

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -NOVEMBER 7, 2017- -7:00 P.M.

Mayor Spencer convened the meeting at 7:06 p.m. and led the Pledge of Allegiance.

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

[Note: Roll Call was done during Agenda Changes.]

Absent: None.

AGENDA CHANGES

(17-647) Councilmember Oddie expressed concern over the number of speakers for the cannabis [paragraph no. 17-669] and transportation [paragraph no. 17-666] items; suggested moving the items up on the agenda.

Mayor Spencer stated that she would not support hearing the items above the Consent Calendar.

Councilmember Oddie stated that he would like the two items be moved to the top of the regular agenda.

Councilmember Oddie moved approval of hearing the cannabis item after the public hearing [paragraph no. 17-666] and the transportation plan.

Mayor Spencer seconded the motion.

Under discussion, Councilmember Ezzy Ashcraft stated that she is agreeable to hearing the cannabis item after the pension item.

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

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(17-648) The Community Development Director introduced the new Rent Program Director, Suzanne Warner.

Ms. Warner made brief comments.

(17-649) Proclamation Declaring November 15, 2017 as America Recycles Day.

Mayor Spencer read the proclamation and presented it to John Lipp and Janet Davis,

Friends of the Alameda Animal Shelter; and Chris Valbusa and Kelli Pellegrini, Alameda County Industries.

Mr. Lipp made brief comments.

ORAL COMMUNICATIONS, NON-AGENDA

(17-650) Teresa Onoda, Town of Moraga Mayor; Bruce Burns, Moraga School District Superintendent; Dave Trotter, Town of Moraga Councilmember; and Wendy Scheck, Moraga Chamber of Commerce President, submitted letters and expressed support for City Manager Jill Keimach.

(17-651) On behalf of the Department Heads, the Police Chief made a statement in support of the City Manager; listed the many accomplishments of the City under the direction of the City Manager.

(17-652) Nancy Hird, Save Alameda's Working Waterfront, discussed Alameda Marina; urged Council to revert zoning from mixed use back to industrial to encourage maritime development.

(17-653) Mayor Spencer moved approval of hearing two more speakers.

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

(17-654) Eric Stimmling, Alameda, discussed a pedestrian being struck by a vehicle; urged Council to change streets to slow cars down and save lives.

(17-655) Arnold Brillinger, Alameda, discussed the paratransit shuttle.

CONSENT CALENDAR

Mayor Spencer announced that the Universal Design Ordinance [paragraph no. 17-662] was removed from the Consent Calendar for discussion.

Councilmember Oddie moved approval of the remainder 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.]

(*17-656) Minutes of the Special City Council Meetings Held on October 3, 2017. Approved.

(*17-657) Ratified bills in the amount of \$10,140,056.00.

(*17-658) Resolution No. 15321, "Reclassifying an Administrative Services Coordinator Full Time Equivalent Position to a Management Analyst Full Time Equivalent Position in the Community Development Department." Adopted.

(*17-659) Ordinance No. 3195, "Amending Alameda Municipal Code Section 30-25 Appeals of Calls for Review." Finally passed.

(*17-660) Ordinance No. 3196, "Authorizing the City Manager to Execute a Ground Lease Agreement Between Eden Housing, Inc., and the City of Alameda for a 70-Unit Family Affordable Housing Project on Block 8 within Site A at Alameda Point." Finally passed.

(*17-661) Ordinance No. 3197, "Authorizing the City Manager to Execute a Ground Lease Agreement Between Eden Housing, Inc., and the City of Alameda for a 60-Unit Senior Affordable Housing Project on Block 8 within Site A at Alameda Point." Finally passed.

(17-662) Ordinance No. 3198, "Amending Alameda Municipal Code to Add Section 30-18 Universal Residential Design." Finally passed.

Thanked staff for the work on the Universal Design Ordinance: Beth Kenny, Alameda.

Stated universal design is not only for disabled people: Arnold Brillinger, Alameda.

Councilmember Ezzy Ashcraft moved final passage of the ordinance.

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

(*17-663) Ordinance No. 3199, "Amending the Alameda Municipal Code by Amending Chapter 30 (Zoning Ordinance) to Update and Improve the Regulations Governing the Public Art Ordinance." Finally passed.

(*17-664) Ordinance No. 3200, "Amending the Alameda Municipal Code by Amending Section 2-19 (Commission on Disability Issues) to Change the Name to Commission on Disability." Finally passed.

REGULAR AGENDA ITEMS

(17-665) Public Hearing to Consider Resolution No. 15322, "Amending Master Fee Resolution No. 12191 to Revise Fire Department Transport Fees." Adopted.

The Interim Fire Chief gave a brief presentation.

Vice Mayor Vella inquired whether there would be any changes to the process and insurance coverage, to which the Interim Fire Chief responded in the negative.

Councilmember Matarrese moved adoption of the resolution.

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

(17-666) Public Hearing to Consider Adopting the Draft Transportation Choices Plan and Approve a Six-Month Extension to the CDM Smith Consultant Team Contract.

The Base Reuse Director gave a Power Point presentation.

In response to Mayor Spencer's inquiry, the Base Reuse Director explained the process of approval and input for the projects; continued the presentation.

In response to Councilmember Ezzy Ashcraft's inquiry about the proposal for an Island Drive bus lane, the Base Reuse Director stated there is a proposal for a dedicated bus lane on Island Drive for approximately 0.6 miles without taking any vehicular lanes.

Councilmember Ezzy Ashcraft inquired whether the median or trees would be removed, to which the Base Reuse Director responded in the negative.

Vice Mayor Vella inquired whether staff has reached out to the Homeowner Associations (HOAs).

The Base Reuse Director responded HOAs have been included in emails.

Vice Mayor Vella inquired whether staff has informed HOAs that the trees would not be removed, to which the Base Reuse Director responded in the affirmative.

Vice Mayor Vella inquired about the Uber pool and Lyft line programs.

The Transportation Coordinator responded the program is cutting edge and will be considered in the future.

Vice Mayor Vella inquired whether ride share programs utilizing the City's parking lots are being monitored.

The Base Reuse Director responded in the negative; stated staff can add the program to the plan.

Vice Mayor Vella inquired what is the impact to the park and ride parking lots using different shuttles and buses and whether staff addresses the issue in the plan.

The Base Reuse Director responded park and ride lots are full and shuttles are not in the plan.

Vice Mayor Vella inquired whether staff is monitoring or having companies pay for using the City's resources as part of the plan.

The Base Reuse Director responded a parking management plan is reviewing the park and ride issue.

Vice Mayor Vella inquired what is the timeline for safe bike and pedestrian access to the Main Street ferry terminal.

The Base Reuse Director responded the Main Street gap project is not in the current budget.

Councilmember Oddie inquired what the dedicated staff resources are to the transportation plan.

The Base Reuse Director responded that she believes there is enough staff to implement the projects; if there is a desire to move the projects along faster, funds would need to be obtained for more staffing.

Councilmember Oddie inquired what is the status of the Water Emergency Transportation Authority (WETA) and clipper cards.

The Base Reuse Director responded people can use the clipper card for the free transfer between the ferry and busses.

Councilmember Oddie inquired whether the clipper card can be used on the ferry.

The Base Reuse Director responded that if passengers transfer from the bus to the ferry using a clipper card, the bus ride is free and will registers on the clipper card.

In response to Councilmember Oddie's inquiry regarding funding cuts, the Base Reuse Director responded budget cuts are less likely to occur when there are joint resources.

Councilmember Oddie inquired what is the cost of the interisland shuttle.

The Base Reuse Director responded the cost is \$10 to \$11 million annually; stated a small residential parcel tax or congestion pricing could be options to pay for the cost.

Councilmember Oddie inquired if the plan addresses bike access to Main Street and bike access to and across the Fruitvale Bridge.

The Base Reuse Director responded the plan is to fund both projects in the next mid-year budget cycle; the Fruitvale Bridge proposal makes the approach more multimodal.

Vice Mayor Vella inquired what are the traffic calming project priorities.

The Base Reuse Director responded traffic calming is in the Capital Improvement Program (CIP); stated staff anticipates bringing the initial traffic calming projects to the Transportation Commission in January.

Vice Mayor Vella inquired whether the projects will be determined only by the Transportation Commission or whether they would need to come to Council, to which the Base Reuse Director responded traffic calming typically only goes to the Transportation Commission.

Vice Mayor Vella requested information be provided regarding the timeline for the projects.

Councilmember Ezzy Ashcraft inquired whether anything is being done at the intersection of Constitution Way and Eagle Avenue.

The Base Reuse Director responded the intersection is on the traffic calming list.

Councilmember Ezzy Ashcraft inquired why the City does not support all transit providers and provide a clipper card instead of easy passes.

Bill Hurrell, CDM Smith, responded using the clipper card requires cooperation from other transit agencies and the financial mechanism is more complicated; the easy pass is simple.

Councilmember Ezzy Ashcraft requested staff to continue to review ways to have a program that utilizes multiple transit agencies.

Mayor Spencer inquired what the Council is being asked tonight.

The Base Reuse Director responded the ask is to approve the plan with the Transportation Commission and Planning Board amendments; stated staff will be transparent and engage the community prior to implementing any projects.

Mayor Spencer inquired what Council is approving tonight, to which the Base Reuse Director responded Council is being asked to approve a plan that will be further evaluated through a community process.

Mayor Spencer inquired specifically what Council is being asked to approve.

The Base Reuse Director responded that Council is being asked whether staff should review specific items in the plan.

Mayor Spencer inquired whether Council is being asked to look at the plan very broadly, to which the Base Reuse Director responded in the affirmative.

The City Manager noted the plan will be revised based on input from the community Council and Transportation Commission.

Mayor Spencer inquired whether the projects would return to Council, to which the Base Reuse Director responded in the affirmative.

Mayor Spencer inquired why the City cannot offer discounted bus passes.

The Base Reuse Director responded the City is in active discussions with AC Transit on ways to implement a discounted program.

Mayor Spencer stated that she would like the discounted bus passes to be made a priority.

The Base Reuse Director stated doing so is already in the plan.

Mayor Spencer stated that she believes the largest obstacle to bus use is the price; inquired how discounted bus passes can be made a priority.

The Base Reuse Director responded Council could request to move the discounted bus passes up in priority.

Mayor Spencer stated the discounted bus passes says 3 to 8 years to completion.

The Base Reuse Director stated the City does not control the easy pass program; the City would have to work with AC Transit to come up with a program to address Council's request.

Mayor Spencer inquired where is the data about driving to Oakland BART stations.

Mr. Hurrell responded that he has the data, but it is not in the report.

Mayor Spencer stated that she would like the data prior to making a decision.

The Base Reuse Director responded the data is not relevant to the plan.

Vice Mayor Vella inquired whether any change in the plan would return to Council, to which the Base Reuse Director responded in the affirmative.

Mayor Spencer called a recess at 8:51 p.m. and reconvened the meeting at 9:00 p.m.

(17-667) Mayor Spencer moved approval of moving the pension report to November 21st.

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

Stated the AC Transit Board is supportive of the general outline of the plan: Chris Peeple, AC Transit Board.

Stated AC Transit is willing to operate the shuttle service provided the City of Alameda funds the annual operating costs: Elsa Ortiz, AC Transit Board.

Expressed concern over the cost challenges of the Greater Alameda Business Association (GABA) shuttle proposal: Robert Del Rosario, AC Transit.

Gave a Power Point presentation on aerial gondolas: Randy Woolwine.

Urged Council to make the shuttle a priority: Tony Kuttner, GABA.

Stated that he supports a shuttle in Alameda: Ed Owens, GABA.

Gave a Power Point presentation on aerial tramways: Andrea Wuttke, Castro Valley.

Urged Council to complete the shuttle proposal earlier rather than later: Dania Alvarez, GABA.

Stated that she would like staff to reach out to the community prior to implementing projects: Dawn Jaeger, Community of Harbor Bay Isle.

Stated more people should be willing to ride Alameda transit options: Peter Fletcher, Alameda.

Suggested a vehicle, ferry or another transit agency be able to compete against AC Transit: Jim Strehlow, Alameda.

Stated the Chamber supports GABA's plan; urged Council to make the Alameda free shuttle a priority: Michael McDonough, Chamber of Commerce.

Urged Council to add more buses: Jeanne Nader, Alameda.

Urged Council to make the shuttle more of a priority: Cheri Johansen, Alameda Progressives.

Urged Council include a cross island bus service, increase and improve the frequency of rides and expand the easy pass: Former Councilmember Tony Daysog, Alameda.

Expressed concern with on and off Island access for bicyclists: Ani Dimusheva, Alameda.

Stated that she supports the plan and easy pass access for all Alamedans: Cheri Corfey, Alameda resident and GABA.

Urged Council to make Alameda more bicycle friendly: Doug Bloch, Alameda resident and Teamsters Union.

Stated that she supports the Alameda shuttle; noted street light stickers were distributed to members of the audience in support of the Alameda shuttle: Lorre Zuppan, Alameda.

Suggested staff decouple and emphasize interim bike lanes for ferry terminal access to Main Street; stated staff should evaluate access from the Fruitvale Bridge and prioritize making Alameda streets safer for bicyclists and pedestrians: Brian McGuire, Bike Walk Alameda.

Urged Council to make transit more important; stated that he supports the plan: Jon Spangler, Alameda.

Urged Council to support the shuttle program: Sam Hensley.

Stated that she supports the Alameda shuttle; suggested a transportation tax to fund the Alameda free shuttle: Karen Bey, Alameda.

Mayor Spencer stated that she did not vote to hire the consultant; she does not support the entire plan; suggested having a team analyze how to make the free shuttle happen while still working on other transportation issues, like bicycle access on and off the Island; stated that she supports a tax to make the shuttle a priority.

Councilmember Ezzy Ashcraft stated that she would like to make safer bicycle access to the ferry a priority; she would like more bike racks around town; she supports a bike/pedestrian bridge on the West End.

(17-668) Mayor Spencer stated a motion is needed to consider the remaining items; moved approval of hearing the cannabis item [paragraph no 17-669].

Councilmember Oddie seconded the motion.

Under discussion, Councilmember Oddie stated that he does not want to make important decisions late at night.

Mayor Spencer inquired whether Councilmember Oddie would like to only hear the cannabis item tonight, to which Councilmember Oddie responded that he second the motion to only hear the cannabis item.

Councilmember Matarrese stated the pension [paragraph no. 17-673] and MARAD [paragraph no. 17-675] items are more important than the cannabis item; stated a prohibition can be placed on cannabis until it is done correctly; the pension item is very important to the long term stability of the City; the MARAD lease is important to Alameda Point.

Vice Mayor Vella stated that she would be in favor of hearing the cannabis item as well as the pension and MARAD items.

Councilmember Ezzy Ashcraft stated that she would support only hearing the cannabis and pension items.

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

Vice Mayor Vella moved approval of hearing the cannabis and pension items.

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.

Vice Mayor Vella stated there were a lot of contradictory requests from speakers; stressed the importance of having another West End crossing; stated that she would like a bus and carpool only crossing into Oakland from the West End; there should be a charge for parking at the ferry lots; there needs to be a bike lane filling the gap to Main Street; she supports the shuttle but would like to address the problems that keep people in single occupancy vehicles; more charging stations are needed; traffic calming measures need to be a priority for the safety of children and pedestrians; she would like the Main Street gap and the West End crossing moved up in priority.

Councilmember Oddie stated the bike paths and additional bus routes to the Main Street ferry station need to be prioritized; he would like staff to prioritize the traffic calming measures; staff, AC Transit and GABA should work together on the shuttle idea; the West End crossing should be a priority; he would like frequent updates on the plan; he would like the ferries to remain a priority.

Councilmember Matarrese stated that he would like clarification on whether the document is a living document and how items are funded from the list; he would like awareness to be the number one priority; expressed concern with the assumptions being made regarding the traffic calming measures; stated that he would like the

General Plan Transportation Element updated; he would like the speed limit on Main Street and Ralph Appezato Memorial Parkway to be 25 mph; he would like the shuttle to be put into the plan; he would like to elevate the role of the Transportation Commission; stressed the need to frequently evaluate and change the plan as needed.

Mayor Spencer inquired whether certain items can be eliminated; whether a motion could be made with the addition of frequent reviews or if the item could return without having public comment.

Councilmember Matarrese stated that he will not vote for the item as is; he would like the item to return with explicit direction on how the plan will be used.

Mayor Spencer inquired whether having the item return to Council without public comment is a possibility.

Vice Mayor Vella suggested a transportation workshop be held every year to receive an update on the plan.

Councilmember Matarrese expressed support for Vice Mayor Vella's suggestion.

Councilmember Ezzy Ashcraft moved approval of adopting the draft Transportation Choices Plan with the addition of information from Councilmember Matarrese: to have a report return to Council with a better description in the introduction, awareness being a top priority, base data to support that adding a bus line on Island Drive is worth \$2 million to save 3 minutes, the General Plan Transportation Element be updated, Main Street and Ralph Appezato Memorial Parkway have a 25 mile an hour speed limit, review of congestion pricing, adding a shuttle to the plan as an exploratory item and a review every six months; stated that she supports holding a transportation workshop; inquired whether the workshop would be in conjunction with the review.

Vice Mayor Vella responded in the affirmative, stated the workshop would allow for a more in depth conversation.

Mayor Spencer inquired about adding the Oakland data.

Councilmember Ezzy Ashcraft responded that she believes the data is already in the report and can be highlighted.

Mayor Spencer stated the definition of congestion pricing needs to be clarified.

The City Manager responded language can be added.

Councilmember Oddie inquired whether the motion includes Vice Mayor Vella's comment to hold a Transportation Workshop, to which Councilmember Ezzy Ashcraft responded in the affirmative.

(17-669) Mayor Spencer stated a motion is needed to continue the meeting past 11:00 p.m.

Councilmember Matarrese moved approval.

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

Vice Mayor Vella requested a friendly amendment to the motion that the Main Street gap become a priority.

Councilmember Ezzy Ashcraft stated all comments from Council should be incorporated into the motion.

Councilmember Matarrese inquired whether the motion means the Transportation Choices Plan will not be approved as written tonight and that items will be added and that will be what Council is approving.

The City Manager responded Council could make a conditional approval, staff would make redline changes and bring the matter back on the Consent Calendar.

Councilmember Matarrese agreed with doing so.

The City Manager stated if anything is missed by staff, Council can remove the item from the Consent Calendar.

Councilmember Matarrese inquired whether anything added will return to Council with redline and will return on Consent Calendar at the next Council meeting, to which the City Manager responded the item will not return at the next Council meeting.

The Base Reuse Director stated staff will incorporate the changes with a redline version and bring the item back on the Consent Calendar.

Mayor Spencer requested clarification whether Council agrees to make GABA's idea of the shuttle a first priority.

Councilmember Ezzy Ashcraft responded the motion includes Councilmember Matarrese's proposal to add the proposed shuttle into the plan for exploratory purposes; stated phrasing does not mean the shuttle will definitely be done.

The City Manager stated the word exploratory means looking into funding.

Mayor Spencer inquired whether Councilmember Oddie is suggesting to have AC Transit partner with GABA, which is not GABA's proposal, to which Councilmember Oddie responded the two agencies should have a discussion.

The Base Reuse Director noted GABA has not ruled out partnering with AC Transit.

Mayor Spencer requested other options be explored, not only working with AC Transit.

Councilmember Oddie stated AC Transit being open to cost sharing might be the perfect solution to eliminate a lot of single occupancy rides.

The Base Reuse Director responded that she heard a lot of different options; staff will address the issues and speak with GABA and AC Transit before returning to Council.

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

The City Attorney noted a contract extension also needs to be approved.

Councilmember Ezzy Ashcraft moved approval of the contract extension.

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

(17-669) Introduction of Ordinance Amending the Alameda Municipal Code by Adding a New Article XVI (Cannabis Businesses) to Chapter VI (Businesses, Occupations and Industries). Introduced;

(17-669A) Introduction of Ordinance Amending the Alameda Municipal Code by Amending Sections 24-11 (Smoking Prohibitions in Places of Employment and Unenclosed Public Places) and 24-12 (Smoking Prohibitions in Housing). Introduced; and

(17-669B) Recommendation to Authorize Staff to Conduct a Fee Study to Determine the Cost of Implementing the Cannabis Regulatory Program.

The Community Development Director provided revised ordinances.

Mayor Spencer expressed concern with the number of speakers and the time for each speaker; suggested allowing two minutes per speaker.

Vice Mayor Vella moved approval of allowing 90 seconds for each speaker.

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

The Community Development Director gave a Power Point presentation.

Mayor Spencer inquired whether the Where As clauses have been approved by the City Attorney, to which the Community Development Director responded in the affirmative; stated the Where As clauses were drafted by the City Attorney's office.

Mayor Spencer inquired whether the Where As changes are substantive and whether Council could proceed with the first reading tonight.

The Assistant City Attorney responded that the substantive changes cannot be made at a second reading.

Mayor Spencer inquired whether the changes can be made tonight and the ordinance can still have a first reading, to which the City Attorney responded in the affirmative.

Mayor Spencer inquired whether the other suggested amendments count as substantive changes.

The Community Development Director responded the presentation is only a summary of items that are already in the smoking ordinance.

Mayor Spencer inquired whether the only amendments are the Where As clauses, to which the Community Development Director responded in the affirmative; continued the presentation.

Mayor Spencer inquired whether onsite consumption means you can only consume what you purchase at the dispensary.

The Community Development Director responded the meaning is items purchased at the dispensary are then consumed at the dispensary.

Mayor Spencer inquired whether Council is in agreement, to which Council concurred.

Mayor Spencer inquired what off Island business means, to which the Community Development Director responded that delivery services from outside the City of Alameda must apply for a permit and a business license.

Mayor Spencer inquired whether businesses outside of the City of Alameda can come to Alameda to make deliveries if they obtain a business license and permit, to which Community Development Director responded in the affirmative.

Mayor Spencer inquired whether the City of Alameda is allowing deliveries from businesses in the City of Alameda, to which the Community Development Director responded in the negative; continued the presentation.

In response to Councilmember Oddie's inquiry, the Community Development Director stated the definition of a Recreation Center is to be determined by the Department Director and can be changed.

Councilmember Oddie expressed concern with allowing only one person to decide where a Recreation Center is located.

The Community Development Director stated staff can adjust the map if Council would like to redefine Recreation Center.

Vice Mayor Vella inquired whether sending the ordinance to the Planning Board would delay adoption.

The Community Development Director responded the ordinance will not be delayed; the land use piece will return to Council.

Vice Mayor Vella inquired whether the land use piece refers to the 1,000 foot buffer and which areas can be used for cannabis.

The Community Development Director responded the land use only refers to the potential areas which can house cannabis businesses; stated the buffer zones are included in the ordinance regulating the business activities.

Councilmember Ezzy Ashcraft stated the Recreation and Parks Director could articulate the criteria for determining what is a Recreation Center; inquired whether the one mile separation pertains to businesses in the same business district.

The Community Development Director responded in the affirmative; stated the one mile radius is intended to be between the two dispensaries permitted under the ordinance; continued the presentation.

Mayor Spencer inquired whether dispensaries would be allowed on Bay Farm.

The Community Development Director responded land is not zoned on Bay Farm; stated staff is not recommending allowing the use except in the zones on the map.

Councilmember Ezzy Ashcraft inquired why staff recommended dispensaries at Alameda Point due to the concern over federal property.

The Community Development Director responded the zones are being recommended only on property that has been sold into private ownership.

Councilmember Ezzy Ashcraft stated that she thought staff was waiting until the federal government transfers all the land at Alameda Point to not jeopardize the chance to complete conveyance.

The Community Development Director stated the ordinance prohibits any cannabis owned businesses on City owned property.

Councilmember Ezzy Ashcraft expressed concern over allowing cannabis activity while still negotiating with the U.S. Navy.

Mayor Spencer inquired whether staff's only concern is that the building is transferred to private ownership.

The Assistant City Attorney responded in the affirmative; stated currently, only zoning is being addressed.

In response to Mayor Spencer's inquiry, the Assistant City Attorney stated a private transaction is separate from the City selling or leasing something.

Mayor Spencer inquired if the building is privately owned is staff willing to zone the property for a possible cannabis location without jeopardizing any future transaction with the U.S. Navy.

The Assistant City Attorney requested clarification whether the question is that the City is jeopardizing the future sale of land by zoning the area for cannabis.

Councilmember Ezzy Ashcraft inquired whether staff has any concerns about the zoning.

The Assistant City Attorney responded the City has power to deal with land use matters.

The Community Development Director stated the land use issue is not before Council tonight; continued the presentation.

Vice Mayor Vella inquired whether staff has to return the zoning issue to the Planning Board, to which the Community Development Director responded in the affirmative; stated the requirement is in State law.

Vice Mayor Vella inquired whether Council can give direction to the Planning Board.

The City Attorney responded staff would make a recommendation to the Planning Board.

Vice Mayor Vella inquired whether staff could skip addressing zoning since the matter has to return to Council after the Planning Board.

Mayor Spencer inquired whether the rest of Council agreed, to which Council concurred.

The Community Development Director continued the presentation.

Mayor Spencer inquired whether staff confirmed whether other cities have less than 20 employees for labor peace.

The Community Development Director responded the cities that she surveyed are all following the State requirement of 20 employees.

Mayor Spencer inquired which cities were surveyed.

The Community Development Director responded Union City, San Leandro and Berkeley; continued the presentation.

Vice Mayor Vella inquired whether the question regarding labor peace was put to Hayward and San Francisco.

The Community Development Director responded in the affirmative; stated she did not hear back from Hayward and did not pose the question to San Francisco.

Councilmember Oddie inquired why the staff report has a different process for labs and an open Request for Proposal (RFP) for other businesses.

The Community Development Director responded testing labs are excluded from the RFP process because there was a request to have labs up and operating as soon as possible; starting January 1st, everything needs to be tested.

Mayor Spencer inquired what staff will do in the event six people drop off applications for a lab on the same day.

The Community Development Director responded the applications will be processed in the order received; stated an RFP could be done if Council directs doing so.

Vice Mayor Vella inquired how long an RFP process has to be.

The Community Development Director responded the RFP process will take months; stated the RFP still has to be developed and issued.

In response to Vice Mayor Vella's inquiry regarding the period of time for people to apply, the Community Development Director stated possibly the time period would be four to six weeks; staff will review what other jurisdictions are doing.

Mayor Spencer inquired whether staff could wait and see how many applications are received to determine whether an RFP process is appropriate for cannabis businesses other than dispensaries.

The Community Development Director responded the challenge would be how long Council wants to wait; continued the presentation.

Urged Council to approve the staff recommendation to prohibit cannabis dispensaries from locating within 1,000 feet from all Alameda schools, licensed day care centers and youth centers: Katherine Tansey, Alameda High School Parent Teacher Student Association (AHS PTSA).

Stated that he would like to open a business in Alameda and has investors ready to go: Kharis Stallworth, Kamala Corp.

Urged Council to revisit the prohibition on having food at the cannabis businesses; requested clarification on onsite consumption: Mark Hersman, Portman Enterprises.

Urged Council to go slow and start small on the cannabis regulations: Peter Fletcher, Alameda.

Stated employees will be able to decide if they want union representation; urged Council to move forward with the ordinance: Doug Bloch, Alameda resident and Teamsters Joint Council 7.

Stated taking it slow will lead to more backyard grow houses: Phil Redd, Alameda.

Expressed concerns with requiring a business with 2 or more employees be party to a labor peace agreement; stated State regulations require businesses with 20 or more employees: Michael McDonough, Chamber of Commerce.

Stated the labor peace issue is a small business issue, not a cannabis issue; urged Council to adhere to the State requirement of 20 or more employees for requiring labor peace: Dominiun Sims, MK McDonough LLC.

Expressed concern over the labor peace agreement requirement for small businesses: Phillip Auerbach.

Stated the ordinance does not recognize the difference between dispensary and delivery business models: Erika McCartna, Proper RX Collective.

Expressed concerns with requiring a 2 person minimum for labor peace: Sandra Shupe, Alameda.

Urged Council to adhere to the State legislation regarding a 20 employee level for labor peace: Cheri Corfey, Chamber of Commerce and GABA.

Urged Council to vote no on the ordinance; stated money should not have been spent on a consultant when staff could do the job: Don Sherratt, Alameda.

Stated by issuing only 4 or less business permits, Council is limiting the program to large, out of town operations and not supporting local businesses: Rich Moskowitz, Alameda for Safe Access.

Noted a labor peace agreement just gives the employee the choice whether to belong to a union: Augustin Ramirez, International Longshore and Warehouse Union.

Urged Council to allow delivery only businesses in the City of Alameda: Debra Mendoza, Alameda.

Stated Steephill Labs will bring jobs and revenue to the City of Alameda: Tim Cowart, Steephill Labs.

Stated there is no reason to have a 2 employee requirement for labor peace: Richard Poulson, West Alameda Business Association.

Urged Council to keep the requirement for labor peace at 2 employees: Sharon Golden, Island Alameda Cannabis Community.

Urged Council to allow delivery businesses; stated businesses should not be capped at 4 because it would cause small business owners to have to compete against large manufacturers; the ordinance is a slap in the face to small business owners: Melody Montgomery, TendaHead Topical.

Expressed concerns with the fee study; suggested staff review all businesses in the fee study: Beth Kenny, Alameda.

Submitted signatures of residents in support of local ownership for cannabis businesses in Alameda: Ryan Agabao, Alameda for Safe Cannabis Access.

Stated that she supports smart cannabis regulations which adequately protect youth; she would like to see training required of staff handling cannabis: Serena Chen, Alameda.

Expressed concern with onsite consumption; stated that she agrees with Mr. McDonough regarding labor peace: Karen Bey, Alameda.

Stated that he supports the 1,000 foot buffer: Chuck Kapelke, PTA Council.

Stated being so restrictive will essentially eliminate dispensaries from the Island: Stephen Cassidy, Bloom Innovations.

Councilmember Oddie requested when considering the zoning, that the 1 mile distance be direction of travel; stated labor peace is not what is being characterized by some speakers; labor peace is to protect workers; he does not like the first come first serve process and would like an open RFP process; he will support the ordinance.

Vice Mayor Vella stated that she finds it odd to ban food at a dispensary when edibles are being sold at the dispensary and would like the ban to be stricken from the ordinance; the language under Operational Rules should be changed from: "The distance shall be measured in a straight line from the property the closest facility to the closest property line of the other facility;" the second facility should be changed to school or sensitive use, the wording "path of travel" should be used instead of "straight line;" a phrase should be added to Subsection 2 regarding all other cannabis businesses: "measured via a path of travel from the nearest door of the cannabis business to the nearest door of the sensitive use;" stated other cities that have not listed path of travel have had difficulties in measuring the distance; labor peace agreement is a public health and safety issue due to the nature of the industry; she would be amenable to including language that the labor peace agreement is intended for cannabis businesses; deliveries are still being allowed, but will require a permit be obtained; she will support the ordinance with the suggested changes; expressed concern with having a first come first serve process, which will not result in getting the best business.

Councilmember Matarrese stated that he will not support the ordinance; he is interested in seeing labs established in Alameda; Alameda is considering permitting commerce of an illegal substance and assuming a liability; he agrees with the 1,000 foot buffer and would like to start small; expressed concern over the workload being placed on staff.

Councilmember Ezzy Ashcraft stated that she supports testing labs; she would like a fair and objective process for every cannabis business; she would like to see what other jurisdictions have done about the selection process; she would like to follow the State regulations for labor peace; having the consultant conduct the fee study is important; she will vote for the ordinance if the labor peace is at least 10 employees, not 2.

Mayor Spencer stated it is critical to address the black market by legalizing cannabis; she does not want to limit the number of businesses to one as it does not support small business; she would like a minimum of two; she supports 10 employees for labor peace; expressed concern with the ordinance benefitting big business; stated that she would not like to limit the ordinance so much that it does not allow for local ownership; inquired whether the language about no free samples is something that has always been in the industry, to which the Community Development Director responded the language is State law.

Mayor Spencer expressed concern with the community benefit language; stated that she thought community benefit was stricken; suggested striking the language; stated that she believes it will hurt local businesses.

Vice Mayor Vella inquired what Mayor Spencer means by local ownership.

Mayor Spencer stated local ownership is defined in the ordinance.

The Community Development Director stated community benefit does not necessarily need to mean money; the language can be stricken.

Councilmember Ezzy Ashcraft inquired whether other business applications post the question.

The Community Development Director responded the City does not typically cap the number of applicants.

Councilmember Ezzy Ashcraft inquired whether delivery services from out of town will be required to have a business license permit, to which the Community Development Director responded in the affirmative.

Councilmember Ezzy Ashcraft inquired whether the application for the business license asks what community benefit the applicant is providing.

The Community Development Director responded the language says if applicable; stated the language would not apply to offsite applicants coming in to obtain a business license.

Councilmember Oddie stated that he agrees with Mayor Spencer; he would like to respect the integrity of the process; allowing for community benefit might affect the integrity.

Mayor Spencer stated at least three Councilmembers agree with striking community benefit.

Councilmember Oddie stated the community benefit would affect local hire.

The Community Development Director stated Council's focus is on local hire and local ownership for the RFP process, not community benefit.

Mayor Spencer stated the direction tonight and at the previous meeting was no community benefit.

Vice Mayor Vella stated understanding how local hire and local ownership are defined is critical.

Mayor Spencer stated community benefit is not a new conversation; it was addressed at the previous meeting.

The Assistant City Attorney stated the provision for community benefit is intended to require implementation if the applicant makes a promise during the RFP process; applicants cannot get a leg up by saying they will do things and then not do them; the provision does not prevent Council from striking the language when the RFP process is addressed.

Councilmember Ezzy Ashcraft stated local ownership is not clearly defined.

The City Attorney stated that the provision can be changed in the RFP process.

Councilmember Ezzy Ashcraft stated there is an assumption made that local ownership is a criteria; she would like a reputable business with a track record; she does not believe there is agreement on the criteria.

The Community Development Director stated the ordinance puts the regulatory framework in place; staff will prepare an RFP process that is consistent with the regulatory framework.

Councilmember Ezzy Ashcraft stated Subsection h does not belong in the ordinance. The Community Development Director stated the community benefit language can be removed from the ordinance and transferred to the resolution.

Mayor Spencer inquired whether there would be no reference to local hire or local ownership in the ordinance.

The Community Development Director responded the local hire and local ownership policy can be added to the Where As clauses.

Mayor Spencer stated that she will not support anything which does not support local hire; inquired whether the onsite operations manager and the onsite community relations staff can be the same person, to which the Assistant City Attorney responded in the affirmative.

Mayor Spencer stated the language should in the ordinance should specifically state that; inquired whether the nuisance abatement language regarding graffiti is required by State law, to which the Community Development Director responded in the negative.

Mayor Spencer inquired whether other businesses have the same clause.

The Assistant City Attorney responded he will look into it.

Mayor Spencer inquired whether every business has to remove graffiti within 72 hours.

The Community Development Director responded in the affirmative; stated the deadline is 72 hours from the day the business receives a notice of violation from the City.

Mayor Spencer stated enforcement is critical; one industry should not be treated differently from another; requested clarification on the hours for operation and why the hour differ in time from 7 a.m. to 9 p.m. for deliveries; stated distribution or pick up of substantial amounts of cash is prohibited from 10 p.m. to 7 a.m.

Councilmember Ezzy Ashcraft stated her notes read that the Vice Mayor's concern was employee safety; hours of operation should be 7 a.m. to 9 p.m.

Councilmember Oddie stated the extra hour was to allow for closing up shop, delivering or receiving product, or going to the bank.

Mayor Spencer inquired whether hours of operation means when a customer can come into the store, to which the Community Development Director responded in the affirmative.

Mayor Spencer inquired whether the language could be clarified; stated that she would like the language to read: "hours open to the public are 7 a.m. to 9 p.m."

The City Manager responded business hours is used because a lab does not have customers.

Mayor Spencer stated the language needs to be amended.

Vice Mayor Vella stated the hours of operation pertains to the business hours; the extra hour is to go to the bank, get shipments or conduct business.

Mayor Spencer stated the language needs to be clear.

The Community Development Director stated the only entity open to the public is dispensaries; the language will be clarified.

The City Manager stated three votes are needed to pass the ordinance tonight; if there are not three votes, Council needs to focus on a ban to meet the State regulations; if there are enough changes or Council does not have the three votes, time should be spent focusing on the ban.

Mayor Spencer inquired whether Council would accept two nurseries, to which Council did not agree.

Mayor Spencer inquired whether food can be allowed by State law, to which the Assistant City Attorney responded State law only prohibits alcohol.

Councilmember Ezzy Ashcraft inquired whether allowing food is a different type of permit; stated a medicinal dispensary allows for edibles.

The Community Development Director responded food means non-cannabis infused food.

Vice Mayor Vella stated the applicant can apply for the required permit; the ban would even restrict vending machines.

Mayor Spencer inquired whether food can be legally added, to which the Community Development Director responded in the affirmative.

Mayor Spencer stated a Council majority would like to add food.

The Community Development Director stated the word food could be stricken.

Mayor Spencer inquired whether Council would support delivery only businesses.

Vice Mayor Vella stated that she would like data on the number of permits issued for delivery businesses.

Mayor Spencer inquired whether Council would support one delivery business, Council did not agree.

Mayor Spencer inquired whether Council would be interested in having the matter return at the beginning of the year.

Councilmember Ezzy Ashcraft stated there will not be enough meaningful data.

Mayor Spencer expressed concern with having businesses outside of Alameda start deliveries before local business owners have a chance to open; stated that she is not agreeable to the 2 employees on labor peace.

Councilmember Oddie stated that he thought the previous meeting was to provide direction; he can support 10 employees for labor peace.

Councilmember Ezzy Ashcraft stated that she supports 10 employees for labor peace; the local ownership clause needs to be removed from the general conditions for local businesses.

Vice Mayor Vella stated that she would like language on the distances clarified.

The Community Development Director stated she has a list and can recap the ordinance.

The City Attorney stated staff needs to have the exact language if changes are going to be made.

The Community Development Director stated the smoking ordinance language has been addressed and provided to Council.

Councilmember Oddie moved introduction of the smoking ordinance.

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

The Community Development Director stated the ordinance regulating cannabis was also distributed to Council.

The City Attorney stated there needs to be three votes on the entire ordinance.

Councilmember Oddie stated only several things need to be changed: labor peace, food, provision about local ownership, the distance and redlines which staff provided to Council.

The City Attorney stated one cultivation permit is allowed and there was discussion about changing it two permits.

Mayor Spencer stated there were not enough votes for two permits.

The City Attorney stated the next section is labor peace; inquired who is voting in favor of the requirement for labor peace being 10 employees, to which Councilmember Ezzy Ashcraft, Councilmember Oddie and Vice Mayor Vella raised their hands.

The Community Development Director stated the operational radius is the next provision.

Vice Mayor Vella read the proposed language: "The distance shall be measured via a path of travel from the nearest door of the nearest sensitive use to the nearest door of the dispensary/retail/cultivation." and strike the rest of the sentence.

The Assistant City Attorney inquired whether the word foregoing can be added before sensitive use, to which Vice Mayor Vella responded in the affirmative.

Vice Mayor Vella stated the second paragraph after sensitive uses should read: "measured via a path of travel from the nearest door of the nearest foregoing sensitive use to the nearest door of cannabis business."

Mayor Spencer stated Section e does has already been addressed.

The Community Development Director stated staff will sync the onsite consumption language to be consistent with the smoking ordinance.

Councilmember Ezzy Ashcraft inquired whether Council agrees with the proposed language for Section f regarding onsite consumption, to which Councilmember Ezzy Ashcraft Matarrese, Oddie and Vella concurred; Mayor Spencer stated that she will not vote.

Mayor Spencer inquired whether Council would like to leave in the wording community benefit; stated that she would prefer to strike the words.

Vice Mayor Vella stated her notes say there would be an option for a community benefit fund; stated other communities have had issues with the requirement not being enforceable.

Councilmember Oddie stated that he is okay with leaving the language.

The Community Development Director stated the language is in the ordinance for enforcement purposes; in the event someone volunteers to do something, it can be enforced.

Councilmember Ezzy Ashcraft inquired how the community benefit will be monitored and what the penalty will be if there is no follow through.

The Assistant City Attorney responded the applicant's operator permit could be revoked.

Councilmember Ezzy Ashcraft stated that she will not support the local ownership and local hire provision.

Vice Mayor Vella inquired whether Councilmember Ezzy Ashcraft would be amenable to adding the wording "if applicable."

Councilmember Ezzy Ashcraft inquired what does "if applicable" mean.

The Assistant City Attorney responded "if applicable" means if the applicant does not submit a voluntary plan or if the RFP process does not include community benefit, it would not be applicable.

The Community Development Director stated the sentence could be eliminated and included in the resolution adopting the policies and guidelines.

Mayor Spencer inquired whether that would mean to keep the language in now.

The Community Development Director stated the language can be deleted and the concept included in the resolution.

Mayor Spencer stated her preference is to keep the language in because it is the only place which mentions local hire and local ownership.

Vice Mayor Vella stated onsite consumption language allows the Community Development Department (CDD) to promulgate guidelines, procedures and regulations; inquired whether language can be added after to have the RFP regulations approved by Council and developed by the CDD.

Councilmember Ezzy Ashcraft stated the language does not satisfy her request.

Vice Mayor Vella inquired whether there is any language which would satisfy

Councilmember Ezzy Ashcraft's request; stated the language requires the matter to return to Council.

Councilmember Ezzy Ashcraft stated the concept does not belong in the ordinance.

Mayor Spencer inquired whether three Councilmembers support keeping the language in the ordinance.

Councilmember Oddie inquired whether the intent is to say if you promise something that you deliver.

In response to Councilmember Oddie's inquiry, the Community Development Director stated if Council would like to strike the language, it can be done; staff feels comfortable with including the language in the ordinance.

Mayor Spencer inquired whether three Councilmembers would like to leave the language in the ordinance, to which Councilmember Oddie and Vice Mayor Vella responded in the affirmative.

Mayor Spencer requested that language be added to indicate that the onsite community relations staff and the onsite operations manager can be the same person.

Councilmember Ezzy Ashcraft inquired whether the decision to hire multiple people for the position can be left up to the business.

Mayor Spencer stated that she would like to make it clear that there is not a requirement to hire two different people.

The Community Development Director stated the language will read the onsite community relations staff can perform the duties of the onsite operations manager.

(17-670) Council discussed whether not to hear the pension item [paragraph no. 17-673].

Councilmember Ezzy Ashcraft moved approval of continuing the pension item

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

The Community Development Director stated regarding the hours of operation, staff's intent between 9 p.m. versus 10 p.m. is to not conduct business after 10 p.m.

The City Attorney stated the language works because it says for all permitted facilities;

delivery of a substantial amount of cash is prohibited.

Mayor Spencer inquired whether Council is okay with leaving the language as is, to which Councilmember Ezzy Ashcraft, Councilmember Oddie and Vice Mayor Vella agreed.

The Community Development Director inquired whether Council would like to strike the word food, to which Council responded in the affirmative.

Councilmember Oddie moved introduction of the cannabis ordinance with the amendments.

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

The Community Development Director stated Council needs to vote on the authorization to do the fee study.

Councilmember Matarrese moved approval of authorizing staff to conduct the fee study.

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

(17-671) The City Manager stated staff cannot address the pension item at the next meeting; inquired whether Council would be willing to hear the matter tonight.

Mayor Spencer inquired whether Council would agree to hearing the pension item.

Vice Mayor Vella moved approval of hearing the pension item.

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

(17-672) Motion Spencer called a recess at 2:17 a.m. and reconvened the meeting at 2:24 a.m.

(17-673) Recommendation to Receive an Update on Pension Cost Savings Strategies and Invest General Fund Reserves Committed to Unfunded Pension Liabilities.

The City Manager made brief comments.

Mike Meyer and Craig Hill, NHA Advisors, reviewed the recommendation in the Power Point.

Mayor Spencer inquired whether surplus means reserves.

The City Manager responded the \$2 million is a budget line item.

Mayor Spencer inquired whether the \$2 million being a budget line item means the \$2 million will not end up in reserves but will be spent.

The City Manager responded in the affirmative.

Councilmember Ezzy Ashcraft inquired whether the City is reducing the cost, to which the City Manager responded in the affirmative; stated over time, there is a significant savings from not having to pay CalPERS.

Mr. Meyer stated over 15 years, close to \$60 million will be saved.

Vice Mayor Vella inquired what will happen in the event of an economic downturn and there is not \$2 million in reserves; will there be layoffs.

The City Manager responded there is a mid-cycle and mid-year review of the budget; stated the Council could decide whether or not to include the \$2 million in every budget.

Vice Mayor Vella inquired if the ask will occur with each budget cycle or is there a proposal to draft a resolution to make the decision now.

The City Manager responded the goal is to include the amount in the budget for Council consideration.

Vice Mayor Vella inquired whether the recommendation would be made if there is a surplus.

The City Manager responded in the affirmative; stated prepaying saves twice as much long term.

Vice Mayor Vella stated \$8 million is going to retiree costs, which are \$265 million; there is \$100 million in Other Post-Employment Benefits (OPEB); she understood the trust was created to deal with both OPEB and retiree costs.

Mr. Meyer responded in the affirmative; stated the \$8 million is dedicated to pension costs.

Councilmember Oddie inquired why the City decided not to put anything into OPEB.

The Finance Director responded \$3 million would be put towards OPEB and \$8 million would go to pension.

In response to Councilmember Oddie's inquiry, the Finance Director stated the goal is to add \$2 million as a line item in the budget; any excess over 50% would be set aside for either pension or OPEB.

Councilmember Oddie inquired whether the City is on the hook for OPEB.

The Finance Director responded the City is obligated to pay the pay as you go amount and the annual bill for OPEB.

Councilmember Oddie inquired if the City is still on the hook for the pension and whether the City can just wash its hands of OPEB.

The Finance Director responded that she believes the City would still owe the money.

The City Manager stated the purpose of putting 25% into the 115 Trust every year is that can be used in down years to pay the City's portion of CalPERS.

The Finance Director stated the goal is to assist with cash flow; should a downturn happen, the City will have time to deal with a shortage rather than making it an emergency.

Councilmember Oddie inquired why the City would commit to the proposal.

The City Manager responded the budget is approved by Council; stated the more the City pays into the unfunded liability, the more the City can save.

Mayor Spencer stated if the item appears as a line item in future budgets, the Council could remove it if desired; inquired whether the money could be left where it is and when the budget is addressed the current Council could review all the recommendations and input from the community.

The City Manager responded the model saves the City and taxpayers significantly.

Mayor Spencer inquired whether staff is asking to have the money as a line item for future budgets, to which the City Manager responded in the affirmative.

Vice Mayor Vella inquired whether the 30 year model is in the presentation to Council.

The City Manager responded in the affirmative; stated every city is concerned about the new CalPERS assumptions; in 3 years, the amount will increase dramatically; Council directed staff to look at how to address the issue in the long term, proactively; the proposal is staff's recommendation, but Council can make changes.

Vice Mayor Vella inquired the base rate for the unfunded liability; is it based off current rates or a change and do the employment numbers remain stagnate; how many employees are classic versus PEPRAs employees and does that change the modeling; is there a drop off eventually; when is the City predicting employees will be retiring; does the model assume the City will maintain the current number of employees getting paid the same rate.

Mr. Meyer responded the model is based off current number of employees in the classic versus PEPRAs plans; slide 12 shows what is attributable to the unfunded liability and the normal costs; the bulk of the cost is the unfunded liability, which will not change much over the next 30 years; stated other cities like Alameda with reserves are also trying to pay down pension costs.

Councilmember Ezzy Ashcraft stated that she supports the recommendation.

The City Treasurer stated the recommendation is something the City needs to do; it addresses a short term need by keeping some money liquid and a long term problem by putting some money towards CalPERS; the increases in CalPERS is unavoidable and it is important to get ahead of it.

Mayor Spencer requested the \$2 million to the 115 Trust and the \$6 million to CalPERS be bifurcated and discussed separately.

Councilmember Oddie stated that he would like to see more go to OPEB; stated not all cities have the same OPEB liability; he is comfortable with the \$8 million going to pension.

In response to Mayor Spencer's inquiry, Councilmember Oddie stated that he understands OPEB can be dismissed in a city that declares bankruptcy, but the city is still on the hook for the pensions no matter what.

Mayor Spencer inquired whether Councilmember Oddie is requesting that more money go to pension.

Councilmember Oddie responded he is requesting that more money go to OPEB because he believes that there will be State action on pension; he would prefer to see the City be more balanced with half to OPEB and half to pension.

Mayor Spencer inquired whether Councilmember Oddie's concern is correct and bankrupt cities are only held to pay for pension.

The Finance Director responded cities have chosen not to pay CalPERS because they have tried to retain good staff, which was the case in Stockton; stated Vallejo did not touch CalPERS as a creditor; San Bernardino delayed payments but negotiated how to pay CalPERS over time; OPEB costs in Stockton's bankruptcy were eliminated through

debt process.

Councilmember Matarrese stated that he would like to follow staff's recommendation.

Vice Mayor Vella expressed concern with the \$2 million going into PARS because the \$2 million is not going into a Section 115 Trust.

The Finance Director stated the Section 115 Trust and PARS is one in the same.

Vice Mayor Vella inquired whether the \$2 million is going towards the retirement and not towards the OPEB, to which the Finance Director responded in the affirmative; stated the City is contributing \$3 million to OPEB and contributions are done biweekly through payroll.

In response to Vice Mayor Vella's inquiry regarding the total amount going into OPEB, the Finance Director stated \$10.7 million in the OPEB account.

Vice Mayor Vella stated that she would support the recommendation provided there is something that ensures the City is continuing the obligations relative to the OPEB contribution; inquired where the \$2 million is in the current budget.

The City Manager responded the \$2 million would added to the budget going forward.

Vice Mayor Vella stated the City is in the middle of a two year budget cycle.

The City Manager responded that Council has a choice to add the \$2 million to the 2018-19 budget at mid-cycle or with the biannual 2020-22 budget.

Vice Mayor Vella inquired where the \$2 million is going to come from in the current budget; stated that she would prefer the 50/50 hybrid; she would like to discuss the matter further at budget time.

Mayor Spencer stated that she would like to bifurcate the two requests.

Councilmember Ezzy Ashcraft stated that she agrees with the City Treasurer and the Finance Director.

Mayor Spencer moved approval of the first recommendation [\$6 million pay down].

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

Councilmember Matarrese moved approval of the second recommendation [\$2 million on going pay down].

Councilmember Ezzy Ashcraft seconded the motion.

Under discussion, Councilmember Oddie stated that he is concerned with tying the hands of future Councils; he is in favor of setting aside 50% of the surplus.

Mayor Spencer stated that she will not support the motion.

Councilmember Ezzy Ashcraft stated she does not believe future Council's hands will be tied.

On the call for the question, the motion failed by the following voice vote: Ayes: - 2 Councilmember's Ezzy Ashcraft and Matarrese. Noes – 3: Councilmember Oddie, Mayor Spencer and Vice Mayor Vella.

(17-674) Recommendation to Receive the Information Technology Strategic Plan (ITSP). Not heard.

(17-675) Introduction of Ordinance Approving a Third Amendment to the Long Term Sublease between the City of Alameda and the US Department of Transportation Maritime Administration. Not heard.

CITY MANAGER COMMUNICATIONS

(17-676) Update on Tracking of Council Direction through the Referral Process.

ORAL COMMUNICATIONS, NON-AGENDA

(17-677) Bob Priebe, Town of Moraga City Manager, expressed his support for the City Manager

(17-678) Bob Nader, SAWW, gave a Power Point presentation on boat yards and yacht clubs.

COUNCIL REFERRALS

(17-679) Consider Directing Staff to Provide a Public Update on Crime within the City. (Mayor Spencer) Not heard.

COUNCIL COMMUNICATIONS

(17-680) Vice Mayor Vella requested that the Council subcommittee meetings be agendized to allow Councilmembers to attend.

Mayor Spencer stated the meetings that Councilmembers are on can be added.

The City Clerk inquired whether Vice Mayor Vella is requesting the subcommittees only, to which Vice Mayor Vella responded the sub liaison committees.

The City Clerk inquired whether the request is to post the standard language to allow Council to attend, to which Vice Mayor Vella responded in the affirmative.

Mayor Spencer requested that the Restoration Advisory Board (RAB) be included.

(17-681) Councilmember Oddie stated the Alameda Hospital has settled with one insurance company.

Mayor Spencer noted another insurance still is not being accepted.

(17-682) Consideration of Mayor's Nomination to the Planning Board.

Mayor Spencer nominated Sylvia Gibson for appointment to the Planning Board.

ADJOURNMENT

There being no further business, Mayor Spencer adjourned the meeting at 3:19 a.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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