



Minutes of the Regular Meeting of the San Pablo City Council And the San Pablo Joint Powers Financing Authority

Monday, June 19, 2017

ROLL CALL

The meeting convened in the Council Chambers at 6:00 pm. Present during roll call were Mayor Cecilia Valdez, Vice Mayor Calloway and Councilmembers Rich Kinney, Paul Morris and Councilmember Arturo Cruz. Also present were City Manager Matt Rodriguez, Assistant City Manager Reina Schwartz, City Attorney Lynn Tracy Nerland, Interim Police Chief Walt Schuld, Finance Director Kelly Sessions, Public Works Director/City Engineer Barbara Hawkins, City Treasurer Viviana Toledo, City Clerk Ted Denney, and Deputy City Clerk Lehny Corbin.

ORAL COMMUNICATIONS

There were no speakers.

CEREMONIAL MATTERS

1. Special Recognition for Retiring City Clerk Ted J. Denney (#17-0276)
City Manager gave a brief overview of retiring City Clerk Ted Denney's tenure with the City of San Pablo. Mayor and City Council thanked Mr. Denney for his public service and he was presented with a gift and Certificate of Appreciation.

CITY MANAGER REMARKS

City Manager Rodriguez announced the following:

1. City Clerk vacancy and applications are being solicited until July 10, 2017
2. Movies in the Park monthly with the next event on 6/23/17
3. 4th of July Fireworks Event at El Portal Soccer Field
4. Police Chief recruitment status
5. July 8 Dumpster Day

CONSENT CALENDAR

By motion of Vice Mayor Calloway, seconded by Councilmember Morris, and unanimously passed to pull and continue agenda item #11 (Sidewalk Project - # 7-0264) to a future date, and pull agenda item #18 for discussion and to approve all other items on the Consent Calendar.

MINUTES

2. By adoption of the Consent Calendar, the Minutes of the meeting of June 5, 2017 were approved. (#17-0225)

PERIODIC REPORTS

3. By adoption of the Consent Calendar, the Vendor Check Register Report for the month of May 2017 as approved. (#17-0258)

4. By adoption of the Consent Calendar, the Investment Report / Treasurer's Report for the month of May 2017 was received and filed. (#17-0267)

CITY COUNCIL AUTHORIZATION

5. By adoption of the Consent Calendar, the City Council authorized to receive and accept the Independent Citizens' Oversight Committee Reports for period ending June 30, 2016 for Measure Q and Measure K Transaction & Use Sales Tax. (#17-0253)

LIABILITY CLAIMS

6. By adoption of the Consent Calendar, the Liability Claim of Howard Spencer (DOL 05/03/17) was denied. (#17-0254)

MISCELLANEOUS

7. By adoption of the Consent Calendar, **Resolution 2017-116** was adopted, a Resolution of the City Council of the City of San Pablo approving and authorizing execution of a First Amendment to Lease Agreement by and between the City of San Pablo and East Bay Coffee Company, Inc. for the coffee bar portion of the San Pablo Community Center to provide for signage. (#17-0169)
8. By adoption of the Consent Calendar, **Resolution 2017-117** was adopted, a Resolution of the City Council of the City of San Pablo to: (1) declare certain Police Department vehicles as surplus property and to be disposed of pursuant to San Pablo Municipal Code Section 3.16.120; (2) authorize current Police administration vehicles to be converted into K-9 Patrol vehicles to replace K-9 vehicles 851, 854, 862 and 863; (3) authorize the purchase of four 2017/18 Dodge Chargers equipped with emergency equipment and decal graphics; (4) authorize the purchase of five 2018 Ford Fusions to replace Police administration vehicles and Vehicle 831; (5) authorize the City Manager to purchase the vehicles from the National Auto Fleet Group under National Joint Powers Alliance (NJPA) Cooperative Purchasing Contract #120716; and (6) appropriate \$194,367 from General Fund Designated Reserve/Vehicle Replacement, \$143,778 from the Adjudicated Asset Seizure Account, and \$47,893 from the Police Department Budget line item 100-2110-46300 to the Vehicle Replacement Fund to pay for the purchases and installation of equipment. (#17-0255)
9. By adoption of the Consent Calendar, **Resolution 2017-118** was adopted, a Resolution of the City Council of the City of San Pablo (1) awarding the Amador St. and El Portal Dr. Radar Speed Signs Project (RAD-SGN) to the lowest bidder, DC Electric, Inc.; (2) authorizing the City Manager to execute an agreement in the amount of \$61,720 with DC Electric, Inc. with approximately 10% contingency, for a total authorization of \$68,000, (3) accepting and appropriating \$48,000 from TDA Grant Funds; and (4) reallocating \$20,000 from the Giant Road Railroad Quiet Zone Analysis Study (320-3200-43600-GAV-RRZ) to the Amador Street and El Portal Drive Project (320-3200-43600-RAD-SGN). (#17-0262)

10. By adoption of the Consent Calendar, **Resolution 2017-119** was adopted, a Resolution of the City Council of the City of San Pablo (1) adopting the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the environmental review phase of the Randy Lane Drainage Improvement Project; and (2) directing staff to file a Notice of Determination in the Contra Costa County Clerk's Office. (#17-0263)
11. This item was pulled from the Consent Calendar and the Resolution of the City Council of the City of San Pablo (1) waiving minor irregularities and awarding the Annual ADA Sidewalk Project (ADA-SWK) to the lowest responsible bidder, Malachi Paving and Grading, Inc.; and (2) authorizing the City Manager to execute an agreement in the amount of \$93,875 with Malachi Paving and Grading, Inc., with approximately 7% contingency, for a total authorization of \$100,000 was continued to a future City Council meeting. (#17-0264)
12. By adoption of the Consent Calendar, **Resolution 2017-120** was adopted, a Resolution of the City Council of the City of San Pablo authorizing the purchase of Dell desktop computers and monitors from Dell Corporation through the WSCA Pricing Schedule at an estimated cost of \$40,000 from existing resources in the FY 2016/17 Multi-Departmental Budget. (#17-0266)
13. By adoption of the Consent Calendar, **Resolution 2017-121** was adopted, a Resolution of the City Council of the City of San Pablo declaring that the emergency under Public Contract Code Section 22050 regarding the immediate rehabilitation of the Hillcrest Road Storm Drain is continuing and ratifying the actions taken. (#17-0268)
14. By adoption of the Consent Calendar, **Resolution 2017-122** was adopted, a Resolution of the City Council of the City of San Pablo in support of Senate Bill 562 – The Health California Act. (#17-0270)
15. By adoption of the Consent Calendar, **Resolution 2017-123** was adopted, a Resolution of the City Council of the City of San Pablo adopting the FY 2018-21 Quadrennial Operating Budget and the FY 2018-21 Capital Improvement Program (CIP) Projects Budget. (#17-0271)
16. By adoption of the Consent Calendar, **Resolution 2017-124** was adopted, a Resolution of the City Council of the City of San Pablo (1) accepting work performed by Automatic Door Systems, Inc. for installation of automatic restroom doors at San Pablo Senior Center located at 1943 Church Lane, and (2) directing that a Notice of Completion be prepared and filed with the County Recorder. (#17-0273)
17. By adoption of the Consent Calendar, **Resolution 2017-125** was adopted, a Resolution of the City Council of the City of San Pablo authorizing the purchase of two network servers, one storage area network enclosure with related hard drives, and virtualization software from CDW-G totaling \$39,622 plus an approximate 10% contingency for a total authorization of \$44,000 and approving the purchase through the WSCA Pricing Schedule from existing resources in the FY 2016/17 Information Technology Budget. (#17-0286)

ORDINANCES (Second Reading)

18. This item was pulled from the Consent Calendar and discussed separately. Speaker Leonard McNeil spoke as a member of the West County Wastewater District and spoke of the possibility meeting with the City Manager to discuss possibility of the West County Wastewater District partnering with the City of San Pablo on the Municipal Broadband Project. City Manager addressed Mr. McNeil's request and indicated he will work with Mr. McNeil regarding his request.

By motion of Councilmember Morris, seconded by Vice Mayor Calloway, and unanimously passed to waive the second reading and adopt **Ordinance 2017-003**, an Ordinance of the City Council of the City of San Pablo amending Zoning Ordinance sections 17.62.200 and 17.70.030 and Tables 17.32-A, 17.34-A and 17.36-A, and adding section 17.62.300 of the San Pablo Municipal Code relating to wireless communication facilities to address Federal Communications Commission (FCC) Regulations and address the needs of San Pablo. (#17-0269)

BOARDS AND COMMISSIONS (Renewals)

19. By adoption of the Consent Calendar, the request to renew the terms and reappoint of current members Alice Tucker and Lillie Simpson to the Advisory Committee on Aging (10 Vacancies) for two-year terms was approved. (#17-0275)

******END OF CONSENT CALENDAR******

PUBLIC HEARINGS

20. City Manager Rodriguez introduced the item and updated the City Council on the City Hall Ad-hoc Subcommittee's review of the project. Assistant to the City Manager/ Economic Development Charles Ching gave a PowerPoint presentation of the process and status of the New City Hall Project, including the Targeted Industries Study identifying the current City Hall site for development potential; the costs to upgrade the existing city hall buildings to meet ADA and Building Code requirements as well as City needs; the purchase and sale of the existing city hall property and the development of a new city hall and conditions to close the proposed Purchase and Sale Agreement; financing for construction of new city hall including sale of existing city hall at \$2.5M and authorizing the \$14,950,000 revenue bond. Rod Johnson of Capital Partners, the buyer of the existing city hall site and developer of the new city hall also spoke. City Attorney Nerland advised that although not required, discussion of this agenda item was noticed as a public hearing and was published in the newspaper.

The public hearing was opened at 6:40 pm. Leonard McNeil spoke and indicated that the City of El Cerrito sought federal funding for the construction of its new city hall and the City might consider that option if the new city hall provides emergency operations. The public hearing was closed at 6:42 pm.

By motion of Councilmember Morris, seconded by Councilmember Kinney, and unanimously passed to adopt **Resolution 2017-126**, a Resolution of the City Council of the City of San Pablo approving an agreement between the City and Capital Partners Development Company, LLC ("Capital Partners"), providing for: (1) the sale by the City and the purchase and redevelopment by Capital Partners of that certain property located at 13831 San Pablo Avenue for the sale price of \$2,500,000; and (2) the design and construction by Capital Partners of a New City Hall on certain real property owned by the City, located on Gateway Avenue, comprised of approximately 2.50 acres and constituting a portion of that parcel identified by Assessor's Parcel Number 417-310-005, for a price to the City of \$14,950,000. (#17-0227)

21. City Manager Rodriguez introduced the item and explained the necessity of the considering the agenda item as members of the City Council and as Directors of the Joint Powers Financing Authority. Roll call was taken by City Clerk Denney and present were Mayor/Chair Cecilia Valdez and Vice Mayor/Vice Chair Genoveva Calloway, and Directors Paul Morris, Rich Kinney and Arturo Cruz.

Mayor/Chair explained the process of consideration of the item. City Attorney Nerland stated the Government Code regulations regarding public hearing notice.

Finance Director Kelly Sessions spoke about the financing through the 2017 Lease Revenue Bonds. He introduced Steven Gortler, City financial advisor, Russ Trice of Bond Counsel firm Norton Fulbright, Sarah Brown of Underwriter Stifel, Nicolaus and Special Counsel Nicki Murphy. The use of bonds was explained by Mr. Sessions in relation to the New City Hall Project and he discussed the annual debt service and its inclusion in the FY 2018-21 Quadrennial Budget.

Steven Gortler spoke of recent trends in interest rates relating to municipal bonds, estimated sources and use of funds and estimated annual debt service.

The public hearing was opened and closed at 7:01 pm; there was no one in the audience who wished to speak on the item.

City Attorney clarified the motion of the City Council. By motion of Councilmember Paul Morris, seconded by Vice Mayor Calloway, **Resolution 2017-127** was adopted unanimously, a Resolution of the City Council of the City of San Pablo, California, approving the issuance of Lease Revenue Bonds Series 2017 by the City of San Pablo Joint Powers Financing Authority; authorizing and approving a First Amendment to Site and Facility Lease, a First Amendment to Lease Agreement, a Preliminary Official Statement, a Final Official Statement, a Continuing Disclosure Agreement and a Bond Purchase Agreement; declaring its intention to reimburse certain expenditures from the proceeds of debt; approving financing team members; and authorizing certain actions in connection therewith.

City Attorney clarified the Joint Powers Financing Authority resolution to be approved. By motion of Director Morris, seconded by Director Cruz, **Resolution JPA2017-001** was adopted unanimously, a Resolution of the City of San Pablo Joint Powers Financing Authority approving the issuance of Lease Revenue Bond Series 2017; approving a First Amendment to Site and Facility Lease, a First Amendment to Lease Agreement, an Amended and Restated Assignment Agreement, a First Supplemental Indenture, a Preliminary Official Statement, a Final Official Statement, and a Bond Purchase Agreement; and authorizing certain other actions in connection therewith.

RESOLUTIONS

22. By motion of Councilmember Morris, seconded by Vice Mayor Calloway, and unanimously passed to adopt **Resolution 2017-128**, a Resolution of the City Council of the City of San Pablo authorizing a budget appropriation of \$4.5 Million from FY 2016/17 General Fund Designated Reserves (\$2.5 Million from Fire/EMS Services FS 70, \$1.2 Million from Compensated Employee Absences, \$0.8 Million from Plaza San Pablo Infrastructure Projects) and \$11 Million from future 2017 Lease Revenue Bond proceeds for a total of \$15.5 Million to Capital Improvements Program (CIP) Project Budget 320-3200-43600-CIH-CON for the development of the New San Pablo City Hall. (#17-0272)
23. City Manager Rodriguez introduced the item. Assistant to the City Manager/Economic Development Charles Ching gave a PowerPoint presentation regarding the status and progress of the development of the new Fire Station 70, the proposed MOU deal points and the funding for the new fire station, as well as the disposition of the old fire station property. Mr. Ching addressed the Council's inquiries regarding inflation costs of materials. By motion of Vice Mayor Calloway, seconded by Councilmember Kinney, and unanimously passed to adopt **Resolution 2017-129**, a Resolution of the City Council of the City of San Pablo authorizing the execution of a Memorandum of Understanding by and between the City of San Pablo and the Contra Costa County Fire Protection District for the San Pablo Fire Station Replacement Project. (#17-0228)
24. Assistant City Manager/Personnel Administrator Reina Schwartz introduced the item and explained the process regarding the benefits for sworn employees represented by the San Pablo Police Employees Association who were hired prior to January 2014 and have 20 years of service would receive post-employment health benefits coverage regardless of whether they retired under a service retirement or an industrial disability retirement. The City's actuary determined that there would not be any additional "Other Post Retirement Benefits" (OPEB) liability associated with this proposed change. By motion of Councilmember Morris, seconded by Councilmember Cruz, and unanimously passed to adopt **Resolution 2017-130**, a Resolution of the City Council of the City of San Pablo disclosing a change in "Other Post Retirement Benefits" (OPEB) for sworn employees represented by the San Pablo Police Employees' Association (SPPEA) and the City's current liabilities for such benefits pursuant to Government Code section 7507(C). (#17-0283)

MAYOR AND CITY COUNCIL ASSIGNMENT REPORTS

City Council reported on their recent and upcoming activities.

Councilmember Morris motioned, seconded by Councilmember Kinney, to bring back the resolution opposing the expansion of the West County Detention Facility on a future agenda for discussion. The motion failed as follows:

AYES: Kinney and Morris

NOES: Cruz, Calloway and Valdez

Councilmember Morris then stated that if the City Council were to vote again on the matter, he would have voted against the resolution opposing the expansion.

ADJOURNMENT

On a motion by Mayor Valdez and seconded by Vice Mayor Calloway, the City Council unanimously voted to adjourn at 7:34 pm to Monday, July 3, 2017 at 6:00 pm, in memory of Delia Padilla, family friend and mother of Jose Padilla, Executive Director of the California Rural Legal Assistance.

Respectfully submitted,

Ted J. Denney, City Clerk

Cecilia Valdez, Mayor