6:30 p.m. - SPECIAL MEETING

CALL TO ORDER

1. PRESENTATION
   CalPERS Discount Rate Changes and Projected Impacts

Finance Director Glasser presented a workshop regarding CalPERS discount rate changes and significant impacts. The workshop focused on the projected cost increases to the City. The current discount rate is 7.5%, which will decrease to 7.375% in 2016 and to 7% in 2018. Glasser explained defined benefit and discount rate. Consequences of the rate change are increased required contributions, a drop in funded ratios in the near-term, and an increase in City expense and liability. Glasser shared projected impacts to the various City plans. Governmental Accounting Standards Board (GASB) 68 changes the way pension plans value assets and increases the unfunded liability. Mitigation strategies include accelerated funding, creating a pension trust fund, use of General Fund Reserves and one-time funds, and negotiating additional employee contribution toward the employer pension rate. Staff will return with additional information in May as part of budget discussions.

A summary of Council comments is as follows: possible use of the Police and Fire Pension Fund tax as a component of solution; support for creating an IRS pension trust and additional employee contributions; advantages and disadvantages to creating a pension trust; revenues in relation to impacts of the rate change; the long-term nature of impacts; CalPERS discussion of possible changes to the defined benefit formula; labor negotiations and competitive nature of employment; methods of calculating the retiree benefit.

ADJOURNMENT
7:30 p.m.- REGULAR MEETING

CALL TO ORDER

1. PLEDGE OF ALLEGIANCE
   Mayor McQuaid led the Pledge of Allegiance.

2. ROLL CALL
   Present: Council Members Barnes, Maass, Nason, Vice Mayor Pilch, Mayor McQuaid

   Mayor McQuaid read a statement as follows:
   Recent hateful acts targeting ethnic and religious groups as well as women have shaken our city, in particular our youth to our very core. These actions are NOT representative of our Albany community. They are the repulsive, deviant deeds of a few and will not be tolerated.

   Our entire community must come together to educate those who would perpetrate these acts and those who consider them inconsequential, to their historical significance and the long term damage suffered by the victims and the impact on the entire community.

   We empathize with both our school community and our entire community, and share the concern and call to action as expressed by the Albany Unified School District.

   I had the honor of attending the Albany High School Unity Rally last Friday. The students were incredibly inspirational in their ability to express their emotions and support one another. They serve as a beacon of hope for all of us in these difficult times.

   These acts of intolerance and hate must be brought into the open. We must accept the reality there is much work to be done to educate and heal our community and I pledge to you as Mayor I will make this a priority.

3. REPORT ON ACTION TAKEN IN CLOSED SESSION, IF ANY
   None.

4. CONSENT CALENDAR
   4-1. Minutes, March 20, 2017
       Staff recommendation: Approve

   4-2. Annual Street Rehabilitation Program
       Staff recommendation: that the Council adopt Resolution No. 2017-17 authorizing the City Manager to enter into an agreement with NCE to perform
engineering services in support of the City's Annual Pavement Rehabilitation Program in the total not to exceed amount of $44,200

4-3. Waste Management of Alameda County Annual Rate Adjustment Request

Staff recommendation: that the Council authorize the Annual Rate Adjustment of 1.75%, pursuant to the terms of the Collection Services Franchise Agreement with Waste Management of Alameda County.

4-4. Letter of Opposition: AB 649 as Proposed to be Amended by RN 17 08941 (Hueso). Wireless and Small Cell Telecommunications Facilities

Mayor McQuaid recommendation: that the Council authorize submittal of the letter of opposition to AB 649

4-5. Ratification of Payroll

Payroll Period: 3/17/17; Net Payroll: $271,817.45; Taxes, Benefits, Withholdings: $301,984.03; Total: $ 573,801.48

Staff recommendation: Ratify

Mayor McQuaid asked if anyone wished to remove an item from the Consent Calendar. Items 4-2, 4-3, and 4-4 were removed from the Consent Calendar.

Item 4-2: Public Works Director Hurley assumed the Metropolitan Transportation Commission (MTC) website reported a Pavement Condition Index (PCI) score of 56 based on a December report. The City's website reported a PCI score of 60 based on a PTAP report dated April 2016. Also, MTC could be reporting a three-year average of scores rather than the annual score.

Item 4-3: Sustainability Coordinator Claire Griffing advised that staff strategically plans routes with Waste Management and considers traffic congestion, construction, and street sweeping. The correct rate increase is 1.75%. A corrected letter was provided to Council Members and the public.

Item 4-4: Planning Manager Anne Hersch reported the City maintains ministerial control of wireless facilities, which are subject to the permitting process with the Building Department.

The following persons spoke: Clay Larson, Brian Beall.
A summary of comments is as follows: inconsistency in the Council's view of wireless facilities, but support for sending the letter; opposition to the State reducing local control.

MOTION:
Moved by Vice Mayor Pilch, seconded by Council Member Maass, to approve the Consent Calendar.
AYES: Council Members Barnes, Maass, Nason, Vice Mayor Pilch, Mayor McQuaid
NOES: none
Motion carried and so ordered.

5. COUNCIL MEMBER REPORTS ON STATE/REGIONAL/LOCAL MEETINGS ATTENDED

5-1. Council Member Maass report on meetings attended

Council Member Maass reported he attended meetings of the Waste Management Agency and the Alameda County Transportation Commission.

Council Member Nason reported the Regional Task Force on Alta Bates Hospital met. Various Task Force participants will be seeking their Councils' endorsement of Senate Bill (SB) 68. Regarding the Tom Bates Regional Sports Complex, the City will need to consider whether it will support the consultants' recommendation to install a shock pad of cork rather than crumb rubber. Council Member Nason participated in a web conference regarding SB 1, which the City has endorsed.

Vice Mayor Pilch reported he attended two recent Bay Area Air Quality Management District rules workshops. He had asked staff to present an update regarding Rule 1216, which requires a cap on refinery emissions. He also attended the League of California Cities Environmental Quality Policy Committee meeting, where attendees discussed the transportation bill, housing bills, CDBG funding, and storm water issues.

Mayor McQuaid reported she attended the League of California Cities East Bay Division meeting and the FilmFest gala.

6. PRESENTATION

6-1. Proclamation in Honor of Jerry Vargas upon his Retirement from the City of Albany

Mayor McQuaid presented the Proclamation.

6-2. City Council Certificate of Appreciation to David Eisenmann on his Academy Award Nomination for Best Animated Short Film Pearl

Mayor McQuaid presented the certificate and congratulated Mr. Eisenmann.

The following person spoke: Jack Kenny.
A summary of comments is as follows: FilmFest congratulates Mr. Eisenmann.

6-3. Proclamation in Recognition of National Library Week 2017

Vice Mayor Pilch presented the Proclamation.
6-4. Review of Advisory Body Work Plans

Staff recommendation: that the Council:
1) Receive presentations regarding the work plans developed by the Charter Review Committee, Economic Development Committee, and Library Board
2) Provide any comments or direction regarding the proposed work plans
3) Approve work plans for implementation by the Advisory Bodies

Assistant City Manager/City Clerk Nicole Almaguer reported the work plans cover a period of two years, 2017-2019. Advisory Bodies are encouraged to review their work plans annually and adhere to them throughout the cycle.

Jim Lindsay, Charter Review Committee Chair, presented the work plan. The Charter Review Committee wishes to explore youth voting and reporting of cast selection record results and to continue its work regarding ranked choice voting. Should other items be raised, the Committee will consider them.

A summary of Council comments is as follows: clarification of cast selection record reporting; the realistic possibility of lowering the voting age; County involvement in reporting record results; whether the County will have software to allow ranked choice voting for the 2018 election; support for obtaining data through cast selection reporting but not a Charter amendment for it; opposition to items for youth voting and ranked choice voting; work plan items were proposed by the Commission, not requested by the Council; support for research of long-term or high-level topics.

**MOTION:**
Moved by Council Member Nason, seconded by Vice Mayor Pilch, to approve the Charter Review Committee work plan.

Mayor McQuaid proposed a friendly amendment to remove the third bullet from the work plan regarding data reporting.
The friendly amendment was not accepted.

**AYES:** Council Members Barnes, Maass, Nason, Vice Mayor Pilch
**NOES:** Mayor McQuaid
Motion carried and so ordered.

Robert Cheasty, Economic Development Committee Chair, presented the work plan. The Economic Development Committee has been considering the issue of attracting and retaining businesses in the business district. Our goal is to improve City revenue generated by retail sales from 14% to 20%. The Committee has established both long-range and short-range subcommittees to identify long-range projects to improve the health of the business community, and provided comments to the City regarding adoption of the General Plan and support of economic
development principles. The farmer's market subcommittee will work with the City and School District to find a location for the farmer's market. The Committee will identify opportunities to enhance Solano and San Pablo Avenues.

Consultants will meet with stakeholders regarding the Economic Development Strategic Plan on Thursday at 7:00 p.m. The public can also provide feedback and comments through an online opportunity. Strategic Plan initiatives include a background data review; business sector and consumer demand analysis; stakeholder and community engagement; an opportunities and constraints analysis of businesses; and a review of the permitting process for businesses. An implementation plan likely will be issued in July.

The following persons spoke: Brian Beall, Jeremiah, Sue Douglas. A summary of comments is as follows: suggestions for larger meeting/conference facilities, creating a high-tech incubator, and installing pedestrian crossing signs on and repaving of Solano Avenue; no support for a farmer's market at Cornell School.

A summary of Council comments is as follows: a suggestion to increase the goal to 25% for retail sales; installation of fiber in commercial corridors to attract business; whether consultants examined factors such as City policies and an El Cerrito/San Pablo Avenue specific plan in analysis; data supporting claims of a parking problem; a suggestion for the Committee to focus on the creation of specific plans and policies to encourage development.

MOTION:
Moved by Council Member Nason, seconded by Council Member Maas, to approve the Economic Development work plan.
AYES: Council Members Barnes, Maass, Nason, Vice Mayor Pilch, Mayor McQuaid
NOES: none
Motion carried and so ordered.

Sarah Levin, Library Board Chairman, presented the work plan. Proposed initiatives include continuing to advise the City Council on the contract with Alameda County Library, recommending the appointment of an Albany representative to the Alameda County Library Advisory Commission; reviewing Alameda County Library policies and procedures; working with the Albany Library Manager on recommendations for expenditure of the Young bequest; supporting and promoting the Albany Library; and advocating for State or national library issues.

The following person spoke: Jeremiah.
A summary of comments is as follows: a request to repair the 3-D printer.
A summary of Council comments is as follows: possible expansion of Library facilities; the role of the Library Board in reviewing County policies and procedures.

MOTION:
Moved by Council Member Barnes, seconded by Vice Mayor Pilch, to approve the Library Board work plan.
AYES: Council Members Barnes, Maass, Nason, Vice Mayor Pilch, Mayor McQuaid
NOES: none
Motion carried and so ordered.

7. GOOD OF THE CITY/PUBLIC FORUM/ANNOUNCEMENTS
Mayor McQuaid opened the Good of the City.

The following persons spoke: Brian Beall, Jeremiah, Francisco Lopez.
A summary of comments is as follows: Albany Democratic Club meeting on April 20; appreciation for projects of the Albany Community Action group; appreciation for the program providing showers for the homeless; a suggestion to implement school zones; support for the City's policy on immigration enforcement.

8. PUBLIC HEARING

8.1 Resolution No. 2017-15 to amend the contract between the City of Albany and the California Public Employees' Retirement System to merge the former Albany Municipal Services Joint Powers Authority contracts into the City of Albany contracts for retirement and health

Ordinance No. 2017-02 to amend the contract between the City of Albany and the California Public Employees' Retirement System to merge the former Albany Municipal Services Joint Powers Authority contracts into the City of Albany contracts for retirement and health

Staff recommendation: that the Council:
1) Adopt Resolution No. 2017-15, a resolution of intention to approve an amendment to the contract between the City of Albany and the Board of Administration of the California Public Employees' Retirement System

2) Introduce Ordinance No. 2017-02, an ordinance of the Albany City Council authorizing an amendment to the contract between the City of Albany and the Board of Administration of the California Public Employees' Retirement System – First Reading.

Human Relations Director Gene Boucher presented the staff report. The final step of merging JPA employees into the City involves the merger of City contracts with CalPERS contracts. Under the merger, tiers 1, 2, and 3 of the miscellaneous
group will merge into like plans under the City. JPA employees were merged into the City effective January 1, 2017.

MOTION:
Moved by Council Member Maass, seconded by Council Member Barnes, to adopt Resolution No. 2017-15 and introduce Ordinance No. 2017-02.
AYES: Council Members Barnes, Maass, Nason, Vice Mayor Pilch, Mayor McQuaid
NOES: none
Motion carried and so ordered.

8.2 Ordinance No. 2017-03 Amending Bicycle Regulations
Staff recommendation: that the Council introduce for first reading Ordinance No. 2017-03 amending Chapter 8 of the Albany Municipal Code, Bicycle Regulations

Community Development Director Jeff Bond presented the staff report. Current Code provisions do not allow adults to ride bicycles on sidewalks. The UC Village project includes a two-way bicycle path that does not connect to the intersection of Marin and San Pablo Avensues. The change in regulations will allow cyclists to leave the two-way bicycle path, ride on the sidewalk to the intersection, and return to the bicycle network. In addition, the change to regulations will allow bicycle riding on a small segment of Dartmouth Street. The text on page 2, line 30, of the draft ordinance should state the south sidewalk of Dartmouth Street rather than the east sidewalk of San Pablo Avenue. If approved, staff will incorporate the correction into the draft ordinance for the second reading. The second element of the ordinance is to delete the Code section that limits bicycles from towing other vehicles, as recommended by the Traffic and Safety Commission.

A summary of Council comments is as follows: declaring the sidewalk a bike path.

MOTION:
Moved by Council Member Barnes, seconded by Council Member Nason, to introduce for first reading Ordinance No. 2017-03 as corrected by staff.
AYES: Council Members Barnes, Maass, Nason, Vice Mayor Pilch, Mayor McQuaid
NOES: none
Motion carried and so ordered.

9. UNFINISHED BUSINESS
None.
10. NEW BUSINESS

10-I. Resolution No. 2017-16 Initiating the Process to Consider Amendments to Albany Municipal Code Related to Marijuana Regulations

Staff recommendation: that the Council:
1) Adopt Resolution No. 2017-16 initiating the process to consider amendments to Albany Municipal Code related to marijuana regulations.
2) Provide initial policy direction regarding:
   • Regulation of Recreational and/or Medical Marijuana

If the Council directs staff to craft an ordinance permitting marijuana dispensaries and cultivation, please provide policy direction regarding:
   • Limitations on the number of dispensary establishments with the City
   • Operating standards
   • Permitted zoning districts
   • Conditional use permit review process
   • Fiscal impacts

Planning Manager Anne Hersch provided the staff report. Staff requests the Council provide direction regarding continuing the medical marijuana prohibition or revisiting the legalization of dispensaries and/or cultivation to include medical and recreational uses. In 2007, the City adopted an ordinance that created a conditional use permitting process to allow one medical dispensary within specific zones in Albany. In 2011, the Council adopted an urgency ordinance prohibiting medical marijuana within the city limits.

The passage of Proposition 64, Adult Use of Marijuana Act (AUMA), legalized the recreational use of marijuana within the state. State licensing requirements for commercial recreational marijuana activity are being prepared, but are not expected to occur before January 1, 2018. With respect to personal cultivation under AUMA, a person over the age of 21 may have up to six living plants, which may be planted, cultivated, harvested, dried, or processed within a private residence. An adult may legally possess up to 28.5 grams of marijuana or up to 4 grams of concentrated marijuana. Jurisdictions are allowed to regulate or ban outdoor cultivation and to regulate but not ban indoor personal cultivation. Police Chief McQuiston had concerns about indoor and outdoor cultivation and the potential for theft. Staff did not believe a permitting process was a good idea because permit applications are public records and staff did not want to inspect and monitor private homes.

Jurisdictions retain various authority for commercial cultivation, including the ability to regulate or ban commercial cultivation for recreational or medical marijuana. A municipality may permit or restrict deliveries within the City limits and may also limit the number of establishments within the City limits. If commercial cultivation is an allowed permitted use, the municipality is allowed to
impose a variety of taxes including a cultivation tax, manufacturing tax, or business license tax. Continuing the prohibition would entail minor updates to the existing Municipal Code. Allowing dispensaries and cultivation would require more extensive amendments to the Code.

Staff reviewed the City of San Leandro's Medical Marijuana Ordinance, which is a two-step process. The first step is to secure an operating permit, which is tied to business licensing regulations. The second step requires a land use approval pursuant to Chapter 20 of the Municipal Code. San Leandro limited the number of medical marijuana establishments to three within the city limits and created an eligible locations map identifying zoning districts where the use is conditionally permitted. San Leandro's background checks and business plans are evaluated by a third-party company. The city council grants operating permits, which include a requirement to secure a conditional use permit within two years. San Leandro also imposes an annual permit fee to recover the costs of monitoring, auditing, and inspecting dispensary operations. The annual permit fee costs $60,000 and is imposed as an annual business license fee.

If allowed in Albany, staff would recommend limiting marijuana operations to the CMX zone along Cleveland Avenue because that area is removed from private residences and is less likely to result in conflicts with adjacent land uses.

In 2010, Measure Q was approved and instituted a business license tax on marijuana. Since the City has not had any operating cannabis-related businesses, this tax has not been imposed or collected. Trade organizations have indicated that marijuana sales average approximately $974 per square foot. For a hypothetical 1,000-square-foot dispensary, business license revenues to the City would be in the range of $24,000. The City would receive an additional $10,000 from sales tax revenue for recreational marijuana dispensaries.

The following persons spoke: David Syme, Peter Campbell, and August Blass. A summary of comments is as follows: placing cultivation next to a dispensary is logical; support for prohibiting cultivation and dispensaries; a 25,000-square-foot facility will generate significant tax revenues.

A summary of Council comments is as follows: established standards for business plans; whether a conditional use permit could require net energy zero; a request for Chief McQuiston to provide recommendations; potential revenues generated from commercial cultivation and sales; the City could not apply for State grants if it did not allow dispensaries; application of the smoking ordinance to marijuana; landlord's permission needed for indoor cultivation; a request for staff to investigate energy efficiency requirements for indoor cultivation and obscuring outdoor cultivation from public view; the cost of police services versus amount of tax revenues generated; support for prohibiting any kind of marijuana business; support for no outdoor cultivation and for locating facilities outside
residential areas; a desire for more information regarding financial implications and Chief McQuiston's concerns.

10-2. Acceptance of Affordable Housing Nexus Fee Study

Staff recommendation: that the Council accept the affordable housing nexus fee study and direct the Planning and Zoning Commission to prepare a recommendation for residential and nonresidential affordable housing impact fees

Community Development Director Jeff Bond presented the staff report. Housing Element recommendations and policies directed exploration of the feasibility of a housing nexus study. The study was prepared in partnership with other communities in Santa Clara and Alameda Counties. Project management of the joint study was funded by the Silicon Valley Community Foundation. A nexus study is required to justify a potential fee imposed on new development. The fee would be placed in a special fund, which the City Council could appropriate to support development of affordable housing. The study provided detailed information to establish the link between new development and its impact on the need for additional affordable housing. To create an affordable housing unit, a subsidy in the neighborhood of $200,000 is required. The report provided data specific to Albany when that data could be determined. The Council could direct staff to pursue analysis of a potential fee to be imposed on future development. Staff recommends the Council direct staff to monitor actions taken by cities in the area.

The following person spoke: Peter Campbell
A summary of comments is as follows: concern that the fee would negatively impact construction.

MOTION:
Moved by Council Member Maass, seconded by Vice Mayor Pilch, to extend the meeting.
AYES: Council Members Maass, Nason, Vice Mayor Pilch, Mayor McQuaid
NOES: none
ABSENT: Council Member Barnes
Motion carried and so ordered.

A summary of Council comments is as follows: plans for affordable housing funded through such a fee in other municipalities; a requirement for fees or construction of affordable housing; judicial testing of this type of fee; application of this type of fee to remodels or pop-ups; the amount this fee would have generated if applied to the UC Village project; concern that the cost of market rate housing would increase with implementation of these fees.
MOTION:
Moved by Vice Mayor Pilch, seconded by Council Member Maass, to accept the
affordable housing nexus fee study and direct the Planning and Zoning
Commission to prepare a recommendation for residential and nonresidential
affordable housing impact fees.
AYES: Council Members Maass, Nason, Vice Mayor Pilch, Mayor McQuaid
NOES: none
ABSENT: Council Member Barnes
Motion carried and so ordered.

11. OTHER BUSINESS, ANNOUNCEMENTS OF EVENTS/FUTURE
AGENDA ITEMS
None

11-1. Upcoming City Events

National Poetry Month Workshop, Friday, April 28, 5-7 PM, Community Center

Cirque du Summer – Summer Camp Expo, Saturday, April 29, 10 AM, Community Center

11-2. Upcoming City Meetings

Social & Economic Justice Commission, Tuesday, April 4, 7:30 PM, City Hall Council Chambers

Sanctuary City Community Workshop, Wednesday, April 5, 6:30 PM, City Hall Council Chambers

Economic Development Strategic Plan Public Workshop, April 6, 7:00 PM, City Hall Council Chambers

Arts Committee, Monday, April 10, 7:00 PM, City Hall Council Chambers

Planning & Zoning Commission, Wednesdays, April 12 & 26, 7:00 PM, City Hall Council Chambers

Parks & Recreation Commission, Thursday, April 13, 7:00 PM, City Hall Council Chambers

City Council Meeting, Monday, April 17, 7:30 PM, City Hall Council Chambers

Community Media Access Committee, Monday, April 24, 6:00 PM, City Hall Council Chambers
Traffic & Safety Commission, Thursday, April 27, 7:00 PM, City Hall Council Chambers

12. ADJOURNMENT

10:33 p.m. There being no further business before the City Council, Mayor McQuaid adjourned the meeting.

Minutes submitted by Nicole Almaguer, City Clerk.

Peggy McQuaid
Mayor

Attest:

Nicole Almaguer, City Clerk