



**CITY OF PACIFICA
CITY COUNCIL MINUTES**

**Council Chambers
2212 Beach Blvd
Pacifica, CA 94044**

Mayor John Keener
Mayor Pro Tem Sue Vaterlaus
Councilmember Sue Digre
Councilmember Mike O'Neill
Councilmember Deirdre Martin

February 12, 2018 (MONDAY)

www.cityofpacifica.org

Mayor John Keener called the meeting to order on February 12, 2018 at 7:05 PM

6:00 PM CLOSED SESSION

Mayor Keener called the meeting to order at 6:00 p.m., stating that all councilmembers were present and announced that the Council would meet in Closed Session. City Attorney Kenyon announced the business to be discussed.

PURSUANT TO GOVERNMENT CODE SECTION 54956.8 Conference with real property negotiators. Property: 2212 Beach Blvd., Pacifica, CA Agency negotiator: Kevin Woodhouse, City Manager; Michelle Marchetta Kenyon, City Attorney; Tina Wehrmeister, Planning Director; Pat O'Keefe. Negotiating parties: City of Pacifica and Friend Development Group LLC, a Delaware Limited Liability Company. Under negotiation: Instruction to negotiators regarding price and terms of payment.

7:00 PM OPEN SESSION

Mayor Keener reconvened the meeting at 7:05 p.m.

Call to Order

Attendee Name	Title	Status	Arrived
John Keener	Mayor	Present	
Sue Vaterlaus	Mayor Pro Tem	Present	
Sue Digre	Councilmember	Present	
Mike O'Neill	Councilmember	Present	
Deirdre Martin	Councilmember	Present	

Staff Present: Kevin Woodhouse, City Manager; Michelle Kenyon, City Attorney; Lorenzo Hines, Asst. City Manager; Van Ocampo, Public Works Director; Tina Wehrmeister, Planning Director; Robert Smith, Asst. Planner; Louis Sun, Deputy Public Works Director; Mike Perez, PB&R Director; Ed Vandehey, MIS Manager; Kathy O'Connell, City Clerk.

Salute to the Flag led by Councilmember O'Neill

Closed Session Report

City Attorney Kenyon stated there was no reportable action.

SPECIAL PRESENTATIONS

Pacifica Sports Hall of Fame Proclamation - Horace Hinshaw

Mayor Keener read a proclamation honoring inductees to the Pacifica Sports Hall of Fame.

Horace Hinshaw thanked the mayor for the proclamation, mentioning that Pacifica was the only city in San Mateo County doing this every year. He stated that Pacifica has a rich history of sports and they are proud to stand behind that, adding that he looked forward to seeing several of them at the dinner on Saturday, February 24.

Councilmember Digre thanked Mr. Hinshaw, adding that going to the dinner each year was a wonderful dose of Pacifica history and was a great tribute to all the athletes and their families.

Proclamation - Ed Vandehey

Mayor Keener read the second proclamation honoring Ed Vandehey on his retirement after 30+ years of service to Pacifica.

MIS Mgr. Vandehey thanked Council, and commented that he has seen a lot of changes in the last 30 years and worked with a lot of people who have been wonderful. He thanked them for making his job a little bit easier, adding that Pacifica will always be in his heart.

Councilmember O'Neill stated that he didn't know Ed prior to his election to Council, but adding that he was always there. He referred to the various versions of programs and stated programs he created were always good and he seems to get every PowerPoint to work. He stated that he was the keeper of their secrets as they had to give him the password to get into their laptops. He mentioned that he was frustrated in the beginning because he never used Apple. He encouraged him to enjoy his retirement, thanking him for his years of service.

Councilmember Digre stated that she will miss him, adding that she always says she needs to adopt him to be with her all the time as she is always having computer and phone issues. She concurred with the proclamation which mentioned that he was selfless and kind. She appreciated his years of service, suggesting that he write a book with his memoirs and he knows a lot and it would be interesting to them. She encouraged him to enjoy his life, adding that he deserves it.

Councilmember Martin stated that he is the best. She acknowledged that she didn't spend as much time as she would have liked knowing him, but she was going to miss him. She was excited about his future and asked that he think of them often as they will think of him all the time.

Mayor pro Tem Vaterlaus commented that he was always smiling and helpful and was one of the greatest guys from Pacifica. She has seen him for years and he is always a happy guy. She thought he will have a great time, and she thanked him for his service to the city.

Mayor Keener felt that everything said in the proclamation was true and he congratulated him and suggested that they have a photo.

CONSENT CALENDAR

Mayor Keener stated that he had a card for Item #3 regarding a proclamation confirming a local emergency on the coastline, and concluded that the motion should include everything but Item 3.

1 - O'Neill
2 - Vaterlaus

5-0

Item #3

Mayor Keener opened public comments.

Ron Maykel, Pacifica, referred to the proclamation, and asked if it will include all of Westline Drive going up to Mussel Rock or will the southern end of Westline going all the way to the southern end of Beach Boulevard. He felt this was the opportunity to talk about the coastal trail. He mentioned that several areas of the coastal zone have been lost near Esplanade and the townhouses. He stated that, regarding the coastal trail, they need to make a decision on the route for the coastal trail in that area as he felt a lengthy part of it will have to be on the west side of Palmetto. He agreed we have an emergency with shoreline erosion and he wanted to make sure they keep the coastal trail in mind.

Mayor Keener closed public comments.

Councilmember O'Neill moved to pass Item #3; seconded by Mayor pro Tem Vaterlaus.

5-0

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mike O'Neill, Councilmember
SECONDER:	Sue Vaterlaus, Mayor Pro Tem
AYES:	Keener, Vaterlaus, Digre, O'Neill, Martin

1. Approval of Disbursements for 01/01/18 through 01/15/18.
PROPOSED ACTION: Move to approve attached list of disbursements for 01/01/18 through 01/15/18.
2. Approval of Minutes
PROPOSED ACTION: Move to approve the minutes of the regular meeting held on January 22, 2018.
3. Proclamation Confirming Existence of Local Emergency of the Pacifica Coastline from Westline Drive to the End of Beach Boulevard.
PROPOSED ACTION: Accept current photos as of February 1, 2018 and move to continue proclamation confirming the existence of local emergency.

4. Approval of Purchase Agreement Between the City of Pacifica and Thermal Process Systems (TPS), via sole source, for the Upgrading and Reprogramming of the Autothermal Thermophilic Aerobic Digestion (ATAD) Programmable Logic Controllers (PLC) as part of the ATAD Modification Project Phase 2
PROPOSED ACTION: Move to Approve the Purchase Agreement Between the City of Pacifica and Thermal Process Systems (TPS), via sole source, in the amount of \$ 61,140.00, for the Upgrading and Reprogramming of the Autothermal Thermophilic Aerobic Digestion (ATAD) Programmable Logic Controllers (PLC) as part of the ATAD Modification Project Phase 2; approve a total project budget of \$70,400.00, to include an additional \$9,260 (15%) for project contingencies; and authorize the City Manager to execute all necessary documents for this project.

5. Creation of Pooled Liability Assurance Network Joint Powers Authority (Plan JPA)
PROPOSED ACTION: Move and approve the attached Resolution authorizing the City of Pacifica to participate in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA).

ORAL COMMUNICATIONS

Ron Maykel, Pacifica, stated that it was along the same topic as before. He stated that he walks his dog at Rockaway almost daily, walking the whole length of the beach. He wondered if they still have the Mayor's walks to observed various areas and make assessments, adding that Rockaway needs that, especially in the northern end. He was there earlier and was amazed that 50 tons of sand appeared to have been moved with hardly any beach left and dirty water was leaching up into the sand. He couldn't tell if it was from the pumping station or the marsh. He stated that the access to the beach was almost gone. He felt they needed to check it and see what can be done. He stated that a lot of sand gets thrashed on the coastal trail in front of the Moonraker Hotel. He asked that they walk the area. He mentioned that there was a sign there warning the public that the creek water was contaminated, adding that the sign was actually laying on weeds rather than being up on a post in a good spot where it was visible. He felt it needed attention and he would appreciate it if they check it out.

Bridget Duffy, Pacifica, stated that she had a 2017 Eyes on Pacifica year end review which she will be giving Council, as well as the issue celebrating V Day. She explained that it was in connection with Eve Ensler's Vagina Monologs when she invented V Day to raise consciousness to end violence against women. She commented on all the news recently that she thought was backing her up on the rampant harassment and abuse for women. She stated that she was calling for "a pussy march on Galentine's Day at 5:00." She referred to having ended her book, explaining that she didn't write it into the book but she proceeded to read what she wrote after stating that, if they have read her book they will get exactly what she means.

Julie Lancelle, Pacifica, thought this was a good time to bring something up, stating that it has to do with fireworks. She stated that we have seen the impact of fireworks in the present changing climate. She thought this was a good time to think about how we behave if we don't get a lot of rainfall this year. She stated that we have a lot of dry areas and a lot of open areas. She stated that we have seen in both the southern and northern areas in California where a fire started and devastated people's homes. She stated that we had two valleys, Rockaway and Vallemar with only one road in and out. They have dry grass and open spaces on either side. She thought it would be sad if we were to have that kind of an event happen in Pacifica as they

are sudden and devastating. She added that the problem in Pacifica was that the way it has developed over the years regarding the sale of fireworks is that it provides a lot of revenue for wonderful non-profit groups to support their programs over the year. She felt that created a dilemma for the city to make a decision about whether to discontinue selling fireworks in our community. She thought, in making this transition, they have to consider establishing a fund to provide revenue to the groups. She stated that we were the last city in the Bay Area that allows safe and sane fireworks in their city limits, but they may need to discontinue that. She acknowledged that what she was expressing was considered a very unpopular point of view, but she felt it might be important to consider that and find other kinds of solutions for fundraising.

COUNCIL COMMUNICATIONS

Councilmember O'Neill stated he attended the Library JPA and they are forming a county library foundation for the county as no other city but Pacifica has a foundation in the county.

Councilmember Martin attended the Pacifica Resource Center's mural dedication which was beautiful. She stated that the dedication wall as an amazing mural. She stated that the Pacifica Beach Coalition has started planning for Earth Day, scheduled for April 21 and are involved in a project with the library called "book to action" and encouraged everyone to read the book, Garbology. She stated that several events are planned and will culminate on Earth Day, adding that the author of Garbology will be at Earth Day. She also stated they had a fundraiser on the past weekend for Earth Day. She stated that four Rockaway switchbacks have been weeded and replanted and maintained by groups that work with the Beach Coalition to ensure native planting. She stated that the CCAG pedestrian advisory committee had one elected and two public openings, adding that she gave the information to Dir. Perez to see of any commissioners were interested. She stated that the transit event was successful when Samtrans gave them an update on their study, adding that they will also be reporting to Council in the future.

Councilmember Digre stated that she attended the Joint Venture Silicon Valley and mentioned that the public can go online and get the reports. She stated that they had excellent speakers and they mentioned housing, transportation, etc., and ways to be productive and creative during upheavals. She stated that they mentioned the earthquake in Hayward broke a water main, adding that we are not ready for an earthquake. They also referenced innovation going rapidly and methodical things happening which together created ongoing solutions. She stated commute.org was meeting and referred to the Lime bicycles which were GPS. She added that they aren't stolen because anyone touching them will be found rapidly because of the GPS. She stated they also have bicycles with motors and they could get you up Sharp Park, and she thought they should look into these as a city as there is funding for this. She stated that the FAA was looking at reorganization, coming up in March, and suggested we get a letter to have a mandate within the FAA to include noise impacts which was a priority over efficiency for profit. She asked if, on the following Wednesday, PCT would be filming the sea level rise meetings and also asked the scheduled time.

City Manager Woodhouse stated that it was scheduled 6:00-8:00 in the Council chambers, adding that he was not aware of PCT filming it.

Councilmember Digre thought getting the meetings taped would be helpful.

City Manager Woodhouse stated that the format of the meeting was not very filmable which was a challenge with the previous one but they had filmed the last meeting.

Councilmember Digre stated that she didn't see the rerun.

City Manager Woodhouse deferred to Planning Director Wehrmeister if she knows differently.

Councilmember Digre commented that one thing was the lighting and if you are going to speak you need to sit where there is lighting.

Planning Director Wehrmeister stated that she did not know the answer. She added that the format was a workshop format and there will be a presentation with slides so, if it was not on TV, they will have them on the City website afterwards. She stated that there will be different stations for people to come and speak with one on one conversations with staff and consultants and that didn't lend itself to a full program.

Mayor Keener asked her to repeat the information on the meeting.

Planning Director Wehrmeister stated that the public workshop was the next day in the Council chambers from 6:00 to 8:00 pm.

Mayor Keener stated that was the sea level rise planning effort related to the local Coastal Plan.

Planning Director Wehrmeister responded affirmatively.

Councilmember O'Neill asked if there were any other meetings planned after this next scheduled meeting.

Planning Director Wehrmeister stated that there were three more rounds of public input opportunities before they get to a series of public hearings. She stated that she didn't have dates but reiterated that there would be two more community work group and technical work group meetings totaling four plus two public workshops, totaling six. She stated that then they will be going into public hearings in front of the Planning Commission as well as City Council and that will provide many opportunities for public engagement.

Councilmember O'Neill concluded that there are no meetings scheduled for the advisory group to hear individual testimonies.

Planning Wehrmeister stated that they have not set the format of the workshops in the future but thought, if they hear about a desire for that format, they can accommodate that. She stated that the public hearings will be in the traditional public speaker format.

Councilmember O'Neill clarified that the public hearings would be before Council and Planning Commission and a draft document will be written for people wanting to comment.

Planning Director Wehrmeister stated that it would be available for comment with opportunity for amendments based on feedback.

Councilmember O'Neill thought there was no opportunity for the public to make a 3-minute statement prior to the document's draft.

Planning Director Wehrmeister stated that they have not set the format for the workshops and they can set up a workshop in that format if needed.

City Manager Woodhouse added that at any of the public meetings, whether work group meeting or actual public meeting, comments or questions can be submitted in writing for the record and will be responded to.

Councilmember Digre added that this community likes public forum where you aren't stuck at the podium for 3 minutes total and you walk away.

Councilmember O'Neill stated that there were other people who would like their three minutes on the record. He acknowledged that a public forum was worthwhile, but he thought there were groups who would like it on record with their input. He didn't see why they can't have both.

Councilmember Digre stated that she was all in favor. She referred to goal setting for Council being on March 3 and she thought about now they all start submitting different things they would like to have on the agenda for that.

City Manager Woodhouse stated that he and Mayor Keener were meeting on the time line and schedule and stated that she was correct that it will start happening in the near future.

Councilmember Digre asked what the hours were for that.

City Manager Woodhouse stated that it was a full day but he didn't recall the precise times.

Councilmember Digre stated that it will be March 3, and asked if it will be in the chamber or police station.

City Manager Woodhouse stated that it will be at the police station.

Councilmember Digre stated that she would like to bring up in the future taking a look at the city's housing element. She commented that when they have had it in the past it has been at 10:30 at night and she would like to look at that at a more reasonable hour.

Mayor pro Tem Vaterlaus stated that she attended the local Coastal Plan technical working group and the citizen's advisory committee meeting on the same day. She went to a home for all second residential unit presentation and learned a lot about what was going on across the state and in Oregon with second residential units. She stated that they are much more progressive than Pacifica in encouraging second residential units. She stated that they have a book that shows a cottage that was build in Pacifica and was one of the success stories. She attended the Half Moon Bay chamber awards and was amazed to see the number of chamber events that chamber puts on throughout their community. She saw the mural at the Resource Center which she thought was beautiful. She stated that Jackie Speier spoke to a packed crowd at Ingrid B. Lacey updating us on the U.S. government side. She attended the CCAG legislative meeting where they discussed the possible repeal of the S.B. 1 gas tax which could affect everyone and was an important issue. She attended the Beach Coalition meeting on the movie on Friday. She loved it even though she never surfed a day in her life. She attended the Samtrans event, stating that they had the getusmoving.org surveys and wanted everyone to fill out that information, and asking what you want to see in transportation. She stated that it was important to get Pacifica's votes in there.

Mayor Keener stated that he has a long list which has been pared down by other comments. He referred to the Oversight Board, the successor agency to the Pacifica Redevelopment

Board, stating that it was their final meeting because the administrative function will be taken over by a countywide board. He felt it was advantageous for Pacifica because of reduced administrative costs and Pacifica gets 4% interest in the outstanding loans instead of 3%. He stated that there was a tax allocation bond for \$1.65 million which was still owed but will be paid off in full by 2031. He stated that they have six loans from the Pacifica General Fund to the Redevelopment Agency which are now administered by the successor agency and are the ones from which the city will get 4% interest instead of 3%, totaling about \$4.5 million plus interest and the city will be paid off by 2045 except that they have to give 20% to the successor housing agency of the county and will only get 80% of the money back. He attended the CMIQ committee meeting of CCAG, pointing out that they had a report on the Scoop rideshare program, in which the county pays \$2 to the rider and \$2 to the driver out of the total fare. He explained that Scoop was an app for the phone to find partners to rideshare, adding that the payments by the County will come for rides that either initiate in or terminate in San Mateo County. He mentioned this because Pacifica had a low participation rate and he thought no one knew about this, adding that they will try to rectify that. He thought this was as important as their attempt to get an express bus into San Francisco. He attended an opening at the Sanchez Art Museum. He stated that the artists talked about their work. He attended the CCAG board meeting after the legislative meeting and also wanted to highlight the SB 1 recall effort, the gas and diesel tax increase which will fund improvements to roads and possibly pot holes. He found it interesting listening to the legislative analyst talk about those against it and who was for it. He stated that on February 24, 2:00 to 4:00 p.m., the San Pedro Creek Watershed Coalition will have a public meeting to introduce their work plan at San Pedro Valley Park. He stated that he has been asked to adjourn the meeting in memory of Alan Ernat, who was appointed to the Beautification Advisory Committee in 2015, served for two years and contributed to many of the beautification projects in Pacifica, being a master gardener in San Francisco and San Mateo County and Pacifica resident.

STAFF COMMUNICATIONS

City Manager Woodhouse mentioned a correction they submitted to the Tribune. At the last Council meeting on January 22 when they discussed the aircraft overflight noise, City Attorney Kenyon made a statement about other lawsuits and the Tribune mistakenly said Portola Valley and Woodside residents prevailed in that and their correction stated that there was another case more relevant for Pacifica where residents of Portola Valley and Woodside filed suit against the FAA challenging the 2014 NorCal order and did not prevail. He stated that he was going to speak on the sea level rise local Coastal Plan update meeting but they have covered many details to that meeting which was the following evening in the Council chambers, and would mention that the community had a lot of questions arising about the process and project and what it is or is not doing. He explained that the city has created and was maintaining a frequently asked question document on the sea level rise page on the website and will be provided at the community meeting. He stated that recent questions raised related to Council designating flood planes and other assertions and the FAQ answers that question and FEMA was the agency that designated flood zones not the city. He stated that the project was not at the phase where the City Council was making policy decisions about the issue. He stated that the meetings are public input meetings to gather the information necessary to build all the information to bring forth to the Planning Commission and City Council.

Councilmember O'Neill stated that he got a text from someone that Laguna Beach just successfully prevailed over the FAA on airport noise, adding that he didn't have details or circumstances but was passing on the information because staff was doing research.

Councilmember Martin followed up on the City Manager stating that the Council has not rezoned anything in Pacifica and has not come before City Council. She stated that there were public meetings and everyone is asked to participate. She mentioned that there were a lot of letters circulating from outside organizations, not from the city, spreading information that was not entirely true. She suggested that Pacificans visit the FAQ site, educate themselves and come to the meetings for the local Coastal Plan because their input was important.

PUBLIC HEARINGS

6. Introduction of an Ordinance to adopt General Plan Amendment GPA-93-16 and Rezoning RZ-195-16, to change the General Plan Land Use Designation from High Density Residential to Low Density Residential, and to change the zoning classification from the C-3 (Service Commercial) zoning district to the R-1 (Single Family Residential) zoning district, at the project site located at the western terminus of San Pedro Terrace Road, Pacifica (APN 023-075-050). The project area is a vacant triangular-shaped lot located along the southerly bank of San Pedro Creek in the West Linda Mar neighborhood. Recommended California Environmental Quality Act (CEQA) status: Adopt a Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP). The Planning Commission recommended approval of the Ordinance by a vote of 5-1 on January 16, 2018.

PROPOSED ACTION: Introduce, waive the first reading, and read by title only, the ordinance approving General Plan Amendment GPA-93-16 and Rezoning RZ-195-16.

Asst. Planner Smith presented the staff report.

Mayor Keener asked what the pink and dark blue lines were on the slide.

Asst. Planner Smith explained that, starting from the bottom line, the blue line is the 25-foot riparian set back line and there was a green line between the blue and pink lines, which was the FEMA 100-year flood zone, consistent with the top of the bank of the creek. Then, there was a city easement which was the light blue line for maintenance of flood control and the approximate wetland limit of the San Pedro Creek is the pink line. He then continued with the staff report.

Mayor Keener referred to the 1980 General Plan that identified the site for low density residential and asked if the 1980 General Plan identified it as high density residential.

Asst. Planner Smith stated that the existing General Plan designation is for high density residential and the narrative within the General Plan also identified that site having the potential for low density residential. He then completed the staff report adding that the applicant was available for any questions.

Councilmember Digre stated, for the public's information, she had lots of questions but they have all been asked.

Mayor Keener opened the public hearing.

Planning Director Wehrmeister asked if he would like to have the applicant present prior to public comment.

Mayor Keener stated that he would if he wants to.

Mike O'Connell, agent, stated that they worked closely with staff to ensure the conditions of approval and mitigation and monitoring reporting was acceptable to all parties and are on board as currently written. He stated that they have collaborated with the San Pedro Creek Watershed Coalition who were involved in the adjustments they made between the first and second Planning Commission meeting and they incorporated a condition of approval where they would submit an agreement that was mutually beneficial to the applicant and Coalition regarding access and certain rights to the buffer area under certain conditions, which has been drafted. He thought the Coalition would be talking about that in more detail after their next meeting, but it will be a legal document giving them access and rights to the buffer area. He then updated them on the federal permits, mentioning specifics. He concluded that it was a complicated permitting process and they were almost at the end, with all the agencies having reviewed all the project documents to date and incorporated their concerns into the design.

Glen Havlan, Pacifica, stated that he and his wife owned the property at 1404 Flores Drive, on the opposite side of the development. He stated that his map did not have the color coding. He stated that several of the residents across from the project have concerns about what appears to be a property line for these lots extending across to the northern side of the creek up to what appears to be the current fence lines but it was not his understanding of where the property line extends and asked for more clarity. He asked what they intend to do north of the creek, such as fencing them out of the creek, developing anything at that side and access from their back fence and how the value of their property will be affected. He asked when they find out what the development will look like, mentioning some specifics, such as future street lighting, access road, etc. He also asked if there was any intention to reopen San Pedro Road to the highway. He also asked if there will be further hearings on this for him to learn those details.

Mayor Keener stated that there won't be further hearings but he will probably be able to learn the answers to his questions at this meeting.

Bill Burk, Pacifica, stated that he lives at 1408 Flores Drive, adding that he had the same question. He stated that, when they bought their property, they were told they owned to the middle of the creek. He stated that it was ambiguous on Google map, as it looks as though the image of his property was out of register with the actual lot lines. He would like a clarification on where property lines are. He thought he could walk to the bank of the creek and look over but he questions whether the neighbor will post a no trespassing sign on the willows or if he will be able to enjoy an occasional soaking of his feet in the creek. While he tells his children not to walk down to the creek, but they occasionally did, and he thought any new neighbor would tell their children the same thing and they would go to the creek and be careful with the animals. He reiterated that it looks like the property line was on the north side of the creek and he questioned whether they will be allow access to the creek. He asked if he could talk about Item #7 on the agenda or was that out of turn.

Mayor Keener thought it was out of turn but he could put another card in and speak when that item comes up. He then asked Mr. O'Connell if he would like to respond to the speakers.

Mr. O'Connell stated that he can answer all the questions. Referring to the property line, he stated that the creek was dynamic and changes over time. He didn't know when the speakers purchased their homes but it probably looked different if it was ten years ago because the creek moves in and out. He stated that there was a low flow channel in the creek and was the normal water line which varies. He stated that the low flow channel meanders in and out of the property line and you might be able to walk down to the creek from the property on Flores without

technically trespassing. He thought it was important to recognize that the city has a large drainage easement for the creek. He mentioned that the creek was overhauled many years ago and the city obtained an easement as part of the work. He stated that the fee to the area was not owned by the city but they have the overlying controlling easement over the area. He stated that there will not be a fence on the property line that happens to be in the middle of the creek. The fence will be along the city's drainage easement to not interfere with the city's ability to maintain the creek and drainage easement. He referred to the questions about street lighting, and he stated that there were pedestrian scale street lights included in the plan for the private street, adding that there was a condition requiring a photometric analysis to be done to ensure adequate lighting for the proposed sidewalk. He also stated that there was no intention of reopening San Pedro Road at Highway 1 as it was closed because too many people were killed trying to turn onto the highway and everyone feels that would be a bad decision and it was not part of the project.

Councilmember Martin thought, as a resident, she would still ask if they will have restricted access to the creek.

Mr. O'Connell stated that they will not.

Councilmember Martin asked confirmation that there will not be a "no trespassing" sign or wall or fence blocking them from looking in or touching it.

Mr. O'Connell responded that there would not.

Mayor Keener closed the public hearing.

Councilmember Digre understood the process was slow, but she asked, if one agency says they have issues, what would happen.

Planning Director Wehrmeister stated that they have their own permit authority and could add their own conditions and mitigations and they would do that under their own authority.

Councilmember Digre asked if the city would be informed.

Planning Director Wehrmeister responded affirmatively, adding that they need to receive confirmation that they received all their permits before the city issues any grading or development permit and the city will be informed of that.

Councilmember O'Neill stated that there was a philosophical question that they can't apply, but he stated that it was rated high density but having one house on lots that are 15,000 square feet, given the fact of having issues with housing in the area, he thought it would be prudent to have a discussion about lots that size having at least a duplex. He thought maybe it would be something to talk about in the goal setting session. He thought most of the lots were 15,000 square feet except for one, and he thought it could have a duplex or an accessory dwelling unit for lower cost housing as well as having another unit of housing in the area. He stated that he was mentioning it for discussion but not necessarily for this project as they would be changing the rules for this project, but he is thinking about the future.

Councilmember Martin stated that she would support that and throwing it to Planning to look at what it would require from a planning perspective and rezoning.

Mayor Keener wondered about the build able area of each lot rather than the total square footage of the lot. He asked if they could get a range of the six lots.

Planning Director Wehrmeister stated that they didn't have that number readily available and she also didn't know if the project engineer did, referring to the area outside of the 100-year flow plan or not including the street.

Mayor Keener referred to the 25-foot buffer from the driplines.

Mr. O'Connell stated that he didn't have those numbers specifically but on most of the lots it was at least half. He stated that the site as it stands is about 2.4 acres, and 1.2 acres is the creek. He stated that they haven't extracted out the extra area for the buffer. He stated that they can see the layout of the houses on C3.02. He stated that lots 1 and 2 are kind of deep with a little more room than Lots 3-6. He thought the important thing was that they have drawn blocks for typical house footprint and they have a dimension from the back of the house to the buffer. He stated that, on Lots 1 and 2, that was 51-67 feet and they have extra room, but at Lots 3 and 4, you are down to around 20 feet which was like a typical backyard which indicates how much is the creek and the city's easement in the buffer area.

Mayor Keener referred to lot lines along the creek, and stated that several of his neighbors thought they owned out to the middle of the creek and when he looks at the maps, they are wrong. He asked if the Planning Director would like to comment on that.

Planning Director Wehrmeister stated that her only comment in the many agencies for which she has worked, it was a common misunderstanding when they have an open space area. She stated that it was important to look at the plat map and try to understand where the property lines are on the ground, as they are often not where you think they are. She stated that it was important to reconfirm what the title documents show.

Councilmember Digre understood that they have a lot of constraints on what they can discuss. She asked if they can summarize, as there wasn't much they can change at this point and it was cut and dry whether they want to rezone it and amend the General Plan from high density to low density.

City Attorney Kenyon agreed that, according to the staff report, the Planning Commission approved a permit which allows the property to be developed along with conditions. She stated that approval was not appealed to the Council and that approval is final with those aspects and everything related to those conditions of approval and they do not have the authority to re-evaluate that permit approval or the conditions of approval. She stated that they can determine whether the requested or recommended amendments to the zoning map and General Plan map and designation was appropriate for the site.

Councilmember Digre stated that she didn't see all the meetings and read all the documents, and there was a concern about the 25-foot buffer zone by a creek as a creek was extremely valuable. She complimented the developer and staff for working very hard as well as the Creek Coalition taking to heart the creek values. She stated that questions have come up regarding the houses and she acknowledged that they were constrained from dealing with that.

Planning Director Wehrmeister stated that she thought the question was the design, the height and the R1 district would mean that any home that comes in for a building permit would need to

comply with the regular zoning code. She stated that all the development standards in the code such as the 35-foot height limit, setbacks, will apply to this development.

Mayor Keener asked the city attorney if they need to make any special findings.

City Attorney Kenyon stated that they were all in the ordinance.

Mayor pro Tem Vaterlaus stated that with no road back there, she could not imagine building apartment buildings on that parcel. She thought everyone would complain about the number of cars going by in that small space and past the convalescent hospital. She saw this change of zoning down to only six units from what it was. She thought it makes perfect sense to her.

Councilmember O'Neill stated that he has no problem approving this and echoed her comment as he did not see the area as commercially viable for a business and high density would not be appropriate. He stated that his statement was more to accessory dwelling units. He asked the city attorney if not approving the zoning change was in essence denying the project. City Attorney Kenyon responded affirmatively.

Councilmember O'Neill moved to introduce, waive the first reading and read by title only, the ordinance approving General Plan Amendment GPA-93-16 and Rezoning RZ-195-16; seconded by Councilmember Martin.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mike O'Neill, Councilmember
SECONDER:	Deirdre Martin, Councilmember
AYES:	Keener, Vaterlaus, Digre, O'Neill, Martin

CONSIDERATION

7. Funding Requests from the Pacifica Resource Center, Pacifica Beach Coalition, and the San Mateo County Historical Association.
PROPOSED ACTION: Move to take the following actions related to funding requests from three non-profit organizations conducting business in Pacifica for the benefit of the community:
 1. Appropriate \$83,000 from Fund 30 Excess ERAF to the Pacifica Resource Center for Fiscal Year 2018-19;
 2. Appropriate funding, and specify an amount from \$3,000 to \$5,000, from Fund 30 Excess ERAF to the Pacifica Beach Coalition to help fund the Coalition's 14th Earth Day of Action & EcoFest;
 3. Appropriate \$10,000 from salary savings from the Economic Development budget to the San Mateo County Historical Association to help fund the Association's advertising campaign for their improvements to Sanchez Adobe building and park and their ribbon-cutting event that will draw many visitors to Pacifica;

City Manager Woodhouse presented the staff report.

Mayor Keener stated that he had some questions that were a bit off topic but related to the ERAF funds. He didn't think they could be answered now but he wanted to put them out there.

He asked what the total spending was over the last several years on repairs and strengthening protections of the bluffs from storms. He would like to know what they got in grant funding and what they contributed in city dollars.

City Manager Woodhouse asked if he meant not just city grant matching but the total dollar amount that grants also funded for the bluff repair.

Mayor Keener agreed, but separate, as the city will be real money. He stated that in the same vein but more detailed, he would like to know the total amount the city spent on the two apartment buildings that they demolished, revetments, etc. at 310 to 330 Esplanade.

City Manager Woodhouse stated that they would follow up with that.

Mayor Keener stated that they would hear from Anita Rees, Lynn Adams and he asked who he mentioned for the historical society.

City Manager Woodhouse stated that the Historical Association development specialist, Kaia Akin, would be the speaker.

Anita Rees of Pacifica Resource Center thanked Council and City Manager for continuing to support PRC as knowing their work is valued by the city and the community helps them continue their work and get other funding. She stated that, since PRC separated from the city in 2004, they have received a contribution of \$83,000 a year to provide economic security services to Pacifica residents. She stated that they leveraged those funds to bring in resources that would not otherwise be accessible in Pacifica, such as receipt of \$1.2 million in food, housing and utility assistance as well as access to homeless services and other critical family needs. She stated that the goal was to support Pacificans when they need them, whether one time or ongoing. She went on to mention all the specific programs they provide for families in need in Pacifica such as food programs, housing assistance, utility assistance, transportation support. She stated that their seasonal programs are some of the most comprehensive in the county and loved by the community, mentioning the back to school program, thanksgiving program, their adopt-a-family program which matches PRC families with generous donors to give holiday gifts to their families. They also provide no cost tax services, etc., with savings programs to save for emergencies. She stated that the general support they receive from Pacifica gives them flexibility to offer the right services for the community and they are committed to continuing this important work to ensure that every Pacifican has food, shelter and the opportunity to thrive and helps Pacifica continue to be a healthy and compassionate community. She was available for any questions.

Lynn Adams of Pacifica Beach Coalition thanked Council for the city funding they have received since 2006 to help them with the Earth Day event. She stated that they leverage the money with other donors and extend the funding to help them throughout the entire year to educate and inspire people to take action. She stated that, since mid-2013, they have removed over 95,000 pounds of trash and recycling from Pacifica's beaches, streets, parks, open spaces, and these activities continue to build community and engage volunteers from all different community organizations as well as connect them to each other and this partnership continues to grow. She stated that it engages people from within and outside of Pacifica and it makes those from outside come back with family and friends. She stated that she received a call from Rethink Waste asking about Pacifica's cigarette program and how we did it because they heard about our success, giving specific figures because they installed the pots and volunteers keep them clean and collect the cigarette butts. She stated that has contributed to keeping people

from throwing other litter down. She stated that the Earth Day funding has helped them grow the number of daily stewards who pick up litter others have left, mentioning some specifics. She stated that they don't pay people to do a thing, and all their money goes to educate and inspire to get more work done. She mentioned that there is a clean up every Saturday at the different beaches, habitat restoration twice a month, and Earth Day. She stated she was open for questions.

Mayor Keener asked her to talk about the people who do the habitat restoration who have corporate sponsors like Genentech.

Ms. Adams stated that they got close to 700 volunteers from businesses around Pacifica to do a clean up at a beach and do habitat restoration between Linda Mar and Rockaway, mentioning the specifics that enabled them to do more restoration work. She stated that they donate at least three hours a day, and the biggest comment she gets is that they didn't know Pacifica was so beautiful and they plan to return. She hoped they are learning and hopefully will not litter where they are with less litter coming to Pacifica. She mentioned the work they did on Martin Luther King Day to have less invasive species.

Kaia Akin, Development Specialist for Capital Projects at the San Mateo County History Museum, stated that the Sanchez Adobe site is one of the most historic sites in the entire state of California because it was a significant place during three significant eras of California history, giving specifics. She mentioned that it was made a county historic park in 1947 but virtually no capital improvements since the mid-1950s and they plan to change that. The improvements they have begun are part of a \$1.8 million improvement project by several County organizations, mentioning some specifics. She mentioned the grand opening will be on September 15, the annual Rancho days at Sanchez Adobe. They are proposing a 30-second TV commercial placed on nine cable television channels over a 2-month period targeting all the surrounding cities in the Bay Area. She stated that, based on a similar ad in 2016, they expect that the process will cost about \$12,000 and, if Pacifica contributes \$10,000, they will cover the rest. She was available for questions.

Councilmember O'Neill stated that he was a history buff and mentioned that his son was at a summer program there as a child and did archeological digs there.

Councilmember Digre stated that they had a conversation about the closeness of the Pacifica Historical Society taking care of the county historical sites, Sanchez Adobe and the San Pedro Valley Park. She was grateful for the county coming forward with more for Sanchez Adobe and asked that our historical society be well represented as they kept the history up. She was happy the county was going forward with historical tourism and also happy that they picked Pacifica as one of the sites to start with.

Mayor Keener opened public comment.

Chris Hunter, Pacifica, stated he was the vice president of the Pacifica Resource Center. He thanked those who attended their mural unveiling. He stated that they were very proud of this organization which has been around for over 40 years, twice as long as some of the other core agencies in the county. He stated that the Pacifica Resource Center has a great reputation in the county, acting as a core agency and continues to be funded through the pass through programs. He stated that Pacifica's financial help enables them to leverage the money to gain more money and use it for a lot of programs that help local people in Pacifica. He stated that they do not take it for granted and appreciate the city's support of the Pacifica Resource Center.

Nancy Morrison, Pacifica, stated she is a board member of the Pacifica Resource Center and has been involved with them for decades. She was proud of all the services they offer and has been a part of several programs. She stated that it inspires them for people who count on the Center for basic needs and they were the safety net. She thanked Pacifica for continuing to fund the Center by including them in the city budget.

Bill Burk, Pacifica, stated that, as a boy scout leader, he comes in contact with these agencies all the time. They bring food to the Resource Center in November and the scouts provide service. He stated that he appreciates having them in Pacifica and appreciates Council considering funding them. He stated that the scouts also go out to pick up the beach. He is amazed at how much is done with so little money. He hoped the Council gives the most. He referred to the Sanchez Adobe and asked if they could move the ribbon cutting and rancho days as they always seem to fall on coastal clean up day.

Jim Fithian, Pacifica, stated he was with the Beach Coalition. He stated that he has been talking about the coalition for so long and thought people know about it, then stated he didn't think they do. He stated that, in reference to what they will do with the money, it was all action and he was very cheap. He stated that he was a principal for many years and was conscientious about taxpayer's dollars. He stated that the Beach Coalition money goes right to action. He pointed out that the Beach Coalition wasn't just about litter. He stated that it was really about education in 1997 and then they started adding litter pickup to education. He stated that their goal was to stop pollution which was why they do so much education in schools. He felt it was working, mentioning that there is a difference from when they began in Linda Mar. He stated that the major factor was changing the culture of Pacifica, adding that they get help from dog walkers, churches, etc. He stated that Earth Day costs thousands of dollars but they feel it is worth it because of the outreach where they learn about the environment and come back. He appreciated all the help, physical and financial. He felt this will get better for the city and he supports whatever they can finance for the Pacifica Beach Coalition as they will put it to good use and keep working with the city.

Mayor Keener closed public comments.

Mayor Keener referred to the table for ERAF funds, and pointed out that just over \$3 million of the funds were for shore protection versus \$174,000 for the Pacifica Resource Center and the Pacifica Beach Coalition and \$473,000 for vehicle replacement service.

Councilmember Digre thanked the Pacifica Resource Center as they keep the heart of Pacifica well-known and they are taking care of Pacificans in a way Council cannot. She commented on the respect that the Beach Coalition has for our beaches and contributes to Pacifica's economy because if we didn't take care of our natural assets no one would bother to come and see the beauty. She referred to the Historical Society and stated the funds from the economic development was for the director. She stated that she wouldn't be in favor of this if she didn't see it as a recommendation and gratitude for our local Pacifica Historical Society to cement a bond between the county and the Pacifica Historical Society. She thought that now having recognition from San Mateo County and the visitors' bureau which was about income and revenue, they see the value of history and Sweeney Ridge was the most requested visiting in the whole county. She thought that was a special tribute to local history and local historians. She appreciated all three things.

Councilmember Martin thanked Anita Rees and all those people at Pacifica Resource Center who dedicate their time and resources to the center and our community. She stated that one of the goals of Council for 2017 was to talk about homelessness and issues surrounding that. She stated that they worked on things in 2017 that didn't happen but they hear repeatedly during oral communications questions about what they are going to do. She reminded everyone that they invest their money in the Center and they actively do this every year. She stated that she didn't have to sing any more praises for the Beach Coalition as she was involved with them by leading a cleanup. She stated that there are students in high school who come from Fremont every weekend, adding that she feels honored. She thanked Mr. Burk for bringing up that rancho days fall on coastal cleanup day and she hasn't been able to go.

Mayor Keener stated that before a motion, they need to decide whether to fund \$3000 or \$5000 to the Pacifica Beach Coalition, adding that he would favor \$5000.

Councilmember O'Neill moved to take the following actions related to funding requests from three non-profit organizations conducting business in Pacifica for the benefit of the community and increase funding for the Beach Coalition from \$3000 to \$5000; seconded by Councilmember Digre.

RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Mike O'Neill, Councilmember
SECONDER:	Sue Digre, Councilmember
AYES:	Keener, Vaterlaus, Digre, O'Neill, Martin

8. Comprehensive Annual Financial Report 2016-2017
PROPOSED ACTION: Accept the 2016-2017 Comprehensive Annual Financial Report, Independent Auditor's Report and other related letters/reports.

City Manager Woodhouse referred to the CAFR and the long memo on page 24, and stated he wanted to highlight a few critical comments which will not be a part of Asst. City Manager Hine's presentation. They are the economic outlook and major initiatives comments and he wanted to highlight that, while revenue remains stable, there are significant expenditure pressures existing for the city to maintain existing services, infrastructure and facilities, as well as increasing pension liabilities from the CalPers pension system. He referred to a practice started years ago of aligning one time money to cover one-time expenses rather than ongoing operations, adding that it was a critical piece to prudent management of the city's finances. He referred to the bullet addressing the increased financial transparency to which the city has been working by sharing financial information to engender trust, adding that the next Council meeting will have their annual financial forecast.

Asst. City Manager Hines presented the staff report.

Councilmember O'Neill referred to the city's total assets exceeding its liabilities, and he asked if that included real estate.

Asst. City Manager Hines responded affirmatively.

Councilmember O'Neill asked if the cash on hand also increased.

Asst. City Manager Hines stated that it factored all assets of the city. He referred to packet page 450 which lays out the city's cash position, receivable, pre-paid items and inventoried

items. He stated that the value of land is not included because that was how the statements are put together.

Councilmember O'Neill was happy to see the cash position increase by 9%.

Asst. City Manager Hines stated that the 9% was all assets, such as cash, receivables, prepaid items, and cash was part of the figure, but all assets exceed their liabilities by \$62.5 million. He stated that as long as that figure keeps growing, they are okay, adding they hope it grows mainly because of cash and receivable which are liquid. He corrected his statement, stating that land was included in that figure. He continued with the staff report.

Mayor Keener referred to mention of the \$5.4 million uncommitted fund balance, asking if that was not land and buildings.

Asst. City Manager Hines explained that it was the excess of the assets over the liabilities. He stated that they can parse out what it represents, but there was a part that was liquid and a part that was not liquid. He continued with the staff report.

Councilmember Martin asked for an example of an intergovernmental revenue.

Asst. City Manager Hines stated that the textbook version was the amount the city receives from the state motor vehicle license revenues and any supplemental tax netted and state and county grants for childcare, seniors and police. He stated that the vehicle license fee comes from the state and the other revenues stream in from other governments. He continued with the staff report.

Mayor Keener stated he was confused, referring to page 436 which showed expenses for public safety going down \$1.6 million. He acknowledged that it was governmental activities rather than the General Fund and they weren't the same thing, so he asked what the deal was.

Asst. City Manager Hines explained that the graft measures public safety spending on a government wide perspective, such as wherever public safety influences other funds outside of the General Fund, it was included there. The present stat he was referring to was just the General Fund, such as Fund 7 which is a SLESA Fund which they use for special projects and the police department. He thought the budget was about \$100,000 a year and would be included in the specific stat. He stated, if those expenditures went down and the General Fund stayed the same, it was a holistic approach.

Mayor Keener asked what the total public safety expenditure was in the General Fund.

Asst. City Manager Hines stated, off the top of his head, it should be about \$15 million. He thought the present 2017-18 PD budget was \$9.2 million and Fire was a little over \$6 million. He reminded him that they were looking at the 2016-17 budget, adding that it will be slightly lower.

Mayor Keener stated that he didn't think he has given him an answer. He referred to present page which showed public safety at \$15.9 million in 2016 and \$14.3 million in 2017, but on pages 441 and 443, it was the plus \$900,000 figure on the present slide. He thought that was a \$2.5 million difference and he was struggling to understand that.

Asst. City Manager Hines stated that he could ask his staff to reconcile that \$14.3 million figure and get back to him. He continued with the staff report.

Mayor Keener referred to PB&R, stating that in the past they have had a large amount of their budget recovered as grants or service charges, and he asked what their recovery was in this CAFR.

Asst. City Manager Hines stated that they are looking at the two-charge from a government wide perspective. He stated that their expenditure was \$4.9 million in 2017 from a government wide perspective, not a General Fund only perspective, and the program revenues on packet page 436 and packet page 437 have PB&R with program revenues at \$3.3 million.

Mayor Keener thought it was substantial.

Asst. City Manager Hines agreed, adding that they will always come in at an excess of \$3 million regarding revenues.

Mayor Keener stated that he liked to call them out as they don't get a lot of attention but bring in a share of money.

Asst. City Manager Hines stated that it was PB&R Dir. Perez and his Parks and Rec staff. He completed the staff report.

Councilmember Digre referred to the comprehensive annual financial report for fiscal year ending June 30, General Fund revenues.

Asst. City Manager Hines asked what page she was mentioning.

Councilmember Digre thought it was page 3 from the end where it says charges for services, revenues decreased by \$106,000. She thought, if she read correctly, there were less permits requested, asking if that was correct and from the general population.

Asst. City Manager Hines stated that it was mainly due to the decrease in the volume of development and renovation projects for planning, engineering and building review and processing and reimbursement for fire services.

Councilmember Digre asked what "reimbursement for fire" meant.

Asst. City Manager Hines explained that the city gets dollars from the Office of Emergency Services when the fire guys go out.

Councilmember Digre asked if that meant some money was coming in but hasn't gotten here yet.

Asst. City Manager Hines stated that it was possible, but they try to account for all of the dollars that were associated with this fiscal year as best they can. He added that it could be a situation where what they thought was coming in from OAS and it may not have reached that level, specifically that they may have budgeted a certain amount of dollars to come in from OAS and they didn't get all of those dollars because OAS didn't need the help.

Councilmember Digre understood, also asking if it means there was a decline in the number of people in the community looking to renovate.

Asst. City Manager Hines responded affirmatively. He also suggested they add some perspective to this. He stated that, for charges for services, it was a 3.8% decrease.

Councilmember Digre thought it was supposed to even out so you don't make a profit from that.

Asst. City Manager Hines stated that you have a 96.2% and it is doing okay.

Mayor Keener referred to the General Fund's total revenues that were about \$30 million and the business activities' revenues were \$13 million which he thought were almost all the sewer fees. He referred to the debt of \$27.4 million in government activities and the sewer long term debt was \$51 million with a big boost from the equalization basin, totalling \$78 million in debt and \$36 million in interest payable over the lifetime of that debt. He then referred to the laying out of the pension liability, stating that at the current discount rate the miscellaneous employees plan and safety plan together at the current rate then of 7.65%, the total pension liability was \$53 million. He added that, if they change the discount rate to decrease it by 1%, they go up to about \$27 million plus \$42 million totaling \$68 million. He thought that was the sort of change they see in 5-10 years, adding that they will hear it in much more detail at the next meeting. He concluded that was one of their challenges for the foreseeable future in how to manage that pension liability. He stated that one strategy he saw to deal with that was taking the excess money and paying it down. He acknowledged that Hillsborough may be able to do that. He asked if they looked at the trade off of paying down the pension liability versus paying into a reserve fund, questioning which way to go. He thought that was a question for staff to check, adding that there may be an obvious answer.

Asst. City Manager Hines agreed that it was a question they will have to ponder. He stated that the other option was Fund 38, the disaster accounting fund sitting at \$2.1 million deficit and technically the General Fund was loaning that money to that fund to keep it solvent. He stated that they had issues with the capital improvement fund, Fund 22. He stated that he talked to CalPers about their program and setting money aside, but he ran into a brick wall when they say that the city can send them the excess cash and they will put it away in an irrevocable trust. He stated that, if they have excess cash, they have other things to fix. So, that was where he gets stymied as it doesn't make him feel comfortable, given where they are.

Mayor Keener stated that the only advantage was the city was making their interest. He asked what revenue sources are there for disaster relief fund.

Asst. City Manager Hines stated that the only revenue sources he was aware of were insurance reimbursements. He stated that this is his third year with Pacifica and Fund 38 was still on his list of things to get into. He stated that somehow expenditures were made. He didn't know if insurance reimbursements were sought or expected, but he has to figure out a way to fix it as they can't have that and he will be working closely with Public Works. He thought they might have to do a history lesson to find where that all came from.

Mayor Keener thought, regardless of where it came from, the only way to fix it may be an infusion of cash from the General Fund.

Asst. City Manager Hines agreed, stating that it would certainly solve the issue.

Councilmember O'Neill referred to the question about the disaster relief fund, stating he had a conversation with Brian Perkins, Jackie Speier's chief of staff, and shared that with the City Manager. He stated that, for a discussion point on ERAF, the problem with what they are doing now, if the sea wall breaks down we ask for money for the fall out, but to get it fixed they should make a commitment, have matching funds and go through a process with the Army Corp of Engineers. He stated that they put the money away, using an analogy that, now they are fixing the leaks in the roof but if they go through the process with the Army Corp of Engineers, they will put on a new roof. He thought that would require commitment from Council but the only source of cash he knows of was the ERAF money, and putting it into a special fund and going to the voters about a special assessment district of some sort to show that the city is committed to fixing those problems. He concluded that the way of structuring special assessment districts was varied, such as those closer to the issue pay more than those further away. He asked the City Manager to put that in for discussion at the goal setting session on March 3 to see if Council would like to pursue it.

Mayor Keener agreed it would be a good discussion item. He thought his comments would appear to support hanging on to the cash rather than trying to pay off some of the pension liability with CalPERS.

Councilmember Digre referred to hanging on to cash and asked if they put it some place for interest.

Asst. City Manager Hines stated that they could, but what he was trying to express earlier was a need for cash within the city's own general ledger. He stated that these problems need to be addressed at some point.

Councilmember O'Neill referred to the Pers issue, and he agrees that they have a big point. He stated that it was "an animal that is still moving." He stated that there was a major court decision in San Diego in October or November. He thought there was a projection of one special district in the northern Peninsula that will be insolvent in two years. He stated that the voters will have to decide what they want to do. He added that Pacifica was not alone in this as it was a statewide issue. He gave the City Manager and Asst. City Manager information that by 2022, 49 cents of every payroll dollar they have will have to go to Pers. He mentioned that another city on the Peninsula by 2022 will have 89 cents of every payroll dollar will go to Pers. He thought that was scary. He stated that it will cost them \$2 for every dollar to put one person on the street for a policeman, adding that Pacifica wasn't in that bad shape. He suggested that they not be Chicken Little.

Mayor Keener agreed that, by comparison, they were not in that bad shape. He concluded that they were still balancing budgets.

Asst. City Manager Hines agreed.

Mayor Keener added that we are not wealthy enough to go on a hiring spree.

Mayor pro Tem Vaterlaus was surprised to see the redevelopment agency on the report, but Mayor Keener explained that from his redevelopment meeting.

Asst. City Manager Hines agreed that there was a very long loan there.

Councilmember O'Neill stated that it probably won't get repaid.

Mayor Keener stated that it would.

Asst. City Manager Hines agreed that it will get repaid.

Mayor Keener added not in our lifetime. He asked if they have to vote on this.

City Manager Woodhouse thought the action was to accept the report.

Asst. City Manager Hines agreed it was just to accept the report. He asked if a vote was required to accept the report.

City Attorney Kenyon responded affirmatively.

Asst. City Manager Hines added that it would include the accompanying reports also.

Councilmember O'Neill moved to accept the 2016-2017 Comprehensive Annual Financial Report, Independent Auditor's Report and other related letters/reports; seconded by Mayor pro Tem Vaterlaus.

Asst. City Manager Hines asked if he could send a thank you to Vivian Penaredondo who was their financial services manager who retired in early January. He stated that this was the first CAFR she put together as the financial services manager.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mike O'Neill, Councilmember
SECONDER:	Sue Vaterlaus, Mayor Pro Tem
AYES:	Keener, Vaterlaus, Digre, O'Neill, Martin

9. Appointments to the San Mateo County Mosquito Abatement District and the Library Advisory Committee
PROPOSED ACTION: Move to appoint one (1) applicant to the San Mateo County Mosquito Abatement District and specify whether it will be a two year or four year term; and appoint one (1) applicant to the Library Advisory Committee.

City Clerk O'Connell presented the staff report.

City Attorney Kenyon stated that the Council would vote on each nomination.

Mayor Keener asked if the vote for a two-year or four-year term on the Mosquito Abatement District should be separate.

City Clerk O'Connell stated that they can make the appointment and specify that it was two-year- or four-year.

Mayor Keener got a visual approval for four years.

City Clerk O'Connell stated that for the San Mateo County Mosquito Abatement District, Pete DeJarnatt received the most nominations. She suggested that they make a motion and specify the length of term.

Councilmember O'Neill asked if they have to have a public hearing first.

Mayor Keener stated that he had no cards.

Councilmember O'Neill stated that he has to announce that or open it.

There were no public comments.

Councilmember O'Neill moved to nominate Pete DeJarnatt for a four-year term; seconded by Councilmember Digre.

5-0

City Clerk O'Connell stated that Anne Evers Hitz received the most nominations.

Mayor pro Tem Vaterlaus moved to accept Anne Hitz to the Library Advisory Committee; seconded by Councilmember Digre.

5-0

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mike O'Neill, Councilmember
SECONDER:	Sue Digre, Councilmember
AYES:	Keener, Vaterlaus, Digre, O'Neill, Martin

ADJOURN

Mayor Keener adjourned the meeting at 9:51 p.m., in memory of Alan Ernat.

Transcribed by Barbara Medina, Public Meeting Stenographer.

Respectfully submitted,

Kathy O'Connell, City Clerk

APPROVED:

John Keener, Mayor