

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -MARCH 18, 2014- -6:00 P.M.

Mayor Gilmore convened the meeting at 6:04 p.m.

Roll Call – Present: Councilmembers Chen, Daysog, Ezzy Ashcraft, Tam and Mayor Gilmore – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(14-079) Conference with Legal Counsel - Anticipated Litigation; Initiation of litigation pursuant to subdivision (c) of Section 54956.9; Number of cases: One (As Plaintiff - City Initiating Legal Action)

(14-080) Conference with Legal Counsel - Anticipated Litigation; Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9; Number of cases: One (As Defendant - City Exposure to Legal Action)

(14-081) Conference with Labor Negotiators (54957.6) City Negotiator: Elizabeth Warmerdam, Assistant City Manager and Ronald Stassi, Interim General Manager; Organizations Represented: Electric Utility Professionals of Alameda (EUPA) and Alameda Municipal Power Unrepresented Employees (AMPUE); Issues Under Negotiation: Proposed Memorandum of Understanding with EUPA and Proposed Compensation plan for AMPUE. Both including wages, hours, benefits and working conditions

(14-082) Conference with Real Property Negotiators (54956.8); Property: 707 West Tower Avenue (Building 9), 650 West Tower Avenue (Building 41), Building 77, 651 W. Tower Avenue (Building 91) and 2350 Saratoga Street (Building 8); City Negotiator: Jennifer Ott, Chief Operating Officer Alameda Point; Organizations Represented: Big Heart Pet Brands; Issue Under Negotiation: Price and terms of payment

Following the Closed Session the meeting was reconvened and Mayor Gilmore announced that regarding Initiation of Litigation, no action was taken; regarding Significant exposure to Litigation, no action was taken; regarding Labor, no action was taken; regarding Real Property, no action was taken.

Adjournment

There being no further business, Mayor Gilmore adjourned the meeting at 7:04 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -MARCH 18, 2014- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:13 p.m. Councilmember Tam led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Chen, Daysog, Ezzy Ashcraft, Tam and Mayor Gilmore – 5.

Absent: None.

AGENDA CHANGES

(14-083) Mayor Gilmore announced that the Alameda County Update [paragraph no. 14-084] would not be heard.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

(14-084) Alameda County Update on Upcoming Park Street and High Street Bridge Construction. Not heard.

ORAL COMMUNICATIONS, NON-AGENDA

(14-085) Jane Sullwold, Alameda, requested a moment of silence be observed in memory of former Golf Commissioner Ray Gaul.

(14-086) Tim Coffey, Harbor Bay Neighbors, submitted a letter and discussed Ron Cowan's decision to withdraw his application to rezone the Harbor Bay Club property for housing.

CONSENT CALENDAR

Mayor Gilmore announced the Quarterly Sales Tax Report [paragraph no. 14-085] and the Agreement with Alameda Babe Ruth Baseball League [paragraph no. 14-088] were removed from the Consent Calendar for discussion.

Vice Mayor Ezzy Ashcraft moved approval of the remainder of the Consent Calendar.

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

(*14-087) Minutes of the Special Meeting held on February 11, 2014 and the Special and Regular Meetings held on February 18, 2014. Approved.

(*14-088) Ratified bills in the amount of \$ 5,217,142.52.

(14-089) Recommendation to Accept the Quarterly Sales Tax Report for the Period Ending December 31, 2013 Collected During the Period July to September 30, 2013.

The Finance Director gave a brief presentation.

Councilmember Tam inquired if the high leakage rate of discount department stores will shrink now that Alameda has a Target, to which the Finance Director responded in the affirmative; stated Target is a huge plus to reducing leakage and the hope is Alameda will have more department stores.

Councilmember Tam moved approval of the staff recommendation.

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

(*14-090) Recommendation to Accept the Treasury Report for the Quarter Ended December 31, 2013. Accepted.

(*14-091) Recommendation to Accept the Work of MCK, Inc. for Repair and Resurfacing of Certain Streets, Phase 32, No. P.W. 11-12-20. Accepted.

(14-092) Recommendation to 1) Authorize the City Manager to Execute an Agreement with Alameda Babe Ruth Baseball League to Provide the Operations and Maintenance for the College of Alameda Baseball Field, in an Amount Not to Exceed \$150,000; 2) Approve an Appropriation from the General Fund for the Hardball Field Budget, in an Amount Not to Exceed \$35,000; and 3) Authorize the Transfer of the Hardball Field Equipment to Alameda Babe Ruth Baseball.

The Recreation Director gave a brief presentation.

The City Manager noted the agreement before the Council tonight will end a 17-year long dispute between the City and the community college district over water bills.

Councilmember Tam inquired whether the \$150,000 the City will pay over the next five years for the baseball field is in addition to the \$124,000 the City is already paying.

The Recreation Director responded in the affirmative; stated the \$124,000 annual budget to maintain the hard ball field includes full time staff, leaving \$15,000; the General Fund would provide a \$35,000 supplement to help make the first \$50,000 payment; net savings would not happen until year three.

Stated Babe Ruth has a big task to cover costs; that she will seek grants; the quality of the field allows the City to host tournaments; noted the College will pay for water: Pat Bail, Babe Ruth Baseball.

Councilmember Tam moved approval of the staff recommendation.

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

REGULAR AGENDA ITEMS

(14-093) Summary: Approve an Agreement for Various Land Exchanges/Transfers and to Provide Funding for Encinal High School Pool Renovations among City of Alameda, Alameda Unified School District and Housing Authority of the City of Alameda.

Recommendation to Approve a Settlement Agreement among the City of Alameda, the Housing Authority of the City of Alameda, and the Alameda Unified School District Relating to Certain Real and Personal Property Exchanges at Alameda Point and the Encinal Terminals Area; Funding of Encinal High School Swimming Pool Renovation; and Funding for Development of Affordable Housing by the Housing Authority.

(14-093 A) Resolution No. 14902, “Authorizing the City Manager to Negotiate and Execute Additional Documents as Necessary to Implement the Settlement Agreement.” Adopted.

(14-093 B) Introduction of Ordinance Conveying Approximately 20 Acres of Property from the City of Alameda to the City of Alameda Housing Authority at the Former Naval Air Station Alameda (Alameda Point). Introduced.

The City Attorney and Recreation Director gave a brief presentation.

Vice Mayor Ezzy Ashcraft inquired whether the Housing Authority (HA) using the \$4.6 million Housing Asset Funds will be a sufficient safeguard against any State future attempts to take the funds.

The City Attorney responded in the affirmative; stated having funds utilized by the HA is acknowledged as legitimate.

Councilmember Chen inquired what will happen with the swimming pool Joint Use Agreement between the City and AUSD.

The Recreation Director responded the Joint Use Agreement is a separate issue from tonight’s issue.

Councilmember Tam inquired whether there are restrictions in what AUSD can do with the Island High site.

The City Attorney responded AUSD is able to do a property exchange and will have sold the property to the HA; the HA will have rights subject to City zoning.

Urged the Council to support the staff recommendation: Arthur Kurrasch, Housing Authority Board of Commissioners Chair.

Expressed concern with transparency; urged additional time be allowed: Patsy Paul, Alameda.

Discussed the land involved in the transaction; stated there has not been sufficient transparency: Richard Rutter, Alameda.

Suggested that the Council not vote tonight and a joint meeting be held to respond to public questions; discussed the different acreage each agency would receive: Trish Spencer, Alameda.

Stated the agreement is a good deal for the City and athletics in the City; urged approval: Charles Liuson, Alameda Island Aquatics.

Spoke in support of the proposal, which will provide affordable housing: Darin Lounds, Housing Consortium of the East Bay.

Submitted a letter; urged approval: Helen Sause, Alameda Home Team.

Expressed his support and urged Council to approve the recommendation: Doug Biggs, Alameda.

Urged that the School District participate in revenue sharing if and when the Tideland Trust property is sold: Former Councilmember Doug deHaan, Alameda.

Stated the plan is a win-win-win proposal; expressed support and urged moving forward: Sam Sause, Alameda.

Submitted a letter; expressed concern over the 20 acres at Alameda Point, which contains three historic buildings; suggested a condition be added to make the School District subject to the historic preservation ordinance: Christopher Buckley, Alameda Architectural Preservation Society.

Urged approval for the swimmers: Maddy Delore, Alameda Island Aquatics.

Urged approval; provided background information: Laura Thomas, Renewed Hope Housing Advocates.

Applauded staff for working out a win-win agreement; discussed affordable housing: Lynette Lee, Renewed Hope Housing Advocates and Buena Vista United Methodist Church.

Expressed support for affordable housing: Joy Chin-Malloy, Alameda.

Expressed concern; urged the process be slowed down; stated the Island High neighborhood is concerned about the number of units: Melanie Wartenberg, Wedge

Neighborhood Association.

Stated the Island High neighborhood is mixed use and transitional and should be dealt with delicately; urged the process be slowed down: Shane McKay, Alameda.

Stated the project is great for affordable housing; the property could be used to step down from taller adjacent buildings; the project could include a neighborhood garden: Bill Smith, Renewed Hope Housing Advocates.

Expressed support for affordable housing: Irma Garcia, Alameda.

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Councilmember Chen left the dais at 8:52 p.m. and returned at 8:54 p.m.

* * *

Stated the Alameda Development Corporation supports the staff recommendation; stated the agreement is a step for future collaborations: Joyce August, Alameda Development Corporation.

Vice Mayor Ezzy Ashcraft addressed comments from the speakers; stated that she understands the issues of transitional neighborhoods; there are different perspectives and negative assumptions made about affordable housing; older units need attention and are run down due to the moratorium on multiple-family housing, but Alameda has been building impressive projects lately, including Shinsei Gardens; the HA and AUSD worked with the City and there is no conspiracy; by law, issues have to be discussed in closed session; the Council hears the publics' concerns.

Councilmember Chen stated the settlement agreement is not perfect; the agreement helps AUSD find funding for pools; the HA has a long wait list of people in need of affordable housing; the agreement relocates 12 acres to an area more conducive for building a school; Council listens to speakers concerns and make the best decisions required to move the City forward.

Councilmember Tam stated that she wanted to address the assumptions made about closed session discussions; stated the City Attorney's presentation captured everything discussed in the closed session; the transaction is complex; the agreement provides a clean Alameda Point school site adjacent to residential for a walkable and bikeable community; it protects local funds for local use and protects housing funds that would have been taken by the State; there were internal debates regarding fixing the pools with the equipment replacement fund; now funds can be used to finance Fire Station 3; that she supports the agreement.

Councilmember Daysog thanked the public; stated the Wedge neighborhood is caught in the crossfire of the deal; the Wedge neighborhood was always a low income community and received Community Development Block Grant (CDBG) funds; more young families are bringing up income levels; the Wedge is no longer a low income

community; the project will stabilize the community; the challenge is for the neighborhood to help guide the process; residents can help guide design and density.

Vice Mayor Ezzy Ashcraft stated that she supports the recommendation, which is an excellent example of three agencies working together.

Mayor Gilmore concurred with Councilmember Daysog that Council's promise to the swim community set the framework and drove the settlement agreement; other issues have been around for a long time; the three agencies endured a long process; the process will include the Planning Board, study sessions, lots of opportunity for public input; tonight is only one step a very long process.

Vice Mayor Ezzy Ashcraft moved approval of the settlement agreement and adoption of the resolution.

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

Councilmember Daysog moved introduction of the ordinance.

Councilmember Tam seconded the motion, which carried by the following roll call vote: Councilmembers Chen: Aye; Daysog: Aye; Ezzy Ashcraft: Aye; Tam: Aye and Mayor Gilmore: Aye; Ayes – 5. Noes: None.

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Mayor Gilmore called a recess at 9:22 p.m. and reconvened the meeting at 9:43 p.m.

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(14-094) Recommendation to Accept Capital Financing Plan for Fire Station 3.

The Finance Director gave a brief presentation.

Mayor Gilmore inquired whether the \$50,000 savings is the lease payment of the house next door to Fire Station 3, to which the Fire Chief responded in the affirmative; stated the lease is \$4,500 per month, not including other costs.

Mayor Gilmore inquired if the current station needs a new roof, to which the Fire Chief responded in the affirmative; stated the station is due for quite a few upgrades.

Mayor Gilmore stated there is potential for huge capital improvements to a facility that may not merit repairs.

Vice Mayor Ezzy Ashcraft inquired what is the entire amount of the equipment replacement fund and what the funds use.

The Finance Director responded the equipment replacement fund is approximately \$3M and is used for vehicles and specialized equipment, including servers; charges are

assessed against all departments; the transaction is a benefit due to the low interest rate of the loan.

Vice Mayor Ezzy Ashcraft inquired whether the liquidity of the equipment replacement fund is important, to which the Finance Director responded in the affirmative; stated there should be sufficient reserves in the fund built over time to avoid dramatic hits.

Vice Mayor Ezzy Ashcraft inquired if the equipment replacement fund is allocated from the City's budget.

The Finance Director responded charges are assessed to, and tracked by, each department; stated the fund is citywide.

Councilmember Tam inquired whether the maintenance costs of the new fire station will be accommodated in the Fire Department budget separately.

The Finance Director responded as part of the two year budget, the City adopts a Capital Improvement Program (CIP) Facilities Maintenance Fund for maintenance of City buildings.

Councilmember Lena Tam stated that she would like to see interdepartmental equitable issues in the future since the equipment replacement fund is intended for use by all City departments.

Expressed concern about the City going into further debt; questioned why the City should not continue under the current situation: Jane Sullwold, Alameda.

Councilmember Tam requested the Finance Director discuss prospective obligations, the City's capacity for debt, and the timing of financing.

The Finance Director responded the fire station plan was purposely designed to have minimal impact on the General Fund; the net savings is \$250,000 per year; a mid-cycle update with projected PERS costs and OPEB funding, along with a revised five-year forecast would be provided to the Council in June.

Mayor Gilmore inquired whether the initial PERS rate would be brought to Council before a final recommendation.

The Finance Director responded the plan would come in April or May.

The City Manager stated now is the time to engage in a capital project because interest rates and construction rates are low; there will not be a dramatic impact to the General Fund; the project should be done concurrent with the Emergency Operations Center because it involves a lot of the same infrastructure work.

The Finance Director concurred with the City Manager; stated that he attended an

investment conference which revealed interest rates are at a historic low and will probably rise next year.

Councilmember Tam requested the Fire Chief to comment on safety issues and the urgency to build Fire Station 3.

The Fire Chief responded now is the perfect opportunity, stated the station has been needed for 14 years; the facility is no longer a temporary station; there are Americans with Disability Act (ADA) issues; the station is not designed to house modern apparatus; the location is not the safest, fire trucks need to back into the garage which creates traffic and safety issues; the new design will have a pass through and be more efficient in a variety of ways.

(14-095) Introduction of Ordinance Approving the Lease Agreement for Six Years with Five Three-Year Options with Google Inc. in Building 11 Located at 1050 W. Tower Avenue and Building 19 Located at 2175 Monarch Street at Alameda Point. Introduced.

The Economic Development Division Manager gave a brief presentation.

Vice Mayor Ezzy Ashcraft inquired how many employees Makani Power currently has and how many will be added.

The Economic Development Division Manager responded there are currently 35 employees in Building 19 and 40 to 50 employees may gradually be added in Building 11.

In response to Councilmember Tam's inquiry, the Economic Development Division Manager stated the City's only operating expense is insurance cost; the City will assume an insurance expense; the taxes abated are property taxes; the City owns the property but the tenant is still responsible for possessory interest.

John McManus, Cushman and Wakefield, stated the lease was written to maximize flexibility between two different scenarios: one for municipal ownership and one for private ownership; the building is owned by the City and the lease has a potential to run for 21 years; there is a possibility Google will exercise the opportunity to buy out the lease, or a Master Developer could buy the property; taxes are covered under possessory interest tax; the lease has a mechanism to pass taxes to the tenant if a third party investor buys the property; a mechanism is needed to pass the costs to the tenant if a developer does a more advanced development; once the lease was in place, additional costs cannot be added.

Vice Mayor Ezzy Ashcraft moved introduction of the ordinance.

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

(14-096) Introduction of Ordinance Approving the First Amendment to the Lease and

Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of the Lease with Complete Coach Works for Twelve Months in a Portion of Building 24 at Alameda Point, 2301 Monarch Street. Introduced.

The Economic Development Division Manager gave a brief presentation.

Councilmember Tam moved introduction of the ordinance.

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

(14-097) Introduction of Ordinance Approving the Second Lease Amendment for Twelve Months with Margaret Su dba Wonky and Wonky Kitchen, LLC in Building 119 Located at 151 West Seaplane Lagoon at Alameda Point. Introduced.

The Economic Development Division Manager gave a brief presentation.

Councilmember Tam moved introduction of the ordinance.

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

(14-098) Summary: Adopt an Ordinance Amending the Alameda Municipal Code by Revising the Webster Street Business Improvement Area (BIA) Boundaries and Setting a New Surcharge for Large, Single Stand Alone Retail Stores within the BIA Boundaries and Determining that Adoption of the Ordinance is not a "Project" under California Environmental Quality Act (CEQA).

Introduction of Ordinance Amending Alameda Municipal Code Chapter VI, Sections 6-7.2(a), 6-7.2(b), and 6-7.5(j), and Adding Sections 6-7.5(a)6 and 6-7.5(e) to Revise the Webster Street Business Improvement Area (BIA) Boundaries and Setting a New BIA Surcharge Fee for Large, Single, Stand-Alone Retail Stores; Action is not a Project under CEQA because it is Organizational or Administrative Activities of Government that will not Result in Direct or Indirect Physical Changes to the Environment. Introduced.

Councilmembers Daysog and Chen recused themselves and left the dais.

The Development Manager gave a Power Point presentation.

Vice Mayor Ezzy Ashcraft inquired whether objectives outlined in the Memorandum of Understanding (MOU) amendment will also move forward, specifically the physical connections to retail and Webster Street.

The Community Development Director responded in the affirmative; stated the idea of doing retail to foster connections came up in 2006; the College of Alameda has had high turn-over and the objectives are not the current focus of the interim administration;

City staff will continue to move the objectives of the MOU forward; there is currently a Target shuttle administered by the West Alameda Transportation Demand Management Agency; increasing the shuttle service area is envisioned for a future plan.

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(14-099) Vice Mayor Ezzy Ashcraft moved approval of considering additional agenda items after 10:30 p.m.

Councilmember Chen seconded the motion, which carried by the following voice vote: Ayes: Councilmembers Chen, Daysog, Ezzy Ashcraft, and Mayor Gilmore – 4. Noes: Councilmember Tam – 1.

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Discussed the need to realign the boundaries: Sandip Jariwala, West Alameda Business Association (WABA).

Stated the Mariner Square Athletic Club (MSAC) does not want to be in the BIA; expressed concern over notification; requested the Club's two properties be excluded: Kevin Truglio, Mariner Square Athletic Club.

Stated that she received an invitation which she would like to decline; stated Aquatech and MSAC would like to be excluded: Kathy Wagner, Mariner Square Athletic Club.

Expressed support for the ordinance: Sean Whiskeman, Catellus.

Urged approval of the staff recommendation: Sam Koka, Alameda.

Vice Mayor Ezzy Ashcraft stated that she spoke with Mr. Truglio regarding his concerns; correspondence from WABA could have been more informative; the Development Manager wrote to MSAC and Aquatech on March 10th explaining the BIA decision and included the staff report as an exhibit; the Development Manager also had a telephone conversation with Mr. Truglio to reiterate the \$4,000 surcharge fee would not apply to MSAC; Steve Moore of Aquatech objects to taxes on principle; WABA has a lack of funds and is asking business owners to pay their fair share; the assessment would be a benefit to the whole district; she supports the assessment.

Councilmember Tam stated that she agrees with expanded boundaries but is reluctant to force someone to join the BIA when they are so vehemently opposed; she is comfortable excluding MSAC and Aquatech.

Vice Mayor Ezzy Ashcraft inquired what is to prevent other businesses from opting out if two businesses are allowed to opt out.

Councilmember Tam responded the businesses may join the assessment district in the future, but are not considering it now because they do not see the value of the assessment.

Mayor Gilmore stated that she appreciates the business owners feelings of not wanting to join the assessment district, but allowing businesses to opt out will set a bad precedent.

The City Manager urged Council not to pass the item tonight; stated the City would not be able to manage business improvement associations if businesses are allowed to opt out of paying taxes; that he recommends bringing the item back at a later date.

Vice Mayor Ezzy Ashcraft stated opting out would also mean less money to do things that contribute to the economic development and improvement for entire City; providing balance and being fair to both ends of town is important.

Councilmember Tam stated her issue is with the process; there may be a difference of opinion if the businesses felt fully informed; that she would like to make sure the businesses are fully informed; relying on the City for information on the assessment defeats the purpose of having a business association be the conduit of information.

Mayor Gilmore stated the item will come back on a future date to give WABA time for additional outreach.

The Community Development Director stated coming back on April 15th would allow adequate time for additional outreach.

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(14-100) Councilmember Chen moved approval of continuing the meeting past 11:00 p.m.

Vice Mayor Ezzy Ashcraft seconded the motion, which carried by the following voice vote: Ayes: Councilmembers Chen, Daysog, Ezzy Ashcraft, and Mayor Gilmore – 4. Noes: Councilmember Tam – 1.

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CITY MANAGER COMMUNICATIONS

None.

ORAL COMMUNICATIONS, NON-AGENDA

Irma Garcia Sinclair, Alameda stated that she opposes the anti-terror and contraband enforcement station in West Alameda

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(14-101) Consideration of Mayor's Nominations for Appointment to the Housing Authority Board of Commissioners.

Mayor Gilmore nominated Fayleen Allen, Cullen Jones, and Stuart Rickard for reappointment to the Housing Authority Board of Commissioners.

ADJOURNMENT

There being no further business, Mayor Gilmore adjourned the meeting at 11:17 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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

MINUTES OF THE SPECIAL JOINT CITY COUNCIL
AND SUCCESSOR AGENCY TO THE COMMUNITY
IMPROVEMENT COMMISSION (SACIC) MEETING
TUESDAY- -MARCH 18, 2014- -7:01 P.M.

Mayor/Chair Gilmore convened the meeting at 11:17 p.m.

Roll Call - Present: Councilmembers/Agency Members Chen, Daysog, Ezzy Ashcraft, Tam and Mayor/Chair Gilmore – 5.

Absent: None.

Oral Communications

None.

Consent Calendar

Mayor/Chair Gilmore announced that the Audit [paragraph no. [14-103 CC/14-005 SACIC] was removed from the Consent Calendar for discussion.

Councilmember/Agency Member Chen moved approval of remainder of the Consent Calendar.

Vice Mayor/Agency Member Ezzy Ashcraft seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*14-003 SACIC) Minutes of the Special Joint City Council and Successor Agency of the Community Improvement Commission (SACIC) Meeting of March 4, 2013. Approved.

(*14- 004 SACIC) Recommendation to Authorize the City Manager to Negotiate and Execute an Agreement with Catellus Alameda Retail LLC to Provide Funding for Construction of a Cross-Walk at Stargell Avenue and Webster Street in an Amount not to Exceed \$258,000; Accepted; and

(*14-102 CC/14-004 A SACIC) Recommendation to Authorize the City Manager to Negotiate and Execute an Agreement Regarding Expenditure of Excess Bond Proceeds between the City of Alameda and the Successor Agency to the Community Improvement Commission. Accepted.

(*14-103 CC/14-005 SACIC) Recommendation to Accept the Fiscal Year 2012-13 Audited Financial Statements and Compliance Reports.

The Finance Director gave a brief report.

Commended staff for the audit report: Kevin Kearney, City Auditor.

Agenda Item

(14-104 CC/14-006 SACIC) Recommendation to Accept the Second Quarter Financial Report for the Period Ending December 31, 2013 and Approve Mid-Year Budget Adjustments to the Fiscal Year 2013-14 Budget.

The Finance Director gave a brief presentation.

Mayor Gilmore inquired whether the City received 25% of the un-used funds the Successor Agency funds, which went to the County.

The Finance Director responded in the affirmative; stated every six months the City submits budget obligations to the Successor Agency Board; the Board receives about \$6 to \$7 million; remaining fund not used for obligations are returned to the 1% County pool; after the Educational Revenue Augmentation Fund (ERAF) payment, the City's net is approximately 25%.

Mayor Gilmore inquired why the State is not trying to take the remaining funds.

The Finance Director stated part of the 1% funds go toward ERAF, which is less money the State has to spend for the schools.

The City Manager added the funds count against the State's Proposition 98 amount.

Councilmember Daysog inquired whether the return of \$1 million would reoccur annually, to which the Finance Director responded in the negative; stated some amount every six months will be received which will be evaluated for the mid-cycle update.

Councilmember Daysog moved approval of the staff recommendation.

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

Adjournment

(14-105 CC) There being no further business, Mayor/Chair Gilmore adjourned the meeting at 11:32 p.m. in memory of Ray Gaul.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, SACIC

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