were hit with millions of dollars in losses. The City of Wildomar's direct impact from the State shifting revenues to balance its own budget amounted to \$1.8 million or 22% of the City's general fund. As a frame of reference, of the top ten largest cities in the State of California, Wildomar is paying more than six of those cities including Oakland, Long Beach, Anaheim, Santa Ana, Fresno, and Sacramento. Only Los Angeles, San Diego, San Francisco, and San Jose are paying more than Wildomar with a population of 32,000 residents.

Since that time staff initiated the following actions:

1. The City held emergency meetings with the other affected cities in Southwest Riverside County to coordinate a strategy to restore funding at a legislative level.
2. The City Manager initiated the hiring of the lobbying firm of Gonsalves and Sons.
3. Staff has begun intensive research by making multiple calls to various Agencies in Sacramento including State Department of Finance, Legislative Analyst Office, and Senate Governance and Finance Committee to assist in researching and developing possible solutions to address this financial situation.
4. The City Attorney is reviewing any legal actions that may assist in preventing the implementation of SB 89.
5. Staff has begun reviewing all contracts and potential spending reductions in anticipation of the City Council's discussions.

Staff is asking that the City Council discuss the fiscal impact to the City and provide direction for Staff to address the impacts of SB 89.

FISCAL IMPACT:

The fiscal impact to the City of Wildomar from SB 89 is \$1.8 million annually.

Submitted and Approved by:

Frank Oviedo
City Manager