

MINUTES OF THE SPECIAL CITY COUNCIL MEETING  
TUESDAY- -OCTOBER 19, 2021- -6:00 P.M.

Mayor Ezzy Ashcraft convened the meeting at 6:03 p.m.

Roll Call – Present: Councilmembers Daysog, Herrera Spencer, Knox White, Vella and Mayor Ezzy Ashcraft – 5. [Note: The meeting was held via Zoom. Vice Mayor Vella arrived at 6:19 p.m.]

Absent: None.

The meeting was adjourned to Closed Session to consider:

(21-638) Conference with Legal Counsel – Potential Litigation (Pursuant to Government Code Section 54956.9, subsection (d)(4)); Number of Cases: One (As Plaintiff – City Initiating Legal Action – Bond Validation Action); Potential Defendants: All Interested Persons.

(21-639) WITHDRAWN - Conference with Labor Negotiators (Pursuant to Government Code Section 54957.6); City Negotiators: Eric Levitt, City Manager; Gerry Beaudin, Assistant City Manager; and Nancy Bronstein, Human Resources Director; Employee Organization: Alameda Police Officers Association (APOA); Under Negotiation: Salaries, Employee Benefits and Terms of Employment. Not heard.

Following the Closed Session, the meeting was reconvened and the City Clerk announced that regarding Litigation, staff provided information and Council did not take any action or vote.

Adjournment

There being no further business, Mayor Ezzy Ashcraft adjourned the meeting at 6:25 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- -OCTOBER 19, 2021- -7:00 P.M.

Mayor Ezzy Ashcraft convened the meeting at 7:01 p.m.

ROLL CALL - Present: Councilmembers Daysog, Herrera Spencer, Knox White, Vella, and Mayor Ezzy Ashcraft – 5. [Note: The meeting was conducted via Zoom]

Absent: None.

AGENDA CHANGES

(21-640) Mayor Ezzy Ashcraft requested City Manager Communications be moved up to allow the new Fire Chief to be introduced.

CITY MANAGER COMMUNICATIONS

(21-641) The City Manager introduced the new Fire Chief Nicholas Luby.

The Fire Chief made brief comments.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(21-642) Proclamation Declaring October 2021 Filipino American History Month.

Mayor Ezzy Ashcraft read the proclamation.

Councilmember Daysog and Vice Mayor Vella made brief comments.

(21-643) Proclamation Declaring October 2021 as Domestic Violence Awareness Month.

(21-644) Proclamation Declaring October as Disability Awareness Month 2021.

ORAL COMMUNICATIONS, NON-AGENDA

(21-645) Jay Garfinkle, Alameda, expressed concern about the City's Prosecution Unit pursuing landlords, which is resulting in significant income for the City; he believes it would be appropriate for Council to include a summary of recent actions by the Prosecution Unit on the agenda; discussed concerns about the Prosecution Unit.

(21-646) Marcus Holder, Alameda, stated a stadium at Howard Terminal would be crazy; traffic in and out of the Tube is already jammed; urged correspondence for the matter be read; stated a stadium would take away 1/7<sup>th</sup> to 1/8<sup>th</sup> of the Port capacity; the Port is the economic engine for the region; discussed condos being built; stated building the projects with infrastructure makes sense; expressed support for building the coliseum in the existing location.

CONSENT CALENDAR

Expressed concern about the Cultivate agreement [paragraph no. 21-652]; stated the Planning, Building and Transportation Department has frequently advertised its expertise; he is not clear why the City should be spending so much money for an outside company: Jay Garfinkle, Alameda.

Councilmember Knox White requested the Open Government Commission appointment [paragraph no. 21-649] be removed from the Consent Calendar.

Councilmember Herrera Spencer requested the Cultivate agreement [paragraph no. 21-652] be removed from the Consent Calendar.

Councilmember Knox White moved approval of remainder of the Consent Calendar.

Councilmember Herrera Spencer seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: Ayes; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

Mayor Ezzy Ashcraft requested the Cultivate agreement be heard at end of the regular agenda.

Councilmember Herrera Spencer moved approval of hearing the item at the end of the regular agenda.

Councilmember Knox White seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: Ayes; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 5.

(\*21-647) Minutes of the Special City Council Meeting, the Joint City Council and Alameda Public Financing Authority Meeting and the Regular City Council Meeting Held on September 21, 2021. Approved.

(\*21-648) Ratified bills in the amount of \$27,860.48.

(21-649) Recommendation to Accept a Report on the Appointment of a Member to the Open Government Commission.

Councilmember Knox White stated Ms. Montgomery could not attend the meeting due to a last minute issue; Ms. Montgomery has shown herself to be interested in the business of the City and ensuring people are informed, involved, and engaged.

Councilmember Herrera Spencer moved approval of the staff recommendation.

Councilmember Knox White seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: Ayes; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 5.

(\*21-650) Recommendation to Accept the Fiscal Year 2020-21 Annual Report for the City's Rent Program. Accepted.

(\*21-651) Recommendation to Authorize the City Manager to Execute an Agreement in the Amount of \$137,194 with The Village of Love to Extend Open Hours for the Day Center for Individuals Experiencing Homelessness to Evenings and Weekends. Accepted.

(\*21-652) Recommendation to Authorize the City Manager to Execute a Sixth Amendment to the Agreement with Cultivate, LLC to Increase Compensation by \$60,000, for a Total Aggregate Compensation Not to Exceed \$354,000 to Continue Providing Technical Planning Support to the City of Alameda General Plan Update through Housing Element Continued to November 2, 2021. Accepted.

(\*21-653) Recommendation to Authorize the City Manager to Negotiate and Execute a First Amendment to the Agreement with ECS Imaging, Inc. to Extend the Term By Five Years and Provide Additional Compensation in an Amount Not to Exceed \$260,000 to Upgrade Software and Provide Maintenance for Laserfiche RIO Services for a Total Compensation Amount Not to Exceed of \$420,000. Accepted.

(\*21-654) Recommendation to Accept the Work of NEMA Construction for the Shoreline Park Pathway Lighting Project, No. P.W. 10-20-38. Accepted.

(\*21-655) Recommendation to Authorize the City Manager to Execute an Agreement with JMB Construction for the Storm Drain Pump Station Electrical Upgrades Project, No. P.W. 9-19-48, in a Total Amount Not to Exceed \$2,030,900; and

(\*21-655A) Resolution No.15824, "Amending the Fiscal Year 2021-22 Capital Budget by Reducing Revenue and Expenditure Appropriations in Capital Improvement Program 91890311 by \$250,000, Reducing Revenue and Expenditure Appropriations in Capital Improvement Program 91808 by \$124,255, and Increasing Revenue and Expenditure Appropriations for Capital Improvement Program 91606 by \$374,255." Adopted.

(\*21-656) Recommendation to Accept \$46,343.39 Grant EMW-2020-FG-00222 from the Assistance to Firefighters Grant Program - COVID-19 Supplemental (AFG-S). Accepted; and

(\*21-656A) Resolution No. 15825, "Amending the Fiscal Year 2020-21 Fire Grants Fund Revenue and Expenditures Budget by \$50,977.73 (Fire 220), and the General Fund Expenditures Budget by \$4,634.34 to Allocate the Required Matching Funds per the Grant Requirement." Adopted.

#### CONTINUED AGENDA ITEMS

None.

#### REGULAR AGENDA ITEMS

(21-657) Resolution No. 15826, "Appointing Christina Mun as a Member of the Housing Authority Board of Commissioners." Adopted;

(21-657 A) Resolution No. 15827, "Appointing Eva Jennings as a Member of the Mayor's Economic Development Advisory Panel." Adopted; and

(21-657 B) Resolution No. 15828, "Appointing Dan Poritzky as a Member of the Mayor's Economic Development Advisory Panel." Adopted.

Councilmember Knox White moved adoption of the resolutions.

Councilmember Daysog seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: Aye; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 5.

The City Clerk administered the Oath of Office and Ms. Jennings made brief comments.

(21-658) Recommendation to Provide Direction to Staff to Pursue One or More Options for Reducing the Negative Impacts and Public Safety Challenges Associated with Automobile-Oriented Events at Alameda Point.

The Assistant City Manager gave a PowerPoint presentation.

Councilmember Daysog inquired the reason the chain link fence near the Water Emergency Transportation Authority (WETA) does not extend to cover the area where people practice motorcycle driving.

The Assistant City Manager responded the USSH lease covers some of the areas; the City wants to ensure alignment of the fence is as inclusive as possible without infringing on lease rights.

Councilmember Herrera Spencer stated sometimes the USSH has events with many people driving; the USSH goes beyond the available area; inquired whether the area within the fencing would be opened for USSH events.

The Assistant City Manager responded it could be; stated the current USSH lease does not cover the area; however, staff can coordinate with USSH representatives to address any additional parking needs for large events; the fencing is temporary which can easily be relocated or moved over time as needed.

Councilmember Herrera Spencer stated many areas have installed raised Botts' dots to address issues; inquired why staff has not done other similar things to allow the space to be used by law-abiding citizens; stated she is hearing staff jump to cutting off areas, making them inaccessible to cars; the intention could be to allow pedestrians and bicyclists to use the areas.

Mayor Ezzy Ashcraft requested the Police Chief provide clarification of the problem being addressed.

The Police Chief stated the concern being addressed is the gathering of cars; the dots would actually deter people engaging in reckless driving of areas; noted many of the burnouts occur in the entry chutes; vehicles can still go into the areas for people to enjoy scenery.

Councilmember Herrera Spencer stated the entry chutes do not have speed bumps to slow traffic; inquired why has staff not considered speed bumps or humps.

The Planning, Building and Transportation Director responded both strategies work; stated staff is trying to make the area unattractive for people to do inappropriate activities with automobiles; Botts' dots or a barricade system can work; the dots will likely be a more expensive strategy to implement and maintain.

The Public Works Director stated both speed bumps and Botts' dots are options; the use of fencing is due to the lack of travel lanes at Alameda Point; the intention is to safely focus travel in one area; if staff were to only utilize speed bumps or Botts' dots, safety issues are caused; an option to create travel lanes is possible; the approach staff has taken builds on existing conditions.

Councilmember Herrera Spencer stated that she appreciates the safety plan; the comments received show that the approach does not seem to be working; inquired why staff is not considering adding speed bumps.

The Public Works Director responded speed bumps can be an option within the 40-foot lane; staff is also trying to prevent large-scale congregations, not just reckless driving; a number of safety issues arise from the large congregations; speed bumps will not necessarily prevent large-scale congregations from forming; staff can put in speed deterrents if the issue of speeding becomes a factor within the 40-foot lane.

Stated the car congregation is two-fold; the USSH would like to grow its admission; the USSH took a 90% revenue hit during COVID-19; the parking leased by the USSH is generally sufficient; the Enterprise Lot is sometimes used for overflow parking for larger events; the USSH depends on car traffic for museum attendance; discussed USSH special events being attractive to transportation enthusiasts; stated specific car clubs have kicked people out due to poor behavior; expressed concern about eliminating car clubs due to individual poor choices; expressed support for wheel stops in the parking lot: Laura Fies, US H Museum.

Stated the City needs to do something; Option 2 shows a car show area that has been full the past two weeks; car shows have gotten very large with over 500 cars, over 1,000 people, food vendors and a vendor serving alcoholic beverages; the events' trash and sanitary mess are a problem; it takes his customer 25 to 30 minutes to get to the building; expressed support for Option 2, which does not require a gate to be closed and provides a nice parking space in the more scenic parts of Alameda Point: Steve Shaffer, Urban Legend Cellars.

Stated that he has noticed two to three car shows per month with hundreds of cars speeding and nearly hitting kids; he is speaking for the neighborhood safety of the West End; speed bumps could help, but might merely be quickly accelerated over; his neighborhood is impacted while car show participants leave the area; he agrees with the recommendations and has compassion for the USSH; expressed support for fencing and maximum barriers to prevent congregation and allowing permitted shows to continue: Victor Hsu, Alameda.

Mayor Ezzy Ashcraft requested an explanation of the challenges Alameda Police Department (APD) Officers have face at Alameda Point.

The Police Chief stated enforcement becomes difficult when hundreds of people gather; the area has no lanes; getting emergency medical assistance through would be difficult; the mindset with side shows is to draw a large enough audience to perform reckless stunts and driving;

having a bunch of participants fuels the activity; much of the reckless driving occurs when participants leave an event; an approach that addresses and minimizes the number of participants provides a position of public safety; emergency response is possible when audiences are not as large.

Councilmember Knox White stated the matter is complicated; DePave Park will not be driven on and instead will be accessed by walking and biking; he does not see any reason to encourage people to drive within the area; he is saddened to learn about the impact of some of the activities happening near Building 25; he would be very supportive of choosing Option 1; he does not know why the City would choose Option 2, which would create another long driveway for people to race up and down; expressed support for the fence near the USSH; stated many people have pointed fingers at the USSH; however, the issue is mainly due to people using the USSH parking space; many people will head back to the large USSH parking area if the DePave Park area is closed down; sideshows were not the problem back in June; the problem is people racing through neighborhoods; the City can stop some of the sideshow behaviors by using Botts' dots and barriers; however, neighbors will still call due to people racing through streets; he would be more than happy to continue working with the USSH to figure out a way to support meaningful events which that have an auto-centric focus; the events should have a focus toward the USSH business.

Councilmember Herrera Spencer inquired whether Dash Cellars and Building 25 will still be present when DePave Park is created.

The Public Works Director responded the current Master Infrastructure Plan (MIP) for Alameda Point shows the perimeter levy saves Building 25; stated Building 2 is inland of the perimeter levy, protected from sea level rise and not part of DePave Park.

Councilmember Herrera Spencer inquired whether the area already cordoned off by Dash Cellars and the Air Tower will be part of DePave Park.

The Public Works Director responded the current MIP indicates the area will be a large stormwater retention basin, similar to the layout of Bayport; the area will collect storm water before discharge.

Councilmember Herrera Spencer displayed photos of current parking conditions at Alameda Point; stated that she goes out to Alameda Point all the time; she does not think it is illegal to congregate; staff has added cement barriers; the cement barriers are often filled with skateboarders; the area is a great place for adults, youths and families to congregate; the area depicted will no longer be accessible to the public from what she understands; inquired whether the cement barriers will remain for skateboarders to continue using or be removed and inaccessible.

The Public Works Director responded the intent with Option 2 is not to remove the cement barriers; stated Option 2 has been presented to allow for access to the end of the area near Building 29; the space shown is exterior to the barriers.

Councilmember Herrera Spencer stated quite often, up to 50 young adults are skateboarding on the barriers; skateboarding is a healthy activity; the area is similar to a playground; photos show cars parked with people coming out to fish and enjoy the view; inquired whether the area is part

of Option 2 and allows cars to come out for people to fish.

The Public Works Director responded Option 2 keeps the area accessible for vehicles.

Councilmember Herrera Spencer stated that she is not sure how wide the space is; the space will often have multiple cars on the weekends; people use canopies for shade and have chairs to enjoy the shoreline; she would like to speak for the law-abiding citizens that hang out and enjoy the Bay; there will be less Bay access for cars; she supports DePave Park; however, people should have access via cars in the meantime; accessing the area is very long to walk while carrying items; she would like Council to come up with a way to allow law-abiding citizens to congregate and enjoy the space; she thinks the area is insufficient; she would like a “U” shape large enough for cars; she is fine with blocking off more of the middle area; more speed bumps to slow traffic should be considered; she disagrees that people will perform doughnuts over speed bumps; she believes speed bumps work in deterring and slowing traffic; she has seen car shows down other long streets; the issue is present Citywide; she needs staff to be willing to help figure out how to address the criminal behavior as well as support law-abiding citizens who want to enjoy the bay; the “U” shape would be a better solution; expressed support for the USSH; stated that she would like to work with the USSH on fencing to try and accommodate shows and events; the biggest event at Alameda Point is the Antiques Faire which has a lot of cars; expressed support trash cans and bathroom facilities in the area; expressed concern about overreaching and not addressing the problem; stated the goal to slow down cars is different from cordoning off large areas and not allowing access.

Mayor Ezzy Ashcraft requested clarification whether Option 2 would provide vehicle access and parking for Building 25 customers and allow vehicle access to the southern-most shoreline; inquired whether the photos show the southern-most shoreline.

The Public Works Director responded in the affirmative; stated Option 2 would continue to allow vehicle access to just the southern portion, but not the full length of the eastern portion.

Councilmember Daysog stated for West Enders traumatized by sideshows and reckless driving, the message that help is on the way is clear; he supports all of the staff recommendations; he thinks the issues of barriers and speed bumps raised by Councilmember Herrera Spencer might help slow down speeding in the area; speed bumps could be placed outside of the USSH as well; the staff recommendation will go a long way in addressing the underlying causes of reckless driving; the large open areas allow people to hold massive sideshows.

Vice Mayor Vella stated the visuals from the presentation help the discussion; she wants to preserve bicycle and pedestrian access; more needs to be done to limit vehicle access; a number of areas are still left completely open; she does not think additional speed bumps will be helpful; the City can add things in along the way; however, if the City does not block off larger spaces, problems of sideshows and large gatherings will still arise at Alameda Point; expressed support for Option 2, which will offer more protections for the City; many people call related to events at Alameda Point; APD is doing what it can to enforce the area; it is difficult for APD to be in all places at all times; mitigation efforts through design will make a difference.

Mayor Ezzy Ashcraft stated that she has asked herself the advantages and disadvantages of auto-oriented events at Alameda Point; the Antiques by the Bay Faire is contributing to the City by way of sales tax and also causes traffic; the Antiques Faire coincides with the spontaneous,



non-sanctioned events organized via social media which can create havoc for safety and trying to get on and off the Island; outlined correspondence and comments received from residents of the area being terrorized by not being able to safely cross the street or ride a bicycle; stated unsanctioned gatherings of autos are not paying any revenue; many times litter and human waste is left behind; cars also spew particulate matter into the atmosphere while the City is struggling to get greenhouse gas emissions under control; the events interfere with existing businesses at Alameda Point; visitors cannot get to the buildings; she has been to many USSH events; she struggles to see the connection to the USSH and permitting auto-related events of up to 1,000 autos; she thinks the events send the wrong message about Alameda Point being a great place for open space to perform reckless driving; she wants to support the USSH; however, she does not want to support it by allowing up to 1,000 autos; automobiles are clogging streets and causing traffic; she would like to work to help support and market different events other than cars; expressed support for the staff recommendation of restricting or eliminating Use Permits; stated that she would like to eliminate Use Permits authorizing large scale automobile oriented events in order to minimize noise, speeding and emission risks associated with the events; expressed support for implementing Option 2, for implementing the West Hornet fence option and for working with the USSH while events are occurring to ensure visitors have good parking options; stated that she would like to leave the wheel stops in place; it is time to listen to residents and businesses being impacted at Alameda Point.

Councilmember Daysog moved approval of the staff recommendation with the addition of having staff consider speed bumps as the situation warrants along the path towards the areas depicted in the photos.

Councilmember Knox White seconded the motion.

Under discussion, Councilmember Knox White stated Option 1 would restrict or eliminate Use Permits authorizing large-scale automobile or car events; he would be okay with eliminating Use Permits with the exception of maintaining the existing contract held with USSH which allows maintaining a certain number of events.

Mayor Ezzy Ashcraft inquired whether Councilmember Daysog is amenable to the additions to the motion proposed by Councilmember Knox White.

Councilmember Daysog responded that he is okay with the addition; inquired whether the addition would affect Antiques by the Bay, to which Councilmember Knox White responded in the negative.

Mayor Ezzy Ashcraft stated that she thinks a permit allowing up to 1,000 vehicles is too many and she would like to see the number reduced.

Councilmember Daysog stated the reduction seems fair; inquired the amount desired.

Councilmember Knox White stated that there has not been an issue with the USSH; he is concerned about bumping up against the issue of the USSH trying to find ways to stay solid; he would rather address the amount of vehicles later on if it becomes an issue; Council is taking a major steps; he does not see the need to limit the number when staff is working with USSH to approve appropriate auto-oriented shows to ensure events are thematic, not sideshow.

Mayor Ezzy Ashcraft stated the impact of 1,000 vehicles is significant.

Councilmember Daysog requested staff provide input related to Mayor Ezzy Ashcraft's comments.

The Planning, Building and Transportation stated the current Use Permit for the USSH allows up to 4 car-oriented events per year and limits the events to 75 military and/or antique cars 50 years or older; the Use Permit is set up by treating the USSH as a museum and event space; a special event permit is only needed when 1,000 people or more are anticipated in order for staff to warn Police, Public Works and other departments as needed; an additional limitation is set when the special event is for a car show.

Mayor Ezzy Ashcraft expressed support for the information provided by staff and for the motion on the table.

Councilmember Herrera Spencer stated that she will not support the motion; it is unfortunate that Council is doing an overreach and not doing more to slow down the problem; people have a right to park their cars and talk to other people; she is concerned about trying to eliminate congregating.

Councilmember Daysog stated his understanding of Option 2 is that people can still drive down the road to the end where photos depicted people fishing.

The Public Works Director stated the understanding is correct; her use of the term congregate is related to the large number of vehicles, not shoreline access by individuals; the large, unpermitted events relate to the term congregate.

Councilmember Knox White stated there is no prohibition on congregating; there are 846 acres where people can park their cars next to each other and congregate; the City is trying to address some large areas that have attracted huge and illegal sideshows which are causing significant problems; he does not want people to think Council is keeping people from parking or driving at Alameda Point.

On the call for the question, the motion carried by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: No; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 4. Noes: 1.

(21-659) Recommendation to Adopt the City Facilities and Street Naming Policy.

The Recreation and Parks Director gave a PowerPoint presentation.

Councilmember Daysog inquired whether Council will be involved with the development of criteria.

The Recreation and Parks Director responded in the negative; stated as-written, Council is not involved in determining the criteria; new facility names start at the Board or Commission level and Council determines the final, deciding vote; the process starts with the Council deciding whether or not to rename; the criteria is determined at the Board or Commission level.

Councilmember Daysog inquired whether a Councilmember is prohibited from expressing hopes for criteria during the renaming process.

The Recreation and Parks Director responded in the affirmative; stated the hopes for criteria could be included in the motion.

Councilmember Knox White stated the recommendation includes maintaining the list of potential names; and also includes not using the list; requested clarification for the rationale of having a list which has no use.

In response to the Recreation and Parks Director's inquiry, Councilmember Knox White stated that he thinks the reference was noted in the staff report and recommended by the Historical Advisory Board (HAB).

The Recreation and Parks Director stated the HAB will no longer have a list and it is not included in the new policy; the Recreation and Parks Commission has expressed an interest in the list of names established through the Chochenyo Park naming process; a lot of work has been put into the community process; the Recreation and Parks Commission did not want to discard the remaining names in the event another park naming process occurs; the list will be included in a community process once the criteria is determined; the staff report reflects an intention to not throw out any previous community work.

Mayor Ezzy Ashcraft noted page two of the staff report references keeping the list of names for future reference only.

Councilmember Knox White stated the section was likely conflated with the list referenced by the Recreation and Parks Director.

Councilmember Herrera Spencer stated her understanding of the proposed draft policy is that all costs associated with renaming such street shall be borne by the new property owner if a street is named after a business and the business leaves.

The City Planner stated the corporate street naming criteria is not being modified; a new business or property owner will be responsible for naming the street if the prior business the street is named after leaves.

Councilmember Herrera Spencer stated Council should look at what can be done; inquired whether public outreach meetings will be noticed to ensure members of the Council and public can attend.

The Recreation and Parks Director responded all four of the steps are at the Board and Commission level and will be required to be noticed.

Councilmember Herrera Spencer inquired how the City knows that signers of a street name petition are actual residents of Alameda and whether all ages can sign the petition; further inquired what the process looks like.

The Recreation and Parks Director responded staff does not have a way to verify signers; emphasized the amount of public outreach; stated public hearings will ensure voices are heard.

Councilmember Herrera Spencer stated there are costs for homeowners to change legal documents to reflect the current name of the street; inquired whether the City would assist with costs.

The City Planner responded there is a fee for filing the application; stated once Council approves the street naming, there will be time and logistic costs for residents of the street to change their mailing address and work with the Post Office.

Councilmember Herrera Spencer stated legal documents must also be changed, not just the mailing address.

The City Planner stated some processes might involve costs; the costs are a key consideration; staff has reached out to other cities with similar processes and received advice not to underestimate the costs of changing a street name.

Councilmember Herrera Spencer stated that she would like more information about the legal document costs at some point.

Mayor Ezzy Ashcraft stated the Planning Board process includes applying a tiered system; two thirds of residents could veto a name change on their street; requested clarification.

The City Planner stated the idea behind the tiered system is for a relatively short street; there are streets in Alameda which only have 10 homes; a majority of homes would be 6 property owners; 500 signers on a long street might not be proportional to obtaining a majority; the approach is based on giving more weight to residents living on the street; the proposed approaches are variations on what Council might want to establish as a threshold.

Mayor Ezzy Ashcraft stated the staff report references an application process for renaming facilities and streets; inquired whether the process will be criteria or subjective based or whether staff will bring a report to Council.

The Recreation and Parks Director responded the policy does not create criteria for whether or not a facility will be renamed; stated staff will take the information from the application process, perform due diligence and bring the proposed change to Council; the process might be different for any particular name.

Mayor Ezzy Ashcraft stated the draft policy and procedures state: "the intent of broad outreach and notification is to involve a more diverse group of stakeholders in the community, including residents who are historically under-represented in City public discussions;" inquired the residents envisioned for the outlined section.

The Recreation and Parks Director stated more people are attending Council meetings now with Zoom; there are many underrepresented people, including people of color, disadvantaged, low-income and youth residents; the intent of the sentence is to include people who do not know how to or choose not to be involved with the bureaucracy of public discussions; there is more that can be done and learned about in performing outreach and getting information out to people for active engagement on important issues.

Stated that he submitted a letter; expressed support for the work of the Recreation and Parks Department staff; stated costs should be subsidized; renaming Jackson Park was relatively inexpensive and was a moral imperative; discussed the City's participation in the Shuumi Land Tax; stated the next step after acknowledging the role of colonialism and white supremacy is to take substantive steps to start to materially repair the harm done to people in the community; the issues are not fringe or boutique concerns; the decision between tacit acceptance or active rejection is fundamental to the collective conscience and the identity as a diverse, inclusive community on the right side of history; the circle of concern extends beyond the residents of a street; the concern is for all in the community; actions taken should make people whole: Josh Geyer, Alameda.

Recommended the City include a financial outlook plan as part of the consideration to allow homeowners to understand potential financial impacts; the City can offer support if costs are more than nominal: Carmen Reid, Alameda.

Discussed the imposition of moral imperatives and justice; stated the issue is for the entire City; name changes are not urgent and should be placed on the ballot for a vote; the approach is more equitable; he does not see why a handful of ideologues should be calling the shots: Jay Garfinkle, Alameda.

Stated the City is discussing a finite list of street and park names, which are concerning; discussed a Planning Board meeting discussion about renaming a long street, concerns about Jackson Street and Jackson and Godfrey Parks and the process of naming Chochenyo Park; urged Council adopt the process to conduct renaming on an ongoing basis and focus on the three potential renaming efforts as opportunities to address concerns: Drew Dara-Abrams, Alameda.

Stated a transition of a name change for someone includes the street name in their will, legal documents, driver license and mail; expressed concern about her elderly neighbor; stated that she understands changing park names; renaming streets can be a large toll on individuals: Megan Larson, Alameda.

Vice Mayor Vella stated a lot of time has been spent discussing the naming and renaming processes; a process is being created to get street names on a list; not having enough names has been an issue; the process has been bureaucratic, which is unnecessary and cumbersome; Council is also balancing having an accessible process; she has learned a lot about naming in her time on the City Council and HAB; much effort has been put into the matter; she is comfortable with the process developed; she hears concerns about the expenses related to renaming; however, the concerns are reasonably addressed by the public process.

Councilmember Knox White stated Council is not creating a new opportunity to rename streets; Council is clarifying a process; Council is deciding how to ensure people are plugged into the process; the item that jumps out to him is the focus on property owners, instead of residents; Alameda has 52% renters; renters voices are just as important as the people that live out of town; the majority of rental units are owned by people who do not live in Alameda; ensuring local input should include renters, not just property owners; expressed support changing the policy; stated the corporate naming makes the street essentially become a privately named road; the business should pay for the maintenance to the named street; branding public streets should not be City business; expressed concern about businesses named after a person;

questioned whether Council will place a person's name on a street supporting the business, not the individual person; stated Council should allow for wiggle room; the policy is great and carries forward a lot of discussions held at both the Council and Boards/Commissions levels; there are already two requests for naming which have met the criteria set; the alternatives include providing direction to form an ad hoc committee to discuss street names; expressed support for Council providing direction to move Godfrey Park and Calhoun Street renaming forward through the process; stated the time is now; the change from Jackson Park to Chochenyo Park was a two and a half year process; Council should not have to wait for moments of community uproar to take on some issues; Godfrey Park and Calhoun Street are two good examples where the community has stood up; after the new policy is adopted, he hopes Council can provide direction to bring the names back for discussion.

Councilmember Herrera Spencer stated that she would like to include both residents and property owners in regards to collection of 50% plus one signature; she agrees with Councilmember Knox White about the corporate street naming having the corporation maintain the named street; she thinks the corporation should include enough money so that any departure on the business' part should not include costs borne by the new business entity to remove the former company name; Council has received an email about using the name of a deceased person after three years; stated that she would prefer ten years; expressed support for ways to reimburse property owners for costs of changing legal documents related to street name changes; stated owners could submit the actual costs to the City for reimbursement; the changes could be expensive.

Councilmember Daysog stated that he is struck by, and appreciative of, the importance of having Council start the conversation of renaming streets or facilities; the criteria for Chochenyo Park caused him to vote no on the matter; there could be other criteria to consider; a portion of the criteria considered is racial diversity; expressed support for the community being more equal and representative; he feels as though staff has included responses to concerns previously raised; he sees the process in which ideologues on the far left, right or center cannot hijack it; expressed support for Council being involved from the beginning to the end of the process in renaming of streets; stated it is important to analyze the cost implications for property owners; he would like to know the costs that will be borne to change mortgage and related documents; renaming streets should include understanding and analyzing associated costs; expressed supporting.

Mayor Ezzy Ashcraft stated that she likes everything that has been recommended and laid out; Council needs to have more information about private companies naming a street; discussed a prior issue with the Penumbra request since the business is located on multiple streets; stated Postal Carriers were confused about where to deliver mail; the United States Postal Service (USPS) asked the City whether it would be possible to have the main corporate building be set as 1 Penumbra Way; she worked with the Building Official and the USPS Postmaster for Alameda to make the change; she does not know whether the address change should require paying for street maintenance; expressed support for staff looking into the implications; stated the maintenance requirement might be a quantum leap above naming a street after a business; an effective process has been laid out; she would like to see the process adopted and followed; she is hesitant to put together an ad hoc committee for renaming Jackson Street and Godfrey Park; Jackson Street and Godfrey Park can be moved to the top of the queue while using the adopted process; she does not think someone needs to be deceased for ten years to consider using their name; three years seems like a reasonable time frame.

Vice Mayor Vella inquired whether Councilmember Knox White's street renaming recommendation of having resident-only signatories gets rid of the option to have 50% plus 1 of property owners or 500 resident signatories; inquired whether Councilmember Knox White is amenable to the option of having either.

Councilmember Knox White responded that he is okay with having the option; stated there is benefit to having 50% of the street concurring, which gets to the concern of people impacted by the name change; people affected by the change can sign-off on beginning the process; expressed concern about the requirement of 500 signatures approving the change when the signatories might not live on the street.

Vice Mayor Vella stated that she would like clarification that the 50% plus 1 signatories of property owners would not be eliminated; inquired whether 500 Alameda resident signatories must include a certain percentage of street residents.

Councilmember Knox White stated the 50% plus 1 signatories are not property owners, but people who live on the street to be renamed; expressed concern about property owners living in Southern California not knowing the City; stated there are large corporate land owners with hundreds of units in Alameda; questioned whether Council should allow large corporations to vote on the matter; stated that he would rather consider the residents of the street; the intention is to make sure that the people living on the street have an opportunity to say whether or not they would like the change.

Mayor Ezzy Ashcraft inquired how Council will determine that the 500 Alameda signatories are actual residents.

The City Planner responded staff has looked into the issue; stated initially, staff's approach was directed towards property owners due to having good property owner data; staff does not have good data on tenants, especially new tenants; based on input from Boards, Commissions and members of the public, staff added the possibility of either 50% plus 1 of property owners and residents or at least 500 Alameda resident signatures; petitions should include a name and address; staff does not have very good data to verify all 500 signers are actual Alameda residents or residents of the street in question; the signature requirements are a threshold to initiate the conversation; when staff schedules the hearing before the City Council, staff will formally notify the residents and occupants of the street to be renamed.

Councilmember Knox White stated that he is okay with either the 50% plus 1 resident property owners or 500 Alameda resident signatures; the corporate name issue can include the City waiving fees in the future; Council should be careful not to start down a road where corporations name City streets.

Councilmember Daysog inquired whether the petition with 500 signatures will be required to be a paper petition or whether the signatures can be electronic.

The Recreation and Parks Director responded there is no requirements for the signatures; stated the signatures can be paper, electronic or a combination of both.

Councilmember Herrera Spencer stated her understanding of the 500 signatures is there is no

way to verify signers are residents of Alameda; inquired whether staff will be asking for name and address within the City in order to verify and confirm residency.

The Recreation and Parks Director responded the policy stipulates the signatures need to be 500 Alameda residents; stated a petition turned in with 500 random names and no addresses will be rejected due to non-compliance.

Councilmember Herrera Spencer stated when a company with a street named after it leaves, the City could waive fees for the new company; she does not think it is appropriate for a new company to pay to change the street name; the City has companies of all sizes which come and go.

Councilmember Daysog inquired the process for verification of the 500 signatures; noted some instances only require a portion or sample of the signatures be verified.

The Recreation and Parks Director responded the process is to be determined; stated staff does not have a method outlined in the policy; the petition is not being considered on the same level as an election; the petition is the start of a conversation that would include a five-step publically noticed discussion where the public can make their voices heard.

Councilmember Knox White moved approval of the staff recommendation with a change to the corporate street naming criteria to collect funds to pay for future renaming if the company moves off the street and direction to staff to work with the submitters of the two petitions having over 500 signatures to begin the process to submit an application for Council consideration for Godfrey Park and Calhoun Street.

Mayor Ezzy Ashcraft inquired whether Godfrey Park and Calhoun Street would go through the process recommended by staff, to which Councilmember Knox White responded in the affirmative.

Vice Mayor Vella seconded the motion.

Under discussion, Councilmember Herrera Spencer inquired whether the 500 signatures should be residents of Alameda.

Councilmember Knox White responded the signers need to make a best effort of having Alameda residents; stated the signatures are not for a ballot measure; City staff does not need to call and verify residency of the 500 people; he accepts at face value that the signers live in Alameda.

Councilmember Herrera Spencer inquired whether the reimbursement for costs on a street renaming has been addressed.

Councilmember Knox White responded the reimbursement is not part of the policy; stated reimbursement can be part of the discussion when the matter comes forward.

Councilmember Daysog stated that he would rather not have the two renaming additions included in the motion; discussed qualifying signatures; stated a signature with no address is not valid; he is still able to move support the motion.



On the call for the question, the motion carried by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: No; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 4. Noes: 1.

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Mayor Ezzy Ashcraft called a recess at 9:30 p.m. and reconvened the meeting at 9:48 p.m.

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(21-660) Recommendation to Support County of Alameda Participation in an Enhanced Infrastructure Financing District in Support of the Oakland Athletics Stadium at Howard Terminal. Not heard.

(21-661) Resolution No. 15829, "Authorizing the Issuance of One or More Series of Pension Obligation Bonds (POB) to Refinance Outstanding Obligations of the City to the California Public Employees' Retirement System, Authorizing the Initiation of a Judicial Validation Action by the City Attorney, and Approving and Directing Related Matters." Adopted.

Julio Morales, Urban Futures, Inc. (UFI) gave a PowerPoint presentation.

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(21-662) Mayor Ezzy Ashcraft stated a motion is needed to allow additional time; inquired how much time is needed.

Mr. Morales responded 2 to 3 minutes.

Mayor Ezzy Ashcraft suggested 5 additional minutes.

Councilmember Knox White moved approval of allowing 5 additional minutes.

Vice Mayor Vella seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: No; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 4. Noes: 1.

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Mr. Morales concluded the PowerPoint presentation.

Councilmember Herrera Spencer stated that Mr. Morales is a consultant for the City; inquired how much Mr. Morales has been paid to date, plus any issuance additional costs; questioned the structure of payments to Mr. Morales.

The City Manager responded the pension analysis has cost \$32,000.

Mayor Ezzy Ashcraft stated there is a second portion to Councilmember Herrera Spencer's inquiry related to issuance.

The City Manager stated an issuance will require a financial advisor with a flat fee of \$90,000 to \$100,000.

Councilmember Herrera Spencer inquired whether the \$32,000 has been in full.

The City Manager responded in the affirmative; stated the cost does not include the financial planning from earlier in the year.

Councilmember Herrera Spencer inquired whether there will be additional costs paid to Mr. Morales or UFI for the next step in approvals or whether the \$32,000 covers the next step.

The City Attorney responded the validation action is a legal action; the associated legal fees have been shared confidentially in Closed Session and is subject to attorney-client privilege with respect to legal fees; the legal fees do not cover Mr. Morales' fees.

Mr. Morales stated the services provided to-date include what is needed to validate; fees are covered in the quote provided by staff.

Councilmember Herrera Spencer inquired whether multiple issuances of the bond over 20 years could occur and whether additional costs will be paid to UFI.

Mr. Morales responded each time a bond financing occurs, fees are incurred; the City would pay firm staff, lawyers, financial advisors and underwriters for each transaction.

Councilmember Herrera Spencer inquired how many transactions are anticipated and the estimated total cost at the end of 20 years.

Mr. Morales responded typically, one bond is issued with a 20 year timeline; stated often there is an opportunity to refinance for cost savings within a 10 year period; the process is similar to a mortgage being refinanced in time; at least one transaction, possibly two, is a reasonable estimate.

Councilmember Herrera Spencer inquired the dollar amount for each transaction.

Mr. Morales responded the current market value is \$90,000 to \$100,000; stated that he anticipates the cost would go up in 10 years due to inflation.

Councilmember Herrera Spencer inquired whether Council will be hearing from the City's elected Auditor and Treasurer.

The City Manager responded that he has had discussion the with City Treasurer about involvement moving forward; noted the City Treasurer has his hand raised for public comment.

Councilmember Herrera Spencer inquired whether the City Treasurer and Auditor are being allowed three minutes to speak or whether they will be treated as a paid consultant.

Mayor Ezzy Ashcraft noted the meeting will proceed as usual, according to Council rules; stated a vote to extend speaking time can occur; however, four affirmative votes are needed.

Councilmember Daysog requested each of the consultants provide personal background and certification information.

Mr. Morales stated that he is a Director at UFI; he has over 30 years of public and corporate financing experience; he has a degree from the University of Michigan, a Masters of Public Policy from Harvard University, a Masters of Business Administration in Finance and Real Estate as a Dean's fellow from University of California Los Angeles; he has worked at Transamerica Corporation and abroad as a Technical Advisor for the United States Treasury and the Country of Paraguay; he has extensive derivative, mathematical and quantitative experience doing complex financial transactions, including P3's, derivative transactions and complex valuations and workouts.

James Wawrzyniak stated that he is Bond Counsel from the law firm Jones Hall; Jones Hall is a bond counsel only firm which represents public agencies in public finance transactions including POBs, lease revenue bonds and other kinds of municipal financing; the Jones Hall firm is located in San Francisco, has been a bond counsel firm for 50 years and has represented hundreds of cities and local agencies throughout the State; he has worked with multiple cities around the Bay Area for the past 5 years; he previously practiced corporate law and graduated from Harvard Law School.

Stated the idea has some merit and also carries a lot of risk; the City owes the public a thorough vetting of the matter before issuing any bonds; he and the City Auditor have not been involved in any discussions on the matter prior to tonight; he has not seen any public discussion; the appendix of the presentation includes a great outline of an outreach program, which includes Council workshops and community meetings; the City should follow the program outlined prior to taking any final action; expressed support for putting the matter on the ballot to have voters weigh-in; the resolution indicates the City is going for both judicial approval and approving an issuance; Section 4 of the resolution indicates hiring a finance team, which seems premature during the process to seek judicial approval; he is in favor of getting judicial approval; the approval puts the City in a place to make an educated decision; the matter requires more discussion in public and among Council; the City needs to fully understand the matter and risks; Kevin Kennedy, City Treasurer.

Questioned how the bond payments will be made, if payments are by property taxes if renters would be charged and could landlords add the payments to rent if renters are not charged; stated the current residents ran up the bill and should be the ones to pay; payments can be made with money already held, such as the American Rescue Plan Act (ARPA) funding; expressed support for the idea of paying the cost over time; Jay Garfinkle, Alameda.

Stated that he hopes the City can follow the plan on page 34 of the presentation; the decision is important; expressed support for a thorough analysis and considering the dollar amounts; expressed concern about the effect and impact on possible future borrowings; discussed a future infrastructure bond; stated that he is concerned about how the allocation of funds is going to be amongst the two groups; expressed support for a pro-rata approach and for a discussion on the possibility of involving voters; discussed the City of Oakland's similar experience not working out; stated the timing of the market is a crucial element; he is not 100% sure where the City is going; urged Council to consider the timing of the market; stated there is a long way to go before making the decision; the public needs to be involved; further communication is needed; future generations are stuck with the decision; Kevin Kearney, City Auditor.

Mayor Ezzy Ashcraft requested clarification about how payments will be made and any implications for property owners.

Mr. Wawrzyniak stated the payment is through the General Fund which is the same as the unfunded CalPERS liability; the General Fund includes property and sales tax and is available for all purposes; the General Fund is currently paying CalPERS; instead of paying CalPERS, there will be debt service payments on the bond; no new additional taxes would be levied.

Councilmember Herrera Spencer inquired whether the City is currently covering pensions or whether the City is continuing to accrue more unfunded pension liabilities.

The City Manager responded the bond would pay for the unfunded liability; stated the payment is for unfunded liabilities, which accrued over time; moving forward CalPERS set out a schedule and cost per employee for current and future liabilities; the current format is set; however, there is no guarantee of payment; as more employees are hired, an extra percentage is paid per employee.

Mr. Morales stated the normal costs are part of the current bill; the City has to pay its normal cost at a minimum; the Unfunded Accrued Liability (UAL) is a past due amount; the UAL is \$300 million; the City has a big mountain to climb; eventually \$22 million will go to approximately \$30 million; as increases or other adjustments occur, the amount will fluctuate; as long as the City makes the UAL payments, plus the \$6.7 million, the City should be able to pay it off, with the caveat of annual adjustments made by CalPERS; the liability is dynamic and ever-changing; if the City keeps pace with the adjustments, the City should be able to keep pace with the liabilities; CalPERS is similar to a bank; whatever deposits are made to the system, investments are managed and trued up every year; the City could fall behind; the \$30 million base liability not being paid in cash at once would mean the \$6.7 million, plus the \$20 million UAL payment and the new base of \$33 million could be spread out over a typical 20 year period; it is important to understand that the amount is not static; the liability is changing and dynamic.

Councilmember Herrera Spencer inquired whether the City has enough money in reserves to pay as it goes for the next five to ten years; stated that when she looks at the numbers, she does not think the City has enough money to pay as it goes.

The Finance Director responded the normal cost is based on the percentage of payroll; each budget cycle has to budget the costs; the City currently covers the normal costs as a percentage of payroll; the budget is sufficient to cover the current and next year.

Councilmember Herrera Spencer stated a chart shows the current payments as dropping at year 10 or 15; inquired whether the City will be paying more in the last years.

Mr. Morales responded many cities have a similar profile; stated the payment schedule has a peak; almost every agency has the peak around \$32 to \$33 million; credits and liabilities are added each year, so the structure of the UAL payment increase might change as it has in the past.

The City Manager stated the current annual UAL payments to the UAL total \$557 million in payments without financing.

Councilmember Herrera Spencer inquired how the drop from 2043 to 2044 occurs.

Mr. Morales responded that he has structured the POBs to match the dollar amount of the final years; stated bonds are done in \$5,000 increments; the image shown is as close as possible mathematically.

Councilmember Herrera Spencer inquired whether current interest rates were used to project the amounts, to which Mr. Morales responded in the affirmative.

Councilmember Herrera Spencer inquired the number used.

Mr. Morales responded municipal bonds are a series of bonds; each year has a different interest rate; stated a coupon rate is included; the amounts are also priced as a spread to treasury, which is different from a tax-exemption; pricing the amount day-of, the City will have the two year treasury rate; an underwriter who sells and buys the bonds to investors will explain the bonds as market rate for 25 basis points above the two year treasury rate; the pricing will be up to the 3, 5, 7, 20 and 30 year treasury rate; all rates are indexed off the spread; there is an interest rate cushion; recent bonds have all been below 3% on the back end; a significant cushion has been given due to the required four to six month validation period.

Councilmember Herrera Spencer inquired what happens to numbers if fluctuation happens.

Mr. Morales responded interest rates going down result in the bottom number lowering; stated one interest rate is not used in the calculation; multiple interest rates are used; a gross spread has been presented, with an average rate of 3.33%; interest rates that increase, cause a decrease in cushion or savings; a 0.75% point cushion from current market rates is considered conservative.

The City Manager stated UFI included rate a 0.75% higher than the current rate.

Councilmember Herrera Spencer inquired what the cities that lost money on the same process did wrong and why the recommendation is the right thing to do.

Mr. Morales responded other cities POBs were completed at much higher interest rate environments and had unideal timing; discussed case studies; stated bonds issued in 2008 were not done at a good time and had a 6% interest rate; the use of cab structures, or zero coupon bonds, extended payments and took payment holidays; a number of different things are effecting other cities, including not using the most prudent financial practices; UFI does not guarantee the financial outcome; when cities study and understand the risk, the results are substantially different.

Mayor Ezzy Ashcraft stated that she is mindful of the comments provided by the City Auditor and Treasurer; Council should make sure there is as much information and outreach as possible; further steps will be taken prior to a final decision to issue POBs; expressed support for understanding the further steps; stated that she would like more flesh on the bones of the section referring to the strategy to recommended setting 50% of the POB savings creating a sinking fund to stabilize any future risks and pension obligations; she would have liked more information about the sinking fund savings; she would like to know more about the option before voting to authorize issuance of POBs; she is intrigued and has been preaching about how the City needs to set aside a portion of all unanticipated revenues once debts are paid down; she would like more information before Council embarks on the current step.

Councilmember Knox White stated that his understanding is Council needs to authorize staff to move forward through the process laid out on page 41 of the presentation; the process is four to six months; Council may provide direction during that time; he agrees and has questions which should come back, including policy recommendations about the sinking fund; he would like to ensure that Council is being asked to start the process and provide direction as to what should come back for discussion as part of the process before voting to authorize any bonds.

In response to Mayor Ezzy Ashcraft, the City Manager stated the current matter is the first step; staff will have to return to Council before bonds are issued; Council is not be able to issue bonds under the current action; the Official Statement has to return to Council as a step in the process; additional steps are included on page 34 of the presentation; this step is critical in the process and needs to be taken prior to other steps over the next four to six months; a delay is fine; however, an interest rate risk is associated.

Mayor Ezzy Ashcraft inquired whether or not the City Auditor and Treasurer were consulted.

The City Manager responded there have been brief discussions; neither has been fully involved with the matter.

Mr. Morales stated every day of delay is costing roughly \$30,000; the current matter does not necessarily approve anything; legally, staff has to come back to Council to approve the offering document, known as the Official Statement; approving the first step will save the City money; there is time to put on workshops, ask questions and perform analysis; he has more than enough time and ability to answer almost every question raised.

Mayor Ezzy Ashcraft stated Council can proceed on more than one front at the same time; inquired whether the City Attorney is in agreement about the four to six months court validation process.

The City Attorney responded it is difficult to predict litigation timelines; stated that he does not want to predict timelines in open session; staff is happy to discuss the matter privately in Closed Session.

The City Manager outlined the current estimated debt service under the assumptions in the presentation; stated the debt service is projected under the interest rate of 3.3%; outlined budgetary savings and UAL costs; stated his recommendation is not to spend all the savings and have Council set aside up to 50% of the money; staff will have to bring back a process to set aside any money; over two to three years, any volatility or risk associated would be solved through the sinking fund; if Council sets aside \$4 to \$5 million per year, the City would have \$10 to \$15 million in the first three to four years to mitigate against any downsides of investment risk.

Mayor Ezzy Ashcraft outlined rating agencies taking a neutral position on POBs; stated agencies are taking the time to study pension liabilities and understand the risk of POBs; inquired the risks Council should be aware of.

Mr. Morales stated most of the risks have been addressed through the systematic process; the risk of investment is not germane to POBs; ARPA funds cannot be used on pension obligations;

there is still the risk of whether or not now is the correct time to invest, regardless of the source of money; Council must decide whether now is the right time to invest; outlined various risk assessments; stated the most difficult part of POBs is that municipalities are not necessarily designed to take on the inherent equity risks; when all bonds changed over from fixed income investments to equities and fixed income, everyone was looking for gain to be received; equities are a rollercoaster ride; risk free options do not come with the gain of equities; the pension component adds to the equity risks and occurs with CalPERS every day; the liability will be something to live with; the risk is difficult to address; however, Council can follow systematic methods; the market timing is the primary risk to deal with.

Mayor Ezzy Ashcraft stated while considering the matter, Council must simultaneously be looking at ways to keep the City's pension obligations from increasing unreasonably; discussed hiring contractors versus full-time benefitted employees and using Code Compliance Officers for inspections instead of Firefighters; stated that she looks to the City Manager to help manage pension obligations; Council cannot keep digging out of a hole with one shovel while filling with another; when staff are added, the City has to pay a long-term obligation long after the current Council.

Councilmember Daysog stated Council and residents need to understand the magnitude of the decision; Council is considering issuing a POB for roughly \$298 million to cover unfunded liabilities; when the interest is added, the actual amount comes out to roughly \$420 million; he understands the net present value based on the discount rate; Council is considering the possibility of \$420 million; he is focusing on four areas of the matter.

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(21-663) Mayor Ezzy Ashcraft stated a motion is needed to consider new items after 11:00 p.m.

Councilmember Daysog moved approval of hearing the first two referrals.

Councilmember Herrera Spencer seconded the motion, which failed by the following roll call vote: Councilmembers Daysog: Aye; Herrera Spencer: Aye; Knox White: No; Vella: No; and Mayor Ezzy Ashcraft: No. Ayes: 2. Noes: 3.

Councilmember Knox White inquired whether Council Communications will still be able to be heard.

The City Clerk responded in the affirmative; stated Council must consider hearing new, regular, agenda items after 11:00 p.m., not the agenda sections of Oral, Council and City Manager Communications.

Mayor Ezzy Ashcraft inquired whether Council would still hear Oral and Council Communications, to which the City Clerk responded in the affirmative.

Councilmember Knox White stated the remaining regular agenda item being discussed does not need a motion to continue.

The City Clerk stated the remaining Consent Calendar item related to the Cultivate agreement is outstanding due to being moved to the end of the Regular Agenda.

Councilmember Knox White moved approval of continuing the meeting past 11:00 p.m. in order to hear the Cultivate agreement [paragraph no. 21-652].

Vice Mayor Vella seconded the motion, which failed since it required four affirmative-votes, by the following roll call vote: Councilmembers Daysog: No; Herrera Spencer: No; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 3. Noes: 2.

Vice Mayor Vella moved approval of continuing the Cultivate agreement to Section 6 of the November 2, 2021 agenda.

Councilmember Knox White seconded the motion, which carried by the following roll call vote: Councilmembers Daysog: No; Herrera Spencer: Aye; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 4. Noes: 1.

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Councilmember Daysog stated the magnitude of the matter is beyond the initial \$298 million POB; when the interest is taken into account, the sum is \$420 million; he understands the net present value of the figure is different; Council should not take the Government Finance Officers Association (GFOA) insight related to POBs lightly; the GFOA are the people who certify the annual budget and are a reputable organization that the City turns to for validation; the GFOA's advisory states that State and local governments should not issue POBs; Council should frame its discussion based on the vantage point of the GFOA; discussed how POBs previously worked for cities; stated cities would invest the POB money into the market in the hopes that the Return On Investment (ROI) would be above the 3.5% interest rate; Council is not attempting a previous POB approach; the new approach would generate and issue a \$298 million POB in order to pre-pay the City's unfunded liability; expressed support for the new POB approach; stated the new approach is not without risks; if the return rate from CalPERS is not be 7% in the next year, the unfunded liability rate would recalibrate; the City will have to make up for the shortfall; the budgetary savings would be south of \$2.7 million; CalPERS' return falling to the same amount of or less than the interest being paid is a concern and eliminates the POB savings; outlined employee hires eliminating the budgetary savings, which eliminates the purpose of the POB; stated the City Manager is correct in his recommendation for a strict, fiscal strategy in order to ensure locking the budgetary savings; CalPERS might have a return rate higher than 7% and will not issue a refund for any excess paid; the City will still pay the annual debt service; he recommends going slow; he will not support the matter.

Mr. Morales stated the matter is complex; CalPERS returned 21.4% in the past fiscal year; the City will get a credit of \$74.3 million; CalPERS has announced that the discount rate has to go down to 6.8%, which increases liability; the City will net \$24 million; the \$295 million liability will likely be somewhere closer to \$241 million; a demographic adjustment always comes into the process; there is a lot of estimation because the POB is a \$300 million liability which changes each year; he recommends the \$295 million amount because of the CalPERS adjustment; the City does not have to borrow the full amount; there are a lot of mathematics and moving parts; outlined credits and cash flows; stated impacts would drive payments down; projections have been shared with City staff; the City should ask for the full amount and decide the amount, structure and when to perform the POB in the future.

Mayor Ezzy Ashcraft requested clarification about the GFOA advisory.



Mr. Morales stated the GFOA has a warning on its website which states: "Do not issue pension obligation bonds;" a number of policies are designed to be written for the entire country; the City's financial sophistication is different from anyone else; the GFOA policy is written with cities which might not have high financial sophistication; the information is important because each plan, State law and funding level is different; the CalPERS system is different from the County of Alameda, the State of New Jersey, Illinois or Minnesota; the GFOA writes one universal policy to cover the nation; the financial circumstances of each agency in the country are different; UFI believes a number of the circumstances have been addressed; the most disconcerting part about the GFOA is the advisory not to issue POBs without any recommended alternative options provided outside of using reserves; Council should feel free to adhere to the GFOA advisory; however, the points and counterpoints mentioned by the GFOA should also be considered; the matter is complex and has some downsides, which include equity risks; the answer is not easy; doing nothing has a detrimental impact on operations going forward; the projected operating deficit has to do with increasing pension costs and a shortfall over the next four to five years; the deficit is due to an increase in UAL payments.

Mayor Ezzy Ashcraft inquired if the current economy, stock market and low interest rates are sustainable and factors into the matter.

Mr. Morales responded rates are at historic lows, which makes the matter compelling; stated the discount rate has lowered; he does not believe the growth will continue on a long-term basis; a second industrial revolution is causing some tremendous economic growth; cities cannot continue at 21.3% growth and outrun the problem; the orders are taking more measured steps and being realistic; outlined gains and downsides; stated Council must consider the downside; Councilmember Daysog is correct in his statements about risk; there are things the City can do to prepare itself; the POB is not a panacea and is not without risk; Council should take the time to understand and think about alternative options; doing nothing is not ideal; a plan to address the matter is needed.

Councilmember Herrera Spencer stated that she does not plan to support the matter; she would have liked the City Auditor and Treasurer to have had more time to speak; it is premature to proceed at this time; the City needs to look at both sides of the equation; she would like to hear from community members; expressed support for a workshop; stated the matter is a huge risk; expressed support for Councilmember Daysog's comments; stated the comments help provide further understanding; the City is rushing through a huge risk; expressed support for the matter returning with more information; noted cities have lost a lot of money on POBs; the examples of losses have been minimized in the report.

Mayor Ezzy Ashcraft requested clarification from the City Manager on how he envisions the process going forward.

The City Manager stated the City will start the court process and simultaneously come back with a Council work session and public meetings; the policies can be refined; staff will return to Council after the court decision and bring back a full recommendation; there is risk associated with the matter; the risk of doing nothing will cost roughly \$530 million; the POB solution helps.

In response to Mayor Ezzy Ashcraft's inquiry, the City Manager stated the timeline is about four to six months; court processes can cause delay; four to six months has been the average time in other communities.

Mayor Ezzy Ashcraft inquired when the matter would return to Council next.

The City Manager responded staff can hold a workshop in the following months to continue the educational period; staff will perform other steps during the four to six months in order to prepare Council to make a decision.

Councilmember Knox White inquired whether the validation process included in the presentation is accurate, to which the City Manager responded in the affirmative.

Councilmember Knox White noted sometime between now and next February, there will be a workshop; inquired whether the matter will come to many meetings in March and April and Council approval is set for May or June.

Mr. Morales responded the assessment is correct.

Councilmember Knox White stated that he has been doom and gloom on the economy for some time; he is happy to be proven wrong; if Council wishes to take advantage of the POB, the advantage should be taken earlier, rather than later; bond rates will likely only go up; every month of waiting is a month of increased rates; the concerns raised are reasonable; expressed support for Councilmember Daysog requesting UFI's staff bona fides; stated the City Auditor and Treasurer will provide input and recommendations; the City Auditor and Treasurer have both expressed support for moving forward to start the conversation.

Councilmember Knox White moved approval of the staff recommendation [including adoption of the resolution] with direction to ensure there are two workshops, not Council meetings, between now and the first Council approval whereby the City can have Mr. Morales and City staff give a presentation and have a deep discussion with Council and the community.

Vice Mayor Vella seconded the motion.

Under discussion, Vice Mayor Vella stated Council owes the City and constituents a conversation to explore the option; the experts have said now is the time to have the discussion based on bond ratings; other jurisdictions have done so at less opportune moments; she does not want to be in a situation where Council is making decisions out of desperation; she wants to be in a position to make decisions based off the best possible set of facts, knowing that Council is acting in a fiscally responsible manner; doing nothing is fiscally irresponsible; expressed support for taking a step forward in giving direction to return to Council to look at POBs as an option, allowing for a vetting process, the chance for people to weigh-in to have a work session and for Council to make an informed decision about whether a POB is the right thing at the right time for the City; the matter does not exclude the ability to look at other options and parallel tracks; Council must ensure the City is put in a financial position that is responsible; she has not heard the City Auditor or Treasurer oppose exploring the possibility of a POB; the timeline provides the opportunity for full vetting; expressed support for moving forward; stated doing nothing will cost hundreds of millions of dollars and will create an even bigger problem; she hopes the City can take a positive step forward.

Mayor Ezzy Ashcraft stated it is important that Council considers steps to ensure the City is not creating more liability in moving forward; expressed support for moving forward carefully; stated that she would like staff to explore ways to minimize getting further into debt; inquired whether

Councilmember Knox White and Vice Mayor Vella are amenable to adding direction to staff.

Councilmember Knox White responded so long as the direction is not to look at how the City can outsource public positions; stated that he is happy to look at solutions; expressed concern about the recommendation to hire outside contractors.

Mayor Ezzy Ashcraft stated the recommendation is part of a broader conversation to be held; it is necessary to look at and explore alternatives.

Councilmember Knox White stated that he is happy to include direction to staff that does not include looking at contracting out public employee positions; expressed support for looking into other positions which ensures the City does not increase pension liabilities.

Councilmember Herrera Spencer stated she understands the motion does not include approval of the proposed resolution and does include approval of the proposed timeline.

The City Clerk stated the motion to approve the staff recommendation includes adoption of the resolution.

Councilmember Knox White stated the City Manager's recommendation is to start the process and return for future votes prior to moving forward; staff corroborated earlier that the resolution includes a step for Council approval; Council is not approving the issuance of anything; Council is approving the beginning step and giving direction and committing to the timeline and process, which includes two future Council approvals: one for the underwriter and pension funding policy and a second one for the POB point of sale.

Mayor Ezzy Ashcraft inquired whether the City Clerk understands the motion on the floor.

The City Clerk responded that she understands the resolution is part of the motion with additional direction.

Mr. Morales stated two workshops do not pertain to the actual bonding process; the workshops would be a community stakeholder meeting and a Council workshop; recommended the direction to staff be to provide two workshops or meetings to address the matter; stated that he does not recommend specifying the point of sale or underwriter processes, which are more internal discussions.

Councilmember Knox White stated his reference about the underwriter and point of sale pertains to matters coming to Council in the future.

The City Clerk stated the resolution will be certified based on the motion.

Councilmember Herrera Spencer stated the resolution begins by stating for Council to authorize issuance of one or more series of pension obligation bonds; the resolution contradicts the current discussion; the resolution has more legal significance than being suggested.

Councilmember Knox White requested clarification be provided by the City Attorney.

The City Attorney stated Section 1 of the resolution exists, so that staff can validate and bring a

judicial action for bonds; if Council approves filing a judicial validation action, bonds must exist as a requirement under State law; staff has provided assurances verbally and in Section 5 of the resolution that the matter will return to Council before finalization occurs; there will be nothing for staff to validate if Section 1 of the resolution is removed.

Mayor Ezzy Ashcraft stated the process has to take place in order to begin; checkpoints occur in the timeline.

Mr. Morales stated it is Council's legal and fiduciary duty to review the Authorizing Statement; a bond cannot be sold without Council authorizing the Authorizing Statement; the document has not been generated; there is currently no way the City could legally issue or sell bonds without coming back to Council.

On the call for the question, the motion carried by the following roll call vote: Councilmembers Daysog: No; Herrera Spencer: No; Knox White: Aye; Vella: Aye; and Mayor Ezzy Ashcraft: Aye. Ayes: 3. Noes: 2.

#### ORAL COMMUNICATIONS, NON-AGENDA

(21-664) Jay Garfinkle, Alameda, expressed concern about information not being released regarding the Mario Gonzales investigation.

#### COUNCIL REFERRALS

(21-665) Considering Directing Staff to Provide an Update on License Plate Readers. (Councilmember Herrera Spencer) Not heard.

(21-666) Consider Directing Staff to Publicly Share Information on Parking Recreational Vehicles. (Councilmember Herrera Spencer). Not heard.

(21-667) Consider Directing Staff to Address Representation for Below Market Rate Homeowners on Homeowner Association (HOA) Boards and with Property Management. (Councilmember Herrera Spencer). Not heard.

(21-668) Consider Directing Staff to Support Removal of the US Navy Constraints Limiting Housing Development at Alameda Point. (Councilmember Herrera Spencer and Councilmember Daysog). Not heard.

(21-669) Consider Directing Staff to Address Identifying New Areas at Alameda Point to Develop a Number of Housing Units Above the Originally-Agreed Upon Numbers of the 2023-2031 Regional Housing Needs Allocation (RHNA). (Councilmember Daysog). Not heard.

(21-670) Consider Directing Staff to Move Jean Sweeney Park Fencing. (Councilmembers Herrera Spencer and Daysog) Not heard.

#### COUNCIL COMMUNICATIONS

(21-671) Councilmember Knox White made an announcement regarding the AC Transit Inter-Agency Liaison meeting and an upcoming special meeting of the City Council and School Board

Subcommittee.

(21-672) Councilmember Daysog noted AC Transit will have cameras and be able to issue fines for cars parked in bus stops; announced that he attended the First Tee event at the Chuck Corica Golf Course.

(21-673) Councilmember Herrera Spencer stated that she attended the Italian Heritage Festival parade in San Francisco; announced an upcoming Airport Noise Forum meeting; expressed concern about the letter to the County supporting the Enhanced Infrastructure Financing District [paragraph no. 21-660] being added to the agenda.

(21-674) Mayor Ezzy Ashcraft announced that she attended Walk and Roll to School Day at Wood Middle School and the Fire Chief swearing in ceremony.

Councilmember Herrera Spencer announced that she also attended both the Walk and Roll to School Day and the Fire Chief swearing in ceremony.

#### ADJOURNMENT

(21-675) There being no further business, Mayor Ezzy Ashcraft adjourned the meeting at 11:40 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

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