



MINUTES OF THE CITY COUNCIL MEETING OF THE CITY OF HAYWARD
Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, May 23, 2017, 7:00 p.m.

The City Council meeting was called to order by Mayor Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Council Member Márquez.

ROLL CALL

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

CLOSES SESSION

City Attorney Lawson announced the City Council convened in closed session regarding a conference with property negotiators pursuant to Government Code 54956.8, concerning City owned properties located at 24874 Mission Blvd., 24832 Mission Blvd., 24822 Mission Blvd., 24802 Mission Blvd., 24780 Mission Blvd., and 24744 Mission Blvd. City Attorney Lawson noted there was no reportable action.

PUBLIC COMMENTS

Mr. Manuel Solorio, Hayward resident, spoke about an alleged fraud committed by his sister and his interaction with the Hayward Police Department.

Mr. Ross Bausone, submitted a document for the record about the Hayward airport hangar rent, and asked the Council to reconsider the rent increase.

Mr. Jim Drake, Hayward resident, inquired about the status of replacing the Pine trees that were removed from the property along Santa Clara and Jackson streets.

Mr. Lloyd Emberland, retired United Airlines aircraft technician, referred to an article in the East Bay Times May 17 issue regarding housing and rent crisis, and referred to hangar rents.

Ms. Kate Turney, asked the Council to withdraw the ten percent increase on hangar rents and noted a three percent increase every two years would be reasonable.

Mr. Jerry Turney, provided documents for the record which included historical information about Hayward airport hangars.

Mr. S.J. Samiul (aka Citizen Sam), Hayward resident, spoke about getting a parking ticket at the parking garage, the Sikhs' event on June 4, 2017, at the San Lorenzo Library, a

citizenship class at the San Lorenzo Library, and spoke highly of the interim Police Chief Koller.

CONSENT

1. Minutes of the City Council Meeting on May 2, 2017 **MIN 17-077**
It was moved by Council Member Márquez, seconded by Council Member Lamnin, and carried unanimously, to approve the minutes of the City Council meeting on May 2, 2017.
2. New Garin Reservoir and Pump Station Improvements: Approve Addendum No. 1, Reject Bid Protest, Award of Construction Contract, and Appropriation of Funds **CONS 17-271**

Staff report submitted by Utilities and Environmental Services Director Ameri, dated May 23, 2017, was filed.

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

Resolution 17-059, "Resolution Approving Addendum No. 1, Rejecting the Bid Protest of Sierra Mountain Construction, Inc., and Awarding the Contract for the New Garin Reservoir and Pump Station Improvements Project, Project No. 07183, to Spiess Construction Co., Inc."

Resolution 17-060, "Resolution Amending Resolution 16-127, As Amended, the Budget Resolution for Capital Improvements Projects for Fiscal Year 2017, Relating to Appropriation of Funds from the Water System Improvement Fund (604) to the New Garin Reservoir and Pump Station Improvements Project, Project No. 07183"

Resolution 17-061, "Resolution Authorizing the City Manager to Execute an Amendment to Agreement Between the City of Hayward and La Vista, L.P., for Design and Construction of Water Storage Reservoir and Reimbursement of All Costs by La Vista, L.P."

3. Fire Station 6 and Fire Training Center Improvement Project: Amendment to Professional Services Agreement with RossDrulisCusenbery **CONS 17-274**

Staff report submitted by Public Works Director Fakhrai, dated May 23, 2017, was filed.

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



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Resolution 17-062, "Resolution Authorizing the City Manager to Negotiate and Execute an Amendment to the Professional Services Agreement with RossDrulisCusenberry Architecture Inc. for Additional Services Associated with the Fire Station 6 and Fire Training Center Improvement Project in an Amount Not-To-Exceed \$3,000,000"

4. Median Landscape Improvement Project (Industrial Parkway West - Hesperian Boulevard to I-880) - Approval of Plans and Specifications & Call for Bids **CONS 17-285**

Staff report submitted by Public Works Director Fakhrai, dated May 23, 2017, was filed.

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

Resolution 17-063, "Resolution Approving Plans and Specifications for the Median Landscape Improvement Project (Industrial Parkway West – Hesperian Boulevard to I-880) – Approval of Plans and Specifications & Call for Bids, Project No. 05263"

SPECIAL JOINT CITY COUNCIL/COMMUNITY SERVICES COMMISSION WORK SESSION

5. Joint Work Session with the Community Services Commission: Discussion of Goals and Areas of Focus for Community Agency Funding in Future Years (Report from Library & Community Services Director Reinhart) **WS 17-023**

Staff report submitted by Library and Community Services Director Reinhart, dated May 23, 2017, was filed.

The Community Services Commission (CSC) Funding Process Update Committee, comprised of Commissioners Ray Bonilla (CSC Chair) Antonio Isais (Committee Chair), Crystal Araujo and Todd Davis, joined the Council at the dais. CSC member Diane Fagalde (alternate) sat in the audience.

Library and Community Services Director Reinhart announced the report and introduced Community Services Manager Bailey who provided a synopsis of the Community Agency Funding process.

CSC Funding Process Update Committee members presented potential revisions to the Community Agency Funding process.

There being no public comments, Mayor Halliday opened and closed the public comments section.

The City Council commended the work done by the Community Services Commission and especially the effort undertaken by members of the CSC Funding Process Update Committee.

In response to the question should the Community Agency Funding process be aligned with Council's Strategic Initiatives, most Council members were in agreement, one member thought that the four Council's Priorities should be aligned with the process, another member thought the areas of need (homelessness, housing affordability, and food access) should be aligned with the process, and another member felt that the priorities and strategic initiatives should not govern the funding decision but should help during the evaluation process.

In response to the question about how the FY 2019 funding process should be aligned to maximize the strategic impact of the limited available resources, Council members suggested using best practices; staying focused on making impact; and having applicants present expected metrics, measure goals, and present outcomes/progress to the Council at the end of the year.

In response to the question of wanting the FY 2019 funding process to be undertaken using the recommended "hybrid model" and "targeted areas of need," Council members were in general agreement with the recommended "hybrid model" with one member preferring to be able to reprioritize and expressing preference for applications that deal with housing affordability and homelessness.

Additional suggestions included: conduct more research and present options for the application/funding process; deliver informational presentations during CSC meetings over the next year about best practices and other data that can be utilized to create future funding priorities; increase the awareness, transparency and accountability in the process; separate funding for Arts, Music and Culture; consider preference for larger grants with flexibility for smaller grants; invest in kids and cradle to career education experience.

Council members were in general agreement that homelessness, housing affordability, and food access were the recommended target categories and areas of need for potential funding recommendations and could use the recommended "hybrid model" for the first year.



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PUBLIC HEARING

6. Adoption of Three Resolutions to Approve Final Map 8356 (Stonebrae Village C), Amend the Stonebrae Design Guidelines, and Extend the Blue Rock Country Club Development Agreement for an Additional Five Years related to the Proposed Final Phase of the Stonebrae Development; and Introduction of an Ordinance to Amend the Project Development Agreement by Extending it an Additional Five Years. Stonebrae, L.P. (Applicant/Owner) (Report from Development Services Director Rizk) **PH 17-052**

Staff report submitted by Development Services Director Rizk, dated May 23, 2017, was filed.

Council Member Salinas disclosed he needed to recuse from discussing and voting on the item to avoid a conflict of interest due to his membership at Stonebrae Country Club. Council Member Salinas left the Council Chambers at 9:03 p.m.

Development Services Director Rizk announced the report and introduced Senior Planner Golubics who provided a synopsis of the report.

Mayor Halliday noted that City Manager McAdoo had left the Council Chambers to avoid a conflict of interest due to her membership at Stonebrae Country Club.

There being no public comments, Mayor Halliday opened and closed the public hearing at 9:13 p.m.

Council Member Zermeño offered a motion per the staff recommendation including the modification to the resolution and ordinance to indicate that the Assistant City Manager is authorized to execute a Subdivision Agreement and the Amendment to the Development Agreement.

Council Member Lamnin seconded the motion and recommended that staff have discussion with the project proponent about solar at Stonebrae Village C.

Council Member Mendall offered an amendment to the motion that would require the project proponent to offer solar as optional, and asked the project proponent, Mr. Steve Miller to comment. Mr. Mendall also disclosed having met with Mr. Miller to discuss the project.

Mr. Steve Miller, project proponent of the final phase of the Stonebrae Development, noted that the growth of green housing occurred during the tenure of the project and while the

project was exempt from the green requirements the Stonebrae builders complied with current green regulations.

Discussion ensued about the solar requirement for Stonebrae Village C.

Mr. Steve Miller accepted Council Member Mendall's amendment to offer home buyers an option to have installed solar photovoltaic systems for Stonebrae Village C.

Council Members Zermeño and Lamnin were amenable to the amendment offered by Council Member Mendall.

Mayor Halliday, Council Members Zermeño, Lamnin and Mendall spoke highly of the Stonebrae Development through its different phases.

It was moved by Council Member Zermeño, seconded by Council Member Lamnin, and carried with the following vote, to adopt the resolutions and introduce the ordinance with two amendments: 1) authorize the Assistant City Manager to execute and negotiate a Subdivision Agreement and execute the Amendment to Development Agreement; and 2) that the project proponent offer home buyers an option to have installed solar photovoltaic systems:

AYES: Council Members Zermeño, Márquez, Mendall,
Peixoto, Lamnin
MAYOR Halliday
NOES: None
ABSENT: Council Member Salinas
ABSTAINED: None

Resolution 17-064, "Resolution Approving Final Map for Tract 8356 and Authorizing the City Manager to Execute a Subdivision Agreement"

Resolution 17-065, "Resolution Amending the Stonebrae Design Guidelines Section 3.3 Product Type Table and Adding Table 3.3a Product Type Summary Table for Stonebrae Village C"

Resolution 17-066, "Resolution Authorizing Amendment of the Blue Rock Country Club Project Development Agreement by Extending Its Term an Additional Five Years to February 23, 2023"

Introduction of Ordinance 17-_, "An Ordinance Authorizing Execution of an Amendment to the Blue Rock Country Club Project Development Agreement by Extending Its Term an Additional Five Years to February 23, 2023"



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Council Member Salinas and City Manager McAdoo returned to the Council Chambers at 9:28 p.m.

7. Proposed Rezone of a Property from Business Park (BP) District and Regional Commercial (CR) District to Planned Development (PD) District to allow the construction of a light industrial/flex office space building for the Steelwave Industrial Park, located at 2580-2582 Industrial Boulevard, requiring an Addendum to a previously certified Mitigated Negative Declaration with a Mitigation Monitoring and Reporting Program. Michael Olson/Eden Shores Associates I LLC (Applicant/Owner) (Report from Development Services Director Rizk) **PH 17-047**

Staff report submitted by Development Services Director Rizk, dated May 23, 2017, was filed.

Development Services Director Rizk announced the report and introduced Senior Planner Schmidt who provided a synopsis of the report.

Mayor Halliday opened the public hearing at 9:37 p.m.

Mr. Michael Olson, Eden Shores Associates I LLC applicant, showed the renderings of the progress that has been made in the Eden Shores area.

Mr. Olson addressed questions related to the uses under the proposed Planned Development (PD) District which is light industrial/flex office space; and solar options.

Discussion ensued among Council Members and City staff regarding: the development agreement's requirement that retail building shells be built prior to the release of permits for residential units; potential tenants for Shea Properties; use the Eden Shores' synergy for other opportunity sites in the Industrial District; and zoning and regulations for cannabis.

Mayor Halliday closed the public hearing at 9:47 p.m.

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

Resolution 17-067, "Resolution Adopting an Addendum to a Previously Certified Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and Approving Zone Change Application No. 201604872 Pertaining to Construction of the Steelwave Industrial Business Park at 2580-2582 Industrial Boulevard"

Intro Ord 17-_, "An Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property to Planned Development District in Connection with Zone Change Application No. 201604872 to Construct a New Light Industrial/Flex Office Space Building at 2580-2282 Industrial Boulevard"

8. Adoption of an Ordinance to Approve an Amendment to the City of Hayward Contract with the California Public Employees Retirement System (PERS) for Miscellaneous Members in Hayward Association of Management Employees ("HAME"), International Federation of Professional and Technical Engineers-Local 21 ("Local 21"), and the Unrepresented Employee Group (Report from Human Resources Director Collins) **PH 17-046**

Staff report submitted by Human Resources Director Collins, dated May 23, 2017, was filed.

Human Resources Director Collins provided a synopsis of the report.

There being no public comments, Mayor Halliday opened and closed the public hearing at 9:51 p.m.

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

Ordinance 17-05, "An Ordinance Authorizing the Amendment of the Contract Between the City of Hayward and the Board of Administration of the California Public Employees' Retirement System"

WORK SESSION

9. Proposed FY 2018 Operating Budget - Departmental Budget Presentations (Report from City Manager McAdoo) (Continued from May 20, 2017) **WS 17-024**

Staff report submitted by City Manager McAdoo, dated May 23, 2017, was filed.

City Manager McAdoo and Finance Director Claussen provided a synopsis of the cost drivers and options to close the FY 2018 budget gap.

Discussion ensued among Council Members and City staff about: the Actuary Required Contribution (ARC); California Public Employees Retirement System (PERS); Other Post-Employment Benefits (OPEB) Unfunded Actuarial Liability; the three recommended options for closing the budget gap; cost-sharing and equity adjustments; and Measure C vacancies.



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The City Council was in general agreement with the three options for closing the budget gap: 1) reduce General Fund allocation to Internal Service Funds; 2) Defer filing of vacant positions and adding new Library positions; and 3) Pre-payment of FY 2018 PERS ARC.

Council Members offered the following suggestions: one member was in support of deferring the OPEB ARC for next year; ask Management Partners/City staff to include an analysis of what is gained by doing cost sharing and equity adjustments; consider funding the OPEB; start a "shop Hayward program" and present it as a revenue option; consider options for reducing health care cost; have discussion about the General Fund allocation to Internal Services Fund at mid-year; attend PERS meetings and consider participating on the board; account the \$9.3 million of unfunded actuarial liability as long-term debt; and consider borrowing money at a low-interest rate to pre-pay a portion of PERS ARC.

There were no members from the public wishing to speak on the item.

LEGISLATIVE BUSINESS

10. Rescinding of Stage I Water Shortage Declaration, and Introduction of Ordinance Amending Hayward Municipal Code Chapter 11, Article 2, 11-2.00 and Chapter 11, Article 2, 11-2.47, Pertaining respectively to Definitions and the Wasteful Water Practices Prohibitions contained in the Hayward Municipal Water System Code (Report from Utilities & Environmental Services Director Ameri) **LB 17-020**

Staff report submitted by Utilities and Environmental Services
Director Ameri, dated May 23, 2017, was filed.

Utilities and Environmental Services Director Ameri provided a synopsis of the report.

There being no public comments, Mayor Halliday opened and closed the public hearing at 10:53 p.m.

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

Resolution 17-068, "Resolution Rescinding the Stage 1 Water Shortage and Declaring that the Stage 1 Water Shortage Contingency Plan is No Longer in Effect"

Introduction of Ordinance 17-_, "An Ordinance Amending Chapter 11, Article 2, Sections 11-2.00 and 11-2.47 of the Hayward Municipal Code Establishing Prohibitions on Wasteful Water Practices"

CITY MANAGER'S COMMENTS

City Manager McAdoo reported on two events: 1) The Pioneers for Sustainable Communities event on May 18, 2017 hosted by California State University East Bay and City of Hayward; 2) Hayward's 2017 Book-to-Action series culminated with a screening of the award-winning documentary *Tomorrow* on May 18, 2017 at Hayward City Hall.

COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS

There were none.

ADJOURNMENT


Mayor Halliday adjourned the meeting at 11:00 p.m., in memory of Mr. Nels Nelson and Mr. Sherman Balch.

Mr. Nels Nelson was a Hayward Rotarian for 60 years; earned a B.A. in History and M.A. in Political Science from UC Berkeley; taught at Hayward High School, San Lorenzo High School, and California State University, Hayward; was Principal of Sunset High School; was a member of Hayward Historical Society; was a member of the Hayward Dance Club; and was the author of a book.

Mr. Sherman Balch contributed to the community; developed industrial and commercial building space; was a member of the Hayward Area Recreation and Park District Foundation; was the co-chair of the Measure F1 Bond Campaign; was involved at St. Rose Hospital; and was a past recipient of the Hayward Chamber of Commerce Business of the Year Award.

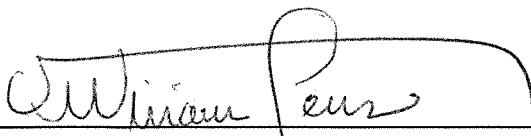
Mayor Halliday asked staff to work with the Nelson and Balch families and find suitable places to plant trees in memory of Mr. Nels Nelson and Mr. Sherman Balch.

APPROVED:



Barbara Halliday
Mayor, City of Hayward

ATTEST:



Miriam Lens
City Clerk, City of Hayward