

**File #:** 2016-01053

**Consent Item 10**

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**Title:** Ordinance Amending Section 3.04.010 of the Sacramento City Code Relating to City Manager Signature Authority (Passed for Publication 09/20/2016; Published 09/23/2016)

**Recommendation:** Pass an Ordinance amending City Code Section 3.04.010 relating to City Manager signature authority.

**Location:** Citywide

**Contact:** Ken Hancock, Real Property Agent III, (916) 808-5752, Department of Public Works

**Presenter:** None

**Department:** Public Works

**Attachments:**

- 1-Description/Analysis
- 2-Ordinance (redline)
- 3-Ordinance (clean)

## Description/Analysis

**Issue Detail:** Sacramento City Code Section 3.04.010 does not authorize the City Manager to appoint a designee to sign real estate related documents with income or expenditure less than \$100,000. The recommended amendment will authorize the City Manager to delegate signature authority to an appointed designee for real estate transactions valued at less than \$100,000.

**Policy Considerations:** Certain Sacramento City Code chapters authorize the City Manager to delegate signature authority for various types of contracts including those for the procurement of non- professional services and supplies (Chapter 3.56); the construction of public projects (Chapter 3.60); and the procurement of professional services (Chapter 3.64). The recommended amendment will modify City Code Chapter 3.04 to be consistent with the City Code chapters referenced above.

**Economic Impacts:** None

**Environmental Considerations:** No environmental review is necessary because the recommendations in this report involve general policy and procedure and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA Guidelines.

**Sustainability:** Not applicable

**Commission/Committee Action:** On August 9, 2016, the Law and Legislation Committee Passed a Motion approving and forwarding to the City Council the ordinance amending Chapter 3.04 of the Sacramento City Code relating to agreements with income or expenditure less than \$100,000.

**Rationale for Recommendation:** The recommended amendment will authorize the City Manager to delegate signature authority to an appointed designee for real estate related documents with income or expenditure less than \$100,000. The recommended amendment is consistent with City Code Chapters 3.56, 3.60 and 3.64 relating to signature authority.

**Financial Considerations:** There are no financial considerations associated with this report.

**Local Business Enterprise (LBE):** Not applicable

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING SECTION 3.04.010 OF THE SACRAMENTO CITY CODE, RELATING TO CITY MANAGER SIGNATURE AUTHORITY

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 3.04.010 of the Sacramento City Code is amended to read as follows:

3.04.010 Income or expenditure less than one hundred thousand dollars.

- A. Notwithstanding any other provision of this title, the city manager shall have the authority, without the need to comply with the competitive bidding procedures specified in this title, to execute any agreement wherein the amount of the expenditure or income is less than ~~one hundred thousand dollars~~ (\$100,000.00) and the agreement relates to:
1. The disposition, by sale or otherwise, purchase, rental, lease or sublease of real property owned by a private party or by the city;
  2. Any other agreement regarding real property, or any other agreement covered by this title.
- B. Any such agreement executed by the city manager shall be binding on the city.
- C. For purposes of subsection A of this section, the expenditure or income with respect to a rental agreement, lease or sublease shall be the actual periodic rental payments required over the entire term of the rental agreement, lease or sublease including any renewal option periods set forth therein, but exclusive of periodic expenses which the tenant is required to pay under the lease, including, but not limited to, utilities, taxes, insurance, repairs and maintenance.
- D. For purposes of subsection A of this section, with respect to the sale of property owned by the city, the following criteria shall apply:
1. Unless the city manager determines that it is in the best interest of the city to do otherwise, the property shall be listed on the open market, either by the city manager ~~or designee~~, or with a licensed real estate broker under a listing agreement executed by the city manager ~~or designee~~, which agreement may be exclusive or nonexclusive;

2. The price shall be established based upon a fair market value appraisal, conducted by city staff or under an agreement executed by the city manager ~~or designee~~ with a qualified independent real estate appraiser;
3. The price as so established shall be less than ~~one hundred thousand dollars (\$100,000.00)~~;
4. Normal and usual costs associated with the sale of real property, including, but not limited to, real estate commission, closing costs, escrow costs, and related costs and fees shall not be taken into account in the process of determining whether the income from the sale of the property is less than ~~one hundred thousand dollars (\$100,000.00)~~; and
5. The entire net income from the sale of the property after reduction for city staff labor reimbursement, if applicable, shall be deposited into the specific city fund which, under city accounting procedures, carries or has carried the parcel or parcels of real estate as an asset of the fund.

E. As used in this section and section 3.04.020, "city manager" means the city manager of the city of Sacramento or an employee authorized to act for the city manager as the city manager's designee.

ORDINANCE NO.

Adopted by the Sacramento City Council

September 27, 2016

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  3. The price as so established shall be less than \$100,000.00;
  4. Normal and usual costs associated with the sale of real property, including, but not limited to, real estate commission, closing costs, escrow costs, and related costs and fees shall not be taken into account in the process of determining whether the income from the sale of the property is less than \$100,000.00; and
  5. The entire net income from the sale of the property after reduction for city staff labor reimbursement, if applicable, shall be deposited into the specific city fund which, under city accounting procedures, carries or has carried the parcel or parcels of real estate as an asset of the fund.
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