

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -MARCH 21, 2017- -5:00 P.M.

Mayor Spencer convened the meeting at 5:00 p.m.

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

Absent: None.

Public Comment

Eric Gantos, Hot Rod, submitted a letter; urged the Council to vote to take the next step and have the City negotiate a deal based on the terms of the Letter of Intent (LOI).

Eerik Hantsoo, Sila Nanotechnologies, outlined the history of Sila and the demand for battery technology; stated Sila is expanding into commercial deployment; requested to be permitted to negotiate with the City for Building 510.

Michael Laufer, Kairos Power, stated Kairos Power also has a proposal for Building 530; Kairos Power is a nuclear energy and technology company focused on developing safe and clean energy; outlined the company's growth; stated the building would be used as a research facility and radioactive materials would not be used on the site.

The meeting was adjourned to Closed Session to consider:

(17-168) Conference with Legal Counsel - Existing Litigation (Pursuant to Government Code § 54956.9); Case Name: Boatworks v City of Alameda, et al.; Court: Superior Court of the State of California, County of Alameda; Case Numbers: RG14746654 & RG16823346

(17-169) Conference with Real Property Negotiators (Pursuant to Government Code § 54956.8); Property: Alameda Point - Building 530 - 120 W. Oriskany Avenue, Alameda, CA; City Negotiator: Nanette Mocanu/Cushman & Wakefield; Organizations Represented: Hot Rod Shop Inc., Kairos Power, LLC and Free Wire Technologies; Issue Under Negotiation: Real Property Negotiations Price and Terms of Payment

(17-170) Conference with Real Property Negotiators (Pursuant to Government Code § 54956.8); Property: Tennis Courts near O'Club Area (no address); City Negotiator: Nanette Mocanu/Cushman & Wakefield; Organizations Represented: Gotham Greens\810 Humboldt Street, Brooklyn, NY 11222; Issue Under Negotiation: Real Property Negotiations Price and Terms of Payment

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

Adjournment

There being no further business, Mayor Spencer adjourned the meeting at 6:20 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- -MARCH 21, 2017- -7:00 P.M.

Mayor Spencer convened the meeting at 7:00 p.m. Boys and Girls Club members led the Pledge of Allegiance.

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

Absent: None.

AGENDA CHANGES

(17-171) Councilmember Ezzy Ashcraft requested the resolutions of appointment [paragraph no. 17-] be bifurcated.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(17-172) Mayor Spencer did a reading on action for the Season for Nonviolence.

(17-173) Mayor Spencer made an announcement regarding an 8 month extension for the Cross Alameda Trail.

(17-174) Proclamation Declaring March 27 through March 31, 2017, as National Boys & Girls Club Week.

Mayor Spencer read the proclamation and presented it to James Adkins, Boys & Girls Club.

(17-175) Proclamation Declaring March 2017 as American Red Cross Month.

Mayor Spencer read the proclamation and presented it to Jack McCredie, American Red Cross.

Mr. McCredie and the Associate Civil Engineer made brief comments.

ORAL COMMUNICATIONS, NON-AGENDA

(17-176) Laura Woodard, Alameda Renters Coalition, outlined her experience with renting from a mom and pop landlord; stated Council needs to remove the Sunset Clause and end no-cause evictions in Alameda.

(17-177) Sharon Golden, Alameda City Cannabis Community, stated there are cannabis businesses, other than cultivation and dispensaries, that might be better fitting for the community; urged Council to prioritize the cannabis referral on the priority setting list.

(17-178) Richard Bangert, Alameda, discussed an information request he made to the Veterans Administrations regarding plans for wetland mitigation at the former Base; showed redacted documents; urged the Council to request the documents.

(17-179) Claudia Young, Housing Authority Director of Rent and Community Programs, invited the community to an upcoming meeting with the local faith-based groups on April 6 at 10:00 a.m.

(17-180) Gaby Dolphin, Alameda, discussed an incident of possible harassment; complimented the Police Chief and Department.

CONSENT CALENDAR

Councilmember Ezzy Ashcraft moved approval of the Consent Calendar.

Councilmember 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.]

(*17-181) Minutes of the Regular City Council Meeting Held on February 17, 2017 and the Special and Regular City Council Meetings Held on February 21, 2017. (City Clerk). Approved.

(*17-182) Ratified bills in the amount of \$2,319,011.14.

(*17-183) Recommendation to Accept Report on Delinquent Business Accounts and Delinquent Integrated Waste Management Accounts. Accepted. (Finance 2450)

(*17-184) Recommendation to Accept the Quarterly Sales Tax Report for the Period Ending December 31, 2016 Collected During the Period July 1, 2016 to September 30, 2016. Accepted. (Finance 2410)

(*17-185) Recommendation to Authorize the City Manager to Execute an Amendment to an Agreement with Russell Resources, Inc. to Extend Term until June of 2018 and to Add the Amount of \$102,500 for a Total Contract Amount of \$779,900 for Environmental Consulting Services Related to Alameda Point. Accepted. (Base Reuse 819099)

(*17-186) Recommendation to Approve the Second Amendment to the Services Agreement between the City of Alameda and the Housing Authority of the City of Alameda to Extend the Term of the Agreement to June 30, 2017, and Add \$50,000 for a Rent Program Office Relocation Allowance. Accepted; and

(*17-186A) Resolution No. 15243, “Amending the General Fund and Rent Stabilization Fund Operating Budget for Fiscal Year 2016-17.” Adopted. (Housing 265)

(*17-187) Recommendation to Approve the 2017 Legislative Agenda for the City of

Alameda. Accepted. (City Manager 2110)

(*17-188) Recommendation to Adopt Tow Specifications and Authorize a Request for Proposals for Emergency and Non-Emergency Vehicle Towing Services Contract for the Alameda Police Department. Accepted. (Police 3123)

(*17-189) Recommendation to Accept the Work of Ranger Pipeline Inc. for Lagoon Seawall Trunk Sewer Relocation Project, No. P.W. 01-12-03. Accepted. (Public Works 602)

(*17-190) Resolution No. 15244, "Approving the Final Map and Authorizing Execution of the Public Improvement Agreement for Tract 8336 for the First Final Map for Site A, Phase 1 at Alameda Point." Adopted. (Public Works 310)

(*17-191) Resolution No. 15245, "Authorizing Naming the Jean Sweeney Open Space Park Picnic Pavilion the Alameda Rotary Pavilion." Adopted. (Recreation and Parks 280-5110)

(*17-192) Resolution No. 15246, "Approving Workforce Changes at Alameda Municipal Power: A) Delete Four Positions of Electric Maintenance Technician; B) Add Two New Positions of Meter Technician and Add Two New Positions of Substation Technician; and C) Amend the Salary Schedule of International Brotherhood of Electrical Workers (IBEW) to Add the Classification Titles of Meter Technician and Substation Technician, Effective April 2, 2017." Adopted. (Human Resources 2510)

(*17-193) Ordinance No. 3176, "Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease with Delphi Productions, Inc. a California Corporation, for a Ten-Year Lease with One Five-Year Renewal Option for Building 39 Located at 950 West Tower Street at Alameda Point." Finally passed. [In accordance with the California Environmental Quality Act (CEQA), this project is Categorically Exempt under the CEQA Guidelines Section 15301(c) - Existing Facilities.]

REGULAR AGENDA ITEMS

(17-194) Resolution No. 15247, "Appointing Mindi Chen as a Member of the Recreation and Park Commission." Adopted; and

(17-194A) Resolution No. 15248, "Appointing Jeff Cambra as a Member of the Rent Review Advisory Committee." Adopted.

Councilmember Matarrese moved adoption of the resolution appointing Mindi Chen.

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

Councilmember Matarrese moved adoption of the resolution appointing Jeff Cambra.

Councilmember Oddie seconded the motion.

Under discussion, Councilmember Ezzy Ashcraft stated that she appreciates Mr. Cambra volunteering for the RRAC position, but there is a mixture of opinion on both sides; the RRAC has gone through a lot of challenges and she would like the situation to be as non-controversial as possible; she will not be supporting Mr. Cambra's appointment.

Councilmember Oddie stated Mr. Cambra's understanding of the Rent Ordinance and his strength and experience as a mediator will be helpful to the RRAC.

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

The City Clerk administered the Oath of Office and presented Ms. Chen and Mr. Cambra with certificates of appointment.

(17-195) Public Hearing to Consider Introduction of Ordinance Adopting the Alameda Point Main Street Neighborhood Specific Plan. Introduced. (Base Reuse 819099)

The Redevelopment Project Manager gave a Power Point presentation.

Councilmember Matarrese inquired whether adopting the plan would preclude city owned units from being sold, to which the Redevelopment Project Manager responded in the negative.

In response to Mayor Spencer's inquiry, the Redevelopment Project Manager stated the scenarios were included as analysis examples.

Mayor Spencer inquired whether Scenario 4 is off the table, to which the Redevelopment Project Manager responded the scenarios are not being discussed at this time; stated the next step would be to go through a developer selection process. Councilmember Oddie inquired whether Scenario 4 shows the highest percentage of workforce units that could be done while still meeting the feasibility threshold.

James Edison, Wildan Financial Services, responded in the affirmative; stated Scenario 4 shows the policy tradeoffs and mixes of units; each scenario illustrates the range of possibilities; Council has discretion to choose how many units make the project feasible.

Councilmember Oddie inquired whether the units will be for sale or rent, to which Mr. Edison responded for sale.

Councilmember Oddie inquired whether the plan would go back to the Planning Board or if Council is giving direction tonight.

The Redevelopment Project Manager responded the Planning Board already approved the plan and recommended Council approval.

Councilmember Oddie inquired whether the Planning Board had an opportunity to weigh-in on the mix of scenarios.

The Base Reuse Director responded the Planning Board was involved in the planning, but not the Request for Qualifications (RFQ); the Council is the property owner and makes the ultimate decision on how to proceed.

Councilmember Oddie stated there are significant planning implications; he hopes the Planning Board could have input on the RFQ.

The Base Reuse Director stated staff contemplates following the same Site A RFQ process; developers would have to demonstrate the ability to develop a plan that the Planning Board and the community would like; Council would then have an indication of what the community desires before entering into a long term contract with a developer.

In response to Mayor Spencer's inquiry, the Base Reuse Director stated the 277 units in Scenario 4 is the number of units needed to pay for infrastructure and have units left over for north of Midway; there are hundreds of scenarios; 277 units was used to provide a comparison.

Councilmember Ezzy Ashcraft inquired what is the advantage of having a higher net residual value per unit.

The Base Reuse Director responded the infrastructure cost and different product types have different value; single family homes have lower construction costs but use more land, whereas apartments or high-density townhomes may have lower per-unit residual land values, leaving land which can be used for other uses; having a higher net residual value pays for as much infrastructure or amenities as possible; however, having too much left over land is not good; there needs to be a balance.

Councilmember Ezzy Ashcraft stated the plan is not just looking at bottom line; there are intangible objectives such as the need to provide housing at different price points.

The Base Reuse Director stated staff tried to illustrate scenarios to help confront some of the tradeoffs; infrastructure is crucial but land use types are important; everything goes to the bottom line in terms of what is affordable; balancing all the different policy objectives is a tough job for staff and Council.

Thanked everyone involved; stated the plan has had ample input from the community through online surveys, workshops, and meetings; urged approval of the ordinance:
Doug Biggs, Alameda Point Collaborative (APC).

Stated that she is proud of the plan which has taken time and input to develop: Liz Varela, Building Futures with Women and Children.

Stated MidPen is excited to collaborate on the project and is impressed with the inclusiveness; the plan creates a cohesive neighborhood: Abby Goldware, MidPen Housing Corporation.

Stated everyone should be proud of the plan, which includes workforce housing; discussed housing prices: Former Councilmember Tony Daysog, Alameda.

Urged approval; stated the main street plan will foster many opportunities: Marguerite Bachand, Operation Dignity.

Stated the Planning Board and City Council asked for levels of analysis that staff could use to develop a plan which reflects the value of the community; urged Council approval: Ada Chan, Association of Bay Area Governments/Metropolitan Transportation Commission.

Councilmember Oddie stated the workforce housing is on a different tract than APC; inquired whether the APC plan will move forward now, regardless of how other items iron out.

The Base Reuse Director responded in the affirmative; stated staff is moving very quickly and will return on April 4th with a term sheet with MidPen; staff is hoping to bring a Disposition and Development Agreement (DDA) and a Development Plan to the Planning Board in April; the catch is APC needs the City's support to finance the infrastructure; the RFQ for the market rate units need to be expedited to get the infrastructure; next steps include outlining an RFQ to hash out policy issues and get the RFQ out after Council approval.

In response to Mayor Spencer's inquiry, the Base Reuse Director stated \$53 million meets the full burden of all of the acres of development south of Midway, which is comparable to Site A; the City was able to negotiate additional acres in Site A; in this plan, infrastructure is subsidized for land that is not going to generate any value for APC; the infrastructure adjacent to the property is being paid for as well.

Mayor Spencer inquired whether staff is looking for specificity from Council, to which the Base Reuse Director responded in the negative; stated staff will develop an outline and return to Council with recommendations.

Councilmember Ezzy Ashcraft stated that she thinks the plan has gotten better with different iterations; the plan has a much needed model for housing which the City can make an excellent development; Alameda is one of a very small number of cities that did not just pay for homeless offsite; older infrastructure has been challenging; changes

do not happen overnight; the project is an appropriate place to house the formerly homeless; she hopes the plan moves forward.

Councilmember Matarrese stated that he hopes Council considers deed restrictions when defining workforce housing; he wants to make sure public funds are not gifted; the plan is long overdue and he is ready to vote for it.

Councilmember Oddie stated that he appreciates the scenarios broken down; workforce housing should be addressed; he is looking forward to moving forward.

Councilmember Oddie moved introduction of the ordinance.

Councilmember Matarrese seconded the motion.

Under discussion, Vice Mayor Vella stated the matter has been a long time coming; discussions have been productive; the plan is something the City can be proud of and has a lot of potential; more workforce housing in Scenario 4 is exciting; affordable housing is important; it is a nice step forward; she supports the project.

In response to Mayor Spencer's inquiry, the Base Reuse Director stated the property is public property.

Mayor Spencer stated that people's property should be for the people; she voted no on the last go round when the plan had a high-end apartment builder; she is excited to see the additional 67 units and the breakdown in Scenario 4 which is what she was looking for and what a project on the people's property should look like; she hopes the project ends up with the 343 units suggested in Scenario 4; asking hard questions is critical; she would not support Scenarios 1, 2, or 3 because the numbers are not there; she hopes the community would advocate for Scenario 4.

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

(17-196) Summary: 1) Public Hearing to Consider Forming City of Alameda Community Facilities District (CFD) (Alameda Point Public Services District), 2) Form the District, 3) Call for a Special Election, 4) Declare the Results of the Election, and 5) Introduce an Ordinance Levying Special Taxes within the District.

Public Hearing to Consider Formation of City of Alameda Community Facilities District No. 17-1 (Alameda Point Public Services District) Called Pursuant to Resolution of Intention to Form the CFD Adopted March 7, 2017;

(17-196A) Resolution No. 15249, "Of Formation of the City of Alameda Community Facilities District No. 17-1 (Alameda Point Public Services District), Authorizing the Levy of a Special Tax within the District, Preliminarily Establishing an Appropriations Limit for the District, and Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors of the District." Adopted;

(17-196B) Resolution No. 15250, “Calling Special Election of the Owner of Property within the District to Approve the Levy of Special Taxes and an Appropriations Limit Within City of Alameda Community Facilities District No. 17-1 (Alameda Point Public Services District); Conduct Special Election.” Adopted;

(17-196C) Resolution No. 15251, “Declaring Results of Special Election and, if Two-Thirds (2/3) or More of the Votes Cast Are in Favor of the District, Direct Recording of Notice of Special Tax Lien - Alameda Point Public Services District.” Adopted; and

(17-196D) Introduction of Ordinance Levying Special Taxes within the City of Alameda Community Facilities District No. 17-1 (Alameda Point Public Services District). Introduced. (Base Reuse 858)

The Base Reuse Director gave a brief presentation.

Mayor Spencer opened the Public Hearing.

There being no speakers, Mayor Spencer closed the Public Hearing.

Councilmember Matarrese moved adoption of the resolution of formation of the City of Alameda Community Facilities District No. 17-1 (Alameda Point Public Services District), authorizing the levy of a special tax within the District, preliminarily establishing an appropriations limit for the District, and submitting levy of the Special Tax and the establishment of the appropriations limit to the qualified electors of the District.

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

Councilmember Oddie moved adoption of the resolution calling special election of the owner of property within the District to approve the levy of special taxes and an appropriations limit within City of Alameda Community Facilities District No. 17-1, Alameda Point Public Services District.

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

The City Clerk opened the ballot and announced the ballot has 170 votes in favor and none against.

The Mayor announced being that the vote is in favor, the final actions could proceed.

Councilmember Ezzy Ashcraft moved adoption of the resolution declaring results of special election and, if two-thirds (2/3) or more of the votes cast are in favor of the District, direct recording of Notice of Special Tax Lien - Alameda Point Public Services District.

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

Councilmember Ezzy Ashcraft moved introduction of ordinance levying special taxes within the City of Alameda Community Facilities District No. 17-1 (Alameda Point Public Services District).

Mayor Spencer called a recess at 8:28 p.m. and reconvened the meeting at 8:36 p.m.

(17-197) Resolution No. 15252, "Amending the Fiscal Year (FY) 2016-17 Operating and Capital Improvement Program Budget." Adopted. (Finance 2410)

The Finance Director gave a Power Point presentation.

Mayor Spencer stated the budget is coming to Council at the last minute; inquired whether Council has to accept the changes tonight.

The Finance Director responded that some parts are appropriate to approve tonight and some can wait.

In response to Mayor Spencer's inquiry, the City Manager stated staff would like the Emergency Operations Center (EOC) and Fire Station 3 items to move forward tonight.

Mayor Spencer stated she is concerned the EOC and Fire Station 3 items are coming to Council for the first time tonight with no time for review.

The City Manager stated there was an update in November but there were no finalized numbers at that time.

The Finance Director continued the presentation.

Councilmember Ezzy Ashcraft stated that she is concerned about equipment breaking down; inquired what is being done to avoid vehicle breakdowns in the future.

The Fire Chief responded a lot of vehicle maintenance has been deferred in the past; all vehicles are now being serviced regularly; he has revamped the vehicle replacement program which will be a good program going forward once the maintenance is caught up.

Mayor Spencer inquired whether other departments asked for more money at this time, to which the Finance Director responded in the negative; stated there have been no requests for more money on the expense side.

Mayor Spencer stated there were a lot of department requests in the original budget; most departments had to wait for the next budget cycle; now two departments are asking for additional expenditures.

The City Manager stated the other departments' budgets did not have unforeseen expenditures.

In response to Mayor Spencer's inquiry regarding why other departments were told to wait, the Finance Director stated she recommended the departments wait until the two-year budget cycle because staff could review the bigger picture Citywide.

Mayor Spencer inquired whether there is a list of outstanding items that were not funded before.

The Finance Director responded the list is not included in the report.

In response to Mayor Spencer's inquiry, the Assistant City Manager stated the majority of the General Fund is for public safety.

Mayor Spencer stated that she would have liked to have an attachment which lists the departments that have to wait for the next budget cycle.

The Assistant City Manager stated staff would be contemplating other department requests if they were urgent.

Councilmember Oddie stated the Police and Fire Departments are not asking to spend additional funds on Fire Fighters or Police Officers.

The Finance Director continued presentation.

Councilmember Ezzy Ashcraft stated that she appreciates the allocation of Fire Department funds, but the cost overrun for the EOC and Fire Station 3 is about \$1.4 million.

Councilmember Matarrese stated the EOC is another \$0.5 million.

The Finance Director continued presentation.

Councilmember Ezzy Ashcraft inquired whether Measure B funds are being reprogrammed to the pavement management project, to which the Interim Public Works Director responded in the affirmative; stated the pavement management project is roughly \$5 million to make sure funds are a match to ensure the Estuary Crossing Shuttle.

Councilmember Ezzy Ashcraft stated that she hates to pit one fund against another; inquired how the determination was made to get the \$78,000.

The Interim Public Works Director responded the commitment to the Estuary Crossing Shuttle is until June 30th; the matching dollars were not included in the approved budget;

the onus is on the City to find the matching dollars; Alameda's pavement condition has moved to good range for the first time in a decade according to Metropolitan Transportation Commission (MTC).

The Finance Director continued presentation.

Councilmember Oddie inquired why staff did not budget enough on parking meters.

The Interim Public Works Director responded the credit card fee was a difficult variable to know during the development stage; staff now knows the charges with the data.

Councilmember Oddie inquired whether the fee is flat, to which the Interim Public Works Director responded in the affirmative.

Councilmember Ezzy Ashcraft inquired what the parking meter revenue is, to which the Interim Public Works Director responded \$1.5 million.

Councilmember Matarrese inquired why is there a request to increase funds if the program is pulling in money.

The Finance Director responded it is accounting; stated gross revenues and gross expenses have to be recognized separately; the two cannot be connected.

Councilmember Ezzy Ashcraft inquired what other funds are being contemplated to draw from.

The Interim Public Works Director stated there are not many transportation funds to look at; the objective is to find matching dollars.

Councilmember Ezzy Ashcraft inquired whether the department would be able to keep the pavement management program operating at the level now, even with the \$78,000 re-appropriation, to which the Interim Public Works Director responded in the affirmative.

In response to Councilmember Ezzy Ashcraft's inquiry, the Interim Public Works Director stated pavement condition has improved and is a top priority; the \$78,000 is not going to make an impact on the pavement condition.

The Finance Director continued presentation.

Councilmember Ezzy Ashcraft stated Fire Station 3 needs to be replaced; she does not understand how staff did not anticipate that the EOC would need IT equipment, new gear, and new furnishings to be purchased and installed; she would also like to know what the updated total cost is to build the EOC and the additional costs Council should anticipate; there is a contingency plan built into every contract; there are lessons to be learned.

The Interim Public Works Director stated the project budget is about \$10.3 million; staff does not anticipate returning to Council; the EOC would be done by June with Council approval tonight; the construction costs only included a 5% contingency; vertical construction should have at least a 10% contingency; the EOC is not a typical project; many expenses were reasonably incurred; roughly one-third of the additional budget is for permit fees, which were not budgeted; determining the permit fees was difficult; some costs were harder to foresee; there were weather and utilities factors; getting services on the site was difficult during inclement weather and costs went up due to delays; the contract is ready to execute with Council approval tonight.

Councilmember Ezzy Ashcraft stated she wants the public to know the Interim Public Works Director was not at the helm when the contract was done; she would like assurances that all the information is now before the Council and the additional budget request is the bottom line.

The Interim Public Works Director responded in the affirmative; stated staff wants to make sure the number Council is seeing now is the last request.

Councilmember Ezzy Ashcraft inquired why the IT equipment and furniture was not budgeted.

The Interim Public Works Director responded there is new cutting edge technology that could not have been foreseen.

In response to Councilmember Oddie's inquiry, the Finance Director stated the proceeds of the sale of the existing Fire House is estimated to be \$450,000 and is already included in the cost.

Councilmember Oddie inquired whether \$50,000 would go back into the General Fund if the Fire House is sold for \$500,000, to which the Finance Director responded in the affirmative.

Councilmember Oddie stated the capital improvements for the Fire Stations and Police Department total approximately \$250,000; in addition to the amount the Fire Department is contributing revenue; public safety is contributing another \$250,000 to cover the short fall; public safety is bearing the brunt of the additional expenses.

Vice Mayor Vella stated in connection with learning opportunities, expenditures being considered need to be added to the list and built-in in the future; she would like reassurances to ensure future projects include costs.

The IT Director stated there was no IT department when project began; IT equipment is on the list now.

The Finance Director continued presentation.

In response to Mayor Spencer's inquiry, the Police Chief stated he was not going to ask for additional funds for the locker room project, but since the vacancies were all filled and the money was already allocated, he decided to take advantage of the additional funds.

In response to Councilmember Ezzy Ashcraft's inquiry, the Police Chief stated the lockers were built over 40 years ago; the equipment officers are required to carry and maintain is different now and requires transitioning to vests; the women's locker room is old and not functional; there is less adequate space; command staff was approached 10 years ago to upgrade the locker room but it was set aside; now is the time to do something about it.

In response to Mayor Spencer's inquiry, the Finance Director stated there are unrestricted funds from General Fund; the locker room funds were already allocated and the savings still exist even after hiring new officers; funds will drop to the bottom line if not spent; Council can approve the project or not; the Finance Director continued the presentation.

In response to Mayor Spencer's inquiry, the Interim Public Works Director stated two-thirds of the projects on the list are actually completed, under budget, and with savings; the request is to move the savings over.

Mayor Spencer inquired the dollar amount for the one-third projects that are waiting, to which the Interim Public Works Director responded he does not have a dollar amount.

Mayor Spencer stated the one-third projects that do not need money now will still need money in the future; it is not a savings, it is just a deferring.

In response to the City Manager's inquiry, the Interim Public Works Director stated the benefit of the facilities assessment is that staff would be able to produce a over ten year plan for repairs and forecast costs.

The City Manager inquired whether combining two separate projects is a cost savings, to which the Interim Public Works Director responded in the affirmative.

Mayor Spencer stated the request is for money to spend now, but one-third of the projects will still need money in the future.

The City Manager stated the policy question is whether Council wants to use the funds not used for closed-out projects, or funds out of the General Fund.

Mayor Spencer stated there is a specific request for Council to approve the mid-year budget tonight, not the policy.

Councilmember Ezzy Ashcraft inquired whether there is a process in the budget to allocate funds for the Capital Improvement Program (CIP), to which the Interim Public Works Director responded in the affirmative.

The Finance Director concluded the presentation.

In response to Mayor Spencer's inquiry, the Finance Director stated the Utility Users Tax (UUT) revenue is not significant enough to put it in a higher bracket.

Mayor Spencer stated the analysis of the UUT impacts should have been included; Council needs to plan for the impacts.

Councilmember Matarrese stated that he is ready to adopt the proposed mid-year budget; he is mindful of the comments that anticipated basic costs were not included in the budget; the positioning of allocations against future projects is appropriate.

Councilmember Ezzy Ashcraft concurred with Councilmember Matarrese; stated she is not pleased with the EOC cost; she is heartened by lessons learned across the departments; people need to remember the importance of public safety; she is extremely proud of the Police Department which is a model of forward-thinking policing; giving the Police Department adequate lockers lets them know they are valued; she is prepared to support the mid-year budget.

Vice Mayor Vella stated the City could always do better; utilizing new department heads and gaining internal knowledge for all projects is important; updating lockers for the women in the Police Department is crucial; she supports the budget amendment.

Councilmember Oddie stated that he is disappointed the EOC project came back three times requesting more money; there are lessons learned; the Police and Fire budgets are taking an extraordinary hit; he does not want people to lose sight that public safety is bearing the brunt of the overages; he supports the mid-year budget amendments.

Mayor Spencer stated that she will not support the amendments; she is concerned there is no analysis on the UUT; a two-part process would have been better; she is also concerned there is no dollar amount for one-third of CIP projects; a long term plan is needed; the policy is that any new expenditure is extraordinary; funds should be spread over all the departments; the public did not have a chance to weigh-in on the budget adjustments.

Councilmember Ezzy Ashcraft stated the public does have a chance to weigh in; the agenda goes out 12 days before the meeting; there were no public speakers on the item; there was the same opportunity for public input as there were for the other items on the agenda which had several public speakers.

Mayor Spencer stated that she disagrees; General Fund expenditures are critical to the long-term health of the City; Council had many questions; she would like to be able to communicate with the public and give them a chance to come back.
Councilmember Ezzy Ashcraft moved adoption of the resolution.

Councilmember Matarrese seconded the motion with a comment that he treats a mid-year budget adjustment differently than two-year budget; he will be looking carefully at what is projected; money was not being spent from the Ground Emergency Medical Transportation funds (GEMT) which means something is not getting done; he would like to know how the next two years will play out; there are overly conservative numbers that make the budget less real than he would like.

The City Manager stated the GEMT was a one-time unanticipated additional revenue from reimbursed charges for transport from previous years; the UUT revenue will be reviewed at the two-year budget.

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.

(17-198) Mayor Spencer moved approval of hearing the referrals before the Other Post Employment Benefits (OPEB) matter [paragraph no. 17-_____].

The motion failed due to lack of a second.

(17-199) Resolution No. 15253, “Authorizing Participation in the Public Agency Retirement Services (PARS) Post-Employment Benefits Trust to be Used for Prefunding of Pension and Other Post-Employment Benefits (OPEB) Obligation.” Adopted; and

(17-199A) Recommendation to Appoint the City Manager or Her Designee as the City’s Plan Administrator for the Trust Program; Direct the City Manager to Execute All Necessary Agreements and Plan Documents Associated with Establishment of the New Trust; and Adopt a Pension Rate Stabilization Program and Other Post-Employment Benefits Funding Policy. (Finance 2410)

The Finance Director gave a Power Point presentation.

(17-200) Mayor Spencer moved approval of considering the referrals.

The motion failed for a lack of second.

Mayor Spencer called a recess at 10:30 p.m. and reconvened the meeting at 10:33 p.m.

The Finance Director continued the Power Point presentation.

In response to Mayor Spencer's inquiry, the Finance Director stated the contributions to the OPEB Trust will be proportionately spread based on the number of employees.

In response to Mayor Spencer's inquiry, the Assistant City Manager stated library employees have a pension and a very small OPEB liability.

Mayor Spencer inquired whether there will be less money for library services for the public, to which the Finance Director responded having less money could potentially be the case.

In response to Mayor Spencer's inquiry, the Finance Director stated if the Trust is not funded now, there will eventually be cuts to services when it is time to make payments in the future; the objective is to try to prevent the cuts from happening in the future.

In response to Mayor Spencer's inquiry, the City Manager stated budgets of each department are being reviewed as a whole; staff is requesting Council to look at a proactive way to address the unfunded pension and OPEB liability.

Mayor Spencer stated the Council is being asked to adopt a very specific policy.

Councilmember Oddie stated if the liability goes from \$15.6 million in FY16-17 to \$35.5 million in FY22-23, there may not be a library or public safety departments by then if something is not done now.

In response to Councilmember Ezzy Ashcraft's inquiry, the Finance Director stated all employees contribute to pensions, and Police and Fire employees contribute to OPEB.

Vice Mayor Vella inquired whether employees contribute the same amounts, to which the Finance Director responded the contribution amount depends on the employee's salary; stated employees also do a cost-share; public safety employees currently pick up 6% of the employer contributions and miscellaneous employees pick up 1.868% of employer contributions.

In response to Councilmember Oddie's inquiry, the Finance Director stated the goal is to set up a trust policy; staff is not asking Council to allocate funds tonight.

Councilmember Ezzy Ashcraft inquired whether the City can make contributions anytime during the year, to which the Finance Director responded in the affirmative.

In response to Council Member Ezzy Ashcraft's inquiry, the Finance Director stated the

trust will remain in place until terminated by Council.

Mayor Spencer inquired how much the consultant has been paid, to which the Finance Director responded she does not have that number.

The Assistant City Manager stated he is the PARS Trust Administrator, not a consultant.

Mayor Spencer inquired how will the PARS Trust Administrator be paid, to which the Assistant City Manager stated he will be paid as part of the fees in the Trust.

Councilmember Matarrese moved adoption of the resolution and approval of the staff recommendation, with amendment to remove the incentive of taking 10% of department savings.

Councilmember Oddie seconded the motion.

Under discussion, Mayor Spencer requested the actions be considered separately.

Councilmember Matarrese moved adoption of the resolution authorizing participation in the Public Agency Retirement Services (PARS) Post-Employment Benefits Trust to be used for prefunding of pension and Other Post-Employment Benefits (OPEB) obligation.

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

Councilmember Matarrese moved approval of appointing the City Manager or her designee as the City's Plan Administrator for the Trust Program.

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

Councilmember Matarrese moved approval of directing the City Manager to execute all necessary agreements and Plan documents associated with establishment of the new Trust.

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

Councilmember Matarrese moved approval of adopting the pension rate stabilization program as listed, with the exception of 10% contribution from savings.

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

CITY MANAGER COMMUNICATIONS

(17-201) The City Manager gave an update on the Jackson/Broadway design; stated the Public Utilities Board approved seven segments for the Underground Utility District which will come before Council in summer; congratulated the Police Department for 90% of staff completing implicit bias training.

(17-202) Mayor Spencer moved approval of continuing the meeting past 11:00 p.m.

The motion failed for a lack of second.

ORAL COMMUNICATIONS, NON-AGENDA

(17-203) Pat Lamborn, Alameda, stated she feels disrespected when not able to speak.

(17-204) Janet Gibson, Alameda, stated there is something wrong with the way Council is treating the public; Council should be more supportive of the community; suggested changing the order of the oral communications section.

COUNCIL REFERRALS

(17-205) Consider Adopting a "Bird-Safe Buildings" Ordinance. Not heard. (Vice Mayor Vella and Councilmember Oddie)

(17-206) Consider Directing Staff to Provide Standards for Bird-Safe Buildings for Council to Adopt. Not heard. (Mayor Spencer)

(17-207) Consider Directing Staff to Prepare a Report on the City of Alameda Acquiring/Taking Title to the Uncompleted Strip of Shoreline Park next to Harbor Bay Parkway. Not heard. (Mayor Spencer)

COUNCIL COMMUNICATIONS

Not heard.

ADJOURNMENT

There being no motion to continue past 11:00 p.m., Mayor Spencer adjourned the meeting at 10:59 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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