



**MINUTES OF THE SPECIAL JOINT MEETING OF THE
CITY COUNCIL/HOUSING AUTHORITY/
REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, June 7, 2005, 8:00 p.m.**

MEETING

The Meeting of the Special Joint City Council/Housing Authority/Redevelopment Agency was called to order by Mayor/Chair Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA/HA Member Jimenez.

ROLL CALL

Present: COUNCIL/HA/RA MEMBERS Jimenez, Quirk, Halliday, Ward, Dowling,
Henson
MAYOR/CHAIR Cooper
Absent: COUNCIL/HA/RA MEMBERS None

PROCLAMATION: June 4 – 12 as Affordable Housing Week

Mayor Cooper read a proclamation declaring June 4, 2005 through June 12, 2005 as Affordable Housing Week. She described the most recent housing project by Eden Housing on Mission Boulevard. She urged Hayward residents to learn about and recognize the contributions of affordable housing by participating in activities held throughout the week to commemorate this observance. Jeff Bennett, Eden Housing representative, accepted the award and acknowledged his appreciation for the City's support in improving affordable housing in the City. He noted that there have been over twenty successful projects, including the rehabilitation of Josephine Lum Lodge.

PRESENTATIONS: Business Recognition Award

The City of Hayward presented the Business Recognition Award for June 2005 to Just Water Heaters, Inc. Just Water Heaters, Inc., began operations in Hayward in August of 1989. In October of 2004 Just Water Heaters, Inc., purchased a Hayward warehouse on Investment Boulevard for \$1.95 million and moved its corporate headquarters there.

Just Water Heaters began operations with 3 employees and now has over 60. Just Water Heaters achieved \$14,000 in sales in their first month and now it accomplishes \$14,000 in sales before noon each day.

Just Water Heaters has contributed to the City by investing in our community by purchasing a commercial building in Hayward; purchasing goods and services from local vendors; providing job opportunities to local residents; and contributing to the economic health of the City of Hayward.

Mr. John Gilroy, President/CEO and founder of the Just Water Heaters, Inc, accepted the Business Recognition Award for June 2005. He noted his successfulness to its Hayward location, access to freeways and excellent employees.

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Government Finance Officers Association's Distinguished Budget Presentation Award

City Manager Armas stated that as the Council will be discussing the budget, it would be appropriate to inform the public of a recent award received by Finance staff. He commended Acting Finance Director Diane Lewis and her staff. Mayor Cooper presented the Government Finance Officers Association's Distinguished Budget Presentation Award to Acting Finance Director Lewis, who commended Budget Analyst Denise Blohm for her arduous efforts.

PUBLIC COMMENTS

Margaret Paredes, representing the organization Operation Mom, commented that she was disappointed by the speech made by Mayor Cooper at the recent Memorial Day ceremony.

Cheryl Walker resides on Fox Hollow Drive. She displayed photos showing a large mound of dirt that was previously a vacant field behind her home. She spoke in opposition to the current grading for Village A of the Stonebrae development that is impacting Fox Hollow Drive residents.

Manny Sawit also spoke in opposition to the current grading situation at the Stonebrae development.

Rudell O'Neal noted that she sent emails to several Council Members in this regard and did receive a response. She felt that the new development grading has now violated her privacy and asked that her concerns be addressed.

City Manager Armas reported that Stonebrae development is still in its formative stage, but that Village A has been designated in the plans for some time. He noted that the development will include decorative materials and plantings and that the developer is agreeable to meeting with the neighbors.

Josephine Alvarez has lived on Fry Lane, a cul-de-sac, for over twenty years. She indicated that recently three citations were issued to her family for illegally parking, which they have been doing for many years. She indicated that she was disturbed by the response from the officer who cited her.

Josephine Soublert also spoke in opposition to citations recently issued to residents in cul-de-sac streets for parking nose to curb. In the past 26 years they have never been issued a citation for parking in this manner. She spoke in favor of angle parking as an efficient way to maximize street space. She urged the Council to address the requirements of Section 8.22 of the Traffic Code.

CONSENT

1. Approval of the Minutes of the Special Joint City Council/Redevelopment Agency Meeting of May 24, 2005

It was moved by Council/RA Member Ward, seconded by Council/RA Member Henson, and carried unanimously, to approve the Minutes of the Special Joint City Council/Redevelopment Agency Meeting of May 24, 2005

2. Pavement Reconstruction 2003-04: Approval of Addendum and Award of Contract

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Staff report submitted by Deputy Director of Public Works Bauman, dated June 7, 2005, was filed.

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

Resolution 05-065, "Resolution Approving Addendum No. 1 and Awarding Contract to Interstate Grading & Paving, Inc., for the Pavement Reconstruction 2003-04 Project, Project No. 5193"

3. Authorization to Submit Application to the MTC for Surface Transportation Program (STP) Funds

Staff report submitted by Deputy Director of Public Works Bauman, dated June 7, 2005, was filed.

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

Resolution 05-066, "Authorizing the Filing of an Application for Federal Surface Transportation Program Funding for Local Street and Road Rehabilitation and Committing the Necessary Non-Federal Match for the Project and Stating the Assurance of the City of Hayward to Complete this Project"

4. Cannery Public Improvements: Award of Contract

Staff report submitted by Deputy Director of Public Works Bauman, dated June 7, 2005, was filed.

It was moved by Council/RA Member Ward, seconded by Council/RA Member Henson, and carried unanimously, to adopt the following:

Resolution 05-067, "Resolution Awarding Contract to DeSilva Gates Construction LP for the Cannery Area Public Improvements Project, Project No. 5099"

RA Resolution 05-11, "Resolution Amending Resolution No. RA 04-07, as Amended, the Redevelopment Budget Resolution for Fiscal Year 2004-05 Relating to an Appropriation of Funds from the Redevelopment Agency Tax Allocation Bond Fund to Cinema Place Parking Structure Project, Project No. 5099"

5. West A Street Realignment – Hesperian Boulevard to Golf Course Road: Authorization for a Professional Services Agreement with Kimley-Horn and Associates

Staff report submitted by Deputy Director of Public Works Bauman, dated June 7, 2005, was filed.

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

Resolution 05-068, “Resolution Authorizing the City Manager to Execute an Agreement Between the City of Hayward and Kimley-Horn and Associates for Professional Services for West A Street Realignment- Hesperian Boulevard to Golf Course Road”

6. Authorization for the City Manager to Approve Assignment of the Ground Lease from Hayward Associates #1, Inc., to St. John Investment Group, LLC

Staff report submitted by Airport Manager Shiner, dated June 7, 2005, was filed.

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

Resolution 05-069, “Resolution Authorizing the City Manager to Approve the Assignment of Ground Lease Between the City of Hayward and Hayward Associates #1, Inc., to St. John Investment Group, LLC”

7. Authorization for City Manager to Execute an Agreement with Department of Justice for an Evidence Management Grant

Staff report submitted by Investigations Division Commander McAllister, dated June 7, 2005, was filed.

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

Resolution 05-070, “Resolution Concerning Funds Received from a Grant Awarded to the Hayward Police Department from the U.S. Department of Justice, Implementing a Program to Enhance the Hayward Police Department’s Evidence Management System”

8. Authorization to Execute Assumption Agreement Pertaining to Barrington Hills Apartments



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Staff report submitted by Housing Development Specialist Stark, dated June 7, 2005, was filed.

It was moved by Council/HA Member Ward, seconded by Council/HA Member Henson, and carried unanimously, to adopt the following:

HA Resolution 05-01, "Resolution Authorizing the Executive Director to Execute an Assumption Agreement Transferring Ownership of Barrington Hills Apartments"

9. Resignation of Martin Nnam, Bonnie Thieman and Sylvia Jackson from the Citizens Advisory Commission, and Helen Wu from the Library Commission

Staff report submitted by City Clerk Reyes, dated June 7, 2005, was filed.

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

Resolution 05-071, "Resolution Accepting Written Resignation of Martin Nnam, Bonnie Thieman, and Sylvia Jackson from the Citizens Advisory Commission and Helen Wu from the Library Commission"

Council Member Halliday thanked the members of these boards for their dedicated service.

HEARING

10. Operating Budget for the City of Hayward and Redevelopment Agency for Fiscal Year 2005-2006, the 2005-2006 Capital Improvement Program Budget, the 2005-2006 Master Fee Schedule, the 2005-2006 Community Promotion Program, and the Gann Appropriation Limit (*Adoption on 6/21/05*)

Staff report submitted by City Manager/Executive Director Armas, dated June 7, 2005, was filed.

City Manager/Executive Director Armas provided an overview of the 2005-2006 proposed budget of \$170 million for provision of City services. He presented staff recommendations and proposals and enumerated General Fund resources. He described the categories of services and the percentage of allocations. He noted the various State take-aways, the re-opening of Fire Station Number 9 and the number of frozen positions. He responded to Council questions.

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Council/RA Member Dowling inquired on the proposal of the Police Department to purchase tazers. He felt that it is a necessary tool for the department, but that it needs to be used with caution. He asked that staff present the policy for its use to Council for input.

City Manager/Executive Director Armas responded that the tazer contains a computer chip that will provide data that will be reviewed on a monthly basis. The Police Department will be developing a policy that will be shared with the City Council.

Council/RA Member Jimenez commended staff for the budget presentation that is easily understood.

Council/RA Member Henson asked for information on the water and sewer adjustments. In response, City Manager/Executive Director Armas reported that there will be no increase in water rates in the next year, but sewer fees will be discussed at a future meeting prior to the Council recess. The increase will impact the water connection fee for new connections. The increase is approximately \$300 to each new connection and in comparison to other agencies is the second lowest. In response to another question, City Manager/Executive Director Armas reported that the Police Department records management system will be overseen by both police personnel and Information and Technology Manager Priest.

Council/RA Member Henson expressed his concerns that the undercover narcotics task force no longer exists. He felt that the one City officer on the Alameda County Task Force was insufficient to the needs in this community, in particular in the south Hayward area. City Manager/Executive Director Armas noted that staff will continue to monitor this issue.

In response to Council/RA Member Quirk's question, City Manager/Executive Director Armas reported that the funds to pay for the monuments at the City entryways are in the Redevelopment Area and will be funded by the Redevelopment Agency. On another question, he also reported that a presentation will be made to a Council subcommittee on the new online payment program for water and sewer customers.

Council/RA Member Ward addressed the members of the Arts Council who were in the audience that he has re-considered his comments from the work session on the Arts Council and was in favor of the City's financial support. He felt that Hayward has always done an incredibly good job of handling its budget and managing its resources for future use. He then asked City Manager/Executive Director Armas to speak on how Hayward's budget stands in comparison to neighboring jurisdictions.

City Manager/Executive Director Armas noted that this Council insisted, in the good years, in setting aside reserves to weather future storms. He presented a chart of the amounts in reserves with designations for economic uncertainty and liquidity as well as contingency funds. He emphasized that no lay-offs will occur, no resources will be eliminated and future vacancies will not be frozen. He noted that negotiations with employee groups resulted in two years with no salary increases. Lastly, he noted that the City of San Jose is noticing over 300 positions for lay-offs as part of its budget.

Council/RA Member Halliday noted that staff has been doing more with less. She asked when funding would be available for the DARE program and the CERT training. City Manager/Executive Director Armas stated that if the economic condition improves, Council could review and consider reinstating

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these programs. He mentioned the possible use of a resident survey.

Council/RA Member Dowling affirmed that the Council is not receiving pay increases. Staff noted that this needs to be considered for next year as well. He asked for a future report on the cost of the DARE and CERT programs.

Council/RA Member Henson thanked staff and his colleagues for addressing some of the issues impacting the South Garden neighborhood. He hoped that low-cost or no-cost efforts continue in this area.

City Manager/Executive Director Armas advised that there are neighborhood initiatives that could apply for grants of up to \$5,000 for neighborhood improvements. He also noted that the Council's Capital Improvement Projects program does include speed bumps as part of that program.

Mayor/Chair Cooper opened the public hearing at 9:12 p.m.

Paul Russo expressed his concerns related to the control of gangs and drugs without a narcotics squad. He urged that it be reinstated.

Rudy Grasseschi spoke in support of the Hayward Zucchini Festival funding and invited all to attend a celebration in the parking lot near his business, the Cobblers.

Doris Rodriguez enumerated the many events where members of the Arts Council volunteer. She asked for continued support of the Arts Council by maintaining the current funding and noted that President Clarice Roberts was ill and not able to be present.

Tim Romano-Pugh spoke in support of the Sun Gallery programs that are designed for youth and adults and asked for continued funding.

Daniel Masuko spoke in support of youth and asked that the Sun Gallery be funded.

Amy Nelson Smith, representing the Sun Gallery, stated that she is the Treasurer on the Board of Directors and commented on its funding and its numerous offerings. She noted that 56 student classes attended the recent children's authors' event.

Stephen Avilla, President of the Sun Gallery, who works and specializes in youth programs, also spoke in favor of funding for the Arts Council.

Howard Pugh spoke in support of the Sun Gallery and the efforts made towards increasing art programs for children.

Ronny Stewart spoke in support of the Hayward-Russell City Blues Festival funding. The next event

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will be held on July 9th and 10th with Bobby Rush coming for about one fourth of his fees. For the last six years, Hayward has been and is now a major city for Blues Festivals. There will be a kick-off at the Hayward Cobblers and on the local Comcast broadcast. Council/RA Member Henson noted that the Hayward Blues Festival is now national and internationally known.

Scott Raty, representing the Hayward Chamber of Commerce, commended City Manager/Executive Director Armas and staff for their efforts towards presenting the budget. He commended Acting Finance Director Diane Lewis, who is a graduate of Hayward Leadership, on receiving the award. He asked for consideration to support personnel, including the narcotics staff in the Police Department.

Rich Essi spoke on behalf of the Zucchini Festival and responded to questions from the Council related to rental of Kennedy Park for two days. He stated that he could use the \$1,800 that may be available from this budget. He commented on his efforts in recruiting quality vendors to the festival. He stated that there are eleven board members with approximately eight or nine residing in Hayward.

Jerry Mellen serves on the Executive Board of the Zucchini Festival and stated that this is an excellent public relations tool.

Mayor/Chair Cooper closed the public hearing at 9:55 p.m. She thanked all for attending and providing input and announced that no action would be taken until the meeting of June 21, 2005.

LEGISLATIVE BUSINESS

11. Rededication of Fire Station Number 1

Staff report submitted by City Manager Armas, dated June 7, 2005, was filed.

Council Member Jimenez recused himself from this discussion.

City Manager Armas recommended that as the tenth anniversary of the construction of the Fire Station Number 1 approaches, Council, by motion, proceed to authorize its rededication.

Council Member Ward thanked City Manager Armas for bringing this forward. He hoped that this will resolve differences on the Council and a way for the City to recognize Council Member Jimenez.

Council Member Henson was glad that this was finally addressed and expected nothing more than to honor Matt Jimenez as someone who has given 50 plus years to this community. He looked forward to the event and would endorse the motion.



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Council Member Halliday reiterated her previous reservations on the proposed action. She commended Council Member Jimenez for his dedication to this City. She noted that Council Member Jimenez had stepped down from the dais to excuse himself from this vote.

Council Member Quirk commended the strengths of Council Member Jimenez and noted that he is a historic figure with 54 years of service to this City and of course, the Fire Chief of the World.

With no requests to speak, Mayor Cooper opened and closed the public hearing at 10:01 p.m.

It was moved by Council Member Quirk, seconded by Council Members Ward and Henson, and carried, with Council Member Jimenez recusing himself, to support the staff recommendation to rededicate Fire Station Number 1 in honor of Council Member Jimenez.

COUNCIL REPORTS

Council Member Dowling noted that Congressman Pete Stark did sign a letter in favor of the CDBG funding that was sent by the National League of Cities. He also asked staff to respond to a letter from Mr. Gilbertson and Mr. Watkins that was distributed at the dais.

Council Member Jimenez thanked each member for their vote of confidence in dedicating Fire Station 1 in his honor.

ADJOURNMENT

Mayor Cooper adjourned the meeting at 10:05 p.m., with Council Member Dowling adjourning in memory of Helen Ketchum, a longtime resident and active in many local groups including the Hayward Area Historical Society, Arts Council, League of Women Voters, Sun Gallery and the National Women's Political Caucus. Council Member Henson also adjourned in memory of Jim Reed, a volunteer in the South Garden neighborhood, who died of leukemia last week.

APPROVED:

Roberta Cooper, Mayor, City of Hayward
Chair, Redevelopment Agency
Chair, Housing Authority

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency
Secretary, Housing Authority

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