

EL CERRITO CITY COUNCIL

MINUTES

SPECIAL CITY COUNCIL MEETING

Tuesday, April 22, 2014 – 6:00 p.m.

Hillside Conference Room

CITY COUNCIL MEETING

Tuesday, April 22, 2014 – 7:00 p.m.

City Council Chambers

Meeting Location

El Cerrito City Hall

10890 San Pablo Avenue, El Cerrito

Janet Abelson – Mayor

Mayor Pro Tem Rebecca Benassini
Councilmember Jan Bridges

Councilmember Mark Friedman
Councilmember Greg Lyman

ROLL CALL

Councilmembers Benassini, Bridges, Friedman, Lyman and Mayor Abelson all present.

6:00 p.m.

SPECIAL CITY COUNCIL MEETING – CLOSED SESSION

Mayor Abelson convened the Special City Council meeting – Closed Session at 6:03 p.m.

ANNOUNCEMENT OF CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS (*Pursuant to Government Code Section 54957.6*)

Agency Designated Representatives: Scott Hanin, City Manager, Glenn Berkheimer, Labor Negotiator, Sky Woodruff, City Attorney and Sukari Beshears, Human Resources Manager.

Employee Organizations: Service Employees International Union Local 1021

International Association of Fire Fighters Local 1230

El Cerrito Police Employees Association

El Cerrito Public Safety Management

Unrepresented Employees

ORAL COMMUNICATIONS FROM THE PUBLIC – No speakers.

RECESSED INTO CLOSED SESSION at 6:04 p.m.

ADJOURNED SPECIAL CITY COUNCIL MEETING – CLOSED SESSION at 6:23 p.m.

ROLL CALL

Councilmembers Benassini, Bridges, Friedman, Lyman and Mayor Abelson all present.

7:00 p.m.

CONVENE CITY COUNCIL MEETING

Mayor Abelson convened the City Council meeting at 7:00 p.m.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE was led by Mayor Pro Tem Benassini.

2. COUNCIL / STAFF COMMUNICATIONS

Mayor Abelson stated that the City Council had just met in Closed Session regarding labor negotiations and gave direction to staff. No decisions were reached.

Councilmember Bridges reported that she attended the Environmental Quality Committee's (EQC) showing of the film "Chasing Ice" at the Cerrito Theater on April 17. The film was very well attended. The EQC is hosting a number of events during Earth Month. On May 1, there will be a Drought Resilient Home presentation at 6:30 p.m. in City Hall. The presentation will include a discussion of Laundry to Garden Greywater beginning at 7:30 p.m. Councilmember Bridges invited all to attend.

Councilmember Lyman reminded all of May 6, 2014 special mail ballot election regarding Doctors Hospital and the need to mail the ballot in order for the vote to be recorded. Councilmember Lyman stated that if Doctors Hospital were to close there would be a dire shortage of emergency beds in West County.

Mayor Abelson reported that she attended a groundbreaking for the Ohlone Gardens affordable housing project this afternoon. The project, located behind the Marshalls Department Store, will consist of 57 units and is scheduled for completion next year. Mayor Abelson reminded everyone that Earth Day is celebrated in El Cerrito this Saturday, April 26. The day will include many work parties throughout the City. Those that do not currently have an assignment and would like participate can come to the Community Center at 9:00 a.m. Mayor Abelson also thanked all the volunteers.

Cheryl Morse, City Clerk, announced that the City recently upgraded the Council meeting webcast encoder so that members of the public and staff who would like to watch live meetings and meetings on demand on iPads and other mobile devices can now do so.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

Al Miller, El Cerrito, expressed his support for Consent Calendar Item 5H, a proclamation encouraging solemn remembrance of the Armenian Genocide on April 24, 2014 and urged the City Council to approve it.

Peter Vranich, Chair, Financial Advisory Board (FAB), informed the City Council of the FAB's recommendation to strengthen the liquidity position of the City by adding a requirement to the Comprehensive Financial Policy that will require the City to have as a goal to maintain a minimum cash balance equal to fifteen days of authorized operating expenses in order to meet anticipated obligations without reliance on borrowed funds. After looking at other cities, the FAB determined that actively managing liquidity is a best practice. This policy requirement is stated as a goal, consistent with other policy requirements that are stated as goals such as maintaining a general fund operating reserve of fifteen percent with a minimum of ten percent. Although the goal is not always met, particularly during difficult economic times, it remains a sound operating principle. Another goal is to achieve AAA rating by the major rating agencies. This year the City was downgraded one notch to A+ by S&P. FAB suspects volatility in the City's cash position may factor into the rating. Managing liquidity supports the goal of maintaining the City's credit rating. In past years, an independent audit has commented on the City's periodic deficit spending. In this year's Comprehensive Annual Financial Report (CAFR) the Auditor noted that as of June 30, 2013, the City's unrestricted cash balance represented only five days of general fund expenditures. Continued deficit spending reduces the likelihood that the City

will be able to continue as a going concern. FAB believes the liquidity requirement is the right way to begin addressing these concerns. FAB understands the immediate challenges of meeting this liquidity goal but would like to reaffirm its position on this policy matter and urges the Council to direct staff to implement a plan to achieve this goal.

Tom Panas, El Cerrito, announced the opening of the El Cerrito Seed Library. The free Library is located in the lobby of the Recycling Center. The official opening of the Seed Library will be during the Earth Day lunch at the Community Center and will then move to its permanent location at the Recycling Center. Mr. Panas thanked the El Cerrito Community Garden Network, Robin Mitchell, Garth Schultz and some seed companies and also noted the vision and far sightedness of the City's elected officials and staff for supporting sustainability.

Robin Mitchell, El Cerrito, thanked the City and Mr. Schultz for being so welcoming and also recognized Mr. Panas for his idea to create a seed library. Ms. Mitchell also stated that local schools will also be notified about the seed library and will benefit from it.

Bobbi Griggs, El Cerrito, noted the diversity of students attending the West Contra County Unified School District and thanked the City Council for acknowledging the Armenian Genocide Remembrance Day.

4. PRESENTATION

A. 2014 Solar Champion Award Presentation – Presentation by Environment California Research and Policy Center.

Receive a presentation and an award from Environment California Research and Policy Center, a non-profit statewide environmental group. El Cerrito has been designated as one of seven California cities that are pushing the envelope on promoting solar energy through permitting, incentive programs, public education, technical assistance and more. Environment California was most impressed by the City's efforts to reduce solar permitting fees, install solar panels on municipal buildings and offer advice and assistance to homeowners and businesses interested in going solar.

Action: Received presentation. Award presented by Mac Farrell, Environment California Research and Policy Center.

B. Water Shortage Update – Presentation by Andy Katz, Director, East Bay Municipal Utility District (EBMUD).

Action: Received presentation. EBMUD customers can explore conservation measures and other helpful information on the EBMUD website, www.ebmud.com or by contacting EBMUD customer service at Katz 866-40EBMUD or emailing Director Katz at akatz@ebmud.com.

C. Citizens' Street Oversight Committee Annual Report to the City Council and Residents of El Cerrito

Receive a presentation regarding the Citizens' Street Oversight Committee's review of expenditures of revenue collected pursuant to El Cerrito Municipal Code Chapter 4.60 to determine whether such funds were expended for the purposes specified in the current Street Repair and Maintenance Expenditure Plan.

Action: Received presentation from Thomas Miller, Chair, Citizens' Street Oversight Committee. The Committee, by a three to two vote, found that expenditures were an appropriate use of the Pothole and Local Street Improvement and Maintenance Transactions and Use Tax.

Thomas Miller, El Cerrito, also spoke as a member of the public and stated that the Street Measure A is badly flawed when viewed from the perspective of the voters and also expressed concerns with the expenditure of \$100,000 for non-pavement items such as traffic

and safety improvements and streetscapes and queried whether transparency prevails in government.

Lynne Kessler, Citizens Street Oversight Committee Member, stated that she voted no along with Mr. Miller to voice her objection to the transfer of funds from the way the ballot questions was written. Ms. Kessler also stated that she appreciates the work of the City Council and said that El Cerrito is a good city.

5. ADOPTION OF THE CONSENT CALENDAR – Item Nos. 5A through 5H

Moved, seconded (Friedman/Lyman) and carried unanimously to adopt Consent Calendar Item Nos. 5A through 5G in one motion as indicated below. Mayor Pro Tem Benassini read the title of the proposed Swim Center Measure A Ordinance into the record. Item No. 5H was removed from the Consent Calendar at the request of Mayor Abelson for the purpose of presenting the proclamation to Bobby Griggs and voted on separately as indicated below.

A. Minutes for Approval

Approve the April 1, 2014 Regular City Council meeting minutes.

Action: Approved minutes.

B. Ordinance Establishing the Measure A Swim Center Parcel Tax Rates for Fiscal Year 2014–15

Introduce by title, waive any further reading, and approve an ordinance establishing the Measure A Swim Center Parcel Tax rates for Fiscal Year 2014-15, equal to the approved FY 2013-14 rates of \$38.61 per single-family residential unit, \$29.73 per multi-family residential unit and \$270.66 per acre of non-residential property.

Action: Approved Ordinance No. 2014–02. *Second reading scheduled for the City Council's consideration on May 6, 2014.*

C. Earth Day Proclamation

Approve a proclamation proclaiming April 26, 2014 as Earth Day in the City of El Cerrito and encouraging all residents and businesses to help make El Cerrito a greener, healthier, more sustainable place for all.

Action: Approved proclamation.

D. East Bay Affordable Housing Week Proclamation

Approve a proclamation declaring May 9 – 18, 2014 as the 18th Annual Affordable Housing Week in the City of El Cerrito and will work collaboratively to help secure sustainable funding and support for affordable housing at the local, regional and state level and encouraging residents of El Cerrito to participate in Affordable Housing Week activities to raise awareness about the importance of affordable housing for families and communities.

Action: Approved proclamation.

E. Sexual Assault Awareness Month Proclamation

Approve a proclamation declaring April 2014 as “Sexual Assault Awareness Month” in the City of El Cerrito along with the United States Government and the State of California and joining anti-sexual violence advocates and support service programs in the belief that all community members must be part of the solution to end sexual violence.

Action: Approved proclamation.

F. Quarterly Investment Report for Period Ending March 31, 2014

Receive and file the City's Quarterly Investment Report for the period ending March 31, 2014.

Action: Received and filed.

G. Reschedule the June 3, 2014 City Council meeting to June 2, 2014

Reschedule the June 3, 2014 City Council meeting to Monday, June 2, 2014. June 3, 2014 is the Statewide Direct Primary Election. Holding the City Council meeting on June 3 may pose a conflict with the public's ability to participate in the meeting and also vote in the election as polls remain open until 8:00 p.m. The Contra Costa County Elections Department has also requested that City Hall be used as a polling place on this date.

Action: Approved recommendation to reschedule the June 3, 2014 City Council meeting to June 2, 2014.

H. Armenian Genocide Remembrance Day Proclamation

Approve a proclamation declaring April 24, 2014 as the "Day of Remembrance of the Armenian Genocide" in the City of El Cerrito and encouraging all residents to participate in the remembrance and mourning of the loss of innocent lives.

Action: Removed from the Consent Calendar at the request of Mayor Abelson. Moved, seconded (Lyman/Benassini) and carried unanimously to approve the proclamation. Presented to Bobbi Griggs, WCCUSD/El Cerrito.

6. PUBLIC HEARINGS

A. Disposition Development and Loan Agreement with Eden Housing, Inc. for City Housing Property located at 10848 and 10860 San Pablo Avenue

Conduct a public hearing and upon conclusion adopt a resolution approving a Disposition Development and Loan Agreement (DDLA) with Eden Housing Inc. for disposition of City-owned property for an affordable housing project located at 10848-10860 San Pablo Avenue, making findings and approvals as required by California Community Redevelopment Law (CRL) and authorizing the City Manager to execute the DDLA and all ancillary documents and to file a Notice of Determination in accordance with CEQA.

Presenter: Hilde Myall, Senior Housing Project Manager.

Mayor Abelson opened the public hearing. Two speakers.

Tom Panas, El Cerrito, stated that he enthusiastically supports the project and noted that the project helps the City meet its goals for density and affordable housing. The project is located in a transit-rich corridor, will have a medical clinic and a world-class historic interpretation. Mr. Panas thanked staff, Eden Housing and its architects, the Planning Commission, Design Review Board and the Japanese American Citizens League.

Linda Mandolini, President, Eden Housing, thanked the City Council, Senior Housing Project Manager, Hilde Myall, Tom Panas and the community for all of their support for affordable housing and this project. Ms. Mandolini said Eden Housing is happy to be moving forward on this project.

Moved, seconded (Benassini/Lyman) and carried unanimously to close the public hearing.

Action: Moved, seconded (Lyman/Friedman) and carried unanimously to adopt Resolution No. 2014-10.

B. Fiscal Year 2014-15 Master Fee and Development Fee Schedule

Conduct a public hearing and upon conclusion adopt a resolution approving the Fiscal Year 2014-15 Master Fee Schedule.

Presenter: Lori Treviño, Senior Financial Analyst.

Mayor Abelson opened the public hearing. No speakers.

Moved, seconded (Benassini/Lyman) and carried unanimously to close the public hearing.

Action: Moved, seconded (Friedman/Bridges) and carried unanimously to approve the Master Fee Schedule and adopt Resolution No. 2014-11.

7. POLICY MATTERS

Budget Study Session

Receive a presentation, discuss budget priorities and objectives and provide direction to staff regarding preparation of the City's Fiscal Year 2014-15 budget.

Presenter: Scott Hanin, City Manager, Lisa Malek-Zadeh, Finance Director and Karen Pinkos, Assistant City Manager.

Councilmembers expressed their appreciation for the service and dedication of city staff and acknowledged the difficulty in considering the various balancing measures and potential sacrifices that employees will have to bear.

Councilmember Bridges stated that she favored considering closing City Hall on Fridays and furlough days rather than layoffs and also asked staff to report back on what the potential savings would be and how this would affect services. Councilmember Bridges also stated that the Council also needs to look at employee contributions to health insurance and pension as balancing options.

Councilmember Bridges acknowledged a \$4-5 million decrease to the budget from the loss of redevelopment and property tax since she last served on the City Council 2004-2008. Councilmember Bridges asked staff to prepare scenarios associated with renewing Measure R at its current status and also with a slight increase. She also asked for scenarios using furlough days and/or closures and is also okay with funding reserves at 6% next year with 1-2% increases over the next five years to achieve a 10% reserve.

Councilmember Lyman asked for more information relating to potential savings associated with furlough days. Councilmember Lyman also stated that the City needs to stop relying on one-time special funds for operations and work with employees to increase contributions to potentially healthcare and the retirement fund. Councilmember Lyman stated that he would like the City to do its best to continue with public safety services that are currently being provided without relying on overtime, supports increasing reserves to 6% next year and 7% the following year and move toward a \$1.1 million in cash reserves and would also like to see multiple scenarios identified by Councilmember Bridges and also for what services or projects a Measure R renewal could provide the City. The scenarios should also incorporate future CalPERS increases. The scenarios should also address some of the risk involved with losing the City's pending redevelopment lawsuit and a change in the interpretation of how Home Depot taxes are split. Scenarios should inform the Council about what the City's potential exposures are. Councilmember Lyman stated that he also supports a two year budget.

Councilmember Friedman expressed appreciation for FAB's comments this evening and asked for clarification regarding costs associated with the short term borrowing the City has done. Councilmember Friedman noted that at one time Alameda had taken several paid holidays and turned them into floating holidays to save money on holiday pay. Councilmember Friedman stressed the importance of continued transparency, openness and communication. Councilmember Friedman agrees with implementation of a two year budget and also expressed the need to take a prudent course toward building reserves although this will be painful because any increase in reserves will result in cuts to services or wages and benefits for employees through furloughs and increased pension and/or healthcare contributions which are hard trade-offs to make.

Mayor Pro Tem Benassini asked whether potential balancing measures include the expected CalPERS increase in FY 2016 and police overtime and also asked for clarification regarding fees for new development projects.

Mayor Pro Tem Benassini stated that she is highly supportive of a two year budget and asked for background and more detail for all balancing measures and scenarios that staff has

proposed to address the structural deficit and increase reserves, including new development fees, Measure R, all expected cost increases and scenarios related to employee negotiations. Mayor Pro Tem Benassini is looking forward to reviewing additional data not only for next year but also for how the City can achieve greater than a 6% reserve next year and 10% reserve within the next five years. When looking at the budget, it is important to differentiate between acute versus chronic problems. In considering structural changes, staff also needs to consider ways to motivate employees and keep employee morale up while delivering services that employees are proud of and also meet resident expectations.

Mayor Abelson stated that she agrees with the statements and sentiments of other Councilmembers. This is the most difficult time the City has faced the entire time Mayor Abelson has been on the City Council. Mayor Abelson noted that city services are prioritized and are in alignment with what residents want and asked for clarification regarding potential furloughs and closures and asked staff to prepare multiple scenarios for furloughs, hours and closures for the Council's consideration. Mayor Abelson also noted the need to be creative and flexible with positions and vacancies and asked that everyone work together and recognize that it is not that the City Council wants to implement balancing measures but that the Council has to do it to develop a balanced budget.

Action: Moved, seconded (Lyman/Benassini) and carried unanimously to direct staff to return to the City Council with information requested by individual councilmembers this evening.

8. COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENT REPORTS

Mayoral and City Council communications regarding local and regional liaison assignments and committee reports.

Councilmember Bridges reported that the Human Relations Commission met on April 2 and reviewed is Martin Luther King, Jr. Day event budget and worked on proclamations that it will bring forward to Council. Councilmember Bridges also reported on her attendance at the Environmental Quality Committee meeting. The EQC elected Mark Miner as chair and Howdy Goudey as vice-chair. Ten members of the EQC attended the Earth Hour Walk sponsored by the Committee. The "Chasing Ice" movie was a sell-out event. Councilmember Bridges also reminded all about the free presentation on the Drought Resilient Home and grey water on May 1 from 6:30 to 8:30 p.m. in City Hall.

Mayor Pro Tem Benassini reported on her attendance at the April Contra Costa Mayors Conference in which the mayors received a presentation from Randy Iwasaki, Executive Director of the Contra Costa Transportation Authority (CCTA). Mr. Iwasaki spoke about innovations in transportation and nuts and bolts projects including the Integrated Core Mobility project, the I-80 corridor, the hypertrain, drone packaging from Amazon and smart cars that drive people and talk to one another. Mr. Iwasaki also stated that CCTA is considering placing the Measure J sales tax on the 2016 ballot which would potentially extend and increase the tax. The mayors also received a presentation from Senator DeSaulnier who reported that he had introduced a library bond in the state senate and a presentation from a representative from the Contra Costa Community College District regarding the June 3, 2014 Ballot Measure E for Contra Costa College and facilities improvements.

Mayor Pro Tem Benassini also reported on her attendance at the Association of Bay Area Governments (ABAG) General Assembly in which she heard lots of inspiring stories and information. Ideas of particular interest to Mayor Pro Tem Benassini included open government websites in which the public can view and manipulate data; a discussion about Economic Development being less about attracting business and development but more about cultivating people in the city and making sure residents have great opportunities and can network and connect with one another to obtain the highest salary and most fulfilling careers possible. There was also a presentation from SF Made, a non-profit group dedicated to supporting small manufacturers in San Francisco such as small garment factories and small artisanal food manufacturers. SF Made also works with High Schools to help students

connect with manufacturing jobs that they might not otherwise be aware of. Two ideas for beautifying cities included painting utility boxes and placing tile on garbage cans to make them resistant to graffiti.

Councilmember Lyman reported that the Design Review Board (DRB) met on April 2 and selected Maggie Leighly as chair and Christophe Laverne as vice-chair. The DRB discussed design of the Creekside project. Councilmember Lyman also attended the ABAG General Assembly which included an extended discussion about housing. The CEO of Trulia stated that there is a structural housing problem in the Bay Area. Housing development has been suppressed for so long that housing is now unaffordable due to a short supply. During an afternoon session on affordable housing, Councilmember Lyman heard differing opinions on how to increase the affordable housing supply. The City needs to do whatever it can to make projects competitive.

Mayor Abelson stated that she was not at the Contra Costa Mayors Conference because she was attending the California League of California Cities League Policy Committee meetings in Southern California. Committee members received a presentation regarding massage parlors. There is concern that the current law governing operation of massage parlors is not working well because there are a lot of cities that are getting increasing numbers of illicit massage parlors that engage in human trafficking and prostitution. Mayor Abelson also attended a hearing about massage parlors in Sacramento. The California Police Chiefs Association hopes to make a change in the law that will make a difference.

9. ADJOURNED REGULAR CITY COUNCIL MEETING at 10:14 p.m.

SUPPLEMENTAL COMMUNICATIONS

Item No. 4(C) Citizens' Street Oversight Committee Annual Report to the City Council and Residents of El Cerrito

1. Comments regarding expenditure of Streets Measure A funds – *Submitted by Thomas Miller, El Cerrito.*

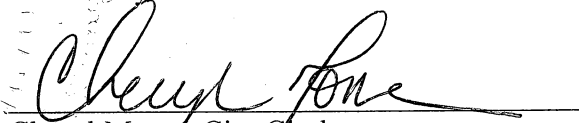
Item No. 6(A) Disposition Development and Loan Agreement with Eden Housing, Inc. for City Housing Property located at 10848 and 10860 San Pablo Avenue

2. Comments in support of the Eden Housing Development – *Submitted by Tom Panas, El Cerrito.*

Other:

3. Seeds propagated in El Cerrito, written comments, information on seed libraries – *Submitted by Tom Panas, El Cerrito.*

This is to certify that the foregoing is a true and correct copy of the minutes of the Special City Council and Regular City Council Meetings of April 22, 2014 as approved by the El Cerrito City Council.


Cheryl Morse, City Clerk


Janet Abelson, Mayor