



MINUTES OF THE CITY COUNCIL MEETING OF THE CITY OF HAYWARD
Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, March 21, 2017, 7:05 p.m.

The Special Joint City Council meeting was called to order by Mayor Halliday at 7:05 p.m., followed by the Pledge of Allegiance led by Council Member Salinas.

ROLL CALL

Present: COUNCIL MEMBERS Zermeño, Márquez, Mendall, Peixoto, Lamnin, Salinas
MAYOR Halliday
Absent: None

CLOSED SESSION ANNOUNCEMENT

City Attorney Lawson announced the Council convened in closed session concerning two items: 1) conference with legal counsel pursuant to Government Code 54956.9 regarding one anticipated litigation; and 2) conference with labor negotiators pursuant to Government Code 54957.6 regarding all groups. There was no reportable action.

PUBLIC COMMENTS

Ms. Wynn Grich, Hayward resident, spoke about recycled water and claimed that the City's drinking water is recycled water.

Mr. Jim Drake, Hayward resident, requested that pine trees be replanted along Santa Clara Street to cover the apartments.

Council Member Mendall clarified that the City's drinking water comes from the Hetch Hetchy and Calaveras reservoirs; and the City is working on a recycled water project for landscape irrigation.

CONSENT

Consent Item No. 3 and 4 were pulled for separate action.

1. Minutes of the City Council Meeting on March 7, 2017 **MIN 17-034**
It was moved by Council Member Márquez, seconded by Council Member Zermeño, and carried unanimously, to approve the minutes of the City Council meeting on March 7, 2017.
2. Appointment of a Director to the Boards of the Bay Area Water Supply and Conservation Agency and the San Francisco Bay Area Regional Water System Financing Authority **CONS 17-071**

Staff report submitted by City Manager McAdoo, dated March 21, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 17-024, "Resolution Confirming the Reappointment of Council Member Mendall as the City's Representative to the Bay Area Water Supply and Conservation Agency and the San Francisco Bay Area Regional Water System Financing Authority"

3. Trash Capture Device Installation on Patrick Avenue: Award of Construction Contract
CONS 17-110

Staff report submitted by Utilities and Environmental Services Director Ameri, dated March 21, 2017, was filed.

Mr. Jim Drake, Hayward resident, claimed the proposed project was not competitively bid. City Manager McAdoo noted the project underwent a competitive bid process.

It was moved by Council Member Márquez, seconded by Council Member Mendall and carried unanimously, to adopt the following:

Resolution 17-029, "Resolution Awarding the Contract for the Trash Capture Device Installation on Patrick Avenue Project, Project No. 07675, to Cratus, Inc."

4. Fire Stations 1-5 Improvements: Reject Bid Protest and Award of Construction Contract to Arntz Builders and Amendment to Professional Services Agreements with Kitchell and RossDrulisCusenbery **CONS 17-120**

Staff report submitted by Public Works Director Fakhrai, dated March 21, 2017, was filed.

Mr. David Miller, Compliance Officer with Roofers Labor Management, presented a document for the record and noted that the Arntz Builders is not a qualified Garland Contractor; and recommended that the project be rebid. Director of Public Works Fakhrai noted that Arntz Builders was not required to identify the subcontractors and that could be added during the construction.

It was moved by Council Member Zermeño, seconded by Council Member Márquez and carried unanimously, to adopt the following:

Resolution 17-030, "Resolution Approving Addenda No. 1-3 for the Fire Stations 1-5 Improvements Project, Project Nos. 07476, 07477, 07478, 07479, and 07480, Rejecting the Bid Protest of



MINUTES OF THE CITY COUNCIL MEETING OF THE CITY OF HAYWARD
Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, March 21, 2017, 7:05 p.m.

D.L. Falk Construction, Inc., and Awarding the Contract to Arntz Builders Inc.”

Resolution 17-031, “Resolution Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with RossDrulisCusenbery Architecture Inc., for Additional Services Associated with the Fire Stations 1-6 and Fire Training Center Improvement Project”

Resolution 17-032, “Resolution Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with Kitchell for Additional Services Associated with the Fire Stations 1-6 and Fire Training Center Improvement Project”

5. Adoption of a Resolution Approving the Side Letter Agreements between the City of Hayward and the Service Employees International Union, Local 1021 (SEIU), Maintenance and Operations Unit and the SEIU Clerical and Related Unit **CONS 17-124**

Staff report submitted by Human Resources Director Collins, dated March 21, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 17-025, “Resolution Approving the Side Letter Agreement between the City of Hayward and the Services Employees International Union (SEIU) 1021 Maintenance, Clerical and Related Bargaining Units”

6. Resignation of Ms. Angelica Moore from the Keep Hayward Clean and Green Task Force **CONS 17-126**

Staff report submitted by City Clerk Lens, dated March 21, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 17-026, “Resolution Accepting the Resignation of Angelica Moore from the Keep Hayward Clean and Green Task Force”

7. Adoption of Resolution Approving an Amendment to the City of Hayward Salary Plan for Fiscal Year 2017 **CONS 17-129**

Staff report submitted by Human Resources Director Collins, dated March 21, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 17-027, "Resolution Approving the Amended Fiscal Year 2017 Salary Plan Designating Positions of Employment in the City Government of the City of Hayward and Salary Range; and Superseding Resolution No. 16-179 and All Amendments Thereto"

8. Approval of a Resolution Authorizing the City Manager to Negotiate and Execute a Purchase and Sale Agreement with William Lyon Homes, Inc for Properties Located in South Hayward near Dixon, and Valle Vista Avenues **CONS 17-148**

Staff report submitted by Management Analyst Stefanski, dated March 21, 2017, was filed.

It was moved by Council Member Márquez, seconded by Council Member Zermeño, and carried unanimously, to adopt the following:

Resolution 17-028, "Resolution Authorizing the City Manager to Negotiate and Execute a Purchase and Sale Agreement with William Lyon Homes, Inc for Properties Located in South Hayward near Dixon and Valle Vista Avenues"

WORK SESSION

9. Medical Cannabis and Adult Use of Marijuana Work Session: Where Do We Go From Here? (Report from City Attorney Lawson and City Manager McAdoo) **WS 17-010**

Staff report submitted by City Attorney Lawson, dated March 21, 2017, was filed.

City Manager McAdoo announced the report and City Attorney provided a synopsis of the staff report.

The public comment section opened at 7:46 p.m.

Mr. Scot Candell, Scot Candell & Associates, spoke on behalf of individuals in the audience about medical marijuana regulation, and spoke about the potential financial benefits of marijuana as a new industry.



MINUTES OF THE CITY COUNCIL MEETING OF THE CITY OF HAYWARD
Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, March 21, 2017, 7:05 p.m.

Mr. Richard Cech, inquired about regulations related to cannabis businesses. City Attorney Lawson noted that staff will draft legislation to either prohibit or permit cannabis based on Council's direction.

Mr. Hector Villasenor, Hayward resident, spoke in favor of permitting marijuana businesses in Hayward, and offered his expertise to provide site analysis and revenue projection.

The public comment section closed at 8:02 p.m.

Discussion ensued among Council Members, City staff, and Mr. Scot Candell about medical and recreational cannabis; public safety around cannabis; current practices and regulatory efforts in Alameda County; and bank account issues related to cannabis business.

Council Members were in general agreement with the following : 1) draft legislation that would permit cannabis and marijuana businesses; 2) include both medical and adult recreational products; 3) limit the number of businesses to three for retail dispensaries and have more flexibility for production and distribution; 4) permit cannabis businesses in industrial zones but not in downtown, near schools, residential and commercial areas, with one member inclined to try a high end retail establishment on B Street and other commercial areas; 5) have a well developed framework of regulation with zoning controls and conditional use permits (CUP) to allow for a level of discretionary review, and have discretion for the Police Department to impose stronger requirements for businesses creating problems; 6) direct lobbyists to pursue legislation around cannabis; 7) as regulations are developed, have robust public input; 8) build on the expertise of other agencies and consider technology that has been used already; 9) explore a concept similar to the winery experience in the industrial zone; 9) consider updating the tobacco retail sales ordinance to include cannabis; 10) when considering manufacturing, be mindful of proper packaging; and 11) use the lessons learned from the work done related to tobacco regulations.

In response to how transactions should be taxed, Council Members offered the following suggestions: 1) consider taxing in a way that covers cost but is not so onerous that people are driven out of the market or to the black market; 2) tax could be high on retail and delivery (10-12%); less for intermediate steps in the supply chain (5-8%), and lower or non-existent for research and development; 3) provide more information to enable informed decisions; 4) consider applying the revenue generated to priorities around children and youth and law enforcement; and 5) consider taxing medical cannabis but at a lower rate to cover cost.

CITY MANAGER'S COMMENTS

City Manager McAdoo noted that she would not be attending the City Council meeting on April 4, 2017, but Assistant City Manager Hurtado will be acting City Manager for that week.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

Council Member Zermeño made two announcements: 1) the Latino Business Roundtable on March 24, 2017 at St. Rose Hospital; and 2) the Cesar Chavez celebration on April 1, 2017 at City Hall Plaza.

Council Member Mendall announced the Keep Hayward Clean and Green Task Force clean-up event on March 25, 2017 at Bay Hills Community Church, Gading Road.

Council Member Márquez noted the Cesar Chavez event on April 1, 2017 would be from 11:30 a.m. to 2:00 p.m.

Mayor Halliday noted that the Council meeting on March 28, 2017 was canceled and the Council would reconvene on April 4, 2017.

ADJOURNMENT

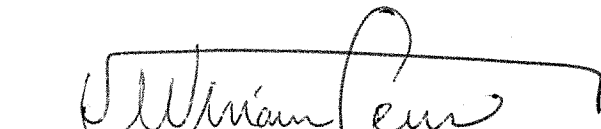
Mayor Halliday adjourned the meeting at 9:24 p.m., in memory of Mr. Braxston Banks. It was noted that Braxston Banks was from the Southgate neighborhood; beloved teacher from Tennyson High School; a former Keep Hayward Clean and Green Task Force member; son of Priscilla Banks, former Citizens Advisory Commission member; and had a friendly demeanor. Mayor Halliday asked staff to work with the Banks family to plant a tree in memory of Braxston Banks.

APPROVED:



Barbara Halliday
Mayor, City of Hayward

ATTEST:



Miriam Lens
City Clerk, City of Hayward