

CITY OF PITTSBURG
Housing Authority Minutes
April 16, 2001

Chair Frank Quesada called the meeting to order at 6:03 p.m. He advised that the Council will meet in Closed Session. There being no one to speak from the public concerning Closed Session matters, he adjourned to Closed Session at 6:03 p.m.

Chair Quesada reconvened the Housing Authority Meeting at 7:03 p.m.

City Attorney Linda Daube reported there were three items discussed in Closed Session. The Council, by vote of 5-0 authorized staff to proceed in the acquisition of real property interest along Loveridge Road and such interests are necessary for the development of the DEC project.

MEMBERS PRESENT: Aiello, Beals, Lewis, Rios, Quesada, Wallen, Peterson

MEMBERS ABSENT: None

STAFF PRESENT: City Manager, Willis Casey
City Attorney, Linda Daube
Assistant City Attorney, Carol Victor
Assistant City Attorney, Russ Townsend
Chief of Police, Aaron Baker
Director of Community Development, Nasser Shirazi
Director of Economic Development, Garrett Evans
Director of Finance, Jim Holmes
Director of Leisure Services, Paul Flores
Director of Public Services, John Fuller
Administrative Analyst, Michelle Fitzer
Senior Engineer, Joe Sbranti
City Treasurer, John Garcia

PLEDGE OF ALLEGIANCE

Jack Garcia led the Pledge of Allegiance.

CITIZENS REMARKS

There were no citizen remarks.

MEMBERS REMARKS

There were no members remarks.

CONSENT

On Motion by Vice Chair Aiello, Seconded by Member Rios to approve the Consent Calendar with the exception of item a. by the following vote: **VOTE: 7-0**

a. **DISBURSEMENT LIST** Period Ending: March 31, 2001

Vice-Chair Aiello asked staff about two items shown on the Disbursement List, one in the amount of \$2.00, and one for 23 cents. He questions if these were ongoing amounts and wonders if we are spending more money to cut the check than the check is worth. City Manager Casey stated there is no one here from Housing Authority, but Staff will respond at a later time. Vice-Chair Aiello asked that staff from the Housing Authority be present in the future for Housing Authority meetings.

On motion by Vice Chair Aiello, seconded by Member Beals to approve item as by the following vote: **VOTE: 7-0**

b. **MINUTES** Dated: March 19, 2001

The minutes of March 19, 2001 were approved.

ADJOURNMENT

There being no further business, the Housing Authority adjourned at 7:10 p.m. to the next regular meeting set for May 21, 2001.

Respectfully submitted,

Alice E. Evenson
Deputy City Clerk

**CITY OF PITTSBURG
Redevelopment Agency Agenda
April 16, 2001**

Chair Frank Quesada called the meeting to order at 6:03 p.m. He advised that the Council will meet in Closed Session. There being no one to speak from the public concerning Closed Session matters, he adjourned to Closed Session at 6:03 p.m.

Chair Quesada reconvened the Redevelopment Agency Meeting at 7:10 p.m.

City Attorney Linda Daube reported there were three items discussed in Closed Session. The Council, by vote of 5-0 authorized staff to proceed in the acquisition of real property interest along Loveridge Road and such interests are necessary for the development of the DEC project.

MEMBERS PRESENT: Aiello, Beals, Lewis, Rios, Quesada, Wallen, Peterson

MEMBERS ABSENT: None

STAFF PRESENT: City Manager, Willis Casey
City Attorney, Linda Daube
Assistant City Attorney, Carol Victor
Assistant City Attorney, Russ Townsend
Chief of Police, Aaron Baker
Director of Community Development, Nasser Shirazi
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Senior Engineer, Joe Sbranti
City Treasurer, John Garcia

PLEDGE OF ALLEGIANCE

Jack Garcia led the Pledge of Allegiance.

CITIZENS REMARKS

There were no citizen remarks.

MEMBERS REMARKS

Vice Chair Aiello stated he would like to see an item on the next agenda. He would like to see an item that implements an ordinance for speed bumps in the City of Pittsburg and specifically target 10th Street and another location to be named later to slow traffic in the City for public health and safety reasons.

CONSENT

On motion by Agency Member Rios, seconded by Vice Chair Aiello to approve the Consent Calendar by the following vote: **VOTE: 5-0**

a. **MINUTES** Dated: April 2, 2001

The minutes of April 2, 2001 were approved.

ADJOURNMENT

There being no further business, the Redevelopment Agency adjourned at 7:122 p.m. to the next meeting set for May 7, 2001.

Respectfully submitted,

Alice E. Evenson
Deputy City Clerk

CITY OF PITTSBURG
City Council Minutes
April 16, 2001

Chair Frank Quesada called the meeting to order at 6:03 p.m. He advised that the Council will meet in Closed Session. There being no one to speak from the public concerning Closed Session matters, he adjourned to Closed Session at 6:03 p.m.

Chair Quesada reconvened the City Council Meeting at 7:13 p.m.

City Attorney Linda Daube reported there were three items discussed in Closed Session. The Council, by vote of 5-0 authorized staff to proceed in the acquisition of real property interest along Loveridge Road and such interests are necessary for the development of the DEC project.

MEMBERS PRESENT: Aiello, Beals, Lewis, Rios, Quesada, Wallen, Peterson

MEMBERS ABSENT: None

STAFF PRESENT: City Manager, Willis Casey
City Attorney, Linda Daube
Assistant City Attorney, Carol Victor
Assistant City Attorney, Russ Townsend
Chief of Police, Aaron Baker
Director of Community Development, Nasser Shirazi
Director of Economic Development, Garrett Evans
Director of Finance, Jim Holmes
Director of Leisure Services, Paul Flores
Director of Public Services, John Fuller
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Senior Engineer, Joe Sbranti
City Treasurer, John Garcia

PLEDGE OF ALLEGIANCE

Jack Garcia led the Pledge of Allegiance.

CITIZENS REMARKS

Jackie Wenzel, Executive Director of Advocates 4 Special Kids, thanked the Mayor and Vice Mayor for attending the event for the Special Education children at Highlands Elementary. She presented the Council with stuffed Easter bunnies, and a Spirit of Giving Award for the City=s contribution to the program, for participation in the Easter egg hunt, for the use of Buchanan Park for the event and for the chocolate Easter bunnies given out to the attendees. Ms. Wenzel also stated she looks forward to working with the City on the Special Kids Day on July 15 at Small World Park.

Vice Mayor Aiello stated he had a breakfast meeting with several service clubs and they have tentatively identified the July 15 project to participate in as a joint effort.

Mayor Quesada commended Staff for the time and effort to make it a successful event and thanked Ms. Wenzel for loaning the bunny costume for the City's Easter Egg Hunt on Saturday.

Vice Mayor Aiello also stated the Telephone Pioneers (Pac Bell) have tentatively agreed to identify the Special Kids project for the entire Bay Area.

Cherie deBonneville, Pittsburg, requested that her grading permit and license business be reinstated. She has talked to the Planning Department and Building Department which has been fruitless. She has been ignored for five months. City Attorney Linda Daube stated action cannot take on this matter tonight, but will refer to Staff to handle.

Carla diMaggio, with the Pittsburg Pony League presented members of the California Baseball Club team. They are traveling to Cooperstown to play in a national baseball tournament and asked for support for the team and the trip. They have done a lot of fund-raising but are still falling short of their goal and asked for sponsorship by the City. Vice Mayor Aiello asked Leisure Services Director Flores if we have patches with the City of Pittsburg logo and whether they could be purchased and put on the uniform. Mr. Flores stated the next step is for the team to approach the Leisure Services Commission with their request. The Leisure Services Commission will then make a recommendation to the City Council. Vice-Mayor Aiello asked the team to also approach the other local City Councils for support. He suggested to Staff to get sponsorship with patches and \$1,000 with the stipulation that they go to Cities of Antioch and Oakley and match what Pittsburg has done if the City of Pittsburg approves. It was also noted that the Contra Costa Fire Department and the Pittsburg PD was in the audience and challenged them to make donations. Council Member Rios stated she would make a personal donation.

Teatro Locos Members approached the Council with a problem they had in holding a scheduled hip-hop event. They stated they had moved to a new location and were not aware of the permitting process to hold such an event. The Pittsburg Police Department intervened and the event could not be held. They stated they have held other similar events with no problems, but it was the hip-hop genre that seemed to be the issue.

Council Member Beals commended Teatro Locos for their programs. She stated hip-hop is an avenue for young people to express themselves, is not all negative, and bridges many cultures. She stated she knows firsthand of their project and attended a poetry reading. She found a very positive environment and was impressed with talent there that evening. She stated she can work with the proper department to make sure things are taken care of in the future.

Vice Mayor Aiello stated there seemed to be a conflict with the landlord as well as permitting problems. He feels the City can help the program. He also asked the group if they had approached other local organizations and the Board of Education for venues. He asked them to meet with the City Manager and the Chief of Police to work out any issues.

Council Member Rios also stated Teatros Locos has done an excellent job. She has been to at least four events and the group was invited to the first City's youth conference. She also asked the Police Department and staff to work with the organization.

COUNCIL REPORTS

Council Member Lewis stated as the Fire District liaison he has been working with the Fire District and there will be a presentation by Fire District on the efforts to improve fire service in the City of Pittsburg.

Council Member Rios reported on the tour of the Foreign Trade Zone in Oakland. Vice Mayor Aiello not able to attend. They met with the Executive Director and CEO of the World Trade Center and the President of the Foreign Trade Zone in Oakland. They toured the warehouses and facilities and walked through the process and extensive forms needed to be in place to have this type of operation happening. The City of Pittsburg is moving forward with this. She has requested staff to put together a summary of what happened that day and give to Council. She also attended the Mayor=s Conference. She attended the Pittsburg yacht parade, and was asked to be a judge. It was an enjoyable event.

Vice Mayor Aiello stated he had the privilege of attending the PHS general assembly and awarding academic achievers with GPA=s of 4.0 or better with Certificates of Recognition to the City of Pittsburg. He was also honored to give the Boys and Girls Basketball Teams proclamations. There will be a dinner held to honor them on May 2. He also attended a talent show at the high school and fashion show. He also attended the East County Water Management Association meeting. He stated there is statewide discussion regarding expansion of reservoirs, including possibly Los Vaqueros.

Mayor Quesada stated he and Vice Mayor Aiello attended the Bataan Day Celebration and presented the proclamation for Bataan Day. Thursday, he attended the Easter egg hunt for Special Kids at Buchanan park. Saturday he attended the egg hunt put on by the City of Pittsburg, with over 1000 attendees. He and Council Member Rios attended the Mayors Conference where the selection was made for LAFCO district membership. He attended the Transplan meeting Thursday. They discussed regional fees where they are considering a \$3 to \$4 raise in fees. There will be a meeting scheduled tomorrow to discuss regional fees at the Fee and Finance Authority. He stated he will continue to work for what is equitable for all on a regional basis.

PRESENTATION**1. Contra Costa Consolidated Fire District**

Assistant Fire Chief Mike Argo, who is responsible for planning of facilities and Carl Campos, design professional with Loving & Campos Architects presented a preliminary site evaluation of Fire Station No. 84 relocation. Their goal is to improve response time for the station as well as add 2,800 SF for administrative offices. He stated the current station was built in 1969, is antiquated and falls short of current needs. They would like to relocate to a more central location. He showed the current station coverage and presented a layout of the proposed station with several alternative sites. Site #1 at the corner of Civic and Davi behind the Civic Center is preferred site. Assistant Chief Argo stated that in addition to administrative personnel, they would relocate the

Battalion Chief and Training Facility to this location.

Vice Mayor Aiello had a concern regarding parking for the Parkside Market as well as local residents. Assistant Chief Argo stated the design professionals would take into account the parking for residents and local businesses.

Vice Mayor Aiello asked what will happen to the old fire station. Chief Argo stated they would most likely sell the property, or in the event administrative staff cannot relocate to the new station they would convert the current station for them.

Vice Mayor Aiello voiced his concern that there be a plan in place for that facility. He does not want this building be come vacant. He also would like to see a meeting held with homeowners in downtown are who may not be happy with the move. He also has a concern with the San Marcos area and coverage there. Chief Argo stated he feels the move would enhance the San Marcos area for coverage.

Council Member Lewis thanked the Fire District for their presentation. He also brought out the fact that the cost of the station has already been funded through Redevelopment Funds. There were \$3.3 Million transferrred to general fund and held in a special account for capital improvement. Funding now has grown to around \$3.9 Million and that is the money we will be working with. The cost of a new station is will be \$1.2 to \$1.3 million. Once the site is committed, they will move forward on design. Their long range plan is to move Station 86 in Bay Point closer to the freeway and if Station 84 was relocated to the Civic Center area this would be possible. They will coordinate with downtown residents so that they understand they will still be within the five minute response time.

2. Senior Center Status Update

Joe Sbranti began the presentation on the status of the senior center; however, there were technical difficulties.

Mayor Quesada called for a five minute break at 8:53 p.m.

Mayor Quesada reconvened the meeting at 9:02 p.m. As there were still technical difficulties with the presentation, he moved on to the Consent Calendar.

CONSENT CALENDAR

On Motion by Vice Mayor Aiello, seconded by Member Rios to approve the Consent Calendar with the exceptions of items a, c, f, and i, by the following vote: **VOTE: 5-0**

a. **DISBURSEMENT LIST** Period Ending: April 2, 2001 and April 11, 2001

Council Member Rios thanked the Finance Director for Council direction to bring the disbursement list to Council before making the disbursements. There were two items listed that she had questions on and will ask the Finance Director at a later time.

On motion by Council Member Rios, seconded by Vice Mayor Aiello to approve the Disbursement List by the following vote: **VOTE: 5-0**

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b. **MINUTES**

Dated: April 2, 2001

The minutes of April 2, 2001 were approved.

c. **CLAIMS**

#1385 Anna Huffman and #1392 Amity O=Neil

Vice Mayor Aiello had a potential conflict in connection with an attorney representing of the claimants and removed himself from the vote.

On motion by Council Member Rios, seconded by Mayor Quesada to deny claims as listed above by the following vote: **VOTE: 4-0-1 (Aiello abstained)**

d. **RESOLUTION 01-9357**

Directing the Engineer of Work to Prepare and File an Annual Report for Landscaping & Lighting Assessment District 1988-01, Citywide (Fiscal Year 2001-02)

Resolution 01-9357 was adopted.

e. **RESOLUTION 01-9358**

Directing the Engineer of Work to Prepare and File an Annual Report for Landscaping & Lighting Assessment District 1988-02, Oakhills (Fiscal Year 2001-02)

Resolution 01-9358 was adopted.

f. **RESOLUTION 01-9359**

Resolution of Intention to Approve a Contract Between the Board of Administration of the California Public Employees= Retirement System (PERS) and the City of Pittsburg

City Attorney Daube recommended that Resolution 01-9359 be considered as part of the Public Hearing for Ordinance 01-1181. Both items deal with documents to allow and authorize employees to vote on PERS membership. The testimony and staff reports will be complementary on both and in the essence of them they should be considered as part of the Public Hearing.

Vice Mayor Aiello asked if the Resolution can be placed under Public Hearing if it has not been noticed as a Public Hearing. City Attorney Daube stated it can, since it was pulled for comment.

g. **RESOLUTION 01-9360**

Advertising Contract 00-05, Traffic Signal Installation at Loveridge Road and Ventura Drive

Resolution 01-9360 was adopted.

h. **RESOLUTION 01-9361**

Approval and Acceptance of Various Grants of Easements and

Crossing Agreements Between Calpine Corporation and the
Pittsburg Power Company

Resolution 01-9361 was adopted.

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- i. **RESOLUTION 01-9362** Partial Acceptance of the Public Improvements, Identified as the Central Park Baseball Field, for Routine and Continuous Maintenance

Vice Mayor Aiello asked what the phrase Acontinuous maintenance@ meant and what other items were on the punch list before it can be accepted. Mr. Shirazi stated this resolution would accept the ballfield to allow games to be played since baseball season has started. The few punch list items that remain pertain to lighting and irrigation and are not related to the field itself. Continuous maintenance means the actual maintenance of the field.

On Motion by Vice Mayor Aiello, seconded by Member Rios to adopt Resolution 01-9362 by the following vote: **VOTE: 5-0**

- j. **RESOLUTION 01-9363** Stormwater Utility Area Equivalent Runoff Units (ERU=s) for the 2001-2002 Fiscal Year

Resolution 01-9363 was adopted.

- k. **REPORT** Consideration of Community Advisory Commission (CAC) Applications and Scheduling of Interviews

The report was accepted.

PUBLIC HEARING

1. **RESOLUTION 01-9364** The Adoption of a Preferential Residential Permit Parking Area in the Oak Hills Neighborhood

Mayor Quesada opened the public hearing. He read letter by **Ric Reynolds** received tonight regarding the need for more parking spaces at BART. Mr. Reynolds is an Antioch resident that feels if this resolution is passed he will have to drive to North Concord BART for parking.

Mr. Shirazi presented the staff report. He stated staff had been directed to do community outreach in the Oak Hills area. 441 questionnaires were sent out, staff posted the date of meeting at many locations, and called to the community team policing the area. Out of 441, 25% were received back for a total 118 votes. 79 said yes, 39 said no; altogether the ratio is 68% in favor and 32% against out of 118 votes received. The program in place is in conformance with the ordinance passed earlier this year with minor variations.

John Carnes, Pittsburg, is a resident of the Oak Hills area. He is in favor of this resolution. He does not want the commuters to lock down his neighborhood during the day. He states the commuters have had no respect of the neighborhood with regard to speed, parking, etc., even though

unidentified.

Council Member Beals stated she is concerned about the area near Martin Luther King School. One improvement that has been discussed is the sewage and water improvements in that area. Mr. Shirazi stated the Pittsburg-Antioch Highway is being improved as a part of this. Once the overall project is done, that will draw the water from that area and totally prevent flooding around the school and neighborhood. This project will eliminate that.

Vice Mayor Aiello stated that the fee as presented would be higher than Antioch, Oakley, Brentwood and Bay Point. Mr. Shirazi stated the problem is the area that is not developed is so small it cannot support all the money needed for all improvements needed in the area. Mr. Shirazi stated we would have to charge \$2.65 per SF to bring the total up. Staff thought that was beyond the existing fees so are proposing that we pursue grants and reduce the fees to the point we could justify the 65 cents per SF. This amount is would be consistent with what is needed compared to other cities. Vice Mayor Aiello still is not comfortable with the wording that the area is not sufficient to cover improvements nor is he comfortable with the fee. He would propose to lower the fee to 60 cents per SF. Mr. Shirazi stated this could be done pending more grants or other funding coming forth.

Assistant City Attorney Victor stated there would be a legal issue in the future if the fees were collected and then funding does not become available in the future. She stated the whole point of adopting the fees is that they are proportional to impact. There were two methodologies used in arriving at the 65 cents per SF. One was looking at the total cost of improvements needed, coming up with the calculations based on what was left undeveloped, and then making appropriate adjustments which came up with 65 cents. As Mr. Shirazi they also looked at the fee in proportion to the entire build out of the watershed and assigning a fee per acre throughout the watershed and they came up with 66 cents at that calculation. So the development with the 65 cent fee is only being asked to fund the proportional share of the overall improvements which is what the law requires. She stated with respect to what other cities charge, there will always be issues on that. We are using current numbers to base these calculations.

Council Member Lewis asked what dollar shortfall would be caused by reducing the fee from 65 to 60? Mr. Shirazi stated there is a consultant helping us find grants and this project is on top of his list. When asked, Mr. Shirazi stated we are counting on grants to cover the shortfall on Phase 1.

Vice Mayor Aiello asked if this project has been looked at as a potential economic development tool and whether EDA grants have been looked at. Garrett Evans stated we could amend year 3 to tie in EDA and the Foreign Trade Zone grants, however, he stated EDA grants have to be tied in with \$15,000 of money used from EDA equals one job that is created with that project, and must be directly related to it.

Mayor Quesada stated we are paying a higher rate because we did not do the engineering of Highway 4, Caltrans did and now we have to up the Kirker Creek Watershed area.

Mayor Quesada opened the public hearing.

Charles Smith, former Stormwater Management plan consultant in Management of the University of California and DOE Lawrence Berkeley Laboratory stated he has an issue with the proposed ordinance in that the Stormwater Management plan is not complete. He is concerned that the City is having to work with restricted funds and the source of the problem may not be looked at, i.e. the Highlands area and Buchanan Park area. He feels this plan is putting the cart before the horse since the Stormwater Management Plan has not been approved. Staff will address Mr. Smith=s concerns.

Council Member Lewis stated the improvements contemplated are only one part of the puzzle and there are massive amounts of improvements to be done. He stated Caltrans has increased the box culverts under Loveridge Road, but cannot be used. This plan will at least enable us to utilize the box culverts.

Mayor Quesada closed the public hearing.

On Motion by Council Member Lewis, seconded by Mayor Quesada to accept by title only, waive further reading and introduce Ordinance 01-1180 and specifically adopting the findings within the staff report by reference: **VOTE: 3-2 (Aiello and Beals, no)**

3. **ORDINANCE 01-1181** An Ordinance Amending Municipal Code Section 2.56.610 Authorizing a Contract Between the City of Pittsburg and the Board of Administration of the California Public Employees= Retirement System

Michelle Fitzer presented the staff report for Ordinance 01-1181, and included Resolution 01-9359 held over from the Consent Calendar. Adoption of Resolution 01-9359 is the first step required to initiate the employee elections required regarding converting to the PERS. Currently the City contracts with Contra Costa County Employees Retirement Association for retirement benefits for employees. The County system is a three tier program for miscellaneous non-safety members, with Tier I benefits being substantially higher for both service and disability benefits than Tier II. The majority of the miscellaneous employees are required by law to participate in Tier II. The only way for newly hired employees to become members of Tier I is for them to be a Tier I member or PERS member at the time of hire. Currently there are 160 Tier II members and 24 Tier I members.

For several years the miscellaneous employees and employee groups have requested that the City investigate an improvement to the retirement system. In response to those requests and the inequities inherent in the County tiered system, the City contacted PERS for an analysis of the possibility of contracting with them for retirement benefits. It has taken nearly two years, with the assistance of a hired actuary, the City Attorney, several meetings with the County Retirement Board, the County Retirement Administrator, County Actuary and County Counsel as well as two amendments to the County Retirement Employer Termination Policy to get where we are today.

When discussion initially began regarding converting the retirement system, the safety employees were not interested. However, representatives of the Police Officers Association and the Police Management Group have indicated that they are now interested and they will be included in the employee election process.

The City negotiating team has been working with the employee groups in discussing the possibility of converting to PERS for approximately 18 months. Those discussions have been well received and an education process was begun to ensure that all employees, both miscellaneous and safety, were fully informed about the effect of a conversion to PERS and what that would mean to their retirement and their employee contributions. The long process included cost benefit and actuarial analysis and has enabled the City to offer both the miscellaneous and safety employees the best retirement benefit levels provided by PERS. The miscellaneous employees would be contracting for the 2% at 55, the safety employees for 3% at 50. The actuarial study performed by PERS provided that the employer contribution cost of converting with a prospective only contract will be 8.694% of annual covered payroll for miscellaneous employees and 81.891% for safety. These contributions are to be paid on a monthly basis. The total annual cost will therefore be \$715,066 for miscellaneous and \$949,167 for safety employees. This represents a saving from our current retirement contributions of 15% for Tier I and 10.69% for Tier II miscellaneous employees but an increase from the 15.17% for safety. Additionally, it is the intent of the City to amend the PERS contract to include all of the service credit and contributions currently with the County Retirement Association.

Converting to the retirement system to PERS is in the best interest of the employees and the City for a number of reasons. First, PERS membership will assist in attracting and retaining qualified staff which has been established as a Council priority. It also provides all of the miscellaneous employees with the same retirement benefit versus a two tier system, thereby promoting fair and equitable compensation among staff. From a financial perspective the PERS system is more attractive because each participating agency has their assets accounted for separately rather than the pooled system the County utilizes. This allows employer contributions to be calculated based on each individual agency's experience and asset base. Currently under the County system all assets are pooled and all participating agencies experience is included in the calculation of rates. Therefore, all district employers are charged the same rate. The pooling methodology provides the City little ability to manage our retirement assets and contributions, nor is the County able to account for the City's contributions, particularly in relation to our individual experience.

The interest in PERS is high and employee elections are required to determine whether the majority of both miscellaneous and safety employees would prefer to have their retirement benefits through PERS. As indicated earlier, the adoption of this resolution of intent to contract is the first step required to enable employees to vote on PERS participation. As required by PERS law, the miscellaneous and safety employees will have separate elections and the results for each will be calculated. The elections will run for the period of April 17 through April 27 inclusive and should a majority of the miscellaneous and safety employees vote for PERS participation, staff will bring before Council a final ordinance to contract with PERS. Council adoption of this resolution is critical. If action is delayed, a special meeting will be needed in order to make the PERS and County time lines. Staff is aware of concerns on the part of a few Tier I members regarding

receiving compensation for the higher employee contributions that they have paid. Should the elections result in a conversion to PERS, Staff will bring recommendations to Council to address the perceived inequities. However, in keeping with Council=s direction, the issue that requires immediate attention is the inequity between Tier I and Tier II benefit levels.

Vice Mayor Aiello asked if any figures had been gathered as to inequities perceived or real between Tier I and Tier II. Have individual Tier I and Tier II members been met with relative to calculating retirement benefits? Ms. Fitzer stated she has met with Tier I and Tier II members relative to calculating their retirement benefits under both County System and PERS. The question of inequity comes from the employee contributions paid by Tier I members versus Tier II members and when the City rolls over the County contributions to PERS the Tier I and Tier II members will have the same benefit however, Tier I members feel they have paid more while they have been part of the County System. No calculations have been done to figure exactly what the cost would be; that would depend on the years of service. Vice Mayor Aiello asked if it is a perceived inequity or real inequity? Ms. Fitzer stated Tier I members do pay more for employee contribution than Tier II members.

Vice Mayor Aiello asked action is required at this time.

City Attorney Daube stated the public hearing must be opened.

Mayor Quesada opened public hearing.

Rod Dupont spoke on behalf of the Police Officers Association to show support for the conversion process. He stated they have worked hard with the City=s negotiating team to negotiate a plan to change from the County system to PERS. They feel this benefits both the City and their members. They are at an all time morale high within the department. The acceptance of PERS will put morale even higher. This will assist in recruitment and retention and help to bring in lateral officers from other agencies. This will occur because the majority of law enforcement agencies are in the PERS system. Officers will be able to remain in PERS and transfer to our agency. In retention, we will be able to keep officers because we will have the standard retirement program that most agencies have or are currently negotiating for. In closing, they respectfully request supporting the City=s conversion to PERS by passing the resolution.

John Garcia stated PERS is one of the best pension plans around, but not for the older people that have worked here many years. He stated the City would be forcing them out. Tier I members would lose money. He stated Ms. Fitzer has not spoken with all the Tier I members and has not sat down with them and figured out how much they are going to lose on a monthly basis if they were to retire. Recently, there is a person who has worked here many years that is retiring because he thought this was going to come about. He stated he is not against PERS. He thinks it=s good for the younger people, but it is inequitable for the people that have been here for 30 years. He personally bought into PERS with nine years of National Guard time and has over 20 years in the retirement system. At the time Tier II was proposed, they asked the employees whether they wanted to stay in Tier I or move to Tier II. At that time the employees only looked at the dollar figures, not at the retirement figures. They chose the cheaper plan and now they want to go to PERS and let the

Tier I pay for them to move to PERS. He stated he feels the members that have been in the system over 20 years will have no choice but to retire now. Ms. Fitzer=s figures are incorrect and she has not sat down individually with Tier I employees. This should be done first before deciding on PERS.

Ms. Fitzer stated two general information sessions for both Tier I and Tier II members were posted and held and at that time she indicated they could come to her to sit down and go over personal benefits. She stated she has met with several Tier I members and some Tier II members individually. Relative to the Tier II election, at the time Tier II was enacted by the County current employees were allowed to make an irrevocable decision as to whether or not they wanted to remain with the Tier I benefit or move to Tier II. The inequity comes in the fact that not many of the employees at that time elected to go to Tier II and that all employees hired after that time who were not members of a reciprocal system like PERS or a Tier I member with the County do not have that election. They are forced into the Tier II system. Relative to the different benefit level for the Tier I members, the basic benefit level is better at 2% at 55 than the Tier I 2% at 58. The question of inequity comes from the Ventura Decision and the spiking provision allowing final compensation for vacation buyout. She does care about the Tier I members; she is a Tier I member herself. There were Tier I members who spoke at the general information sessions who indicated that they agree there needs to be an issue addressed relative to the inequity in the retirement benefit. Should the election pass because there are more Tier II members than Tier I, staff is prepared to bring to Council some recommendations relative to compensating Tier I members based on their years of service and how long they have paid for the higher benefit level.

Mayor Quesada asked if she had taken time to talk to the individual 24 members on Tier I because many have only five or ten years before they retire. He does not want to lose experienced employees. Ms. Fitzer stated she has not contacted Tier I members individually. All were invited to attend the sessions held.

City Attorney Daube stated the resolution before the Council and first reading of the ordinance which are Aenabling documents.@ This allows employees to vote as to whether they want membership in PERS. There is nothing that precludes the Council at another time to come back and look at addressing the inequities. The vote tonight is for two documents which allow the membership to vote to convert to PERS.

Mayor Quesada feels this should have been taken care of first before proceeding to this point. Tier II members will prevail in a vote and he wants to repay those who have served the City for many years and make adjustments to thank them for their services. He feels we owe them that much. The City is well aware that we are losing people and we want to maintain good employees.

There being no one to speak further, the public hearing closed.

Vice Mayor Aiello questioned the indication for a special meeting, and the cost of delay, and the time line. Ms. Fitzer stated that from a financial perspective there is no financial cost to delay. She stated the time line is for adoption of the resolution of intention, hold the employee election

April 17 though April 27, adoption of the final ordinance on May 7, following the PERS guidelines which will not allow adoption of final ordinance earlier than 20 days after the adoption of the resolution of intention, then 30 days for the ordinance to take effect which brings us to June 7. The effective date of the CalPERS contract is June 24. The County requires that we separate from them at the end of a quarter. PERS requires that we begin their contract at the first day of a payroll period, so the main problem with delaying is that we would not be able to separate from the County until the end of September.

Vice Mayor Aiello stated in taking these items separately, the resolution of intention does not build in for a Tier I employee, assurances that they would get anything out of it. There would be the assurance that we would look at the system and come back with a plan. That plan might be zero. He is not prepared to give Tier I employees that. **He is prepared to offer an amendment to Resolution 01-9359 that would pass the resolution with the following amendments:**

- 1. Within the voting period all Tier I employees are met with individually.**
- 2. Any and all monies that Tier I employees would lose would be identified and guaranteed so that all Tier I employees become whole and that no one is forced to retire early as a result of conversion.**
- 3. That all Tier I employees in lieu of future differential payments would get 100% medical, dental and life insurance.**

Ms. Fitzer asked for clarification of the last item that all Tier I members would receive medical, dental and life insurance and whether that was after retirement? Vice Mayor Aiello stated that was after retirement.

Council Member Lewis asked Ms. Fitzer to go over one more time statements made about potential compensation for Tier I members that may be losing something going into PERS. Ms. Fitzer stated that if the election were to result in the majority electing to convert, staff would be prepared to bring back recommendations to Council to address the issue of the amounts that Tier I members have paid into the County System above and beyond what the Tier II member have paid, based on their years of service. Also, for clarification to Vice Mayor Aiello, when the County service credit and contributions are rolled over to PERS, the Tier I members will receive their contributions that they have paid rolled over to PERS. If they were to separate or decide that they were going to leave and take out their contributions, they would have their full Tier I contributions that they had made available to them. A Tier II member that separates would only have their Tier II contributions available to them. Staff will bring recommendations back to Council. This resolution is to allow the employees to vote.

Council Member Lewis asked when these recommendations are made whether Council would have the ability to modify those recommendations by a majority vote, as they see fit?

Council Member Lewis feels the proper way to move forward is to adopt the resolution with the understanding that there are inequities for Tier I and the Council needs to take a look at those when staff recommendations come back. He stated that we have been trying to accomplish the PERS conversion for two years, and lack of PERS has been a major drawback in attracting good employees. Feels the City needs to convert to PERS and needs to look at ways to compensate Tier I

employees. He asked Ms. Fitzer how many Tier I members she has spoken with. Ms. Fitzer stated half to three-fourths were present at the sessions, with 5 to 10 of them having individual calculations done for them. Council Member Lewis stated there could be a problem with Vice Mayor Aiello's wording in having to meet with all employees as this may not be possible. It is up to the Council to decide on a fair and equitable adjustment for Tier I members and make sure they are treated fairly. He wants to know what the numbers will be. Member Lewis moved to introduce and waive further reading Ordinance 01-1181 and Resolution No. 01-9359.

City Attorney Daube stated there is a competing motion on floor.

Council Member Rios seconded Vice Mayor Aiello's motion to assure that Tier I members will be covered.

Council Member Beals stated she agrees and supports the PERS system, but is uncomfortable with the present discussion. She believes the Tier I have to be taken care of. She is disappointed because Council asked for information on this some time ago and is not comfortable moving forward without knowing how Tier I members feels. She has a question about 100% benefits after retirement and wants to know if that is normal. She would like them to be made whole for any losses but is unclear and uncomfortable with Vice Mayor Aiello's third amendment of 100% benefits. Ms. Fitzer stated that usually those items are negotiated as part of a bargaining agreement and it is not unusual for medical benefits to be paid after retirement. Usually to have 100% of the premium paid by the City you have to have a certain number of years of service. Member Beals stated she would be in support of 100% with that criteria. She wants to be assured that Council can come back and make those stipulations and make sure that they are covered for any losses in a fair way. Ms. Fitzer stated she misunderstood the direction to provide information sessions for Tier I separate from Tier II and meet with those who were interested. She did not take the direction to mean she was to contact each Tier I member individually by memorandum or otherwise and request to meet with them separately.

City Attorney Daube asked Vice Mayor Aiello whether his motion was to add to the resolution 100% coverage for health benefits, or is that a direction to staff? Vice Mayor Aiello stated part of the motion was that at retirement, all Tier I employees would get 100% medical, dental and life in lieu of the differential in payments that would get at retirement.

City Attorney Daube stated the health benefit has not been published and is not before the Council at this time. Direction to staff can be made, and if you want to postpone an action on this, but health benefits cannot be added to this particular resolution because it has not been properly noticed.

Vice Mayor Aiello asked when the special meeting would be held. Ms. Fitzer stated it would have to be at least 20 days prior to May 7 to allow us to continue on the time line. Vice Mayor stated that he does not want to send the wrong signal to Tier I employees and would suggest holding a special meeting. When notified that the special meeting would have to be held tomorrow, Vice Mayor Aiello asked if the Council considered this under the pretext of a different motion, could it be added to an agenda item by vote first and then vote on the resolution? City Attorney Daube stated you would have to meet the unusual circumstances of an emergency which we don't have here. Vice Mayor Aiello then asked what is the difficulty with the health benefit aspect? City Attorney Daube stated these are enabling documents, and it sounds like what you want to accomplish is to have Tier I members looked at and considered at the same time you allow people to

vote. Direction to staff can be made and a different schedule can be put together. Ms. Fitzer recommended that if the concern is that the contract is not adopted and approved prior to the Tier I issue being addressed the enabling language this evening can be adopted and then the final ordinance will be scheduled for the May 7 Council agenda and a meeting can be held between this enabling language adoption and that meeting at which we can discuss potential benefits to the Tier I members to provide them benefits.

Vice Mayor Aiello stated that since we cannot add health benefits on this resolution, can there be direction from Council that this be part of a negotiation and has to come back to Council at the next meeting in the manner proposed tonight? Ms. Daube stated that before the final ordinance is adopted you can insist on having a resolution which addresses the issues as a finding that 1) staff has met with Tier I members; 2) Members will not be forced out of their retirement; and 3) that as a way to address the inequities we are going to have 100% health and welfare paid at the end. That could be in conjunction with final ordinance adoption. This is a first reading and allowing people to vote, then it will come back on the agenda before the final ordinance is adopted and there could be a condition of adoption. Vice Mayor Aiello stated that since the 20 days would be tomorrow, and the ordinance requires a move forward, **he will amend the motion to state that there has to be language coming back May 7 that stated exactly what was stated on the amendment to the resolution to the Council for consideration on action that the language is specifically within the voting period all Tier I employees are to be met with individually, 2) any and all monies that Tier I employees would lose be guaranteed so that all Tier I employees become whole, and that no one is forced to retire early as a result of conversion and 3) All Tier 1 employees would get a 100% medical, dental and life in lieu of a differential on their retirement once they retire. That is the language he wants to come back for consideration May 7, and will withdraw the original motion.**

Ms. Fitzer asked what level of life insurance benefit was being considered? Vice Mayor Aiello asked what the level was right now. Ms. Fitzer stated current employees have \$75,000. When asked what retired employees get right now, Ms. Fitzer stated they get no City sponsored benefit. She stated we are not able to add retirees at this point to our benefit. Mayor Quesada had asked about that last July and Standard Insurance who is the provider of our life insurance denied our ability to cover retired employees because they are a higher risk. She stated we could buy some additional coverage, but there will be an additional cost above and beyond what is paid for active employees.

Vice Mayor Aiello asked if someone was going to retire, can the life insurance be rolled over? Ms. Fitzer stated she would get some cost quotes for that.

Vice Mayor Aiello amended the motion with that language to come back at the next meeting May 7 and move to pass the ordinance.

Mayor Quesada asked can we approve basic reading of the introduction tonight, and then take all that Vice Mayor Aiello has said on May 7 meeting and add it to it? Ms. Daube stated that a better way is on the second reading of the ordinance, on the consideration agenda rather than consent, with direction to staff to come back with an additional resolution with other concerns as stated addressed. This would allow the vote to go forward to stay within the time lines and consider the final adoption of the ordinance on May 7, consider a new resolution in conjunction with that.

Ms. Fitzer asked if the Vice Mayor would entertain the idea of amending the motion that staff offer to meet with all 24 Tier I members rather than state staff must meet with all 24 members. A Tier I member may elect not to meet with staff and we would not be in compliance with Council=s direction if this should happen.

Vice Mayor Aiello asked staff to telephone each member, keep a record of calls, and offer to meet with each member.

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Council Member Lewis stated this last discussion addresses concerns he has with having to reach each member for their input. He is concerned with extra benefits as Vice Mayor Aiello outlined that there is a possibility that Tier I members would exceed what they would be losing in the conversion. He does not want to create a windfall for those Tier I members; he is all for making them whole, but wants to see figures from staff before deciding. Ms. Fitzer stated staff would need to calculate the loss for Tier I members from Tier I benefit to PERS benefit, calculated on a monthly basis and calculate what the monthly cost for health, dental and life insurance. Staff would also bring forward other recommendations to address the Tier I issue. Council Member Lewis feels that information is needed. He is aware that these are all estimates and there are many variables. He would like to do what is fair and equitable, but needs to see figures. Ms. Fitzer stated she will get this information to the Council.

Council Member Beals also had this concern with what comes back for consideration on a case by case basis. She stated she wants to see this before making a commitment and moving forward.

John Garcia stated many council members in the past made a policy where supervisors and above get all paid for.

Council Member Rios asked the City Attorney if we can add language on this resolution Akeeping them whole,@ not putting in any specific numbers or speaking about health issues, leaving us room to increase or decrease benefits. City Attorney stated that that can be intent language in amending the resolution.

Vice Mayor Aiello amended the motion as such.

The Motion was seconded by Council Member Rios, to approve Resolution 01-9359 with the amendment of making Tier I employees whole. VOTE: 5-0

Council Member Lewis asked if the public hearing were taken together for the Resolution and Ordinance. City Attorney Daube stated the public hearing was for the Ordinance, the Resolution was on the Consent Calendar and because of the similarity and in the essence of time, they were put together. The public hearing is now closed for the Ordinance.

On motion by Council Member Lewis to accept by title only, waive further reading and introduce Ordinance 01-1181, seconded by Council Member Beals, by the following vote: VOTE 5-0.

The Power Company meeting was convened at 10:59 p.m., with one outstanding item still remaining on the City Council agenda that will be addressed after the Power Company meets.

The City Council meeting reconvened at 11:11 p.m.

PRESENTATION

2. Senior Citizens Center Update

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Joe Sbranti introduced Dawn Merkes who will present alternatives for the project site. Ms. Merkes gave the update as to the site analysis work done in the schematic design of the project. There were three site alternatives which were considered. The recommendation was for site plan A.

The Group 4 Architecture Site Plan report was accepted.

Tom LaFleur, Pacific Community Services, stated he was representing the Presidio Village Housing Project. He stated Group 4 Architects are a good firm and are doing a fine job. However, he feels Alternative B meets their needs very well. He stated as they develop the Presidio Village project, they are developing the senior community center and the senior new housing center as a coordinated plan that would share a common point of entry with a common pedestrian link between the two. He prefers Plan B, and has very strong concerns with Plan A. He hopes they can work together to coordinate the plan.

Mayor Quesada thanked Mr. LaFleur for his presentation.

ADJOURNMENT

There being no further business, the City Council meeting was adjourned at 11:37 p.m. to the next meeting set for May 7, 2001.

Respectfully submitted,

Alice E. Evenson
Deputy City Clerk

**CITY OF PITTSBURG
Power Company Minutes
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Chair Frank Quesada called the meeting to order at 6:03 p.m. He advised that the Council will meet in Closed Session. There being no one to speak from the public concerning Closed Session matters, he adjourned to Closed Session at 6:03 p.m.

Chair Quesada reconvened the Power Company Meeting at 10:59 p.m.

City Attorney Linda Daube reported there were three items discussed in Closed Session. The Council, by vote of 5-0 authorized staff to proceed in the acquisition of real property interest along Loveridge Road and such interests are necessary for the development of the DEC project.

MEMBERS PRESENT: Aiello, Beals, Lewis, Rios, Quesada, Wallen, Peterson

MEMBERS ABSENT: None

STAFF PRESENT: City Manager, Willis Casey
City Attorney, Linda Daube
Assistant City Attorney, Carol Victor
Assistant City Attorney, Russ Townsend
Chief of Police, Aaron Baker
Director of Community Development, Nasser Shirazi
Director of Economic Development, Garrett Evans
Director of Finance, Jim Holmes
Director of Leisure Services, Paul Flores
Director of Public Services, John Fuller
Administrative Analyst, Michelle Fitzer
Senior Engineer, Joe Sbranti
City Treasurer, John Garcia

PLEDGE OF ALLEGIANCE

Jack Garcia led the Pledge of Allegiance.

CITIZENS REMARKS

There were no citizen remarks.

MEMBERS REMARKS

There were no members remarks.

CONSENT

On motion by Vice-Chair Aiello, seconded by Member Rios to adopt the Consent Calendar by the following vote: **VOTE: 5-0**

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a. **MINUTES**

Dated: April 2, 2001

The minutes of April 2, 2001 were approved.

CONSIDERATION

1. **RESOLUTION 01-054** Implementation of Transmission Line Agreement

Garrett Evans presented the staff report for Resolution 01-054. Article 4.3.2e - Developer Withdrawal Rights of the Transmission Line Agreement provides that by written notice Calpine may, in its sole discretion, elect to withdraw from the transmission purchase option at any time prior to the closing. Since January staff has been working with Calpine representatives in acquiring the necessary easements and discussing implementation of this agreement. On or about March 15, 2001, staff was verbally informed by Calpine representatives that Calpine wished to elect to withdraw from the agreement for PPC to purchase the transmission line. On April 5, 2001, staff received official written notice of Calpine=s election to withdraw from the purchase and sale of the transmission line. The election of Calpine to withdraw triggers the Power Company=s right to receive 100% modified service fee in accordance with the Exhibit J of the agreement. The Power Company is entitled to receive approximately \$16.9 million which is the total amount over 25 years of the modified service fee. In addition to the \$16.9 million, another \$4 million in property tax benefits will be received by private ownership of that transmission line. This is a total of almost \$21 million that the City will receive by Calpine exercising this option. All other economic benefits of the agreement shall remain in effect, including the 50 megawatt power option, the fiberoptic conduit, and the annual tax benefits from the plant itself. Further Calpine has agreed to assist the City in the formation of a Mello Roos District should the City elect to do so.

Member Lewis stated one fact that is not spelled out is whether Calpine will still provide an over the fence hookup for economic development if the City still wants to do that. Mr. Evans stated they do have one more line if a significant user was approached.

On Motion by Vice Chair Aiello, seconded by Member Rios to adopt Resolution 01-054 by the following vote: **VOTE: 5-0**

ADJOURNMENT

There being no further business, the Pittsburg Power Company was adjourned at 11:10 p.m.

Respectfully submitted,

Alice E. Evenson
Deputy City Clerk

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