



AGENDA

**SPECIAL CONCURRENT CITY COUNCIL MEETING /
PUBLIC FINANCING AUTHORITY AND EMPLOYEE PENSION BOARD MEETING**
Monday, June 17, 2014 – 7:00 p.m.
City Council Chambers

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Janet Abelson – Mayor

Mayor Pro Tem Rebecca Benassini
Councilmember Jan Bridges

Councilmember Mark Friedman
Councilmember Greg Lyman

ROLL CALL

7:00 p.m.

CONVENE SPECIAL CONCURRENT CITY COUNCIL MEETING / PUBLIC FINANCING AUTHORITY AND EMPLOYEE PENSION BOARD MEETING

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE – Mayor Pro Tem Benassini.

2. COUNCIL / STAFF COMMUNICATIONS (*Reports of Closed Session, commission appointments and informational reports on matters of general interest which are announced by the City Council & City Staff.*)

3. ORAL COMMUNICATIONS FROM THE PUBLIC

All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers. Kindly state your name and city of residence for the record. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda are taken up at the time the City Council deliberates each action item. Individuals wishing to comment on any closed session scheduled after the regular meeting may do so during this public comment period or after formal announcement of the closed session.

4. PRESENTATION – None

5. ADOPTION OF THE CONSENT CALENDAR – Item No. 5A through 5C

A. Minutes for Approval

Approve the following City Council meeting minutes: 1) June 2, 2014 Special City Council and; 2) June 9, 2014 Special City Council – Closed Session and June 9, 2014 Special City Council.

B. Employer Paid Member Contributions for City Council and City Manager

Adopt a resolution modifying the paying and reporting of the value of employer paid member contributions for the City Council and City Manager.

C. Agreement with the West Contra Costa Unified School District Regarding Funding of School Resource Officers

Adopt a resolution authorizing the City Manager to finalize and enter into an agreement with the West Contra Costa Unified School District (WCCUSD) to partially fund three School Resource Officer Positions (SRO) in the amount of \$520,000 per year, to be paid by the School District. The new agreement would supersede previous agreements between the City and WCCUSD related to SRO's. Two SRO's will continue to be assigned to El Cerrito High School and one will be assigned to Portola Middle School. If authorized, the agreement would become effective immediately upon finalization and execution, and would continue at least through June 30, 2015.

6. PUBLIC HEARINGS – *None*

7. POLICY MATTERS

CONCURRENT CITY COUNCIL / PUBLIC FINANCING AUTHORITY AND EMPLOYEE PENSION BOARD ITEM

A.1 Presentation of Financial Advisory Board Recommendations – *Submitted on behalf of the Financial Advisory Board by Peter Vranich, Chair.*

A.2 Adoption of the City's Biennial Budget for Fiscal Years 2014–15 and FY 2015-16, Approve FY 2014-15 Spending Authority by Fund for the City, Employee Pension Board and Public Financing Authority and Approve the FY 2014-15 Annual Gann Appropriation Limit

Staff requests that the City Council approve the following actions this evening:

- 1) Adopt a resolution approving the Biennial Budget for Fiscal Years 2014-15 and FY 2015-16 and authorizing FY 2014-15 spending authority by fund for the City of El Cerrito;
- 2) Adopt a resolution approving the Biennial Budget for Fiscal Years 2014-15 and FY 2015-16 and authorizing FY 2014-15 spending authority by fund for the El Cerrito Public Financing Authority;
- 3) Adopt a resolution approving the Biennial budget for Fiscal Years 2014-15 and FY 2015-16 and authorizing FY 2014-15 spending authority by fund for the El Cerrito Employee Pension Board; and
- 4) Adopt a resolution approving the calculation and establishing the FY 2014-15 annual Gann Appropriation Limit.

8. COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENT REPORTS

Mayoral and City Council communications regarding local and regional liaison assignments and committee reports.

9. ADJOURN SPECIAL CONCURRENT CITY COUNCIL / PUBLIC FINANCING AUTHORITY AND EMPLOYEE PENSION BOARD MEETING.

The next City Council meeting is Monday, June 23, 2014 at 7:00 p.m. at City Hall, 10890

San Pablo Avenue, El Cerrito, California.

The City of El Cerrito serves, leads and supports our diverse community by providing exemplary and innovative services, public places and infrastructure, ensuring public safety and creating an economically and environmentally sustainable future.

- Council Meetings can be heard live on FM Radio, KECG – 88.1 and 97.7 FM and viewed live on Cable TV - KCRT-Channel 28 and AT&T Uverse Channel 99. The meetings are rebroadcast on Channel 28 the following Thursday and Monday at 12 noon, except on holidays. Live and On-Demand Webcast of the Council Meetings can be accessed from the City's website <http://www.el-cerrito.org/ind-ex.aspx?NID=114>. Copies of the agenda bills and other written documentation relating to items of business referred to on the agenda are on file and available for public inspection in the Office of the City Clerk, at the El Cerrito Library and posted on the City's website at www.el-cerrito.org prior to the meeting.
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
- ***The Deadline for agenda items and communications*** is eight days prior to the next meeting by 12 noon, City Clerk's Office, 10890 San Pablo Avenue, El Cerrito, CA. Tel: 215-4305 Fax: 215-4379, email cmorse@ci.el-cerrito.ca.us
- IF YOU CHALLENGE A DECISION OF THE CITY COUNCIL IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE COUNCIL MEETING. ACTIONS CHALLENGING CITY COUNCIL DECISIONS SHALL BE SUBJECT TO THE TIME LIMITATIONS CONTAINED IN CODE OF CIVIL PROCEDURE SECTION 1094.6.
- The City Council believes that late night meetings deter public participation, can affect the Council's decision-making ability, and can be a burden to staff. City Council Meetings shall be adjourned by 10:30 p.m., unless extended to a specific time determined by a majority of the Council.

EL CERRITO CITY COUNCIL

MINUTES

SPECIAL CITY COUNCIL MEETING

Monday, June 2, 2014 – 7:00 p.m.

City Council Chambers

Meeting Location

El Cerrito City Hall

10890 San Pablo Avenue, El Cerrito

Janet Abelson – Mayor

Mayor Pro Tem Rebecca Benassini
Councilmember Jan Bridges

Councilmember Mark Friedman
Councilmember Greg Lyman

ROLL CALL

Councilmembers Benassini, Bridges, Friedman, Lyman and Mayor Abelson all present.

7:00 p.m.

CONVENE SPECIAL CITY COUNCIL MEETING

Mayor Abelson convened the Special City Council Meeting at 7:01 p.m.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE was led by Mayor Abelson.

2. COUNCIL / STAFF COMMUNICATIONS

Mayor Pro Tem Benassini reported that she and Councilmember Friedman attended the Ohlone Greenway Fun Run/Walk/Bike Event on May 31, 2014. It was a great first event.

Mayor Abelson reported that she wheeled the entire distance of the Ohlone Greenway event and enjoyed it very much. She also attended a luncheon for the 70th graduation of El Cerrito High School on May 21 at Spengers. On May 28, Mayor Abelson attended the Exchange Club Officer of the Year ceremony and dinner in which El Cerrito Officer Thepkaysone was honored. On May 30, Mayor Abelson attended the East Bay Municipal Utility District's State of the Drought luncheon and on June 2nd, attended a volunteer appreciation lunch for the West Contra Costa County School District's adult education program. Five adult education senior programs were represented. All of the performances were by seniors and included dancing and singing.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

Al Miller, El Cerrito, expressed his support for Consent Calendar Item Nos. 5B (Opposition to AB 2145) and 5D (Proclamation recognizing June as lesbian, gay, bisexual, transgender Pride (LGBT) Month) and encouraged all to vote in the June 3, 2014 statewide primary. Mr. Miller stressed the importance of local school bond measures that are on the June 3 ballot. Mr. Miller also expressed support for the Bike to Bridges event fundraiser for Special

Olympics and noted the involvement of the Police Department in the event.

Tom Panas, El Cerrito, thanked staff for their work on the Ohlone Greenway Fun Day Event.

Gabe Quinto, El Cerrito, spoke in support of Consent Calendar Item No. 5B (Opposition to AB 2145) and urged all to oppose it.

4. PRESENTATION – None

5. ADOPTION OF THE CONSENT CALENDAR – Item Nos. 5A through 5E

Moved, seconded (Bridges/Benassini) and carried unanimously to approve Consent Calendar Item Nos. 5(A) through 5(C), and 5(E) in one motion as indicated below. Item No. 5(D) was removed from the Consent Calendar at the request of Mayor Abelson for the purpose of presenting the proclamation. Mayor Abelson noted for the record that there was an error on the agenda which transposed numbers in the title of Consent Calendar Item No. 5(B).

A. Minutes for Approval

Approve the May 20, 2014 Special City Council and Regular City Council meeting minutes.

Action: Approved minutes.

B. Oppose Assembly Bill 2145 – Electricity: Community Choice Aggregation

Authorize the Mayor to send letters to the author and other appropriate legislators and legislative bodies in opposition to Assembly Bill (AB) 2145 (Bradford) Electricity: Community Choice Aggregation reversing the opt-out provisions of the original Community Choice Aggregation law (AB 117).

Action: Approved recommendation.

C. Designate Primary and Alternate Boardmembers to the Municipal Pooling Authority of Northern California

Adopt a resolution designating the Assistant City Manager as Primary Board Member and the Finance Director as Alternate Board Member to the Municipal Pooling Authority of Northern California.

Action: Adopted Resolution No. 2014–20.

D. Proclamation Recognizing June as Lesbian, Gay, Bisexual, Transgender Pride (LGBT) Month

Approve a proclamation declaring the month of June as LGBT Pride month in the City of El Cerrito, and inviting everyone to reflect on ways we all can live and work together with a commitment to mutual respect and understanding, and further, recognizing Pride Month by flying the rainbow flag at City Hall during the month of June.

Action: Approved proclamation. Moved, seconded (Bridges/Friedman) and carried unanimously to approve the proclamation. Proclamation presented to Gabe Quinto, Chair, Human Relations Commission.

E. Crime Prevention Committee Appointment

Approve a Crime Prevention Committee recommendation to appoint Bruce Yow to the Crime Prevention Committee, effective June 2, 2014.

Action: Approved recommendation.

6. PUBLIC HEARINGS

Project at 1715 Elm Street – Planned Development and Appeal

Staff recommends that the City Council hold a single, consolidated public hearing to consider both the approval of a General Plan Amendment, Planned Development rezoning, and development agreement for the Project, as well as an appeal of the Planning

Commission's approval of a Planned Development Use Permit for the Project, The Project includes 14 multi-family residential units in a 42-foot tall structure, preservation and partial restoration of a historic residence, 15 on-site parking spaces tucked under the multi-family structure, planting of creek-related vegetation, and the creation of private open space.

Additionally, staff recommends that, at the conclusion of the consolidated public hearing, the City Council take the following actions:

- 1) Adopt a resolution approving the Initial Study/Mitigated Negative Declaration for the Project;
- 2) Adopt a resolution approving a General Plan Amendment;
- 3) Introduce by title and waive any further reading of an ordinance approving the rezoning of 1715 Elm Street to a Planned Development Zoning District and amending the Zoning Map accordingly;
- 4) Adopt a resolution denying an appeal of the Planning Commission's approval of a Planned Development Use Permit for the Project; and
- 5) Introduce by title and waive any further reading of an ordinance approving a Development Agreement between the City of El Cerrito and the Edward and Loretta Biggs revocable trust for 1715 Elm Street. Application 6133.

COUNCIL DISCLOSURES:

Mayor Pro Tem Benassini disclosed that she is a parent of a child at Keystone Montessori School which is adjacent to 1715 Elm Street. Mayor Pro Tem Benassini stated that she checked with the City Attorney regarding whether there is a conflict of interest and was advised that since she does not have a financial interest in the project she is able to participate in the decision-making process this evening. Mayor Pro Tem Benassini also disclosed that she discussed the project and TOD ratios with her friend, Jake Wegemann on May 29 and also discussed typical practices involved in construction processes with former Mayor Bill Jones. She also listened to the proceedings that occurred at the Planning Commission.

Councilmember Lyman disclosed that he listened to public testimony provided to the Planning Commission on April 16 and May 21, 2014.

Mayor Abelson disclosed that she had brief conversations with Dave Weinstein and Steve Price.

STAFF PRESENTATION:

Margaret Kavanaugh-Lynch, Development Services Manager, delivered the staff presentation.

PUBLIC HEARING:

Mayor Abelson opened the public hearing.

APPLICANT PRESENTATION:

Applicant presentation: Carlos Campos, Principal of LCA Architects and Michael Wood, Wood Biological Consulting, Inc.

APPELLANT PRESENTATION:

Appellant presentation: Julia Lucia presented on behalf of appellants Julia Lucia, Howdy Goudey, Robin Mitchell, Jason Hasley, Keystone Montessori School / Linda Shehabi, and Dan and Henia Pines.

PUBLIC TESTIMONY. 19 speakers.

Tom Panas, El Cerrito, stated that the proposal has come a long way. Mr. Panas stated that he was particularly pleased to learn that the applicant will be restoring the building in

accordance with the Secretary of Interior's Standards for the Treatment of Historic Properties and will do everything he can to support the restoration. Last year's Historic Resources evaluation found the site to be eligible for listing on the California Register of Historic Resources. Mr. Panas thanked the applicant for his willingness to provide a one-time payment to fund interpretive materials for the proposed plaza and also stated that he is assured that the applicant will comply with all processes and rules promulgated by state agencies in regards to the creek. Mr. Panas requested that the council discuss the duration of the development agreement as ten years is a long time and also requested that the owner or any successor owner support designation of the historic structure on a local, state or national register.

Cynthia Hilton, El Cerrito, stated her continuing opposition to the proposed project and noted that comments submitted to the Planning Commission on May 21 were not included in the City Council packet. Ms. Hilton asked whether other comments and documents opposing the project had been left out of the Council packet. Ms. Hilton said the lack of response by the City Council and staff was stunning and that comments were ignored, brushed aside or made irrelevant by staff. The project as currently designed will have irrevocable, negative and long-lasting effects on the immediately surrounding neighborhood. Rather than a pre-written resolution, there should be room for adjustment, compromise, hearing and responding to the concerns of 100 people versus the wishes of one person.

Dan Pines, El Cerrito, stated that he and his wife own a one-story duplex a little north of the proposed project and noted that most buildings on Elm Street are one-story high and no more than two stories. Mr. Pines stated that building such a big project on a small footprint will block light and air, cause noise and pollution and will also impact the privacy of the duplex he and his wife own. Additionally, the density of living space will greatly exceed the norm, will have a six foot set back from the creek where thirty feet is the norm and will impact parking. Mr. Pines asked the City Council to vote against the project.

Dave Weinstein, El Cerrito, clarified that he was speaking on his own behalf and stated that the City has done a good job working with the developer to preserve the historic house and to some extent preserve the creek. However, there needs to be more natural space around the creek to allow for restoration. The historic stone masonry lining the creek is very important but perhaps more space could be opened up for natural habitat.

Jason Hasley, El Cerrito, stated that he shares concerns raised by other community members that oppose the project. The scope and size of the project is inappropriate for the site. The project will fundamentally alter the neighborhood. Mr. Hasley asked why staff is still pushing for approval of the project when the Planning Commission determined that the project is not appropriate for the site? Mr. Hasley also expressed concerns that the developer is now offering to put time and money into the historic site and give it away.

Pamela Austin, El Cerrito, stated that she supports the City's strategy to increase density and promote mass transit opportunities. Ms. Austin stated that she is also aware that the City needs to increase the tax base to continue high levels of service however she opposes the Elm Street development due to concerns and issues associated with set-backs, height and the creek. Ms. Austin asked the Council to reconsider the project, stated that if the project goes through it will increase resistance in other neighborhoods for future development and asked the Council if approving the project was the precedent it wants to set?

Kathleen McKinley, El Cerrito, stated that she was on the Planning Commission when the zoning ordinance was amended and the creek protection overlay ordinance was added. The proposed project is the same type of project that the creek protection overlay ordinance was enacted to prevent. Ms. McKinley stated that she does not believe the Council can make all four findings under El Cerrito Municipal Code Section 19.12.060(E) that will allow the creek

setbacks proposed in the project. Approval of the project will not withstand judicial scrutiny and may result in the filing of a petition for writ of mandate.

Robin Mitchell, El Cerrito, stated that there are many reasons why the proposed project must go forward. In order for the project to go forward, the City must grant “relief” to the developer from the setback restrictions required by the City’s own Creek Ordinance. Ms. Mitchell asked why the City has a creek ordinance when it will not enforce it? Ms. Mitchell stated that the creek should be enhanced and restored and noted that in a four block length, from Elm to the Ohlone Path, the creek is culverted underground in only one block, between Liberty and Lexington.

Clay Smith, El Cerrito, stated that the project will block the view of the sky where he lives. Mr. Smith also noted that airborne dust from construction will make its way into the creek, expressed concerns about traffic and parking and stressed the importance of the historic structure, creek and open space on the site.

Howdy Goudey, El Cerrito, stated that the primary issue is really about the big picture and the guidance the city wants to follow in determining how El Cerrito will develop. There are good policies to follow. No one is arguing against transit oriented development. The project needs to be examined within the context of the existing zoning structure and the resources located on this unique site. The site gives one a unique glimpse into the bucolic past of the city. The creek is a unique resource that needs to be protected.

Linda Shehabi, El Cerrito, presented a petition signed by 62 families of Keystone Montessori School who strongly oppose the project that borders the school because it is oversized, too high, endangers the creek and because it lacks monitoring of toxic emissions and poses potential health risks to children. Ms. Shehabi also asked the City to adopt a policy requiring monitoring of airborne toxics for development projects that are located next to schools.

Amy Coty, El Cerrito, stated that she agrees 100% with the appeal and urged the City Council to deny the project as proposed. Ms. Coty stated that she would like to see studies that were suggested by the appeal team completed.

Stephanie Cline, El Cerrito, stated that she lives next door to a botched development near Canyon Trail and expressed concerns that so many housing units are being placed on this and other lots in the City without much support for neighbors.

Mary Ghidella, El Cerrito, stated that she supports all the residents who have spoken against the project. The project does not support the goals of a green city.

Anna Basallase, El Cerrito, stated that she is a parent of a child at Keystone Montessori School. Ms. Basallase expressed her opposition to the project and urged the City Council to listen to the residents they represent and not approve the project.

Jennifer Moran, El Cerrito, expressed her opposition to the project, stated that it will not blend with the surrounding neighborhood and that the project will impact her privacy.

Franklin Leong, El Cerrito, expressed concerns with current traffic conditions, submitted several photos and asked that the project not go forward.

Sheri Hsu, El Cerrito, expressed her opposition to the project and stated that the creek could be a resource for children and schools who could learn and help restore it.

Naomi McPherson, El Cerrito, stated that she has always admired the Elm Street site, particularly the creek, cannot envision fourteen units in the site and noted that the creek is a very valuable asset in the City that should be preserved.

APPELLANT REBUTTAL: Howdy Goudey presented a rebuttal on behalf of the Appellants. Mr. Goudey urged the City Council to take more time to deliberate findings required for the project, deny the project, consider the relationship the city has with the

developer, the development agreement and uphold the standard of restorative creek stewardship. Other places are more appropriate for higher density. Mr. Goudey emphasized that there needs to be a higher standard for how this unique property will be treated.

APPLICANT REBUTTAL: Carlos Campos presented a rebuttal on behalf of the Applicant. Mr. Campos noted that solar panels are affordable and work very well and that condominiums are by nature affordable housing. Engineering, hydrology, biological and traffic reports that were requested of the applicant, and vetted by staff, work well with the proposed design. The area is zoned for high density and the rest of the block will develop eventually. Mr. Campos stated that the developer trying to preserve and enhance the creek and stone masonry in its current state and is open to creek restoration ideas. The site is a quarter of a mile from BART. Mr. Campos stated that he thinks the project is the right mix and solution for the property. The developer would like to have fourteen units approved for sale to help pay for improving the historic home and is willing to donate the house to a non-profit entity if someone will maintain it.

Moved, seconded (Friedman/Lyman) and carried to suspend Council rules and extend the meeting to 11:00 p.m.

Moved, seconded (Lyman/Benassini; Ayes – Councilmembers Benassini, Bridges, Lyman and Mayor Abelson; Noes – Councilmember Friedman) and carried to suspend Council rules and extend the meeting to 11:05.

Moved, seconded (Lyman/Benassini) and carried unanimously to suspend Council rules and extend the meeting to 11:20 p.m.

[Brief Recess to determine a date for continuation of Council deliberation on the item.]

Appellant and Applicant rebuttals were followed by questions from the Council.

Moved, seconded (Friedman/Lyman) and carried unanimously to suspend Council rules and extend the meeting to 11:35 p.m.

Action: Moved, seconded (Friedman/Lyman) and carried unanimously to close the public hearing.

Moved, seconded (Lyman/Friedman) and carried unanimously to continue deliberations of this item to Monday, June 23 at 7:00 p.m.

7. POLICY MATTERS – None

8. COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENT REPORTS

Mayoral and City Council communications regarding local and regional liaison assignments and committee reports. *Held over to the June 9, 2014 City Council meeting.*

9. ADJOURNED SPECIAL CITY COUNCIL MEETING at 11:34 in memory of former Mayor Ernie Del Simone. Mr. Del Simone was on the City Council from 1972-80 and Mayor during the Nation's bicentennial celebration in 1976.

COMMUNICATIONS (*Posted and printed with the June 2, 2014 City Council packet*)

Agenda Item No.6: Public Hearing: Project at 1715 Elm Street - Planned Development and Appeal

1. Comments regarding the proposed project – *Submitted by Randy Calish, El Cerrito.*
2. Comments regarding the proposed project – *Submitted by Carl E. Campos, LCA Architects.*
3. Comments regarding the proposed project – *Submitted by Robin Mitchell, El Cerrito.*

4. Comments regarding the proposed project – *Submitted by Dan and Henia Pines, El Cerrito.*
5. Comments regarding the proposed project – *Submitted by Jennifer Hammer, El Cerrito.*
6. Comments regarding the proposed project – *Submitted by Mary D. Ghidella, El Cerrito.*
7. Comments regarding the proposed project – *Submitted by Anne McLellan, El Cerrito.*
8. Comments regarding the proposed project – *Submitted by Ernestine Warren, El Cerrito.*
9. Comments regarding the proposed project – *Submitted by Jim and Kathy McKissack, El Cerrito.*
10. Comments regarding the proposed project – *Submitted by Sheri Hsu, Keystone Montessori School, El Cerrito.*
11. Comments regarding the proposed project – *Submitted by Howdy Goudey, El Cerrito.*
12. Comments regarding the proposed project – *Submitted by Michael Charlton, El Cerrito.*
13. Comments regarding the proposed project – *Submitted by Lotus Go, El Cerrito.*
14. Comments regarding the proposed project – *Submitted by Howdy Goudey.*
15. Comments regarding the proposed project – *Submitted by Robert and Laverne Vallejo, El Cerrito.*

SUPPLEMENTAL COMMUNICATIONS 1 *(Received after the agenda packet went to print but prior to the June 2, 2014 City Council meeting)*

16. Comments regarding the proposed project – *Submitted by Steve Price, El Cerrito.*
17. Comments regarding the proposed project – *Submitted by Kent F. McCue, El Cerrito.*

SUPPLEMENTAL REPORTS AND COMMUNICATIONS 2 *(Received during the June 2, 2014 City Council meeting)*

18. Comments regarding the proposed project – *Submitted by Tom Panas, El Cerrito*
19. Comments regarding the proposed project – *Submitted by Cynthia Hilton, El Cerrito.*
20. Comments regarding the proposed project – *Submitted by Robin Mitchell, El Cerrito.*
21. Comments regarding the proposed project – *Submitted by Howdy Goudey, El Cerrito.*
22. Comments and several photographs regarding the proposed project – *Submitted by Franklin Leong, El Cerrito.*
23. Petition opposing the proposed project signed by 67 people representing families of Keystone Montessori School – *Submitted by Linda Shehabi, Keystone Montessori School*
24. Staff powerpoint presentation – *Submitted by Margaret Kavanaugh–Lynch, Development Services Manager*
25. Appellant powerpoint presentation – *Submitted by Julia Lucia, on behalf of appellants.*
26. Applicant powerpoint presentation – *Submitted by Carlos Campos, LCA Architects on behalf of Developer/applicant.*

EL CERRITO CITY COUNCIL PUBLIC FINANCING AUTHORITY PENSION TRUST BOARD

MINUTES

SPECIAL CITY COUNCIL MEETING – CLOSED SESSION

Monday, June 9, 2014 – 6:30 p.m.

Hillside Conference Room

SPECIAL CONCURRENT CITY COUNCIL MEETING / PUBLIC FINANCING AUTHORITY AND PENSION TRUST BOARD MEETING

Monday, June 9, 2014 – 7:00 p.m.

City Council Chambers

Meeting Location

El Cerrito City Hall

10890 San Pablo Avenue, El Cerrito

Janet Abelson – Mayor

Mayor Pro Tem Rebecca Benassini
Councilmember Jan Bridges

Councilmember Mark Friedman
Councilmember Greg Lyman

6:30 p.m. ROLL CALL

Councilmembers Benassini, Bridges, Friedman, Lyman and Mayor Abelson all present.

CONVENE SPECIAL CITY COUNCIL MEETING – CLOSED SESSION

Mayor Abelson convened the special City Council meeting – Closed Session at 6:30 p.m.

SPECIAL CITY COUNCIL MEETING – CLOSED SESSION

ANNOUNCEMENT OF CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS (*Pursuant to Government Code Section 54957.6*)

Agency Designated Representatives: Scott Hanin, City Manager, Karen Pinkos, Assistant City Manager, Glenn Berkheimer, Labor Negotiator, and Sky Woodruff, City Attorney.

Employee Organizations: Service Employees International Union Local 1021

International Association of Fire Fighters Local 1230

El Cerrito Police Employees Association

El Cerrito Public Safety Management

Unrepresented Employees

ORAL COMMUNICATIONS FROM THE PUBLIC – *No speakers.*

RECESSED INTO CLOSED SESSION at 6:31 p.m.

ADJOURNED SPECIAL CITY COUNCIL MEETING – CLOSED SESSION at 7:02 p.m.

ROLL CALL

Councilmembers Benassini, Bridges, Friedman, Lyman and Mayor Abelson all present.

7:00 p.m.

CONVENE SPECIAL CONCURRENT CITY COUNCIL MEETING / PUBLIC FINANCING AUTHORITY AND PENSION TRUST BOARD MEETING

Mayor Abelson convened the Special Concurrent City Council / Public Financing Authority and Pension Trust Board meeting at 7:11 p.m.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE was led by Councilmember Bridges.

2. COUNCIL / STAFF COMMUNICATIONS

Mayor Abelson reported that the City Council just completed a closed session regarding labor negotiations and provided direction to staff.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

Al Miller, El Cerrito, thanked all the officers in West County, including the County Sherriff's Office and Police Cadets that participated in the Bike to Bridges fundraiser for Special Olympics over the weekend. There were 300-400 bikers who participated in this great event.

4. PRESENTATION – *None*

5. ADOPTION OF THE CONSENT CALENDAR – Item No. 5A

Moved, seconded (Friedman/Lyman) and carried unanimously to approve Consent Calendar Item No. 5(A) in one motion as indicated below.

A. November 4, 2014 General Municipal Election

Adopt a Resolution: 1) Ordering and calling for a general municipal election to be held in the City of El Cerrito on Tuesday, November 4, 2014, for the purpose of electing two members of the City Council for full terms of four years each; 2) Requesting and consenting to consolidation of the municipal election with the general election to be held on November 4, 2014; 3) Requesting the services of the Contra Costa County Registrar of Voters; 4) Providing for Notice of the election; and 5) Setting specifications of the Election Order to include limiting candidate statements to 250 words, requiring candidates to pay for the costs of their candidate statement, establishing the estimated cost of each candidate statement to be \$275 payable at the time of filing; and determining that, in the event of a tie vote, the winner shall be determined by lot at a time and place designated by the City Council.

The Contra Costa County Elections Division has requested that the City Clerk provide this information to the County no later than July 2, 2014.

Action: Adopted Resolution No. 2014–21.

6. PUBLIC HEARINGS – *None*

7. POLICY MATTERS

CONCURRENT CITY COUNCIL / PUBLIC FINANCING AUTHORITY AND PENSION TRUST BOARD ITEM

A. Fiscal Year 2014-2015 and 2016 Presentation and Study Session

Presentation and discussion of the City's Fiscal Year 2014–15 and 2016 budgets including strategic plan goals, FY 2013-14 accomplishments, challenges and objectives for FY 2014-15 and 2015-16. Adoption of the FY 2014-2015 budget is scheduled for consideration on June 17, 2014.

Presenter: Scott Hanin, City Manager.

Action: Presentation heard. Discussion held.

CITY COUNCIL ITEM

B. Establish Salaries, Benefits and Conditions of Employment for Management and Confidential Employees

Adopt two separate resolutions approving the following actions: 1) Adopt a resolution establishing the salaries, benefits and conditions of employment for management and confidential employees and rescinding all previous amendments for same; and 2) Adopt a resolution approving a modification to pension plan benefits and reimbursement for management and confidential employees.

Presenter: Karen Pinkos, Assistant City Manager.

Speakers:

Actions: Moved, seconded (Lyman/Friedman) and carried unanimously to adopt Resolution No. 2014–22 establishing salaries, benefits and conditions of employment for management and confidential employees and rescinding Resolution Nos. 2005-84 and 2006-52 and all resolutions amendatory. The resolution was amended on the floor to make the following changes:

- 1) Modify Section 5.7 Separate Vacation Bank, to replace the phrase “vacation in access” to “vacation in excess;
- 2) Modify a sentence in Section 5.8 Vacation Cash-Out “...have taken a minimum of 16 vacation days (or administrative leave for management employees) in the previous ~~12-month period~~ fiscal year and maintain a vacation balance...;”
- 3) Modify Chapter 9 Overtime, Section 9.1(A)(2) as follows “Overtime shall ~~commence~~ cease at the time an employee...” and
- 4) Section 5.8 Vacation Cash-Out, was further amended by Councilmember Lyman to add the following sentence, Employees must reduce their separate vacation bank first when cashing out vacation.

Moved, seconded (Lyman/Bridges) and carried unanimously to adopt Resolution No. 2014–23 modifying reporting and payment of employer paid member contributions for management and confidential employees.

8. COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENT REPORTS

Mayoral and City Council communications regarding local and regional liaison assignments and committee reports. (*Held over from the June 2, 2014 meeting.*)

Mayor Pro Tem Benassini reported that she and Councilmember Friedman attended the May 22 West County Mayors and Supervisors Association meeting in Pinole. The Association received information from the East Bay Municipal Utility District regarding water conservation including landscaping and mulching. There was also a presentation on Doctors

Hospital which included an update on the cash position of the hospital. Doctors Hospital will be running out of cash by July and will have to make choices such as closing the hospital or stop paying employees which would have the effect of closing the hospital. The State could also close the hospital after designating the location as unsafe. If a measure is placed on the November ballot the Board will discuss how to bridge the funding gap.

Councilmember Friedman reported that due to legal requirements, there is a public hearing regarding Doctors Hospital in San Pablo on June 9 to discuss issues involving the hospital and preparations related to a potential closing. If it appears likely that the County is going to put a measure on the ballot Doctors Hospital will have to overcome several hurdles. There are entities willing to loan approximately \$20 million that the hospital will need to stay open until the ballot measure is voted on. If the ballot measure is defeated then the hospital has property that would be sold to pay off the loan of whichever entity is willing to pay to keep the hospital going.

Councilmember Lyman reported that the Design Review Board met last week to consider signage at El Cerrito Del Norte Plaza.

9. ADJOURNED SPECIAL CITY COUNCIL MEETING at 9:53 p.m. in memory of Andy Gooden, Sr., known for his public service as a former member of the El Cerrito Recycling Task Force and also for his involvement in fulfilling the mission of the Gooden College Connection Scholar and Outreach programs which ensure that low-income students from the public high schools of West Contra Costa County, who demonstrate the drive and desire to succeed, are prepared to successfully compete for entrance into college.



AGENDA BILL

Agenda Item No. 5(B)

Date: June 17, 2014
To: El Cerrito City Council
From: Karen Pinkos, Assistant City Manager
Subject: Paying and Reporting the Value of Employer Paid Member Contributions for City Council and City Manager

ACTION REQUESTED

Adopt a resolution amending the paying and reporting of the value of employer paid member contributions for the City Council and City Manager.

BACKGROUND/ANALYSIS

CalPERS requires the governing body of the City of El Cerrito to adopt a resolution when amending the payment of employer paid member contributions (EPMC). On June 9, 2014, the City Council approved a modification to pension plan benefits and reimbursement for Management and Confidential employees by eliminating the City's EPMC for Management and Confidential employees, increasing their member contribution from 4% to the full 8%.

Per the City Manager's Employment Agreement, if the City's Department Heads pay for any portion of the employee's contribution to PERS during the term of the Agreement, "the City Manager shall pay the same portion of employee's contribution to PERS as the City Directors (Department Heads)." This resolution notifies PERS that the City has eliminated the EPMC and increased the member contribution for the City Manager from 4% to 8%. Members of the City Council (also known as Elective Officers) are included in this resolution as well, verifying the Council's desire to pay the full 8% employee contribution to PERS.

FINANCIAL CONSIDERATIONS

The elimination of the City's payment of the EPMC contribution for the City Council and City Manager represents a savings of \$11,270 across all funds.

Reviewed by:

Scott Hanin, City Manager

Attachment:

1. Resolution

RESOLUTION 2014–XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO
MODIFYING REPORTING AND PAYMENT OF EMPLOYER PAID MEMBER
CONTRIBUTIONS FOR CITY COUNCIL—ELECTIVE OFFICERS AND CITY
MANAGER

WHEREAS, the City Council, as the governing body of the City of El Cerrito, has the authority to implement Government Code Section 20691; and

WHEREAS, the City Council of the City of El Cerrito has written agreements with employees that specifically provided for a portion of the normal member contributions to be paid by the employer; and

WHEREAS, the City’s contribution for City Council—Elective Officers and the City Manager to the California Public Employees Retirement System (PERS) for the employer paid member contribution (EPMC) will end June 30, 2014; and

WHEREAS, the City Council of City of El Cerrito has identified the following conditions:

- This resolution shall apply to City Council—Elective Officers and City Manager classifications;
- This benefit shall consist of the City paying zero (0%) of the normal member contributions as EPMC;
- City Council and the City Manager will pay the entire member contribution of eight percent (8%) to PERS;
- The effective date of this resolution is July 1, 2014.

NOW THEREFORE, BE IT RESOLVED, that the City Council does hereby modify reporting and payment of employer paid member contributions to PERS as set forth in the conditions above, effective July 1, 2014.

I CERTIFY that at a regular meeting on June 17, 2014, the El Cerrito City Council passed this resolution by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

* * * * *

Agenda Item No. 5(B)
Attachment 1

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on June X, 2014.

Cheryl Morse, City Clerk

APPROVED:

Rebecca Benassini, Vice Mayor



AGENDA BILL

Agenda Item No. 5(C)

Date: June 17, 2014
To: El Cerrito City Council
From: Sylvia M. Moir, Chief of Police
Subject: Agreement with the West Contra Costa Unified School District
Regarding Funding of School Resource Officers

ACTION REQUESTED

Adopt a resolution authorizing the City Manager to finalize and enter into an agreement with the West Contra Costa Unified School District (WCCUSD) to partially fund three School Resource Officer Positions (SRO) in the amount of \$520,000 per year, to be paid by the School District. The new agreement would supersede previous agreements between the City and WCCUSD related to SRO's. Two SRO's will continue to be assigned to El Cerrito High School and one will be assigned to Portola Middle School. If authorized, the agreement would become effective immediately upon finalization and execution, and would continue at least through June 30, 2015.

BACKGROUND

In November 2005, the Council authorized the City Manager to enter into an agreement with the West Contra Costa Unified School District to partially fund one School Resource Officer at the El Cerrito High School on a temporary basis. The Police Department added a second SRO at the High School in March 2006. The Department has always believed that it is in the City's best interest to deploy SRO's at the High School. In May of 2009, Portola Middle School experienced a series of events that called into question the safety of students and staff at the school. In an effort to improve the safety of the school, the Police Department temporarily assigned an SRO to the school effective May 19, 2009 until the end of the school year.

Since that time, City and School District Officials have conducted negotiations and agreed that the Police Department should continue to provide the services of the SRO's and to increase the staffing to three positions so that an SRO may be assigned full time to Portola Middle School.

On January 17, 2006, the City Council approved an Amendment to the General Plan, in order to attempt to "Maintain a service level of 1.8 officers per 1,000 population, provided adequate financial resources are available." To ensure compliance with the intent of this amendment to the General Plan, these three SRO positions will not be included when accessing the sworn authorized strength necessary to comply with the ratios in the General Plan amendment. School Resource Officers are contractually

Agenda Item No. 5(C)

obligated to provide police services to the over 2,000 students and staff of the identified campuses providing a ratio of 1.5 Officers per 1,000 population. Because of this contractual obligation they are not readily available to answer calls for service and therefore should not be considered when assessing the staffing to populous ratio.

On June 19, 2012, the City Council approved Resolution No. 2012-50 as amended by Mayor Pro Tem Lyman to authorize the City Manager to enter into an agreement with the West Contra Costa Unified School District to partially fund three School Resource Officers, two at El Cerrito High School and one at Portola Middle School for the term of July 1, 2012 through July 1, 2015 and every year thereafter unless terminated sooner. This agreement was not finalized and so the parties have continued to operate under the previous agreement.

ANALYSIS

Since the inception of the SRO program, the feedback has been tremendously positive and the increased security in and around the schools is measurable. The SRO's are consistently praised by members of the community, school administration, and students for the connections they make with students and the safety they ensure in the learning environment. The program has made a true difference to the City and School. Even though the City does not recover the full costs associated with funding the program, the investment by the City towards this effort is needed and will have a positive impact on the community.

Although payment to the City under the previous agreement fell far short of the cost of service, after several years of negotiations, the WCCUSD agreed to increase the reimbursement to the City to more closely cover the cost of the service provided. The term of the new agreement will be for at least through June 30, 2015. City and WCCUSD staff are continuing to discuss an automatic renewal provision, similar to what was included in previous SRO agreements.

The form of the agreement is not attached at this time. The City and WCCUSD reached general agreement only shortly before the deadline for submission of materials for the June 17, 2014 City Council meeting. Because of the budget implications, staff decided to seek Council authorization to enter into the agreement while City and WCCUSD staff finalize the form of the agreement.

FINANCIAL CONSIDERATIONS

The City will be reimbursed a total of \$520,000 for the Fiscal year of service by the three SRO's. The cost of a fully equipped marked patrol vehicle, annual training and certification, technology, and safety equipment is borne by the City and is included in the approved City Budget. All expenses and revenues are included in the FY 2014-2015 and FY 2015-2016 budgets.

LEGAL CONSIDERATIONS

The City Attorney has reviewed the terms of and the draft form of the agreement between the City and WCCUSD concerning this issue.

Reviewed by:



Scott Hanin, City Manager

Attachments:

1. Proposed Resolution

RESOLUTION 2014-XX

A RESOLUTION OF THE EL CERRITO CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT TO PARTIALLY FUND THREE SCHOOL RESOURCE OFFICERS, TWO AT EL CERRITO HIGH SCHOOL AND ONE AT PORTOLA MIDDLE SCHOOL FOR THE TERM OF JULY 1, 2014, THROUGH JULY 1, 2015

WHEREAS, in 2014, the City of El Cerrito continued its partnership with the West Contra Costa Unified School District (WCCUSD), by placing two El Cerrito Police Officers at El Cerrito High School and one EL Cerrito Police Officer at Portola Middle School as School Resource Officers (SRO); and

WHEREAS, on November 7, 2005, the City Council adopted a Resolution authorizing the City Manager to enter into an agreement with the WCCUSD to provide one Police Officer at the El Cerrito High School for the period November 1, 2005, through June 30, 2006; and

WHEREAS, on March 20, 2006, the City received correspondence from WCCUSD, inquiring about the possibility of having an additional SRO at El Cerrito High School. An agreement was reached and that officer began his assignment on March 27, 2006; and

WHEREAS, on September 21, 2009, the City Council adopted a Resolution authorizing the City Manager to enter into an agreement with the WCCUSD to provide two Police Officers at the El Cerrito High School and one Police Officer at Portola Middle School for the period July1, 2009, through June 30, 2012; and

WHEREAS, on June 19, 2012 the City Council adopted Resolution No. 2012-50 authorizing the City Manager to enter into an agreement with the West Contra Costa Unified School District to partially fund three School Resource Officers, two at El Cerrito High School and one at Portola Middle School for the term of July 1, 2012 through July 1, 2015 and every year thereafter unless terminated sooner. The agreement that was authorized at that time was not finalized, but the City continued to provide SRO's at El Cerrito High School and Portola Middle School pursuant the terms of the previous agreement; and

WHEREAS, staff subsequently negotiated an agreement with the WCCUSD whereby the District has agreed to pay to the City the amount of five hundred and twenty thousand (\$520,000) per fiscal year which would partially fund the cost of the three officers to provide police services at the El Cerrito High School and Portola Middle School campuses; and

WHEREAS, this agreement was taken into account in the proposed FY 2014-2016 budget(s); and

WHEREAS, on January 17, 2006, the City Council approved an Amendment to the General Plan, in order to attempt to “Maintain a service level of 1.8 officers per 1,000 population, provided adequate financial resources are available.” To uphold the spirit and intent of the General Plan amendment, the three SRO positions will not be included when assessing the requirement of sworn officers necessary to comply with the ratios in the General Plan amendment.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that it hereby authorizes the City Manager to enter into an agreement with the West Contra Costa Unified School District to partially fund three School Resource Officers, two at El Cerrito High School and one for Portola Middle School for at least the term of July 1, 2014, through July 1, 2015 at a cost of \$520,000 per year, payable by WCCUSD. The agreement will supersede all previous agreements between the City and WCCUSD regarding the provision of SRO’s to WCCUSD schools.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on June 17, 2014, the City Council passed this resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on June 17, 2014.

Cheryl Morse, City Clerk

APPROVED:

Rebecca Benassini, Vice Mayor

June 11, 2014

To THE EL CERRITO CITY COUNCIL
c/o City Offices,
10890 San Pablo Avenue,
El Cerrito, CA. 94530

Re: Proposed Budget for 2014-15 & FY 2015-16

Honorable Members of the City Council –

The Financial Advisory Board is established by El Cerrito Municipal Code # 2.04.300 A. Its duties include: “1. To conduct a review and make recommendations on the proposed annual budget . . . to include a review of city council compensation consistent with county-wide recommendations included in Contra Costa Grand Jury Report No. 1104.”

“7. To review the form and format of budget documents . . .”

The Board completed the duties prescribed above at its regular meeting on June 11, 2014 attended by all five of the Board’s members and by the City Finance Director, the Mayor, and a member of the public.

By motion made, seconded and adopted unanimously, the Board approves the Proposed Biennial Budget for fiscal years 2014-15 & 2015-16 with comments and recommendations as follows:

FAB recommends this budget be adopted by City Council with the following comments:

- Commend staff for presentation and that FAB found the budget to be quite readable helpful
- Items listed at Key Objectives on page 11 should not be planned, but listed as staff would like to do
- The statement on page 26, “FAB’s recommendations and revisions are incorporated during the process as appropriate”, should be changed to read “FAB’s recommendations and revisions should be considered during the budget process.”
- There should be a statement, on page 35, that PERS and health insurance will be going up over \$1M
- Recommend the City Council have separate discussion, motion, and vote on their compensation as done in last few years per the grand jury recommendation
- There should be a statement (included in the Transmittal Letter) that the budget does not contain sufficient reserves to meet the City’s policy and finds that to be unfortunate, but perhaps unavoidable
- There should be a statement about future challenges in the Transmittal Letter

Please contact the undersigned if you have any questions regarding this matter.

On behalf of the members of FAB;

Peter Vranich, Chairman



AGENDA BILL

Agenda Item No. 7(A)(2)

Date: June 17, 2014

To: El Cerrito City Council/Pension Trust Board/
Public Financing Authority Board

From: Scott Hanin, City Manager
Lisa Malek-Zadeh, Finance Director/City Treasurer

Subject: Adoption of the City's Biennial Budget for Fiscal Years 2014-15 and FY 2015-16, Approve FY 2014-15 Spending Authority by fund for the City, Employee Pension Board and Public Financing Authority and Approve the FY 2014-15 annual Gann appropriation limit.

ACTION REQUESTED

Staff requests that the City Council approve the following actions this evening:

1. Adopt a resolution approving the Biennial Budget for Fiscal Years 2014-15 and FY 2015-16 and authorizing FY 2014-15 spending authority by fund for the City of El Cerrito;
2. Adopt a resolution approving the Biennial Budget for Fiscal Years 2014-15 and FY 2015-16 and authorizing FY 2014-15 spending authority by fund for the El Cerrito Public Financing Authority;
3. Adopt a resolution approving the Biennial Budget for Fiscal Years 2014-15 and FY 2015-16 and authorizing FY 2014-15 spending authority by fund for the El Cerrito Employee Pension Board; and
4. Adopt a resolution approving the calculation and establishing the FY 2014-15 annual Gann Appropriation Limit.

BACKGROUND

At the June 9, 2014 City Council meeting, the City Manager presented the Proposed Biennial Budget for Fiscal Years 2014-15 and FY 2015-16 that includes both the operating and capital budgets for the City of El Cerrito, the Public Financing Authority and Employee Pension Board. The presentation provided an update on the implementation of the City's strategic plan including the challenges and accomplishments in the current budget year, FY 2013-14, in each of the goal areas.

Agenda Item No. 7(A)(2)

The strategic plan continues to provide the foundation for developing future year goals and aligning resources with these objectives as we developed the Biennial Budget for fiscal years FY 2014-15 and FY 2015-16 budgets.

Discussions on the FY 2014-15 and FY 2015-16 budgets kicked off with a series of community meetings held in various locations throughout the month of March. The meetings were intended to provide the community with an overall understanding of the City's budget, introduce and gather initial input on the challenges projected in FY 2014-15 and provide a venue for the public to ask City staff questions about the budget and city finances. Over the course of the month, approximately 40 community members attended the meetings along with staff members from each of the City departments.

On April 22, the City Council received an update on financial projections and the realities facing the City in the coming fiscal years. The loss of backfill funding for former redevelopment activities and programs such as economic development, deficits in some key operating funds impacting infrastructure maintenance, an estimated \$2 million deficit in the General fund and a reduction in reserves are just some of issues the City will need to tackle in developing next year's budget. The City Manager provided potential the City Council with balancing options that included increasing employee contributions toward pension costs, keeping vacant positions unfilled for another year, fee increases and service reductions. The total value of these potential measures totals \$2.8 million. With Council direction, staff began analyzing each option in more detail including commencing discussions with each of the labor groups.

Biennial Budget

During the budget development process, it was determined that there were several advantages for the City by adopting a two year budget. Biennial budgets provide greater opportunity to determine effectiveness and success of programs and services and can provide more emphasis on long-term planning and forecasting. Additionally, a two year budget aligns with the City's goal to implement efficiencies wherever possible by producing a budget book once every two years. Time spent producing a budget book each year can now be spent working on projects that provide greater value such as the implementation of technology solutions.

The budget provides a plan that outlines how resources will be utilized to achieve the City's goals; however, adoption of the spending authority provides the legal authority to expend City revenues to realize these objectives. For this reason, Council is being asked to adopt the 2-year plan, the Biennial Budget for FY 2014-15 and FY 2015-16, but only the spending limit for FY 2014-15. This provides Council with an opportunity to make necessary adjustments, based on regular budget updates received throughout the year, before adopting spending authority for FY 2015-16 next year.

ANALYSIS

Proposed Biennial Budget FY 2014-15 and FY 2015-16

The proposed budget recommends expenditures of \$41,702,257 in FY 2014-15 and \$41,893,021 in FY 2015-16 and provides funding for all City services, including police, fire, recreation, community development, public works, and city management and

represents direction received from Council, input from the community and the efforts and collaboration of all City departments.

General Fund

The Proposed General Fund budget is in balance for FY 2014-15 with a very small surplus, the budget does not yet identify how to increase the City's reserves further. The General Fund is balanced in large part by not filling vacant positions including the Human Resources Manager, Economic Development Program Manager and an Accounts Receivable clerk. The continued reliance on vacancies means it is that much harder for the City to achieve the goals adopted in the strategic plan. At the time of submittal of this budget, active negotiations are underway with all of the City's employee groups to seek or require concessions to reduce overall staff related expenses. Certain assumptions have been included in the proposed budget, but numbers will likely need to be refined prior to adoption or even potentially after budget adoption.

The FY 2015-16 Proposed General Fund budget is currently projected to run a deficit of approximately \$100,000. Like the FY 2014-15 budget, assumptions related to negotiations have been included and will greatly impact these projections as will a potential revenue measure. Updates to these projections will be provided once the outcomes of these issues are known.

Operating Funds

Similar to the General Fund, some of the special funds faced operating deficits that have been balanced in the Proposed FY 2014-15 budget and forward. However, many of these funds are at their limits and have been used to back fill services that the General Fund can no longer support. Two of the City's key operating funds, the Landscape and Lighting Assessment District (LLAD) and National Pollutants Discharge Elimination System (NPDES) are balanced in FY 2014-15 through one-time actions, but will require additional balancing measures to permanently align ongoing expenditures with annual revenues.

Expenditure Spending Authority and Gann Appropriations Limit

Included in the recommended actions for adoption of the budget are two items related to spending limits: 1) Approval of the calculation and establish the City's FY 2014-15 Gann Appropriation Limit as \$112,294,200; and 2) Establish spending authority by fund.

Approved in 1979 and amended in 1990, the Gann Initiative sets an annual appropriation limit on City expenditures based on the amount of tax proceeds received. This amount is adjusted each year based on changes in population and inflation. The California Government Code requires that the City adopt the Gann appropriations limit by resolution on an annual basis.

Unlike the Gann Initiative, there is no state requirement that Cities adopt a budget and the corresponding spending authority; however most Cities do. Budgets provide the fiscal plan outlining what the city wants to accomplish and the resources available to

implement priorities resulting from a budget process. Establishing spending authority by fund approves the required expenditures as outlined in the adoption of the City's budget.

LEGAL CONSIDERATIONS

Approval of the attached resolutions is required to adopt the City's Biennial Budget for Fiscal Years 2014-15 and 2015-16. Additionally, there are separate resolutions the City Council must adopt for each of the City's component units: the Public Financing Authority and Pension Board as well as approval of the annual Gann Limit.

Reviewed by:



Scott Hanin
City Manager

Attachments:

1. Resolution for Adoption of the Biennial Budget for FY 2014-15 and FY 2015-16 and authorizing spending by fund for FY 2014-15
2. Resolution for Adoption of the Biennial Budget for FY 2014-15 and FY 2015-16 and FY 2014-15 spending authority by fund for the Public Financing Authority
3. Resolution for Adoption of the Biennial Budget for FY 2014-15 and FY 2015-16 and FY 2014-15 spending authority by fund for the Employee Pension Board
4. Resolution Approving the Calculation and Setting the Gann Appropriations Limit for the FY 2014-15 Budget

RESOLUTION 2014-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO ADOPTING THE BIENNIAL BUDGET FOR FY 2014-15 AND FY 2015-16 AND SPENDING AUTHORITY FROM ALL FUNDS OF THE CITY OF EL CERRITO FOR FISCAL YEAR 2014-15

WHEREAS, City staff have prepared, transmitted, and presented the proposed biennial FY 2014-15 and FY 2015-16 Budget to the City Council of the City of El Cerrito for its consideration, and it has been reviewed and analyzed in public review sessions; and

WHEREAS, the City prepares and adopts a budget with the intent of providing a planned program for City services and a financial system to carry out the program of services; and

WHEREAS, the proposed budget represents anticipated revenues and proposed expenditures, including interfund transfers, from all funds of the City of El Cerrito; and

WHEREAS, proposed spending authority from tax proceeds are within the City's Fiscal Year 2014-15 Gann Appropriations Limit, as defined the California State Constitution Article XIII B.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito hereby adopts the FY 2014-15 and FY 2015-16 Budget with FY 2014-15 spending limits across funds as follows:

General Fund	\$29,252,065
Gas Tax	\$540,792
National Pollution Discharge Elimination	\$390,934
Landscape and Lighting Assessment	\$901,542
Measure J Return to Source	\$407,178
Paratransit	\$127,316
Measure J Storm Drain	\$556,710
Measure A Parcel Tax	\$686,436
Vehicle Abatement	\$11,000
Street Improvements	\$1,929,454
Federal, State and Local Grants	\$173,498
C.O.P.S. Grant	\$100,000
City Low & Moderate Income Housing	\$111,538
Capital Improvements	\$2,188,601
Integrated Waste Management	\$2,377,934
Vehicle/Equipment Replacement	\$128,533
Employees' Pension Trust	\$113,976
Financing Authority Measure A	\$369,574
Financing Authority Civic Center	\$597,768
Financing Authority Street Improvement	\$737,408
Total	\$41,702,257

BE IT FURTHER RESOLVED that the City Council of the City of El Cerrito hereby authorizes the City Manager or his designee to:

1. Create such appropriations into such new accounts as may be appropriate for proper accounting in the City's financial system and to make any necessary non-material changes to finalize the budget document.
2. Apply correct accounting rules for the proper classification of interfund transactions, including transfers between funds, or other financial transactions, as may be necessary to address bond or loan covenants, or any other requirements imposed by formal, legal agreements between the City any other parties, as previously entered into by the City.
3. Approve payment of goods and services received by the City in accordance with the City's approved budgets, programs, and policies, subject to a limitation of \$25,000 for any single vendor in any one fiscal year, beyond which amount the City Council retains authority to approve payment with the exception of those items falling under other statutory authority (e.g., public works, State purchasing).
4. Shift expenditure authority within funds among departments, as may be necessary to meet the City's operational needs.

I CERTIFY that at the regular meeting on June 17, 2014, the El Cerrito City Council passed this resolution by the following vote:

AYES:
NOES:
ABSENT:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on June XX, 2014.

Cheryl Morse, City Clerk

APPROVED:

Rebecca Benassini, Vice Mayor

PUBLIC FINANCING AUTHORITY RESOLUTION NO. 2014-XX

RESOLUTION OF THE CITY OF EL CERRITO PUBLIC FINANCING AUTHORITY
ADOPTING THE FISCAL YEARS 2014-15 AND FY 2015-16 BUDGET

WHEREAS, the El Cerrito Public Financing Authority (Authority) provides for payment of long-term debt obligations; and

WHEREAS, the Authority Board wishes to maintain funding levels to support payments of principle and interest on those long-term obligations; and

WHEREAS, the Board wishes to adopt the Authority's budget for Fiscal Years 2014-15 and 2015-16.

NOW THEREFORE, BE IT RESOLVED that the El Cerrito Public Financing Authority adopts the Fiscal Years 2014-15 and 2015-16 Budget with spending limits in FY 2014-15 across funds as follows:

Financing Authority Measure A	\$369,574
Financing Authority Civic Center	\$597,768
Financing Authority Street Improvement	\$737,408
Total	\$1,704,750

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at the regular meeting on June 17, 2014, the El Cerrito Public Financing Authority passed this resolution by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS of this action, I sign this document and affix the corporate seal of the El Cerrito Public Financing Authority on June __, 2014.

Cheryl Morse, Authority Clerk

APPROVED:

Rebecca Benassini, Vice Chair

EMPLOYEE PENSION BOARD RESOLUTION NO. 2014-XX

RESOLUTION OF THE CITY OF EL CERRITO EMPLOYEES' PENSION BOARD
ADOPTING THE BOARD'S FISCAL YEARS 2014-15 AND 2015-16 BUDGET

WHEREAS, the El Cerrito Employees' Pension Board (Board) provides for retirement benefits for certain former City of El Cerrito employees and/or their beneficiaries; and

WHEREAS, the Board wishes to maintain funding levels to support pension payments to plan members; and

WHEREAS, the Board wishes to adopt the budget for Fiscal Years 2014-15 and 2015-16 and the spending limits for FY 2014-15.

NOW THEREFORE, BE IT RESOLVED that the El Cerrito Employees' Pension Board hereby adopts the budget for Fiscal Years 2014-15 and 2015-16 with spending limits for FY 2014-15 of \$113,976.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at the regular meeting on June 17, 2014, the El Cerrito Employees' Pension Board passed this resolution by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS of this action, I sign this document and affix the corporate seal of the El Cerrito Employees' Pension Board on June __, 2014.

Cheryl Morse, Secretary to the Board

APPROVED:

Rebecca Benassini, Vice Chair

RESOLUTION NO. 2014-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO SELECTING THE COST OF LIVING AND POPULATION FACTORS TO BE USED IN CALCULATION OF THE CITY'S APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014-15 AND SETTING THE APPROPRIATIONS LIMIT AT \$112,294,200

WHEREAS, Article XIII B of the California Constitution establishes a limitation on spending by cities of funds from proceeds of taxes; and

WHEREAS, in accordance with Government Code Section 7910, annually the City Council must establish an annual appropriations limit, and select factors for changes in both cost of living and population to be used in calculating the appropriations limit; and

WHEREAS, the appropriations limit has been calculated in accordance with applicable law as follows; and

City of El Cerrito Gann Limit Calculation

FY 2013-14 Appropriations Limit:	\$111,892,904
Cost of Living Change Ratio: <i>CA Per-Capita Personal Income</i>	.9977
Population Change Ratio: <i>Contra Costa County Population</i>	1.0059
Calculation Factor:	1.03358643
FY 2014-15 Appropriations Limit:	\$112,294,200

WHEREAS, in accordance with Government Code Section 7910, the information on the calculation of the appropriations limit has been made available to the public at least 15 days prior to the date of adoption of this Resolution, and continues to be available for public inspection.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

1. In accordance with Article XIII B of the Constitution and Government Code Section 7900 et seq., the adjustment factors to be applied to the appropriations limit for Fiscal Year 2013-14 shall be the California Statewide change in Per Capita Personal Income and the Contra Costa County change in population;
2. In accordance with Article XIII B of the Constitution and Government Code Section 7902, the appropriations limit for the Fiscal Year 2014-15 shall be \$112,294,200 which exceeds the City's projected applicable appropriation amount by \$93,647,550; and

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Attachment 4

- 3. The City Council reserves the right to change or revise any adjustment factors associated with the calculation of the appropriations limit if such changes or revisions would result in a more advantageous appropriations limit in the present or future.

I CERTIFY that at the regular meeting on June 17, 2014 the El Cerrito City Council passed this resolution by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on June __, 2014.

Cheryl Morse, City Clerk

APPROVED:

Rebecca Benassini, Vice Mayor