

MINUTES OF THE SPECIAL CITY COUNCIL MEETING  
TUESDAY- -JUNE 11, 2013- -6:00 P.M.

Mayor Gilmore convened the meeting at 6:03 p.m.

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

[Note: Councilmember Daysog arrived at 6:04 p.m.]

Absent: None.

The meeting was adjourned to Closed Session to consider:

(13-287) Public Employee Performance Evaluation (54957); Title and name: City Manager John Russo

Following the Closed Session the meeting was reconvened and Mayor Gilmore announced that the Council gave direction to the City Manager.

Adjournment

There being no further business, Mayor Gilmore adjourned the meeting at 7:10 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 OF THE COMMUNITY  
IMPROVEMENT COMMISSION (SACIC) MEETING  
TUESDAY- -JUNE 11, 2013- -7:00 P.M.

Mayor/Chair Gilmore convened the meeting at 7:18 p.m. Councilmember/Agency Member Chen led the Pledge of Allegiance.

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

Absent: None.

ORAL COMMUNICATIONS, NON-AGENDA

(13-288 CC/13-014 SACIC) Wil Dulay, Parents of Nea School, stated greater Police patrol is needed in the area around the school.

Mayor/Chair Gilmore stated Mr. Dulay's contact information would be provided to the Interim Police Chief.

CONSENT CALENDAR

Mayor/Chair Gilmore announced that the Quarterly Sales Tax Report [paragraph no. 13-289 CC] was removed from the Consent Calendar for discussion.

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

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

(\*13-015 SACIC) Minutes of the Joint City Council and SACIC Meeting Held on April 16, 2013, and the Special SACIC Meeting Held on May 7, 2013. Approved.

(\*13-289 CC/\*13-016 SACIC) Recommendation to Accept the Third Quarter Financial Report for the Period Ending March 31, 2013. Accepted.

(13-290 CC) Recommendation to Accept the Quarterly Sales Tax Report for the Period Ending December 31, 2012 collected during the period ending March 31, 2013.

The Controller gave a brief presentation.

Mayor Gilmore stated the staff report compares Alameda to other cities; Alameda is

dead last [in generating sales tax]; that she would be pleased if Alameda could reach the regional average in sales tax.

The City Manager provided a handout and gave a brief presentation.

Councilmember Tam stated the Fiscal Sustainability Committee reviewed revenues and determined approximately 36 big box stores would be needed to raise revenue to cover Other Post-Employment Benefits (OPEB) or deferred maintenance costs; inquired what the City should expect from Alameda Landing build out; stated \$300,000 per year in revenue is expected from Target alone.

The City Manager responded expenditure restriction would also be needed to address OPEB; stated the estimate was conservative and staff believes Target could actually generate closer to \$400,000; retail needs to be welcomed; the City needs to mitigate retail impacts; City staff needs to recruit retailers and create retail opportunities; revenue can be generated without significant impact to the community; looking at both sides of the ledger is required to solve long term economic problems; sales tax is the City's single biggest liability and the City needs to focus on the matter.

Councilmember Tam moved acceptance of the Quarterly Sales Tax Report.

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

(\*13-291 CC) Recommendation to Accept the Treasury Report for the Quarter Ended March 31, 2013. Accepted.

(\*13-292 CC) Resolution No. 14816, "Designating a City Consultant as an Authorized Representative to Examine Certain Sales and Use Tax." Adopted.

## AGENDA ITEMS

(13-293 CC) Public Hearing to Establish the Proposition 4 (Appropriations) Limit for Fiscal Year (FY) 2013-14; and

(13-293 A CC) Resolution No. 14817, "Establishing the Appropriations Limit for FY 13-14." Adopted.

The Controller gave a brief presentation.

Councilmember Tam moved adoption of the resolution.

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

(13-294 CC) Resolution No. 14818, "Approving and Adopting the Operating and Capital

Budget for Fiscal Years 2013-2014 and 2014-2015.” Adopted.

The Assistant City Manager and Controller gave a Power Point presentation.

Mayor Gilmore noted that Exhibit 3 is staff's responses to Council questions; thanked staff for providing clear responses.

Councilmember Chen stated the Council has had many questions for staff; thanked staff for being responsive; inquired whether the OPEB amounts could be shown by department.

The Assistant City Manager responded staff could provide said information; stated the amount was separated out from departments as a line item; however, the costs were moved back under each department.

Mayor Gilmore noted the amount was moved back under departments in order to show the true, full cost of the departments providing services.

The Controller stated the program pages will be revised for the next budget and can be expanded to include the OPEB costs.

In response to Councilmember Chen's inquiry regarding the 1079 and 1082 pensions, the Controller provided a brief explanation of the City's two former pension plans.

Councilmember Chen inquired whether the costs are in addition to PERS pension costs, to which the Controller responded in the affirmative.

Vice Mayor Ezzy Ashcraft complimented staff on the budget pictures.

The Controller noted the budget is available on the City's website.

Councilmember Daysog inquired whether the City has reviewed including the City Treasurer and City Auditor in the budget preparation.

The Controller responded the City Auditor and City Treasurer have provided great feedback; stated the Treasurer's presentation was included in a previous presentation; everyone needs to work together to prepare the budget; this year, the transmittal letter was expanded to address everything presented.

The City Auditor made brief comments.

Mayor Gilmore noted that the clarity of the budget helps the City in discussions with bargaining units.

Discussed the difficulty of generating the revenue needed to cover expenses;

suggested a report of expenditures be done each quarter: Former Councilmember Doug deHaan, Alameda.

Councilmember Daysog stated the projection of a 29% reserve by June 30, 2014 and a 25% reserve by the end of June 30, 2015 should be celebrated; however, the Council and staff are also preparing for risks and buying time to address hard decisions on how to address OPEB and PERS costs; Council and staff are doing everything possible to increase revenue and control costs.

Vice Mayor Ezzy Ashcraft stated the City Council is ready to tackle OPEB and PERS; that she is confident the City will continue to work hard; everyone has worked together.

Councilmember Tam stated the budget reflects the community's priorities; the City has partnered with bargaining units in sharing the pain and starting to get better; Alameda reaching the sales tax average would be \$3.78 million, which happens to be the deficit in Fiscal Year 2015-16.

Councilmember Chen stated the Council listened to the public and is doing everything possible to maintain quality of life in Alameda.

Mayor Gilmore stated the Council does not intend to kick the can down the road and realizes problems can only be dealt with when everyone works together cooperatively; that she is interested in seeing what can be accomplished under the City's first two year budget.

Councilmember Tam moved adoption of the resolution.

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

## ADJOURNMENT

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 8:32 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk and  
Secretary, SACIC

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