

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -JUNE 6, 2017- -4:00 P.M.

Mayor Spencer convened the meeting at 4:01 p.m.

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

[Note: Councilmember Ezzy Ashcraft arrived at 4:04 p.m.]

Absent: None.

Public Comment

Stated the matter should be addressed in open session; discussed proposed amendments to the lease, including drainage improvements: Beverly Blatt, Golf Commission.

Stated the Golf Commission unanimously supports improving the North Course; discussed drainage and irrigation issues: Ed Downing, Alameda.

Read and submitted comments on behalf of Jane Sullwold: Robert Sullwold, Alameda.

Expressed support for Greenway Golf and Golf Course improvements: Bill Schmitz, Alameda.

Provided a history of the golf course; stated the public supports renewing the North Course; urged the matter be addressed in open session: Joe Van Winkle, Alameda.

Expressed support for Greenway; noted increasing costs will cause the operator to pass costs on to players and the majority are senior citizens: Mark Swartz, Alameda.

Provided a history of Golf Course projects, expenses and Greenway Golf: Bob Wood, Alameda.

The meeting was adjourned to Closed Session to consider:

(17-331) Conference with Legal Counsel – Existing Litigation (Pursuant to Government Code § 54956.9); Case Name: Rodriguez, Michael v. City of Alameda, et al.; Court: United States District Court, Northern District of California; Case Numbers: C14-02075.

(17-332) Conference with Legal Counsel – Anticipated Litigation; Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9 of the Government Code; Number of Cases: three (As Plaintiff – City Initiating Legal Action).

(17-333) Conference with Real Property Negotiators – (54956.8); Property: Chuck Corica Golf Complex, 1 Clubhouse Memorial Road, Alameda, CA 94502; City Negotiator: Jill Keimach, City Manager and Amy Wooldridge, Recreation and Parks Director; Organizations Represented: Greenway Golf Associates, Inc.; Issue under Negotiation: Real Property Negotiations Price and Terms of Payment.

(17-334) Public Employee Performance Evaluation; Pursuant to Government Code § 54957; Positions Evaluated: City Manager – Jill Keimach, City Attorney – Janet Kern and City Clerk – Lara Weisiger.

Following the Closed Session, the meeting was reconvened and Mayor Spencer announced that regarding Existing Litigation direction was given to staff; regarding Anticipated Litigation direction was given to staff on unlawful detainer action and process in the future; regarding Real Property direction was given to staff; and regarding Performance Evaluation the matter was discussed.

Adjournment

There being no further business, Mayor Spencer adjourned the meeting at 6:00 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 CITY COUNCIL MEETING
TUESDAY- -JUNE 6, 2017- -6:00 P.M.

Mayor Spencer convened the meeting at 6:06 p.m.

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

[Note: Councilmember Ezzy Ashcraft arrived at 6:08 p.m.]

Absent: None.

ORAL COMMUNICATIONS

(17-335) Alan Teague, Alameda, expressed concern over having multiple actions under the rent item [paragraph no. 17-351] on the regular meeting.

REGULAR AGENDA ITEMS

(17-336) Study Session to Consider Establishing Mixed Use (MX) Zoning District Guidelines;

(17-336A) Adoption of Resolution Adopting Policies Regarding Development of Master Plans and Amendments to Master Plans for New Development within the MX Mixed Use Zoning District. Not adopted.

The Assistant Community Development Director gave a Power Point presentation.

Mayor Spencer inquired whether Council could adopt the resolution tonight.

The Assistant Community Development Director responded in the affirmative; stated Council would be giving direction to staff to set the expectations for future Master Plans.

Mayor Spencer inquired whether the resolution would be effective immediately, to which the Assistant Community Development Director responded in the affirmative; stated if Council would prefer the policies be adopted into the Municipal Code as Zoning Text Amendment (ZTA), staff would need to take the matter to the Planning Board and return to Council at a later date.

Mayor Spencer inquired whether one option is better than the other.

The Assistant Community Development Director responded the matter is the discretion of the Council; stated the previous input from Council has influenced the four major projects, which will come to Council at a future date.

Councilmember Oddie inquired whether there is a third option of doing nothing.

The Assistant Community Development Director responded in the affirmative; stated the projects have been shaped around the objectives from Council; Council can further adjust the objectives.

Councilmember Oddie inquired whether the projects will continue if Council does not do anything tonight and whether the projects continue to go forward with community input, to which the Assistant Community Development Director responded in the affirmative.

Councilmember Oddie inquired whether the Tidelands project will go forward.

The Assistant Community Development Director responded in the affirmative; stated housing cannot be done on Tidelands property per State law; only maritime uses.

Mayor Spencer expressed concern in the event of leaving someone with a property adjacent to the Tidelands; inquired whether the "...property adjacent to..." language refers to the Tidelands law or staff's direction.

The Assistant Community Development Director responded the language regarding adjacent property is from staff; stated the concern is to ensure Tidelands and adjacent uses are compatible.

Mayor Spencer inquired whether the language, adjacent to, means encompassed in the same parcel, or adjacent parcels.

The Assistant Community Development Director responded encompassed in the same parcel.

Mayor Spencer stated the language needs to be clear.

The Assistant Community Development Director responded in Tidelands properties are always on a particular parcel due to the compatibility factor.

Mayor Spencer stated she thought that once a project has been submitted, giving new direction is not appropriate.

The Assistant Community Development Director stated staff is providing Council an opportunity to evaluate the direction of the projects.

Vice Mayor Vella inquired whether the guidelines would apply to the projects listed.

The Assistant Community Development Director responded the Council direction has been used to shape the projects; if the policy is adopted tonight, the direction will not change because staff is currently following Council's previous direction.

Mayor Spencer inquired why Council is being asked to adopt the policies if they are

already being used.

The Assistant Community Development Director responded Council requested staff to look into MX Zoning District.

The City Manager stated staff received Council input at a previous meeting and the meeting was stopped prior to a final vote; staff was influenced by Council direction.

In response to Councilmember Ezzy Ashcraft's inquiry regarding transportation shuttles, the Assistant Community Development Director stated staff is working with the Transportation Management Association (TMA) and Alameda-Contra Costa Transit District (AC Transit) to create Citywide partnerships, as well as working with developers to try to create an estuary water shuttle system.

Mayor Spencer inquired whether a resolution or a workshop is typically done to obtain Council direction.

The Assistant Community Development Director responded in some cases, Council provides verbal direction; stated in other cases, an ordinance is done to set a standard for future projects.

Mayor Spencer inquired whether a workshop scenario has been done in the past.

The Assistant Community Development Director responded a workshop was held regarding the Harbor Bay Sports Club.

Mayor Spencer inquired whether workshops have been done for particular projects, to which the Assistant Community Development Director responded in the affirmative.

Mayor Spencer inquired whether Council can give direction in a resolution or ordinance if an application is pending.

The City Attorney responded staff is requesting policy direction regarding MX zoning, which has a lot of flexibility; stated staff wants to determine if projects are on the right track from a policy perspective, not individual projects, and what parameters Council is looking for with MX zoning; if Council wants to modify the zoning, that would require an ordinance be drafted and the matter would go to the Planning Board then return to Council at a later date.

Councilmember Oddie inquired how many votes zoning decisions require.

The City Attorney responded that zoning decisions require three votes; stated individual projects with City land involved require four votes; zoning amendments require three votes.

Vice Mayor Vella inquired whether Council direction applies to current projects.

The City Attorney responded in the affirmative; stated until a City project has been approved, Council can make on policy changes.

Councilmember Matarrese stated Council has passed other policy changes with existing projects in the pipeline; policy changes are general rules for MX zoning, not project specific.

The Assistant Community Development Director stated Council could adopt policy to ensure staff follows the guidelines.

Expressed support for keeping the MX zoning flexible: Angela Hockabout, Alameda Home Team.

Submitted information; showed Alameda Marina; expressed concern over losing the boatyard: Nancy Hird, Save Alameda's Working Waterfront (SAWW).

Discussed revenue possibilities that could come from maritime activities: Liz Taylor, Deep Ocean Exploration and Research (DOER) Marine.

Urged Council to include the environment in any regulations: Patricia Potter, Alameda.

Expressed support for only changing regulations to increase jobs: Michael McDonough, Chamber of Commerce.

Discussed jobs versus housing; expressed concern over reducing the size of businesses reducing jobs: Rick Drain, Alameda.

Outlined his sailing experience; expressed concern over many boats moving to Point Richmond: Karl Robrock, Alameda.

Discussed the importance of and need for dry boat storage facilities: Kevin Durant, Alameda.

Expressed support for sailing and maritime businesses; urged rowing facilities being created; stated new development should promote ecology: Sylvia Gibson, Community Action for a Sustainable Alameda (CASA).

Submitted and showed a brief Power Point presentation: Bob Naber.

Mayor Spencer called a recess at 6:57 p.m. and reconvened the meeting at 7:13 p.m.

Stated through Planning Board meetings, the developer has enhanced the sites by listening to the requests from the community and staff; affordable housing and traffic

issues are a top concern for the community; Encinal Terminals is a blank slate and the developer plans to create a Master Plan that is public space oriented: Mike O'Hara, Tim Lewis Communities.

Expressed concerns about displacement and the housing crisis; stated job growth without additional housing is an issue in the Bay Area: Laura Thomas, Renewed Hope.

Expressed concerns about the percentage of mixed use housing being built; stated an impartial study should be conducted and funded by the developer; so much market rate housing is being built there will be no room for affordable housing: Paul Foreman, Alameda.

Expressed concerns with congestion caused by the increase in housing proposals; stated many of the maritime use tenants will be evicted: Peter Brand, Alameda.

Stated that he supports building housing; access to the waterfront is essential for maritime use: Dave Wilhite, Berkeley.

Stated there is currently a job/housing imbalance; urged Council not to adopt the guidelines and uphold the existing MX zoning ordinance: Kari Thompson, Chamber of Commerce.

Expressed concern with the loss of dry storage: Paul Mueller, Oakland.

Suggested increasing affordable housing from 10% to 30%: Pat Lamborn, Alameda.

Stated there is a housing crisis in Alameda; encouraged Council to think about green energy: Omar Ely.

Stated the City needs to conduct an independent review to justify increasing the housing above 50%: Gretchen Lipow, Alameda.

Expressed concerns with not enough retail space in the MX guidelines; encouraged Council to enhance transit to coincide with the housing being built: Karen Bey, Alameda.

Expressed support for more market rate housing; encouraged Council to not encumber the process: Brian McGuire, Alameda.

Urged Council to keep the boats on the Alameda Marina; stated coastal resources should not be taken and turned into housing; suggested using a percentage of boat property tax for marina infrastructure: Maggie Sabovich, Recreational Boaters of California.

Stated an assisted living facility needs to be built for seniors; urged Council to bring more jobs and work-force housing: Janet Gibson, Alameda.

Councilmember Matarrese stated land use and building related referrals are the people's business and need to allow input; he is ready to approve a resolution; the resolution allows for flexibility and the ability to be amended once the projects show results; then, the policy can be codified into an ordinance if effective.

Councilmember Ezzy Ashcraft stated that she would prefer more environmental issues be addressed in the planning process; Alameda needs to preserve jobs and create housing; she will not add another layer of administrative requirements on the already burdened staff.

Vice Mayor Vella stated that she is disappointed only one hour was allotted for the discussion with the amount of speakers that are present at the meeting; she would prefer to see a study session on all the pending Council directives; the output that the City wants is already occurring, so codifying policies does not need to happen; she is not inclined to add another layer of bureaucracy to the process.

Councilmember Oddie stated there should not be one size fits all development; he believes the process for planning is robust and allows the community to provide input; there is a need to protect and maintain maritime jobs; there is an affordable housing crisis in Alameda; if the City puts up road blocks to housing, the State will take away local control, which he does not want to see happen; he will not support passing a resolution.

Mayor Spencer stated that she has concerns about action being taken not be for specific projects; inquired whether the vote tonight is to put into place policy that staff has already been using as a tool for the Planning Board and developers when reviewing projects in Alameda.

The City Manager responded in the affirmative; stated the vote would be to give direction on what staff is already doing in a resolution; if Council decides not to adopt the resolution, staff still has Council direction; the conversation is still valuable for the developer to hear public and staff concerns.

Mayor Spencer inquired whether the direction is a tool to assist developers when they work on a project in Alameda, to which the City Manager responded in the affirmative.

Mayor Spencer stated that she agrees work force housing needs to be increased.

Councilmember Matarrese stated MX zoning is the future and policy has to be codified and be written down to be effective.

Councilmember Matarrese moved adoption of the resolution to codify what is being done to shape projects in MX zones.

Mayor Spencer seconded the motion, which FAILED by the following voice vote: Ayes: Councilmember Matarrese and Mayor Spencer – 2. Noes: Councilmembers Ezzy

Ashcraft, Oddie and Vella – 3.

The City Manager noted that Vice Mayor Vella expressed concerns regarding second units and not having affordable housing; stated the universal design ordinance has been drafted and addresses second units, inclusionary housing and affordable housing; the ordinance will come to Council in July and September.

ADJOURNMENT

There being no further business, Mayor Spencer adjourned the meeting at 8:18 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 6, 2017- -7:00 P.M.

Mayor Spencer convened the meeting at 8:30 p.m. and led the Pledge of Allegiance.

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

Absent: None.

AGENDA CHANGES

(17-337) Mayor Spencer stated the agenda indicated the joint meeting would be heard after the rent item [paragraph no 17-351], but she would like to hear the full regular meeting before the joint meeting.

Councilmember Ezzy Ashcraft suggested keeping the agenda as written to hear the budget [paragraph no 17-368] on the joint meeting.

Mayor Spencer stated there are a lot of speakers for the cannabis referral [paragraph no 17-360]; proposed changing the order.

Councilmember Matarrese stated the budget is more important than the referral; there is already Council direction on the referral; a similar referral was given a medium priority on the priority setting session; he would prefer hearing the budget before the referral.

Mayor Spencer inquired whether the budget needs to be heard, to which the City Manager responded in the affirmative.

Councilmember Ezzy Ashcraft concurred with Councilmember Matarrese.

Councilmember Ezzy Ashcraft moved approval of keeping the agenda as written hearing the Successor Agency to the Community Improvement Commission (SACIC) meeting after the rent item.

Councilmember Matarrase seconded the motion.

Under discussion, Vice Mayor Vella stated that she concurs with Councilmember's Matarrase and Ezzy Ashcraft; noted that the transportation referral [paragraph no 17-361] has been withdrawn.

Mayor Spencer inquired whether Council should still hear the cannabis referral tonight or continue the matter to the next Council meeting.

The City Manager responded a cannabis referral is already scheduled for the second meeting of July; response to the previous referral will be heard the first meeting in

September if the matter is pushed due to a full agenda.

Mayor Spencer stated Council did not give clear direction on the matter; before the matter returns to Council, she would like to know whether a majority of Council supports having cannabis dispensaries in town.

Councilmember Oddie moved to call question.

Vice Mayor Vella seconded the motion to call the question, which carried by the following voice vote: Ayes: Councilmembers Ezzy Ashcraft, Matarrese, Oddie and Vella – 4. Noes: Mayor Spencer – 1.

On the call for the question regarding the original motion on the order of hearing agenda items, the motion carried by the following voice vote: Ayes: Councilmembers Ezzy Ashcraft, Matarrese, Oddie and Vella – 4. Noes: Mayor Spencer – 1.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(17-338) Proclamation Declaring June 2017 as Elder Abuse Awareness Month.

Mayor Spencer read the proclamation and presented it to Dena Aindow, District Attorney's Office, and Colette Lee, Adult Protective Services.

(17-339) Proclamation Declaring June 2017 as Lesbian, Gay, Bisexual Transgender and Questioning (LGBTQ) Pride Month.

Mayor Spencer read the proclamation.

Members of the LGBTQ Round Table Gene Kahane, Olivia Higgins, and Laura Rose made brief comments and did not accept the proclamation.

Mayor Spencer presented the proclamation to members of the public who made brief comments which were not captured by the microphone.

ORAL COMMUNICATIONS, NON-AGENDA

(17-340) Iulia Moldovan expressed concerns over the different hate crimes going on around the world; stated Alameda values love, inclusiveness, compassion and non-violence; requested a moment of silence for lives lost.

CONSENT CALENDAR

Mayor Spencer announced that the Pacific Gas and Electric (PG&E) Agreement [paragraph no. 17-345] and the Rent Services Agreement [paragraph no. 17-351] were removed from the Consent Calendar for discussion.

Councilmember Matarrese recused himself from voting on the sewer pump station resolutions [paragraph no. 17-344] and [paragraph no 17-344 A].

Councilmember Ezzy Ashcraft moved approval of the remainder of the Consent Calendar.

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

(*17-341) Minutes of the Special and Regular City Council Meetings Held on May 2, 2017. Approved.

(*17-342) Ratified bills in the amount of \$2,428,640.02.

(*17-343) Resolution No. 15266, “Authorizing the Filing of Applications for Funding Assigned to the Metropolitan Transportation Commission, Committing Any Necessary Local Matching Funds and Stating Assurance to Complete the Central and Clement Avenue Complete Street Projects and the Citywide Resurfacing Project.” Adopted.

(*17-344) Resolution No. 15267, “Accepting a Grant of Easement to the City of Alameda from the First 5 Alameda County for a Sewer Pump Station and Related Public Utility Purposes Located within Lot 1 of Parcel Map 5435 and Directing the Recording of the Grant of Easements.” Adopted; and

(*17-344A) Resolution No. 15268, “Accepting a Grant of Easement to the City of Alameda from the Seastrand Owners Association for a Sewer Pump Station and Related Public Utility Purposes Located within Lot A of Tract 4382 and Directing the Recording of the Grant of Easements.” Adopted.

[Note: Councilmember Matarrese recused himself.]

(17-345) Recommendation to Authorize the City Manager to Execute a Gas Service Operations and Maintenance Agreement with PG&E at Alameda Point.

The Base Reuse Director gave a brief presentation; requested Council authorize the City Manager to make changes to Exhibit E.

Councilmember Matarrese moved approval of authorizing up to \$10,000 in additional funding over the budget and approve the agreement with PG&E.

Councilmember Ezzy Ashcraft seconded the motion, which carried by unanimous voice vote - 5

(*17-346) Recommendation to Award a Contract in the Amount of \$165,636 Including Contingencies to MV Transportation, Inc. for the Operation of the Alameda Paratransit

Shuttle (Alameda Loop Shuttle). Accepted.

(*17-347) Resolution No. 15269 "Authorizing the City Manager to Submit a Request to the Metropolitan Transportation Commission for the Allocation of \$222,279 in Fiscal Year 2017-2018 for the Cross Alameda Trail Project Between Main Street and Constitution Way per Transportation Development Act Article 3 for Pedestrian/Bicycle Project Funding and to Execute All Necessary Documents." Adopted.

(*17-348) Recommendation to Authorize the City Manager to Execute a Water Infrastructure Agreement for Alameda Point with East Bay Municipal Utility District (EBMUD) to: (1) Address the Implementation of New Water Infrastructure in the Reuse Area; and (2) Extend the Existing Short-Term Maintenance and Operations Agreement for the Existing Water System and (3) Accept Credits in System Capacity and Wastewater Capacity Fees from EBMUD. Accepted.

(*17-349) Recommendation to Authorize the City Manager to Enter into an Agreement with Roux Associates, Inc. in the Amount of up to \$273,866 in Fiscal Year 2017-2018, Renewable Annually by the City Manager for up to Four Additional Years for a Total Compensation of \$1,369,330 for Environmental/Hazardous Materials Consulting Services at Alameda Point and Various Transportation Projects. Accepted.

(*17-350) Recommendation to Approve a Two-Year Staffing Services Agreement between the City of Alameda and the Housing Authority to Provide: 1) Housing Services on behalf of the City, and 2) Additional Policing Services for the Housing Authority. Accepted.

(17-351) Recommendation to Approve a 36-month Services Agreement between the City of Alameda and the Housing Authority for \$1,152,116 (Fiscal Year (FY) 2017-18, with 3% Annual Adjustments for FY 2018-19 and FY 2019-20) to Administer the Rent Review, Rent Stabilization and Limitations on Evictions Ordinance as Amended for the City of Alameda.

Expressed concerns about the cost; urged Council to look at the agreement and cost to ensure the public does not have to pay in the end: Alan Teague, Alameda.

The City Manager stated the agreement is on a reimbursement basis; the fee schedule is calculated using the previous year; savings would be reflected in the new fee schedule the following year.

Mayor Spencer inquired whether the money will be paid out of the General Fund, to which the City Manager responded in the affirmative; stated the matter is on the agenda to establish fee for each unit.

Mayor Spencer inquired how the program will be paid for if the motion fails.

The City Manager responded that the City has committed to implementing the rent

stabilization ordinance regardless of the funding.

Councilmember Matarrese moved approval of the staff recommendation.

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

(17-352) Resolution No. 15270, “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.

REGULAR AGENDA ITEMS

(17-353) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease with Sairdrone, Inc. a Delaware Corporation, for a Five-Year Lease with Two Five-Year Extension Options and a Right of First Negotiation for the Purchase of Building 12 Located at 1050 West Tower Avenue at Alameda Point. [In accordance with the California Environmental Quality Act (CEQA), this project is Categorically Exempt under the CEQA Guidelines Section 15301(c) - Existing Facilities.] Introduced.

The Assistant Community Development Director gave a brief presentation.

Councilmember Ezzy Ashcraft gave a brief description of what Sairdrone does.

Councilmember Ezzy Ashcraft moved introduction of the ordinance.

Vice Mayor Vella seconded the motion.

Under discussion, Mayor Spencer encouraged people to visit Sairdrone to see their products.

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

(17-354) Recommendation to Authorize the City Manager to Execute an Alameda Animal Shelter Services Agreement and a Lease Agreement with the Friends of the Alameda Animal Shelter (FAAS) for an Amount Not to Exceed \$804,300 in Fiscal Year (FY) 2018-19 with an Escalator for the Second Year, plus \$45,000 for Capital Improvements in FY 2017-18.

The City Manager gave a Power Point presentation.

Councilmember Ezzy Ashcraft inquired whether there is a Memorandum of Understanding (MOU) with Alameda Point Collaborative.

The City Manager responded in the affirmative; stated under Council directive, the Alameda Point Collaborative members will work with FAAS; a separate MOU, not involving the City, was done between the two organizations.

Thanked the Council and City staff for their support: John Lipp, FAAS.

Vice Mayor Vella thanked staff, Mr. Lipp and the FAAS board for working together on the agreement.

Councilmember Oddie stated the community needs to find a way to fund a new building for the shelter.

Mayor Spencer thanked the volunteers at the animal shelter; stated she would support improving the facility; she will support the issue but would have supported greater funding for the shelter.

Councilmember Matarrese moved approval of the services agreement.

Mayor Spencer seconded the motion, which carried by unanimous voice vote – 5.

Councilmember Matarrese moved approval of the lease.

Mayor Spencer seconded the motion, which carried by unanimous voice vote – 5.

(17-355) Recommendation to Receive the Rent Program Regulatory Fee Study;

(17-355A) Resolution No. 15271, “Adopting a Program Fee to Implement and Administer the City’s Rent Review, Rent Stabilization and Limitations on Evictions Ordinance, as Amended, and Implementing Policies.” Adopted; and

(17-355B) Ordinance No. 3180, “Ordinance Amending the Alameda Municipal Code by Amending Various Sections of Article XV of Chapter VI Concerning (1) Review of Rent Increases Applicable to All Rental Units and Rent Stabilization Applicable to Certain Rental Units and (2) Limitations on Evictions and the Payment of Relocation Assistance Applicable to All Rental Units (Eliminating “No Cause” Ground for Eviction).” Finally passed.

The Community Development Director gave a presentation, including correcting language in Section 6-58.170.A of the ordinance to change “need not be included” to read “shall not be included.”

Mayor Spencer inquired whether relocation fees have to be paid if a tenant voluntarily leaves the unit; stated the answer now seems to be different than the last meeting.

The Community Development Director responded if a tenant leaves at the end of a fixed term lease, they are not entitled to relocation benefits; if a tenant leaves at the end of a subsequent fixed term lease, they are entitled to relocation benefits.

Mayor Spencer inquired whether language is clear in Section 6-58.150.F; inquired whether the relocation benefits apply if the tenancy is month to month.

The Community Development Director responded a month to month tenancy is not a fixed term lease.

Mayor Spencer stated the language reading “end of a tenancy” is confusing; inquired if the tenant leaves on their own at the end of a tenancy are they entitled to relocation fees.

The Community Development Director responded in the negative; stated at the end of a fixed term lease, a tenant is entitled to relocation benefits; if the tenant is terminated [for cause] they are not entitled to relocation benefits.

Mayor Spencer stated the wording needs to be clarified; the ordinance reads “...fixed term lease or otherwise;” the word otherwise is not clear.

The Community Development Director responded the intent is at the end of a subsequent lease, the tenant is entitled to relocation benefits; when a tenant converts to month to month, they are only entitled to relocation benefits for an owner move in or the Ellis Act.

Mayor Spencer stated “...or otherwise” is confusing.

Councilmember Ezzy Ashcraft inquired what is “...or otherwise” referring to.

The City Attorney responded Mayor Spencer and Councilmember Ezzy Ashcraft are correct and the language should clarify the relocation fees apply at the end of a subsequent fixed term lease; the word “otherwise” should be removed.

Mayor Spencer inquired whether if the tenant leaves on their own, prior to the end of a fixed term lease, then other conditions apply.

The Community Development Director responded in the affirmative; stated a tenant is not entitled to relocation benefits if they decide to leave prior to the end of a fixed term lease.

Mayor Spencer stated the wording needs to be clear.

The Community Development Director responded the City Attorney’s proposed edits are to strike the word “whether” in front of “by a subsequent lease” and strike the word “or otherwise;” the changes would result in striking three words.

Mayor Spencer inquired whether the language would read “at the end of a fixed term tenancy.”

The City Attorney responded the last words should read, "...at the end of that subsequent fixed term tenancy."

The Community Development Director continued the presentation regarding the program fee.

Mayor Spencer inquired how the landlord could collect the program fee if the tenant does not pay their portion.

The Community Development Director responded the landlord would need to take the tenant to small claims court; stated the landlord is obligated to pay the fee.

Mayor Spencer inquired whether the program fee can be an obligation from the tenant directly to the City for the tenant half; stated the program is supposed to benefit the landlord and the tenant; inquired whether both landlords and tenants can be independently obligated to pay the City.

The Community Development Director responded other cities processes their program fee in the same manner; stated the request would increase costs due to increased staff time.

Mayor Spencer inquired whether there is a way to have the program fee set up automatically online by the administrating department.

The Community Development Director responded that the Finance Department will be in charge of billing and collection of the program fee; a new database would have to be set up for said request.

The City Manager stated there is a privacy and data collection issue with regards to the tenants.

Mayor Spencer inquired if the fee is \$5.00 a month and the tenant does not pay the first month, what recourse does the landlord have.

The Community Development Director responded that the program fee of \$122.00 a unit is the obligation of the landlord to the City; stated one half of the cost can be passed on to the tenant at the landlord's discretion.

Vice Mayor Vella inquired how the program fee will be billed; stated she sees a lot of problems with the implementation of the program from the landlords perspective.

The Community Development Director responded the program fee will be billed as part of the business license fee; stated single family rentals that do not pay a business license fee will receive a standalone bill from the Finance Department.

Councilmember Ezzy Ashcraft inquired if a tenant were to utilize RRAC services, would staff first determine if the landlord is current in paying the program fee.

The Community Development Director responded that the Council could require said directive in the ordinance.

Mayor Spencer inquired whether Council could consider requiring the tenant to be current in paying the program fee.

The City Attorney responded the landlord is required to pay the fee to the City, not the tenant; stated if the landlord wants to pass on half the fee to the tenant, they can do so.

Mayor Spencer inquired whether the landlord would have to give notice to the tenant that they are responsible for half of the program fee.

The City Attorney responded that when the landlord gives notice to the tenant regarding the rent amount, the amount could include up to 50% of the program fee; the fee is not counted towards the 5% rent increase.

Mayor Spencer inquired whether the amount would need to be paid prior to utilizing RRAC.

The City Attorney responded if the total amount of rent due is \$1,200.00 and all the tenant pays is \$1,000, then the tenant has not paid the entire rent; there is no way to track whether the fee has been paid or not since it is included in the rent.

Mayor Spencer inquired whether staff is envisioning the program fee as part of the total rent owed, not the total rent plus 50% of the fee.

The City Attorney responded in the affirmative.

Councilmember Ezzy Ashcraft inquired whether the fee is not included as part of the calculation of the base rent.

The City Attorney responded in the affirmative; stated the fee is not counted in the up to the 5% increase.

Vice Mayor Vella inquired whether a landlord adding a 50% of the fee to the 5% rent increase would trigger the one time increase in 12 months.

The Community Development Director responded the fee would be separate from rent; the City Attorney is saying the landlord could choose to include the fee as part of the rent.

Vice Mayor Vella inquired whether the landlord could implement two separate increases; stated the increase would contradict the provision in the ordinance that

allows for only one 5% increase in a 12 month period.

The City Attorney responded the landlord would decide to pass it on at the time of the rent increase; the cost recovery of the fee would not be a part of the 5% rent increase.

Mayor Spencer inquired whether 50% of the program fee counts as part of the 5% rent increase allowable by the landlord.

The City Attorney responded if the landlord is going to pass on the fee to the tenant, they would need to notify the tenant; stated the program fee would not count towards the 5% rent increase calculation.

Mayor Spencer inquired whether the tenant portion of the program fee would count as the one time per year rent increase, to which the City Attorney responded in the negative.

Vice Mayor Vella inquired whether the City views the program fee as part of a rent increase relative to whether or not the landlord makes a decision to pass on the fee; requested clarification whether the fee counts towards the one rent increase per 12 month period and if a failure to pay would be a violation of the lease and subject to just cause.

The Community Development Director responded that landlords can add the program fee to the rent only once a year when the rent increase is done.

Vice Mayor Vella inquired about the failure to pay.

The City Attorney responded if a tenant fails to pay the full rent, it is considered failure to pay and can be cause for eviction.

Councilmember Oddie inquired about a tenant not paying a fee, to which the City Attorney responded the landlord is responsible for paying the fee; stated the landlord can then pass part of that cost on to the tenant as rent; a tenant cannot pay a portion of the rent and say they are not paying the fee; they are not paying the rent.

Mayor Spencer inquired whether landlords that have done a rent increase in the last 12 months would have to wait until the next 12 month period to add the fee to the tenants rent, to which the City Attorney responded in the affirmative.

Mayor Spencer inquired whether there could be an exception for applying the fee.

The City Attorney responded the resolution could be changed; stated half of the \$122 fee can be charged to the tenant; the landlord is allowed to increase the rent once in a 12 month period.

The Community Development Director stated staff can report back with the

implementation details; recommend that the resolution be adopted now and staff return upon implementation of the program fee.

Councilmember Ezzy Ashcraft inquired whether the program fee could be included the next time a lease is renewed.

The Community Development Director responded the obligation to pay the fee is that of the landlord.

Councilmember Ezzy Ashcraft clarified that the question is the fee can be split between the landlord and tenant, yet a rent increase is not allowed more than once in a 12 month period.

The Community Development Director responded the landlord would have to wait until the next lease signing to pass on the fee; inquired whether the Council direction is to request the program fee be passed through the next lease term.

Mayor Spencer stated there is no Council direction, only clarifying questions.

Councilmember Oddie stated that he is unclear whether the same process is utilized in other cities; inquired whether a landlord could apply the fee retroactively or only going forward.

The Community Development Director responded that she is unclear about applying the fee retroactively; stated the landlord is obligated to pay the fee.

The City Attorney stated the direction could be to not allow the fee to be retroactive and only allow the landlord to pass on the fee for the current year.

The Community Development Director stated the recommendation is to adopt the resolution setting the program fee; if the program fee is not adopted, annual cost of \$1.6 million would have to be picked up from the General Fund.

Mayor Spencer inquired whether Council would like to change the speaker time to 2 minutes instead of 3.

Councilmember Ezzy Ashcraft responded the topic is very important and speakers should be allowed to have the full 3 minutes.

Expressed concern with the fee study and Section 8 voucher units; requested clarification on the fixed term lease relocation fees: Alan Teague, Alameda.

Stated that she voted for Measure L1; relocation fees are a problem for small landlords; passing the ordinance will make small landlords withdraw from the rental market and place a financial hardship on them: Sarah Murray, Alameda.

Stated the purpose of relocation fees are for a tenant who has been forced out of a unit by a landlord; the way the ordinance is written is not where a tenant is being forced out; the ordinance violates the will of the voters; the landlords are returning the issue to the voters: Greg McConnell, Alameda Housing Providers Association (AHPA).

Stated Measure L1 was passed by the voters by a large margin; adding the program fee to the business tax will make the difference a 500% increase; the relocation fees are too extreme; as a landlord, he feels he is being treated unfairly: Anthony Charvet.

Stated rent control restrictions make it difficult for landlords; the program fee is very difficult to collect from the tenants: Daniel Lee.

Stated just cause evictions make it difficult for landlords to evict problem tenants: Malcom Lee.

Stated there are many repercussions from allowing just cause evictions: Barbara Rasmussen.

Stated allowing just cause keeps people in the community; urged Council to pass the ordinance: Cheri Johansen, Alameda Progressives.

Stated that he supports a referendum; the amendments will cause displacement and make it difficult for small landlords: Cross Creason.

Stated Measure L is was passed by voters; voters feel they have been betrayed by Councilmembers: Ron Bain, AHPA.

Urged Council not to approve the ordinance; expressed concerns with the program fee; stated the fee is actually a fine to landlords: Lester Cabral, Alameda.

(17-356) Mayor Spencer stated a motion is needed to consider the remaining agenda items: the joint meeting items and referrals.

Councilmember Ezzy Ashcraft moved approval of considering the joint meeting items.

Mayor Spencer moved approval of hearing all of the remaining items, which failed for a lack of second.

Vice Mayor Vella seconded Councilmember Ezzy Ashcraft's motion, which carried by the following voice vote: Ayes: Councilmember Ezzy Ashcraft, Matarrese, Oddie and Vella – 4. Noes: Mayor Spencer – 1.

Expressed concerns with Council making amendments to the ordinance; stated the impact of rent control in other cities has caused limited or unaffordable housing; the

amendments are a burden on small landlords: Eric Grunseth.

Following brief comment regarding responding to speakers, the City Attorney noted Vice Mayor Vella is not a landlord.

Stated the only amendment in the ordinance is changing no cause eviction to just cause evictions; due to Council making amendments to the ordinance, tenants can feel secure in their homes: Erik Strimling, Alameda Renters Coalition (ARC).

Stated there are too many changes to the rent ordinance; there is no need for radical rent control; the amendments to the ordinance will shrink the rental market in Alameda: Marilyn Schumacher, Alameda.

Stated the citizens of Alameda already voted for Measure L1; urged Council to leave the ordinance as is: Valerie Ruma, Alameda.

Stated the citizens of Alameda voted overwhelmingly for Measure L1; just cause evictions will make it difficult for landlords to evict problem tenants; urged Council to not change the ordinance until all the data is in: Former Councilmember Tony Daysog, Alameda.

Stated the elected officials are ignoring the vote of the people; her rental units are below market value; urged Council to not change the ordinance: Nancy Hird, Alameda.

Urged Council to pass the just cause evictions; stated Alameda has racially coded rhetoric; many of the mailers during the election referred to M1 supporters as criminals: Rasheed Shabazz, Alameda.

Mayor Spencer called a recess at 10:52 p.m. and reconvened the meeting at 10:57 p.m.

(17-357) Mayor Spencer stated a motion is needed to continue the meeting past 11:00 p.m.

Councilmember Matarrese moved approval of continuing the meeting.

Councilmember Ezzy Ashcraft seconded motion, which carried by the following voice vote: Ayes: Councilmember Ezzy Ashcraft, Matarrese, Oddie and Vella – 4. Noes: Mayor Spencer – 1.

Urged Council to make the program fee an even number; requested the changes be made in a slow manner to allow landlords to keep their properties: Janet Gibson, Alameda.

Stated that he is not in favor of the ordinance; expressed concern for the landlord having to pay relocation fees on a Governmental Order to Vacate: Carl Searway, Alameda.

Mayor Spencer questioned whether Council wants to make any changes to the language other than those made earlier.

Mayor Spencer stated that she will not support changing the ordinance; Measure L1 passed with overwhelming support; Council worked very hard to fashion an ordinance that is a compromise; tenants and landlords did not receive everything they wanted; read the argument in favor of Measure L1; stated Councilmember Ezzy Ashcraft and Councilmember Oddie are refusing to honor their own words from the argument in favor of Measure L1.

Councilmember Ezzy Ashcraft stated that she is concerned for families with small children and seniors; she supports just cause eviction; tenants are afraid to report needed repairs to landlords for fear of eviction; expressed concerns for mom and pop landlords regarding relocation fees; stated that she would like to sit down with renters and landlords to hear from both sides; she cannot support mass evictions; inquired whether the \$20.00 business license fee is comparable to other cities.

The Community Development Director responded the fee is a tax, which is very low.

The Assistant City Manager noted changing the fee amount would require a vote of the people.

Councilmember Ezzy Ashcraft stated housing is a very important basic right; she is open to suggestions from small mom and pop landlord regarding solutions on how to address the relocation fees; she does not advocate for the Housing Authority formula for calculating relocation fees.

Vice Mayor Vella noted she is not a landlord; stated people are protesting the relocation fees and relocation fees have not changed; she is confused by people trying to make Ordinance 3148 a Charter amendment; a Charter amendment would make the changes that people are complaining about permanent; she has not heard a valid reason for a landlord to evict a tenant for no cause; fear can be a weapon used to prevent tenants from coming forward with habitability issues; she would like staff to review how other cities are doing the program fee; she is ready to move forward with the ordinance as amended.

Councilmember Matarrese stated the just cause eviction is a complex dynamic for landlords and tenants; inquired whether Council could separate the vote on the ordinance and the program fee; stated the program fee should be lower and an even number; he will not support the ordinance, but will support the fee; would like to review outcomes and be ready to make adjustments based on outcomes.

Councilmember Oddie stated that he would like to bifurcate the vote also; even though he did not vote to put Measure L1 on the ballot, he stepped up to write a professional, easy to understand argument for Measure L1; the ordinance has a sunset and will eventually show if just cause and other provisions are working; he takes issue with a landlord saying Alameda renters are wanna be Alamedan's; rules are there not to punish good landlords, but to protect tenants; tenants can still be evicted with just cause evictions; requested staff to develop regulations on the program fee; he supports adopting the amendments.

Mayor Spencer clarified to suggest that she is applying rules differently to people of color is not appropriate coming from a white man to a Mexican woman.

Councilmember Oddie responded Mayor Spencer allowed Robert Sullwold exceed the time limit by 20 seconds.

Mayor Spencer stated she has been very fair in how she runs the Council meetings.

Councilmember Oddie responded that is a matter of opinion.

Mayor Spencer stated race should not be brought up.

Councilmember Ezzy Ashcraft inquired whether Councilmember Matarrese has any suggestions on an alternative to not give a false sense of security, to which Councilmember Matarrese responded in the negative.

Councilmember Ezzy Ashcraft inquired whether Councilmember Matarrese believes any part of San Francisco's situation stems from the percentage increase amount allowed for rent control; stated San Francisco is not comparable to Alameda's ordinance.

Councilmember Matarrese responded Alameda is very similar to San Francisco as a very desirable place to live, which drives up rents and gentrification; stated that he does not have an answer but he cannot support something that has been shown not to deliver what is being said it will deliver.

Councilmember Ezzy Ashcraft stated San Francisco allows a very small percentage increase on rent from one year to the next which is unlike what Alameda is doing.

Councilmember Matarrese stated his comments are directed to just cause evictions.

Councilmember Ezzy Ashcraft stated that she agrees with Councilmember Matarrese's suggestion to separate the vote on the ordinance and the program fee.

Councilmember Matarrese moved approval of the program fee of \$120.00, as recommended in the staff report [adoption of the resolution] to be evaluated at the end of one year.

Councilmember Ezzy Ashcraft seconded the motion, which carried by the following voice vote: Ayes: Councilmember Ezzy Ashcraft, Matarrese, Oddie and Vella – 4. Noes: Mayor Spencer – 1.

Councilmember Ezzy Ashcraft moved introduction of the ordinance adopting the rent stabilization and limitations on evictions, as amended, and implementing policies.

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

Mayor Spencer called a recess at 11:48 p.m. to call the joint meeting and reconvened the meeting at 12:32 a.m.

CITY MANAGER COMMUNICATIONS

(17-358) The City Manager stated the referral for affordable and inclusionary housing will come to Council after the Planning Board makes a recommendation; the State is reviewing Single Payer healthcare to meet objectives for local control and fiscal sustainability for rising medical costs and addressing the needs of those in need.

Councilmember Matarrese inquired when a recommendation on healthcare would come to Council.

The City Manager responded the Council already gave the staff authority to support the matter.

In response to Councilmember Oddie's inquiry about climate change, the City Manager stated the Mayor and the City have been asked to join the U.S. Mayor's Climate Accord; the City will move forward with the Climate Action Plan regardless of what happens at the federal level and the Paris accord; Mayor Spencer signed on with staff endorsement.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

(17-359) Consider Directing Staff to Create a "Straws on Request" Ordinance. (Mayor Spencer) Not heard.

(17-360) Consider Directing Staff to Propose Regulations to Authorize Convenient and

Safe Cannabis Businesses in Alameda. Not heard.

(17-361) Consider Directing Staff and the Transportation Commission to Analyze Traffic Calming Solutions at the Intersection of Santa Clara Avenue and Sherman Street. WITHDRAWN. (Vice Mayor Vella)

COUNCIL COMMUNICATIONS

(17-362) Councilmember Matarrese stated that he represented Alameda in the Association of Bay Area Governments (ABAG) General Assembly; per the direction of Council, he cast a no vote against the current budget and work program; the work program did not meet the needs described in the staff report.

Mayor Spencer thanked Councilmember Matarrese for representing Council.

Councilmember Matarrese stated the ABAG Director indicated ABAG and MTC will be officially merged as of July 1st; the work plans will be going through another refinement.

(17-363) Councilmember Ezzy Ashcraft announced that she attended the Alameda County Lead Abatement Meeting.

(17-364) Consideration of Mayor's Nominations for Appointment to the Commission on Disability Issues, Golf Commission, Historical Advisory Board, Library Board, Planning Board, Public Art Commission, Public Utilities Board (PUB), Rent Review Advisory Committee (RRAC), Social Service Human Relations Board (SSHRB) and Transportation Commission.

Mayor Spencer nominated Ann McCormick for reappointment to the PUB, Christopher Griffiths for reappointment to the RRAC, Sarah Murray for appointment to the RRAC, and Claudia Medina for appointment to the SSHRB.

ADJOURNMENT

There being no further business, Mayor Spencer adjourned the meeting at 12:42 a.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 MEETING OF THE
CITY COUNCIL AND SUCCESSOR AGENCY TO THE COMMUNITY
IMPROVEMENT COMMISSION (SACIC)
TUESDAY- -JUNE 6, 2017- -7:01 P.M.

Mayor/Chair Spencer convened the meeting at 11:49 p.m.

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

Absent: None.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

Councilmember/Commissioner Oddie moved approval of the Consent Calendar.

Councilmember/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.]

(*17-365 CC/17- SACIC) Minutes of the Special Joint Meeting of the City Council and Successor Agency to the Community Improvement Commission (SACIC) Held on May 2, 2017. Approved.

(*17-366 CC/17- SACIC) Recommendation to Accept the Fourth Quarter Financial Report for the Period Ending June 30, 2016. Accepted.

(*17-367 CC/17- SACIC) Recommendation to Accept the First Quarter Financial Report for the Period Ending September 30, 2016. Accepted.

REGULAR AGENDA ITEMS

(*17-368 CC) Resolution No. 15272, “Approving and Adopting the City of City Alameda Operating and Capital Budget for Fiscal Years (FY) 2017-18 and 2018-19.” Adopted;

(17- SACIC) Resolution No. 17-07, “Approving and Adopting the Successor Agency to the Community Improvement Commission Budget for FY 2017-18 and 2018-19.” Adopted;

(17-368 A CC) Resolution No. 15273, “Approving Workforce Changes in the Recreation and Parks Department, Public Works Department, Community Development

Department and Information Technology Department.” Adopted;

(17-368B CC) Amend the Pension Rate Stabilization Program and Other Post-Employment Benefits Funding Policy; and

(17-368C CC) Direct the City Manager or Designee to Deposit \$6,043,000 of Committed General Fund - Fund Balance Plus Amounts Authorized by Council in Current and Future Budgets into the Public Agencies Retirement Services (PARS) Post-Employment Benefits Trust to Use for Prefunding of Pension and Other Post-Employment Benefits (OPEB) Obligations.

The City Manager gave a Power Point presentation.

Vice Mayor/Commissioner Vella inquired whether some employee groups pay a portion of health care premiums, to which the City Manager responded in the affirmative.

Vice Mayor/Commissioner Vella inquired whether any elected officials pay a portion of their health care premium, to which the City Manager responded in the negative.

Mayor/Chair Spencer inquired why the presentation shows \$61,000 for the homeless assistance; the prior meeting indicated the amount is \$120,000.

The City Manager responded half of the funding comes from a grant that the Police Department is contributing to homeless assistance.

Mayor/Chair Spencer inquired whether the total will be the \$120,000, to which the City Manager responded in the affirmative.

Mayor/Chair Spencer inquired whether any money is being set aside to purchase the Union Pacific remnant parcels.

The Finance Director responded the purchase is not in the current budget.

Mayor/Chair Spencer inquired what the remnant parcels would be used for, to which the Recreation and Parks Director responded part of Jean Sweeney Open Space Park is owned by Union Pacific; stated full buildout and access would require the purchase of said parcels.

Mayor/Chair Spencer inquired whether other money is available to purchase the land.

The Recreation and Parks Director responded staff will be looking for grant money; stated there is no current money available to purchase said parcels.

Mayor/Chair Spencer inquired whether staff can explain how the parcels will be purchased.

The City Manager responded staff could go after grants and return mid-cycle or mid-year when money is set aside; the license plate readers at the bridges are also not included in the current budget and will be brought back to Council.

Mayor/Chair Spencer inquired whether staff has a list of the items that will not be funded.

The City Manager responded the list is not in the presentation.

Mayor/Chair Spencer inquired whether there is a plan to purchase the license plate readers.

The Police Chief responded the matter would proceed as soon as some budget savings are realized, which will most likely be in September or October.

The City Manager noted savings would be from salary savings.

Councilmember/Commissioner Oddie requested clarification regarding the OPEB trust fund; inquired whether the \$6.043 million transfer is included in the budget.

The Finance Director responded \$6.043 million is shown as a reserve; stated in the 2017-18 budget the amount is shown as appropriation so that the funds could be wired over to a trust depending on the allocation being proposed.

Councilmember/Commissioner Oddie inquired why the OPEB trust fund increased by so much and is projected to increase in the future.

The Finance Director responded the public safety contracts include a provision that in January 2016 the City would contribute funds, plus employee contributions and estimated interest increase the amount.

Councilmember/Commissioner Oddie inquired what the expected amount will be in the combined OPEB/PARS trust accounts.

The Finance Director responded for OPEB, there will be an additional \$3 million contributed, plus normal contributions required by the contract.

Councilmember/Commissioner Oddie inquired whether the \$3 million is coming from the \$6 million set aside the previous year.

The Finance Director responded \$6 million was set aside in 2015.

Councilmember/Commissioner Oddie inquired whether \$11.3 million will be set aside for OPEB.

The Finance Director responded in the negative; stated \$11.3 million is a combination of OPEB and pension funds.

Councilmember/Commissioner Oddie inquired whether the projected ending balance for the OPEB trust comes from on the All Funds Budget Summary Fund Balance on page B-5.

The Finance Director responded \$7.2 million is the projected number; additional contributions are expected.

Councilmember/Commissioner Oddie inquired about the difference between \$7.2 million to \$11.373.

The Finance Director responded the difference is from an Internal Service Fund.

Councilmember/Commissioner Oddie stated the City will have over \$20.4 million in the fund where there was previously \$300,000 two and a half years ago; the City is being fiscally conservative; praised City staff.

Mayor/Chair Spencer inquired what dollar amounts will be transferred into the OPEB and PARS trust accounts.

The Finance Director responded \$11,143,000, not including the contractual obligation of \$250,000.

Mayor/Chair Spencer inquired how much is being spent from the reserves.

The Finance Director responded \$6,043,000 comes from reserves previously authorized by Council in 2015; \$5.1 million is based on direction from the workshop that was held in May.

Councilmember/Commissioner Matarrese stated that he likes the idea of a mid-term review to see how the City is tracking progress; he also likes that the projections are conservative.

Councilmember/Commissioner Ezzy Ashcraft stated with good discipline and grant funding the purchase of the parcels from Union Pacific should be possible.

Councilmember/Commissioner Matarrese requested a projection of the effect of the City's and employees contributions over time to lower the OPEB liability; stated reviewing where the City stands with and without the contributions would be worthwhile; Council and the public would benefit from a graphic showing how actuals are tracking against projections.

The City Manager stated the initial analysis from the CalPers financial expert addressed

the amortization schedule and how much the City would save in the CalPers contribution each year; more is saved in the long term than the short term; all options will be brought to Council.

Mayor/Chair Spencer stated that she would like money allocated for the Jean Sweeney Open Park space parcels; she believes the public safety contracts are not fiscally sustainable; she would like more money to go towards parks and other items important to the community.

Vice Mayor/Commissioner Vella requested an update on the costs of the parcels and a progress report whether grants are available; stated if Council is asking employees to pay a portion of benefits or pensions, she would like to review the benefits that Council receives.

Mayor/Chair Spencer stated Council's pay rate should be reviewed.

Councilmember/Commissioner Matarrese moved adoption of the City Council/SACIC Budget resolutions.

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

Councilmember/Commissioner Ezzy Ashcraft moved adoption of workforce change resolution.

Councilmember/Commissioner Matarrese seconded the motion, which carried by unanimous voice vote – 5.

Councilmember/Commissioner Oddie moved approval of amending the Pension Rate Stabilization Program and Other Post-Employment Benefits Funding Policy.

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

Vice Mayor/Commissioner Vella moved approval of directing the City Manager, or designee, to deposit \$6,043,000 of Committed General Fund.

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

ADJOURNMENT

There being no further business, Mayor/Chair Spencer adjourned the meeting at 12:32 a.m.

Respectfully submitted,

Lara Weisiger
City Clerk and Secretary SACIC

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