

MINUTES OF THE REGULAR CITY COUNCIL MEETING  
TUESDAY- -JULY 2, 2013- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:06 p.m. Vice Mayor Ezzy Ashcraft led the Pledge of Allegiance.

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

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

(13-322) Presentation of Certificates of Service to Avonnet Peeler, Civil Service Board; Paulina Kirola, Commission on Disability Issues; Robert McKean and Bruce Reeves, Economic Development Commission; Bill Schmitz and Jane Sullwold, Golf Commission; Mathew Hoffman, Historical Advisory Board; John McCahan, Public Utilities Board; Cynthia Wasko, Social Service Human Relations Board; and Emani Pollard and Angus Storm, Youth Advisory Commission.

Mayor Gilmore presented Certificates to Ms. Peeler, Ms. Kirola, Mr. Schmitz, Ms. Sullwold, Mr. McCahan, and Ms. Wasko.

(13-323) Presentation of Certificate of Recognition to Staff Sergeant Jason Ramsey. Not heard.

(13-324) Proclamation Declaring July 1, 2013 as Alameda Meals on Wheels Day.

Mayor Gilmore read and presented the proclamation to Rosemary Reilly and Mark Sorenson, Alameda Meals on Wheels.

Ms. Reilly and Mr. Sorenson made brief comments; invited everyone to attend a fundraiser on July 21<sup>st</sup>.

(13-325) Proclamation Declaring July 2, 2013 as Dr. Jannett Jackson Day.

Mayor Gilmore read and presented the proclamation to Dr. Jackson.

Expressed support of honoring Dr. Jackson: Toni Cook, College of Alameda.

Dr. Jackson made brief comments.

## ORAL COMMUNICATIONS, NON-AGENDA

None.

## CONSENT CALENDAR

Mayor Gilmore announced that the letter commenting on the Draft Plan Bay Area [paragraph no. 13-328] was removed from the Consent Calendar for discussion.

Councilmember Tam moved approval of the remainder of the Consent Calendar.

Vice Mayor 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.]

(\*13-326) Minutes of the Special and Regular City Council Meetings Held on May 28, 2013 and June 4, 2013. Approved.

(\*13-327) Ratified bills in the amount of \$1,447,057.20.

(13-328) Recommendation to Authorize the Mayor to Send a Letter Commenting on the Draft Plan Bay Area.

Outlined her concerns with the Bay Area Plan: Carol Gottstein, Alameda.

Mayor Gilmore inquired if the letter could include comment that the funds allocated to the hot lanes are counter to the goals of the One Bay Area Plan.

The City Planner responded in the affirmative; stated the whole regional planning process is to reduce greenhouse submissions and focus development in the inter Bay Area cities to address climate change issues.

Mayor Gilmore stated that she understands assets deteriorate over time; the freeway link in the outer Bay Area is not being maintained; further stated the pedestrian accidents increasing seems counter intuitive.

The City Planner stated the analysis indicates the incidents of collisions with bicycles, cars, pedestrians will increase in the inner Bay Area by the factor of the increased number of people walking and biking.

Councilmember Tam stated hot lanes do not recover costs and use a sizable chunk of transportation dollars; the letter should underscore that alternative modes of transportation should not just be prioritized, but the funding should be proportionally allocated; a BART extension to Warm Springs or the Tri-valley is worth more than a hot lane.

Vice Mayor Ezzy Ashcraft stated the freeways are overtaxed and a lot more emphasis has to be put into alternative means of transportation; she concurs with her colleagues about the hot lanes.

The City Planner stated that staff would be happy to amend the letter.

Councilmember Tam moved approval of the staff recommendation [with amendment to the letter].

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

(\*13-329) Resolution No. 14835, “Approving an Amendment to the Agreement with the California State Coastal Conservancy for Funding to Implement Spartina Eradication and Mitigation Measures and Authorize the City Manager to Execute All Required Documents.” Adopted.

(\*13-330) Resolution No. 14836, “Ordering the Summary Vacation of a Public Street Right-of-Way for a Portion of the Former Tinker Avenue Adjacent to Mariner Square Loop.” Adopted.

(\*13-331) Resolution No. 14837, “Approving the Housing Authority’s Conflict of Interest Code.” Adopted.

(\*13-332) Ordinance No. 3075, “Amending Municipal Code Section 5-7.1 – Penalty for Nonpayment of Annual, Quarterly or Semi-Annual Business License.” Finally Passed.

### REGULAR AGENDA ITEMS

(13-333) Resolution No. 14838, “Commending Retired Alameda Police Department Chief Michael C. Noonan for His Contributions to the City of Alameda.” Adopted.

Mayor Gilmore read the resolution.

Councilmember Tam moved adoption of the resolution.

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

Thanked Mr. Noonan for taking action to allow them to keep their pet pig: Cassandra, Zack, Charlotte and Bosco Thompson, Alameda.

The Fire Chief made brief comments and thanked Mr. Noonan.

Mayor Gilmore presented the resolution to Mr. Noonan.

(13-334) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a License Agreement with Antiques By the Bay, Inc., for Five Years in the Northwest Territories Located at 2900 Navy Way at Alameda Point. Introduced.

The Economic Development Division Manager gave a brief presentation.

Councilmember Chen stated Antiques by the Bay is truly a destination spot, a regional draw for Alameda; his relatives who live in Canada come to Alameda once a month just to attend the antiques faire.

Councilmember Tam inquired whether the City receives sales tax from the Antiques Fair, to which the Economic Development Division Manager responded staff is working on trying to capture as much as possible; the sales tax is based on where each vendor booth is registered.

Councilmember Daysog stated the faire is fabulous for Alameda and draws people throughout the Bay Area and beyond.

The Economic Development Division Manager noted approximately 13,140 booklets are distributed detailing the faire; staff is considering advertising in the booklet in order to provide economic information to 13,140 people.

Councilmember Daysog moved introduction of the ordinance.

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

(13-335) Public Hearing to Consider Introduction of Ordinance Amending Section 30-2 of the Alameda Municipal Code to Allow Cottage Food Operations as Required by Assembly Bill 1616 and Allow All Home Occupations to Include Up to One Employee and Delete Reference to Excessive Pedestrian Traffic. Introduced.

The Supervising Planner gave a brief presentation.

Vice Mayor Ezzy Ashcraft moved introduction of the ordinance.

Councilmember Tam seconded the motion.

Under discussion, Councilmember Tam extended her appreciation to staff for getting ahead of the issue and ensuring the City has guidelines in place to give clarity to those making added income by working from home.

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

(13-336) Adoption of Resolution Establishing Integrated Waste Collection Ceiling Rates and Service Fees for Alameda County Industries, Inc. for Rate Period 12 (July 2013 to

June 2014). Not adopted.

Rick Simonson, HF&H, gave a Power Point presentation.

Councilmember Daysog noted a discrepancy in a table included in the presentation and inquired if the discrepancy translates into a rate adjustment, to which Mr. Simonson responded in the affirmative.

Councilmember Daysog inquired if the annual cost of \$891,200 for the C&G vehicles shown in the detail of Table 4 is depreciation, to which Mr. Simonson responded in the affirmative.

Councilmember Daysog inquired if the rate calculation for this year was based upon last year; stated the cost element should not be \$891,000, it should be the increment between the amount included last year and \$891,000.

Mr. Simonson responded in previous years, vehicles were leased and appeared on another line item for six months; depreciation was added, plus the lease expense, to reach \$900,000 in depreciation; \$400,000 represents six months of the C&G vehicles; another \$400,000 represents six months of previous vehicles.

Councilmember Tam inquired whether the amounts are entirely depreciation costs.

Mr. Simonson responded the vehicles were leased in prior years, now, vehicles are purchased and being depreciated, which is why there is a discrepancy between \$400,000 and \$800,000; depreciation is not being double counted; continued the presentation.

Councilmember Daysog inquired if other vehicles will be replaced, to which Mr. Simonson responded in the affirmative.

Councilmember Daysog inquired whether depreciation would have already been captured in the 2007 or 2008 rate increase for a vehicle leased in the year 2006, to which Mr. Simonson responded in the affirmative.

Councilmember Daysog inquired if the City now has 100% C&G vehicles, to which Mr. Simonson responded in the affirmative.

In response to Councilmember Daysog's inquiry, Mr. Simonson stated costs are annual, not incremental; the annual revenue requirement for rate year 12 is \$17.2 million; some service vehicles are not alternative fuel vehicles; annual depreciation, including \$17.2 million, it is not additive.

Councilmember Daysog stated a lot of information needs to be clarified; 20,000 residents are getting a big rate increase.

Mr. Simonson responded the presentation includes slides explaining the matter.

Ken Kenny, Alameda County Industries (ACI), outlined the equipment costs; stated the numbers are the same and were just reflected as two different line items; \$400,000 each last year demonstrates the transition; as now, one line item has 12 full months of depreciation.

The Public Works Director stated the amount it is not additive and accounts for all costs for the upcoming rate period; before last year, the accounting was \$400,000 for lease of vehicles plus \$400,000 for amortization; this year there is no leasing; the accounting for vehicles is just the amortization; accounting reflects the various categories that make up the expenses ACI anticipates incurring in the coming rate period.

Councilmember Daysog stated greater discussion would help.

Mr. Simonson continued the presentation.

Councilmember Chen inquired whether rates are being increased to cover \$1.5 million due to the loss revenue and labor, gas and fuel costs, to which Mr. Simonson responded in the affirmative

Councilmember Chen inquired whether the 10% increase is being requested to offset the \$1.5 million shortfall.

Mr. Simonson responded in the affirmative; stated the original increase requested from ACI to bridge the gap between the costs and the current revenues was 12.3%, which is now down to 10%.

Councilmember Chen inquired whether \$17.2 million in revenue would make the 10% increase not necessary; to which Mr. Simonson responded in the affirmative.

Councilmember Chen inquired whether 6% is the base for all rates, to which Mr. Simonson responded in the affirmative.

Councilmember Chen inquired if the remaining 4% is broken down into 1% in 20 gallon, 2.5% in the multiplex and so forth, to which Mr. Simonson responded in the affirmative.

Councilmember Chen inquired if the 10% increase would balance the shortfall, to which Mr. Simonson responded in affirmative.

Councilmember Chen stated the 20 gallon single family receptacle increases from \$23.80 to \$27.73 which represents a 17% increase; inquired why the percentage is greater than 10% and where the extra revenue is going.

Mr. Simonson responded at least 8,240 customers are going up just 6%; the increase averages to 10% in different rate categories and customer types are being affected

differently.

Councilmember Chen stated some customers will see a rate increase of more than 10%, perhaps 20%, or even 30%.

Mr. Simonson responded the 10% increase is for single family residents; 20 gallon rates will increase 16.5%; all others will increase 6%.

Councilmember Chen inquired if the 7% above the 10% is going into a reserve.

Mr. Simonson responded the amount is not additional; the increases generate exactly what ACI needs: \$17.2 million; the rates will accomplish the \$17.2 million based on the current subscription levels.

In response to Councilmember Chen's inquiry, Mr. Simonson stated the City is still susceptible to revenue shortfalls; costs do not change because items disposed of still go into one of the three containers, just not the one residents are charged for; in an effort to make the revenues more reliable, strides to get the 20 and 32 gallon rates closer to the true service cost and move towards no revenue shortfalls.

\* \* \*

Councilmember Daysog left the dais at 8:39 p.m. and returned at 8:40 p.m.

\* \* \*

Mayor Gilmore inquired if the revenue estimates are based solely on rate changes and anticipate no change in customer behavior.

Mr. Simonson responded migration is built in based on where revenues are going; customers can downsize and there would not be a significant shortfall; many commercial customers already have 20 and 32 gallons; 95% of residential customers have already shifted to the smallest can.

Mayor Gilmore inquired how the target was missed so badly this year.

Mr. Simonson responded last year, a 9.2 or 9.6% increase was necessary but only an overall increase of 5% was requested and authorized; there was already a built-in gap coming into this year; the increase was kept at 5% because of the economy and not wanting to severely impact the residents and businesses annual bases; the rates are being brought current to provide 100% of the revenue requirement.

Councilmember Chen stated since 40% of customers have single family homes; recycling is encouraged; \$120 savings can be pocketed if residents recycle; a 17% increase sends the wrong message.

Mayor Gilmore stated the rate increases are not specific to garbage collection; increases are happening in a lot of the industries, including water and electricity.

Vice Mayor Ezzy Ashcraft questioned if the City is trying to encourage people to use less garbage then should not the price of a 64 gallon container be twice the price of a 32 gallon container; stated there seems to be a discount for having more garbage; inquired if 64 gallon customers could help subsidize other rates.

In response to Councilmember Chen's comments about a 10% increase across the board, the Public Works Director stated a 10% increase across the board would get ACI the revenue projected; stated a 20 gallon may cost \$40 to service, however the rate is remaining lower to encourage recycling.

The City Manager recommended continuing the item to the next Council meeting on July 23<sup>rd</sup> to offer the consultants time to provide the additional information the Council is requesting.

Councilmember Daysog concurred with the City Manager; stated additional information would be helpful, particularly with regard to how depreciation is characterized and how depreciation affects the need for rate increases.

Mr. Simonson responded he would be happy to provide Council with additional information.

Urged that the rates support the service received; expressed support for the rate increase: Jessica Robinson, Miss Alameda Says Compost and Community Action for a Sustainable Alameda.

(13-337) Resolution No. 14839, "Supporting Assembly Bill 1324." Adopted.

The Assistant City Manager gave a brief presentation.

Councilmember Chen moved adoption of the resolution.

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

#### CITY MANAGER COMMUNICATIONS

(13-338) The City Manager provided a handout outlining upcoming Municipal Code amendments; announced upcoming community meetings addressing: 1) AC Transit route changes; 2) Fire Station 3; and 3) Housing Authority assistance for candidates seeking jobs; showed a new Alameda Visitor's Guide; and announced Other Post-Employment Benefits would be addressed at the next Regular Council meeting on July 23<sup>rd</sup>.

#### ORAL COMMUNICATIONS, NON-AGENDA



None.

### COUNCIL REFERRALS

None.

### COUNCIL COMMUNICATIONS

(13-339) Consideration of Mayor's Nominations for Appointment to the Golf Commission, Historical Advisory Board and Youth Advisory Commission.

Mayor Gilmore nominated Shawn Shelby for appointment to the Golf Commission; and Amy Fann, Alanei Jackson, Amelia Khoo and Shariff Youngblood for appointment to the Youth Advisory Commission.

(13-340) Vice Mayor Ezzy Ashcraft stated on June 27th, Councilmember Lena Tam and she attended the League of California Cities East Bay Division business meeting at El Cerrito City Hall.

Councilmember Tam stated the City of Alameda and the City of Hayward noticed shopping malls are encouraging food trucks and finding the trucks complement their business, bring in foot traffic, and help raise revenues.

(13-341) Councilmember Daysog stated on June 27<sup>th</sup> and 29<sup>th</sup>, he addressed the public, a top issue was concern about crime at the Bayport residential development.

(13-342) Mayor Gilmore encouraged everyone to attend the 4<sup>th</sup> of July Parade.

### ADJOURNMENT

There being no further business, Mayor Gilmore adjourned the meeting at 9:25 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

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