

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -JUNE 7, 2016- -6:00 P.M.

Mayor Spencer convened the meeting at 6:01 p.m.

Roll Call – Present: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(16-261) Conference with Legal Counsel – Anticipated Litigation Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code Number of cases: One (As Defendant - City Exposure to Legal Action).

Following the Closed Session, the meeting was reconvened and Mayor Spencer announced direction was given to staff.

Adjournment

There being no further business, Mayor Spencer adjourned the meeting at 6:39 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -JUNE 7, 2016- -7:00 P.M.

Mayor Spencer convened the meeting at 7:02 p.m. and led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(16-262) Proclamation Declaring June as Elder Abuse Awareness Month and June 15, 2016 as World Elder Abuse Awareness Day.

Mayor Spencer read the proclamation and presented it to Cheryl Poncini, Alameda County District Attorney's Office, and Vanessa Baker, Adult Protection Services.

Ms. Poncini and Ms. Baker made brief comments.

Councilmember Ezzy Ashcraft stated if someone sees something that is not right, report it, requested literature on elder abuse from Ms. Poncini, which Ms. Poncini provided.

(16-263) Proclamation Declaring June through August as Play Ball Summer.

Mayor Spencer read the proclamation and presented it to former Councilmember Lil Arnerich, City Treasurer Kevin Kennedy, Kin Robles, and Adrienne Alexander.

Mr. Kennedy and Mr. Arnerich made brief comments.

(16-264) Presentation by Alameda County Waste Management Authority: Recycled Bag Ordinance - Potential Changes.

Meri Soll, Stopwaste.org, gave a Power Point presentation.

Councilmember Oddie stated Nancy and Mark Rodgers from Lola's Chicken Shack received an award for excellence in reducing disposable food service ware; noted there are good environmental champions in the community.

Mayor Spencer inquired why the ordinance has the money for the bags go to the stores.

Ms. Soll responded the money goes to offset the cost of the bags; bags are not free and

stores are now being reimbursed.

ORAL COMMUNICATIONS, NON-AGENDA

(16-265) Alison Greene, Alameda, read statements from Heather Little and herself, urged the City to start building safety into development plans; stated conversations need to be started around bicycle safety, daylighting street corners and marking crosswalks; requested more resources go to Bike Walk Alameda; thanked the Police Chief for discussions on community involvement in traffic safety; thanked everyone for joining their safety campaigns; encouraged everyone to keep working together.

Tara Etayo, Alameda, stated that she supports slowing down traffic in the City of Alameda; every street in Alameda is residential and traffic needs to slow down.

Amy Rose, Alameda PEEPS, stated there used to be a lot of stories of people getting hit or almost hit; she appreciates the stepped up traffic enforcement; there is a need for more traffic signs.

Kristen Welch, Alameda, stated she is scared her children will get hit on the way to school; the City needs more stop signs and traffic signs.

CONSENT CALENDAR

Vice Mayor Matarrese moved approval of the Consent Calendar.

Councilmember Ezzy Ashcraft seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*16-266) Minutes of the Special and Regular City Council Meetings Held on Tuesday, May 3, 2016. Approved.

(*16-267) Ratified bills in the amount of \$2,913,446.48.

(*16-268) Recommendation to Authorize the City Manager to Execute an Amendment to an Agreement with Russell Resources, Inc. to Add the Amount of \$121,900 for FY2016-17 for a Total Contract Amount of \$677,400 for Environmental Consulting Services Related to Alameda Point. Accepted.

(*16-269) Recommendation to Approve Proposed Structure of the Mayor's Economic Development Advisory Panel. Accepted.

(*16-270) Recommendation to Award a Contract in the Amount of \$438,533.50, Including Contingencies, to Ranger Pipelines, Inc. for the Construction of the Park/Otis Force Main Replacement Project, No. P.W. 10-15-19. Accepted.

(*16-271) Resolution No. 15153, “Terminating a Portion of an Existing Public Utility Easement Within Parcel Map 10086, 2650 Fifth Street, and Recordation of Quitclaim Deed.” Adopted.

(*16-272) Resolution No. 15154, “Approving the Support Services Program Agreement with the Northern California Power Agency and Alameda Municipal Power (AMP).” Adopted.

(*16-273) Resolution No. 15155, “Requesting and Authorizing the County of Alameda to Levy a Tax on All Real and Personal Property in the City of Alameda as a Voter Approved Levy for the General Obligation Bonds Issued Pursuant to a General Election Held November 7, 2000 for the Alameda Library.” Adopted.

(*16-274) Ordinance No. 3153, “Amending the Alameda Municipal Code by Amending Chapter 30 Clarifying Text Amendments to Sections 30-58 through 30-59.3 of the Zoning Ordinance Related to Water Efficient Landscaping.” [The Proposed Amendments are Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305, Minor Alterations to Land Use Limitations]. Finally passed.

(*16-275) Ordinance No. 3154, “Amending the Alameda Municipal Code by Amending Various Sections of Article IV (Contracts) and Article V (Administrative Procedures and Policies) Concerning Conformance of Alameda’s Bidding Procedures on Public Works Projects to Public Contract Code 22032 and California Uniform Public Construction Cost Accounting. Finally passed.

REGULAR AGENDA ITEMS

(16-276) Recommendation to Direct Staff to Prepare a Ballot Measure for the November 2016 Election to Update and Modernize the Existing City of Alameda Utility Users Tax Ordinance and Reaffirm Alameda Municipal Power’s General Fund Transfer to Support the Provision of Essential City Services.

The City Manager made brief introductory comments and the Assistant City Manager gave a Power Point presentation.

Mayor Spencer inquired whether staff will be describing how modernizing the existing laws and practices will be applied, to which the Assistant City Manager responded in the affirmative.

The Assistant City Manager continued the presentation.

Councilmember Ezzy Ashcraft inquired if the Utility Users Tax (UUT) is paid when homeowners pay their property tax.

The Assistant City Manager responded in the negative; stated the tax is on the cable

bill, phone bill, etc.

Mayor Spencer inquired whether the tax is on cell phone bills and landline bills.

The Assistant City Manager responded it depends on the carrier; continued the presentation.

Mayor Spencer inquired whether the carriers have not been applying the tax; more people are using cell phones but the revenue is dropping.

The Assistant City Manager responded the ordinance is so old that some of the carriers are not applying the tax as consistently as some of the other carriers; stated modernizing the language will provide clarity to every provider to apply the tax the same way; as a result, the City will increase the amount of revenue it collects.

Councilmember Daysog inquired whether some cell phone users are paying the 7.5% UUT rate and others are not, to which the Assistant City Manager responded in the affirmative; continued the presentation.

Councilmember Ezzy Ashcraft inquired whether the City of Alameda is the only City Mr. Ginsburg is suing, to which the City Attorney responded in the affirmative.

The Assistant City Manager continued the presentation.

Vice Mayor Matarrese inquired whether the formula for deriving the contribution AMP provides the City will change.

The Assistant City Manager responded the formula is extremely confusing so there will now be a flat rate, reflecting the current transfer of \$2.8 million, plus the street light component.

The City Manager stated the language includes a cost of living increase; the formula is currently how the Public Utilities Board (PUB) sets rates; the \$2.8 and the street light component are equivalent to the State franchise fee formula for Pacific Gas & Electric (PG&E).

Councilmember Ezzy Ashcraft inquired about the senior exemption.

The Assistant City Manager responded there is currently a 2% exemption for seniors and low income people; stated the City is requesting to keep the exemption, but to change the age of the senior exemption from 62 to 65 years of age.

Councilmember Ezzy Ashcraft inquired if seniors can elect to have the money go elsewhere.

The Assistant City Manager responded seniors can elect to pay the 2% and instead of

the 2% going to the General Fund, the money would go to Mastick Senior Center.

Councilmember Daysog stated the City has to take into account the net increase, not just the gross increase; the net increase would alter the UUT's contribution to the City's labor agreements; the \$1.5 million estimate will be less than the net basis.

Mayor Spencer inquired whether there can be a slide next time referencing what Councilmember Daysog's point.

The Assistant City Manager stated the UUT comes to the City segregated already; inquired if Councilmember Daysog would like the UUT segregated.

Councilmember Daysog responded in the negative; stated residents should be informed that the UUT will factor into employee raises, but he does not want to overstate or understate that there will be an on-slab of raises.

The City Manager stated the revenue is a replacement of lost funds.

Mayor Spencer stated the \$1.5 million does not all go to the General Fund, part of the money would go to public safety.

The Assistant City Manager responded that the money is a factor in determining employee raises; there are five categories of revenues in the General Fund that help determine the public safety contract raises; the UUT is one of the five revenue sources.

Councilmember Daysog stated the \$1.5 million will not be used to purchase a new set of staff; some portion of the \$1.5 million will be used to give raises to the current staff.

Mayor Spencer stated the information should be shared with the public.

The City Manager continued the presentation.

Mayor Spencer stated that she would like a slide that addresses the issue of some cell phone carries being taxed and some not, and anticipated impacts on the payers.

The City Manager continued the presentation.

Mayor Spencer inquired if the ballot measure fails, would the City be unsuccessful in the lawsuit.

The City Attorney responded that the Council should be careful in discussing pending litigation; the Attorneys feel confident moving forward with the ballot measure.

Vice Mayor Matarrese moved approval of directing staff to prepare the ordinance, including the background information as requested during the discussion regarding the Balance Revenue Index (BRI) contribution and the clarity of the reasons and methods of

modernization.

Councilmember Ezzy Ashcraft seconded the motion.

Under discussion, Councilmember Oddie inquired whether the information on the BRI would be in the staff report or in a slide.

The City Manager responded the information will be on a slide and on the Frequently Asked Questions (FAQ's) on the City website for the public.

Councilmember Oddie inquired whether the five funds could drop and there would be no increase in revenue, to which the City Manager responded in the affirmative.

Mayor Spencer inquired whether Councilmember Oddie stated the revenue could drop.

Councilmember Oddie responded there is a possibility that one of the five components of the BRI could decrease.

Vice Mayor Matarrese stated the BRI rising and falling could affect raises; directed staff to disclose the connection between the UUT and the BRI.

Mayor Spencer inquired if there could be a slide about the senior exemptions.

The City Manager stated that the AMP transfer is outside of the BRI.

Councilmember Ezzy Ashcraft inquired whether the items can all be handled in one motion.

Vice Mayor Matarrese responded the language is broad enough.

Councilmember Daysog stated in 1998, the residents affirmed the rate of 7.5%, he is confident the residents will make the UUT fair and modernized.

On the call for the question, the motion carried by unanimous voice vote – 5.

Mayor Spencer called a recess to hold the Joint City Council and Successor Agency to the Community Improvement Commission Meeting at 8:20 p.m. and reconvened the regular meeting at 8:39 p.m.

(16-277) Recommendation to Adopt the Proposed Plan for Harbor Bay Ferry Terminal Parking and Provide Direction on Amendments to Alameda Municipal Code Section 12-17 (Preferential Parking).

Stated he is very supportive of the ferry; the ferry parking spills over into the residential

area; he would like details added to the staff's recommendations; encouraged moving forward with the parking plan: George Kay, Harbor Bay Isle Homeowners Association.

Encouraged Council to resolve the ferry terminal parking issues; stated increased ferry ridership results in cars parked on the residential streets all day; encouraged people to use public transportation; allowing residential parking permits would push people to use other modes of transportation; a solution is needed: Daniel Chin, Alameda.

Urged Council to reconsider the residential parking permit program; stated the roads are paid for by all the citizens of Alameda and should be open to all, not just residents of the neighborhood; expressed support of citizens who ride the ferry: George Manning, Alameda.

Expressed concern about the parking permit program being proposed as all or nothing; stated the safety and security of riders and their vehicles needs to be a priority, especially if the City is going to charge an extra fee to ferry riders: Patrick Clancy, Alameda.

Stated he is a ferry rider; the density of use has increased; he is strongly opposed to the parking permit program; to add more fees on top of what ferry riders already pay would be a hardship; he would like to take the bus to the ferry but the bus schedules are not feasible and he has to drive: Rafael Garcia, Alameda.

Stated the Water Emergency Transportation Authority (WETA) board is sensitive to price for ferry riders; the parking fee program needs to pay for itself, be beneficial to ferry riders in terms of offsetting future increases of fares and the money needs to have a logical place for funds to go where passengers see the benefit; the period of adjustment will likely result in a loss of ferry ridership and an increase in traffic on local roads; he supports City staff recommendations; the WETA board will be considering parking charges in the fall: Kevin Connolly, WETA.

Urged Council to vote for the parking permit program; stated cars parking on residential streets are a nuisance and an obstacle course for trucks driving on the streets: Tom Krysiak, Alameda.

Stated the City needs to keep moving forward; there is finally momentum on the proposal; strongly urged Council approve the proposal: Chad Otten, Alameda.

Stated that he hopes the Council approves the proposal mainly for the safety reason; cars are speeding during a time when kids are on their way to school; WETA is going to have more ferries arriving and departing, questioned where the cars are going to go: Paul Ravetti, Alameda.

The Base Reuse Director and Deputy Public Works Director gave a Power Point presentation.

Councilmember Oddie inquired who pays for the free, reliable transit service.

The Base Reuse Director responded the AC Transit Line 21 is currently free if you transfer to the ferry.

Councilmember Oddie stated the tax payers pay for the cost.

The Base Reuse Director stated if the City went with a private shuttle, the parking fees would be one source of revenue for the shuttles; everything is not perfectly ironed out yet; the City has to work with WETA on the issues.

Councilmember Oddie inquired whether WETA has made a decision to implement parking charges.

The Base Reuse Director responded in the negative.

The Deputy Public Works Director continued the presentation.

Councilmember Ezzy Ashcraft inquired whether the enforcement costs will be covered by the cost of the parking permit fees.

The Police Chief responded that he does not anticipate any increased cost to enforce the parking permit program; the Police Department is down one part-time parking permit technician; the position will be filled by the end of summer; enforcement of the parking permit program can be handled with the routine enforcement the permit technicians already do.

Councilmember Ezzy Ashcraft inquired whether the statements made earlier by the Police Chief regarding the vacancies on the Police Department or the comments from residents regarding speeding drivers will affect the Police Department's ability to handle the parking permit enforcement without increased costs.

The Police Chief responded the vacancies are Police Officer positions; stated the parking technicians are non-sworn positions; the only job of a parking technician is to write tickets; he does not anticipate the program pulling patrol officers away from their duties; typically, there is one patrol officer for the Bay Farm Island, which is enough now.

Councilmember Ezzy Ashcraft stated her question is a matter of budget and personnel; other neighborhoods might be interested in a parking permit program; inquired if enforcement would be a problem if more neighborhoods partake in the parking permit program.

The Police Chief responded if, in the future, there are six to eight neighborhoods that want to participate in the parking permit program, he will reevaluate the matter at that time.

Councilmember Oddie stated there is currently a neighborhood parking ordinance, Council is just modifying it.

(16-278) Mayor Spencer stated a motion is need to consider remaining agenda items after 10:30 p.m.; the ordinance [paragraph no. 16-279] is time sensitive and will be brief; the Alameda Point Enterprise District [paragraph no. 16-280] is in response to Council requesting the matter to return in six month, but can be delayed.

Vice Mayor Matarrese moved approval of considering the remaining items.

Councilmember Daysog seconded the motion, which failed by the following voice vote: Ayes: Councilmembers Daysog and Matarrese – 2. Noes: Councilmembers Ezzy Ashcraft, Oddie and Mayor Spencer – 3.

Council member Ezzy Ashcraft moved approval of considering the ordinance [paragraph no. 16-279].

Councilmember Daysog seconded the motion, which carried by unanimous voice vote – 5.

The Deputy Public Works Director continued the presentation.

Councilmember Oddie inquired whether the Homeowners Association (HOA) would receive the \$75 per permit from the program or would the City receive the money.

The Deputy Public Works Director stated the City would not charge the \$75 for the program; \$75 is the cost to the City for administering the program; if the HOA is administering the program the HOA's decides what to charge.

Councilmember Ezzy Ashcraft inquired whether HOA's that have the private streets would be administering the program or all HOA's.

The Deputy Public Works Director stated the proposed amendments would cover HOA's where public streets are involved; where there are exclusively private streets, the HOA strictly regulates the parking.

Councilmember Ezzy Ashcraft questioned why anyone would pay for a parking permit to park on the street when the houses have two and three car garages; inquired whether staff believes residents will get permits to park on the street when they have driveways.

The Deputy Public Works Director responded in the affirmative; stated when HOA's have private streets under a parking permit program the problem, is going to be worse because vehicles need to park somewhere.

Councilmember Daysog stated that he is satisfied that a lot of work has gone into the program and if changes need to be made, staff will do so accordingly; one suggestion from the public was to incentivize good behavior by offering carpool only or family friendly parking spots.

Councilmember Ezzy Ashcraft stated that she asked Public Works to look into the parking that is between the two child care centers by the ferry; she would like to try satellite parking to see if the pressure on the neighborhoods can be alleviated; people should have a place to pick up a reliable free shuttle; she would like to see the program implemented in a gradual manner; people should be incentivized to take the ferry by offering free shuttle pick up spots.

Councilmember Oddie stated that he is in favor of giving the HOA the authority to approve a parking permit program; Council does not have a lot of control over charging for the parking at the ferry site.

Councilmember Oddie moved approval of the proposed plan for the Harbor Bay Ferry Terminal Parking and provide direction on amendments to Alameda Municipal Code Section 12-17.

Vice Mayor Matarrese seconded the motion.

Under discussion, Mayor Spencer stated that she will support the motion; safety has to be the number one priority.

Vice Mayor Matarrese stated what staff proposes is incremental and the HOA will hold additional meetings to flush out details; he is anxious to hear about the details given the comments made by Councilmembers that should be taken into consideration.

Councilmember Daysog stated satellite parking is a great idea.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmembers Daysog, Matarrese, Oddie and Mayor Spencer – 4. Noes: Councilmember Ezzy Ashcraft – 1.

Vice Mayor Matarrese moved approval of directing staff to bring back an ordinance with the suggested recommendations for official hearing.

Councilmember Oddie stated he thought the first motion approved the staff recommendation, and included everything, but if the Vice Mayor wants to have a second motion, he is fine with doing so.

Councilmember Oddie seconded the motion.

Under discussion, Councilmember Daysog requested the motion be amended to include

the matter come back in one year and include that the entire package.

Vice Mayor Matarrese and Councilmember Oddie agreed to amend the motion.

Councilmember Ezzy Ashcraft stated that she would like a better assessment showing the program is needed.

On the call for the question, the motion carried by unanimous voice vote – 5.

(16-279) Introduction of Ordinance Amending the Alameda Municipal Code by Amending Section 5-7.1 Penalty for Nonpayment of Annual, Quarterly or Semi-Annual Business License. Introduced.

The Finance Director gave a brief presentation.

Councilmember Ezzy Ashcraft inquired whether the decline of \$1 million in business license revenue is because of the penalty.

The Finance Director responded in the negative; stated the business license revenue is going down because the City does not have enforcement; continued the presentation.

Vice Mayor Matarrese stated that he supports having someone other than Council have administrative waiving rights for delinquent business licenses; stated Alameda has a low business license fee; he is in favor of relieving Council from having to adjudicate when someone requests a waiver.

Councilmember Oddie concurred with Vice Mayor Matarrese.

Mayor Spencer stated that she is in favor of making changes; the 100% increase for being late over a six month time period is too much; the proposal is a reasonable compromise.

Councilmember Ezzy Ashcraft stated that she agrees with Mayor Spencer; she supports the Finance Director adjudicating lenience in collecting the penalties.

The Finance Director clarified if someone does not pay the business license fees, placing a lien on properties, will still come back to Council.

Councilmember Ezzy Ashcraft moved introduction of the ordinance: amending the Alameda Municipal Code by Amending Section 5-7.1 penalty for nonpayment of annual, quarterly or semi-annual business license.

Vice Mayor Matarrese seconded the motion, with an amendment to direct staff to return with an adjustment to the business license tax.

Councilmember Ezzy Ashcraft agreed to amend the motion.

On the call for the question, the motion carried by the following voice vote: Councilmembers Daysog, Ezzy Ashcraft, Matarrese and Mayor Spencer – 4. Noes: Councilmember Oddie – 1.

(16-280) Recommendation to Accept the Alameda Point Enterprise District Marketing Strategy Document and a Six-Month Status Update. Not heard.

CITY MANAGER COMMUNICATIONS

(16-281) The City Manager stated the O' Club lot parking lot next to the Main Street ferry has been opened; WETA will put signs out to encourage use of the lot.

Councilmember Ezzy Ashcraft stated new signage is needed to inform riders about the lot.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(16-282) Consideration of Mayor's Nominations for Appointment to the Civil Service Board, Golf Commission, Historical Advisory Board, Housing Authority Board of Commissioners, Planning Board, Public Art Commission, Public Utilities Board, Rent Review Advisory Committee, Social Service Human Relations Board, and Transportation Commission.

Mayor Spencer nominated to reappoint the incumbent, Cheryl Saxton to the Golf Commission; Lynn Jones and Thomas Saxby to the Historical Advisory Board; reappoint two incumbents for the members at large, the tenant seat, reappoint the incumbent, senior tenant seat, only one person applied so that person will be appointed, Sandra Kay to the Housing Authority Board of Commissioners; appoint Ronald Curtis to the Planning Board; Adam Gillitt and Sherman Lewis, reappoint the incumbent to the Public Art Commission; reappoint the incumbent Mary Sutter to the Public Utilities Board; Milton Freidman to the Homeowners seat on the Rent Review Advisory Committee; Christine Chilcott and Jennifer Hastings to the Social Service Human Relations Board; and Samantha Soules to the Transportation.

ADJOURNMENT

There being no further business, Mayor Spencer adjourned the meeting at 10:58 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE SPECIAL JOINT CITY COUNCIL
AND SUCCESSOR AGENCY TO THE COMMUNITY
IMPROVEMENT COMMISSION (SACIC) MEETING
TUESDAY- -JUNE 7, 2016- -7:01 P.M.

Mayor/Chair Spencer convened the meeting at 8:20 p.m.

ROLL CALL - Present: Councilmembers/Commissioners Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor/Chair Spencer – 5.

Absent: None.

ORAL COMMUNICATIONS, NON-AGENDA

None.

CONSENT CALENDAR

Councilmember/Commissioner Ezzy Ashcraft moved approval of the Consent Calendar.

Vice Mayor/Commissioner Matarrese seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*16-283 CC/16-023 SACIC) Minutes of the Joint City Council and Successor Agency to the Community Improvement Commission Meeting Held on May 17, 2016. Approved.

(*16-284 CC/16-024 SACIC) Recommendation to Accept the Third Quarter Financial Report for the Period Ending March 31, 2016. Accepted.

AGENDA ITEM

(16-285 CC) Resolution No. 15156, “Approving and Adopting the City of Alameda Operating and Capital Budget Mid-Cycle Update for Fiscal Year (FY) 2016-17.” Adopted;

(16-025 SACIC) Resolution No. 16-03, “Approving and Adopting the Successor Agency to the Community Improvement Commission Budget for FY 2016-17.” Adopted; and

(16-285 A CC) Resolution No. 15157, “Approving Workforce Changes in the City Attorney’s Office, Finance Department, Information Technology Department, Public Works Department and Police Department.” Adopted.

The Finance Director gave a Power Point presentation.

Councilmember/Commissioner Daysog stated many cities' portion of the property tax revenue is approximately 16 to 18%; the City of Alameda does have a high portion at 25%, relative to other cities; he would like clarification of the difference.

The City Manager responded the percentage is related to Proposition 13.

Mayor/Chair Spencer inquired if staff would come back with more information on property tax revenue.

The Finance Director responded in the affirmative and continued the presentation.

Vice Mayor/Commissioner Matarrese inquired if the rate to the City goes up when CalPERS' returns are higher, to which the Finance Director responded in the affirmative.

The Assistant City Manager stated the Council set aside \$3 million last year to offset the increase.

The Finance Director continued the presentation.

Mayor/Chair Spencer stated that she would like clarification on the Police Department vacancies.

Vice Mayor/Commissioner Matarrese stated the positions are funded; the Council is not withholding funds; the money is available to fill the positions.

The Police Chief stated the vacancies in the Police Department do not represent a lack of funding from the Council.

Councilmember/Commissioner Ezzy Ashcraft inquired if traffic safety is impacted because of the vacancies in the Police Department.

The Police Chief responded the Police Department went through a cut five years ago, reducing from 92 to 88 authorized officers; there are currently 9 vacancies, which is being addressed; his goal is to not have any vacancies a year from now.

Councilmember/Commissioner Oddie inquired about the process for hiring a Police Officer and why the positions cannot be filled immediately.

The Police Chief responded there are three separate levels of recruitment: recruit officers with no training and no experience who must attend a police academy, academy graduates who have no experience and lateral officers who have graduated from a police academy and currently work as a Police Officer in California; there are three concurrent recruitments going on right now; for expediency sake, he would prefer to have lateral officers and academy graduates because they can be put into field

training; the hiring process is long; the positions are now open as continuous, which has increased the number of applicants; only 1% make it through the process.

Councilmember/Commissioner Ezzy Ashcraft inquired how many shifts a day there are and if the shifts are fully staffed.

The Police Chief responded that there are four shifts a day and they are not currently fully staffed; some Police Officers have been working overtime; personnel has been transferred from non-patrol assignments to patrol assignments because all of the patrol teams are not fully staffed.

The Finance Director continued the presentation.

Councilmember/Commissioner Ezzy Ashcraft inquired if the City gets to keep the Safer Grant money until the positions are filled.

The Finance Director responded in the affirmative; continued the presentation.

Mayor/Chair Spencer inquired what item we have speakers on.

The City Clerk responded the speakers are on the ferry item.

Mayor Spencer stated some speakers are leaving; inquired why the budget item is before the ferry item.

The City Clerk responded the item is on before the ferry to get Council action before July 1st.

Councilmember/Commissioner Daysog stated there is a steep drop in the reserve ratio; inquired what is driving the drop on the revenue side and the increase in expenditures.

The Finance Director responded the main component on the expenditure side is labor, not necessarily raises; the revenue side is more in-line with projections.

Councilmember/Commissioner Daysog stated the operating budget is in the red, but the City is able to manage by using the reserves.

The Finance Director stated the money is in designated reserves to use in the future.

Councilmember/Commissioner Daysog inquired if in FY 2016-17, the City will be overspending by \$800,000.

The Finance Director responded in the affirmative; stated \$500,000 of the amount may be going away.

Councilmember/Commissioner Daysog stated on the presentation the operating budget grows in the negative each year.

The City Manager stated staff intends to close the gap when the 2-year budget is brought back in one year.

Councilmember/Commissioner Oddie inquired whether \$3 million is set aside for PERS smoothing; whether most of the expenses are due to PERS smoothing; and how \$3 million will be allocated to PERS smoothing.

The Finance Director responded in the affirmative; stated the City has to figure out how much money to draw from the \$3 million for PERS smoothing in the next cycle.

Councilmember/Commissioner Oddie inquired if there is still the possibility of a fee to cover rent expenses, the Utility Users Tax (UUT) and sales tax that staff will ask Council to approve, to which the Finance Director responded in the affirmative.

Vice Mayor/Commissioner Matarrese inquired why the City is looking at new staff positions, which he feels compounds the problem; he will not support new staff positions, except for the Information Technology (IT) position because he feels the position can save the City money with coming into the new century in IT infrastructure.

Mayor/Chair Spencer stated there should have been a separate meeting to discuss the issue separately instead of having it in one meeting; she did not approve it last time and will not be supporting it again.

Councilmember/Commissioner Ezzy Ashcraft inquired if the estimates are conservative and the City has not factored in some revenues which have not come in yet, to which the Finance Director responded in the affirmative; continued the presentation.

The Human Resources Director continued the presentation.

Councilmember/Commissioner Ezzy Ashcraft stated that she agrees the parking lot items should be deferred to the fall.

Mayor/Chair Spencer requested any motion be separated into three parts.

Vice Mayor/Commissioner Matarrese stated that he would like the City to wait on the new positions until there is some clarity, because some big revenue ticket items are unknown at this time; compounding the PERS cost takes the fund balance down to 10%; the City needs to live within its means.

Councilmember Ezzy Ashcraft moved adoption of the resolution approving and adopting the City of Alameda operating and capital budget mid-cycle update for FY 2016-17.

Councilmember Daysog seconded the motion, with the amendment to remove changes to the City Council benefits.

Councilmember Oddie stated if the workforce changes are not approved, he would accept Councilmember Daysog's amendment.

Mayor Spencer inquired whether Councilmember Ezzy Ashcraft accepts the amendments.

Councilmember Ezzy Ashcraft withdrew the motion.

Commissioner Ezzy Ashcraft moved adoption of the resolution approving and adopting the Successor Agency to the Community Improvement Commission Budget for FY 2016-17.

Commissioner Matarrese seconded the motion, which carried by the following voice vote: Ayes: Commissioners Daysog, Ezzy Ashcraft, Matarrese and Oddie – 4. Noes: Chair Spencer – 1.

Vice Mayor Matarrese moved adoption of the work force changes resolution, with the exception of the new positions.

Councilmember Daysog stated that he believes the net increase of 3 workers is secondary to what is causing the widening budget deficit; he will support staff recommendations, except the City Council increases.

Mayor Spencer stated the resolution only speaks to the workforce changes.

The City Manager stated there is one position in the City Attorney's Office, two in the Finance Department; one position in the Finance Department is replacing two part time employees.

The motion failed due to lack of a second.

Councilmember Oddie moved adoption of the resolution approving workforce changes in the City Attorney's Office, Finance Department, Information Technology Department, Public Works Department and Police Department.

Councilmember Daysog seconded the motion.

Under discussion, Councilmember Daysog stated the net increase is secondary to what is driving the budget deficit; he also feels the Police Chief is seeking to fill vacant positions to provide the quality of safety that is needed in Alameda.

On the call for the question, the motion carried by the following voice vote: Ayes:

Councilmembers Daysog, Ezzy Ashcraft and Oddie – 3. Noes: Vice Mayor Matarrese and Mayor Spencer – 2.

Mayor/Chair Spencer called a recess at 9:32 p.m. and reconvened the meeting at 9:39 p.m.

Councilmember Daysog stated as a result of the Balanced Revenue Index (BRI), as revenues come in, labor gets a portion of the upside so the City is never ahead of the curve; the deficit is not being driven by the addition of three new workers; Council's responsibility to the residents of Alameda is to keep City Hall running and fill the vacancies.

Councilmember Daysog moved approval of staff's recommendation on the budget with two modifications: not include increases on the City Council side and if cuts are to be made, General Fund and non-General Fund point of contact services, such as Library and Parks Departments, are prioritized.

Councilmember Daysog's motion failed for lack of second.

Councilmember Oddie moved adoption of the resolution approving and adopting the operating and capital budget mid-cycle update for FY 2016-17.

Councilmember Ezzy Ashcraft seconded the motion.

Under Discussion, Councilmember Ezzy Ashcraft inquired what amount public safety derives from the BRI as part of the labor negotiations.

The Assistant City Manager stated the labor contracts were approved included increases tied to the BRI for public safety; as part of the labor contract, public safety employees are also contributing to an Other Post-Employment Benefits (OPED) Trust.

Mayor Spencer called the question.

Councilmember Oddie seconded calling for the question.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmembers Ezzy Ashcraft, Oddie and Mayor Spencer – 3. Noes: Councilmember Daysog and Matarrese – 2.

ADJOURNMENT

There being no further business, Mayor/Chair Spencer adjourned the meeting at 9:49 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk and Secretary, SACIC

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.