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February 04, 2008

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ADJOURNMENT: The meeting was adjourned at 11:10 p.m.	432

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:05 p.m.

Present: Barton, Burt, Drekmeier, Espinosa, Kishimoto, Klein, Morton, Schmid, Yeh

SPECIAL MEETING

1. Interview and Selection of Consultant for City Manager Recruitment

Mayor Klein stated there were representatives from both the Waters Consulting Group and from Bob Murray & Associates present. He asked Council Member Barton, Chairman of the Council Appointed Officer (CAO) Committee to handle the introductions to the consultants.

Council Member Barton stated the CAO Committee met and reviewed the qualifications from six firms. They had decided on three and one withdrew so there would be two consultants for interviews. Each of the firms had received a list of questions that they had responded to and there would be a presentation by the firms.

Jerrold Oldani, Senior Vice President of Waters-Oldani Executive Recruitment Division stated their firm consisted of 21 people, 11 in the search group, seven consultants and four support personnel. There were offices located in Cleveland, Ohio; Dallas and Austin, Texas; and Bellevue, Washington. By mid-year there would be another office in Washington D.C. because of the large scale Federal contracts for the Department of Homeland Security and also the Internal Revenue Service. They had extended the guarantee period, which stated if the person did not work out within the first two years then their firm would come back and do the search at no additional charge. They piloted the idea of video conferencing as an interview technique to cut down expenses. They had extensive contacts throughout the United States with the National Forum for Black Public Administrators, The International Hispanic Network and other organizations, which gave them access to diversity based recruitment candidates.

Council Member Barton stated if their firm was selected they would need to be back in two weeks. He asked him to talk about the schedule they have outlined and how their firm would meet the schedule.

Mr. Oldani stated they would be able to meet the immediate timelines for the start of the search process and they provided in the supplemental materials a sample timeline. One thing that would determine the length of the process was some of the goals and objectives or requirements from the Council for this position.

Council Member Espinosa asked for specifics regarding the tasks and the timeline for the work plan.

Mr. Oldani stated a consultant would interview the members of the Council individually and collectively and members of staff and Boards and Commissions. They would then draft materials for the Council's approval. The process would then start a series of administrative activities, which included questionnaires, a material requirement list and an outline of the recommended final process. There would then be a list of qualified individuals brought to the Council that met all of the criteria in the Council approved brochure. There would be a one to two hour video conference interview and that information would then return as part of the candidate's profile.

Vice Mayor Drekmeier asked Mr. Oldani to describe the way in which they would approach the working relationship with the nine members of the City Council.

Mr. Oldani stated they wanted to treat each Council Member as a co-equal individual regardless of whether or not the CAO Committee was running the process. Each Council Member would have his/her own individual and collective input into the process.

Council Member Yeh asked Mr. Oldani to describe their knowledge of Palo Alto and its particular issues and how this would be incorporated into the approach to the recruitment.

Mr. Oldani stated he had lived in the Peninsula for about ten years and had been involved in Santa Clara Valley, Mountain View and Sunnyvale.

Council Member Burt asked how their firm would accomplish outreach to the community.

Mr. Oldani stated there was a number of ways. Primarily he would need to find out the Council's goals and if the Council wanted to go through public forums.

Council Member Burt asked for clarification on what their firm would do if we were seeking a broad input on the characteristics of the candidate as opposed to the selection amongst the finalists.

Mr. Oldani stated they had used closed circuit cable TV to put up surveys and used local newspapers. They had used open TV call in sessions, which were quite effective and could use a shorter version of the questionnaire to pass out to the Council and others involved in the process and put it into newspapers to reach out to other communities.

Council Member Morton stated the process outlined was a 15-week process and asked if that was enough time.

Mr. Oldani stated that the City Management field had the greatest grapevine in the world and he had already started to receive phone calls from people inquiring about the job.

Council Member Morton asked if he was concerned at all about the selection process being a month.

Mr. Oldani stated once the Council was clear with what direction they were going, it generally took about five to six weeks.

Council Member Morton asked how the process was managed when there were nine Council Members and many other people who wanted to be involved in this process.

Mr. Oldani stated that 65 percent of the people who made it to the final round of interviews would come from people who were directly recruited on the Council's behalf.

Council Member Kishimoto asked Mr. Oldani to describe the challenges he foresees with this recruitment.

Mr. Oldani stated the challenges would come in different forms like the compensation package and the housing cost issue.

Council Member Schmid stated Mr. Oldani had experience in the Bay Area and a nationwide basis and he asked what unique attributes his firm would bring.

Mr. Oldani stated they had helped around 35 University oriented communities from around the nation to find City Managers and they had been very successful. The average individual that their firm placed stayed in their position around eight to nine years and according to the International City/County Management Association (ICMA) for a community this size someone stayed in their position about four and a half years.

Mayor Klein asked how he felt about public interviews with two to three finalists.

Mr. Oldani stated he preferred not to but they had conducted a large number of open interviews and rules were set so answers were not inhibited.

Mayor Klein asked whether an open process would drive away good candidates.

Mr. Oldani stated that most people in the City Management field should be accustomed to the open process. People who do not honor the public process may not make a good City Manager.

Mayor Klein asked whether he had people in mind that would make good candidates.

Mr. Oldani stated he would need to find out what the Council was looking for in terms of the differences with our current City Manager and stylistically.

Bob Murray, Bob Murray & Associates stated he had been in the search business for 23 years and done over 400 searches in California and throughout the West. They had done several searches in college communities and some of the largest cities in the country. He was familiar with Palo Alto and he had recruited our current City Manager, City Attorney and others.

Council Member Espinosa asked for some specifics regarding the tasks and the timeline for the work plan.

Mr. Murray stated the timeline that they proposed was achievable.

Council Member Espinosa asked for clarification whether there were problems with the timeline.

Mr. Murray stated no.

Vice Mayor Drekmeier asked for his work plan in regards to specific tasks in the timeline.

Mr. Murray stated his plan was a 16-week process, which could be altered. The most important step would be developing the candidate profile. The Council should identify groups and representatives who should be part of the process as well as public forums. Finalists should be recommended by no later than late April or early May to be able to involve as many people as needed in the process.

Council Member Yeh asked what type of relationship he wanted with the nine members of the City Council.

Mr. Murray stated he wanted to know what each individual was looking for and to make sure there was a consensus among the Council. He wanted the entire Council to know where things were and where they were going.

Council Member Burt asked for pros and cons of seeking candidates within California or this region instead of a national candidate pool.

Mr. Murray stated that was one of the most significant problems any city in California faced when recruiting a City Manager. He asked to expand the search to a market that was broader and deeper. The technical part of the job could be learned and the real skill we were looking for was leadership in management, the ability to work with the Council, community and the staff.

Council Member Morton asked whether the timeline was too aggressive.

Mr. Murray stated it was adequate time and the firm could donate the resources to get the job done.

Council Member Kishimoto stated that most of his placements were in California and the Western cities and asked him what networks he had and in his experience in recruiting nationwide.

Mr. Murray stated that most of his clients were in the Western United States. Their firm did have contacts in cities throughout the United States, but they would start in this area and work their way out. Due to costs of living in Palo Alto, they would need to look in the appropriate market.

Council Member Kishimoto asked if he anticipated any other problems.

Mr. Murray stated some problems were the cost of living and the challenge of working with a nine-member council.

Council Member Schmid asked what unique attributes their firm would bring to the search.

Mr. Murray stated their firm had a web-based applicant system and database, which had information on candidates throughout the United States.

Mayor Klein asked what his opinion was on an open process when interviewing the finalists.

Mr. Murray stated that was an important process for college communities and candidates should know that before hand.

Mayor Klein asked whether he thought we would lose candidates if that was the process.

Mr. Murray stated there was a likelihood of losing a number of them. The more confidential this process was the better served we would be.

Mayor Klein asked if he had people in mind who would be good candidates.

Mr. Murray stated he did.

Mayor Klein stated there were no ballots but they would go down the Dais and each Council Member would indicate which candidate they preferred.

Voting for Selection of Consultant for City Manager Recruitment

Voting For Bob Murray: Burt, Kishimoto, Klein, Morton, Yeh

Voting For Waters-Oldani: Barton, Espinosa, Drekmeier, Schmid

City Clerk Donna Rogers announced that Bob Murray (with five votes) was selected as the consultant for the City Manager Recruitment.

Council took a break at 6:20 p.m., returning at 7:05 p.m.

ORAL COMMUNICATIONS

Megan Barton, 334 Lincoln Avenue, urged the Planning Department to have the owners of 1121 Bryant Street reapply for a redesign enhancement exception.

Sandra Hirsh, 226 Creekside Drive, presented and read a Library Advisory Commission (LAC) resolution in honor of John Barton as the Liaison for the LAC.

SPECIAL ORDERS OF THE DAY

2. Vote and Appointment of candidate to the Human Relations Commission

First Round of Voting for Human Relations Commission

Voting for Ann Ozer: Drekmeier

Voting for Ray Bacchetti: Barton, Burt, Espinosa, Kishimoto, Klein, Morton, Schmid, Yeh

City Clerk Donna Rogers announced that Ray Bacchetti (with 8 votes) was appointed on the 1st ballot to an unexpired term ending March 31, 2009.

3. Vote and Appointment of candidate to the Planning & Transportation Commission

First round of Voting for Planning & Transportation Commission

Voting For Robert Arnold: Barton

Voting For Susan Fineberg: Burt, Drekmeier, Schmid

Voting for Charmaine Furman: Yeh

Voting for Corey Levens:

Voting for Jon Stoumen: Espinosa, Klein, Morton

Voting for Karen Sundback: Kishimoto

Second round of Voting for Planning & Transportation Commission

Voting For Robert Arnold: Barton

Voting For Susan Fineberg: Burt, Drekmeier, Kishimoto, Schmid, Yeh

Voting for Charmaine Furman:

Voting for Corey Levens:

Voting for Jon Stoumen: Espinosa, Klein, Morton

Voting for Karen Sundback:

City Clerk Donna Rogers announced that Susan Fineberg (with 5 votes) was appointed on the second ballot to an unexpired term ending July 31, 2008.

ORAL COMMUNICATIONS

Rick Saal spoke regarding his support for the Children's Theatre.

Ralph King spoke regarding his support for the Children's Theatre.

Paula Collins, 110 Ely Place spoke regarding her support for the Children's Theatre.

Anna Thayer, 3728 Lindero Drive, spoke regarding her support for the Children's Theatre.

Jeremy Erman, Cowper Street, spoke regarding his support for the Children's Theatre.

Lina Crane, 140 Lois Lane, spoke regarding her support for the Children's Theatre.

Christina Nunez Drislane, 154 Hemlock Court, spoke regarding her support for the Children's Theatre.

Lucy Erman, spoke regarding her support for the Children's Theatre.

Patty McEwen, 753 Garland Drive, spoke regarding her support for the Children's Theatre.

Beth Broderson, spoke regarding her support for the Children's Theatre.

Susan Stewart, 1550 Middlefield, spoke regarding her support for the Children's Theatre.

Judy Lurie, 8 Ohlone, Portola Valley spoke regarding her support for the Children's Theatre.

Ken Freiberg, 842 Clara Drive, spoke regarding his support for the Children's Theatre.

Ruth Chippendale, 2241 Santa Ana Street, spoke regarding her support for the Children's Theatre.

Lew Mermelstein, 1820 Channing Avenue, spoke regarding his support for the Children's Theatre.

Jane Marcus, 1820 Channing Avenue, spoke regarding her support for the Children's Theatre.

Ernest Kinsolving, 402 Roosevelt Avenue, Redwood City, spoke regarding his support for the Children's Theatre.

Sonya Raymakers, 768 Store Lane, spoke regarding her support for the Children's Theatre.

Denise Sanders, 604 Matadero Avenue, spoke regarding her support for the Children's Theatre.

Kathy Brouchoud, 3282 Bryant Street, spoke regarding her support for the Children's Theatre.

Andrea Saliba, 1268 Martin Avenue, spoke regarding her support for the Children's Theatre.

Bryn Carlson, 876 Southampton Drive, spoke regarding her support for the Children's Theatre.

Anneka Peterson spoke regarding her support for the Children's Theatre.

Alpha Crews, 2221 Louis Road, spoke regarding his support for the Children's Theatre.

Michael Sofner, 1200 Bryant Street, spoke regarding her support for the Children's Theatre.

J. Moon spoke regarding his support for the Children's Theatre.

APPROVAL OF MINUTES

MOTION: Council Member Kishimoto moved, seconded by Council Member Yeh, to approve the minutes of December 10, 2007 as submitted.

MOTION PASSED: 9-0

CONSENT CALENDAR

MOTION: Council Member Kishimoto moved, seconded by Mayor Klein to approve Consent Calendar Items 4-8

Council Member Morton stated he would not participate in the vote on consent item number 5 as he has holdings in Comcast, and consent item number 8 as he is a founder and member of Community Skating, Inc.

4. Ordinance 4989 entitled "Ordinance Approving and Adopting a Park Improvement Plan for Foothills Park"
5. Ordinance 4990 entitled "Ordinance Amending Chapter 2.11 of Title 2 of the Palo Alto Municipal Code to Establish a Fee to Support Public, Education, and Government Access that Will Apply to Comcast as it Provides Service Under its State Video Franchise"
6. Ordinance 4991 entitled "Ordinance Amending Section 9.04.010 ("Streets, Sidewalks, Highways, Alleys – Consumption of Alcoholic

Beverages Prohibited”) of Chapter 9.04 (“Alcoholic Beverages”) to Title 9 (“Public Peace, Morals and Safety”) of the Palo Alto Municipal Code”

7. Resolution 8794 entitled “Resolution Relating to the Agreement for Maintenance of State Highways in the City of Palo Alto and Approval of a Reimbursement Agreement in an Amount Not to Exceed \$37,500 Annually with the California Department of Transportation”
8. Approval of Amendment No. 1 to the Lease between City of Palo Alto and Community Skating, Inc. for the Winter Lodge, 3009 Middlefield Road, Extending the Term for an Additional Ten Years

MOTION PASSED for Items 4, 6, & 7: 9-0

MOTION PASSED for items 5 & 8: 8-0 Morton not participating

REPORTS OF OFFICIALS



9. Review of Project Cost Estimates for the Mitchell Park Library and Community Center, Main Library, and Downtown Library Projects (Capital Improvement Program Project PE-04012) and Direction on Scope, Financing and Schedule for the Library/Community Center and Public Safety Building Projects

Assistant City Manager Emily Harrison stated they were giving an update and cost estimate on the Library/Community Center Project. Staff asked for direction in terms of a June 2008 possible election date and regarding a November bond election date for the Public Safety Building.

Dawn Merkes, Group 4 Architecture stated the scope of the Main Library was both the renovation of the 26,000 square foot existing building and a new addition of approximately 3,600 square foot on the Art Center side of the building. The renovation was major due to the necessity for updating all the infrastructure of the building including mechanical, electrical, structural, power lighting data as well as architectural finishes and space planning. The new addition would provide needed program space and group study rooms. The design approach of the addition is to compliment the existing building.

Assistant Director of Public Works Mike Sartor stated costs for new building projects include construction costs, design, construction management, furniture, equipment, contingencies escalation, and sometimes land or temporary facilities during construction. There had been concerns from the community that the cost estimates were too high. In nearby communities the construction costs range from 413 dollars per square foot to 561 dollars per square foot. The Mitchell Park Library and Community Center

construction costs were estimated at 455 dollars per square foot. The project development costs were a percentage of the construction costs and included cost for design, construction management, testing, inspection, and permitting. The contingency costs were about 10 percent, which was typical for building projects in the industry. The designing contingency included cost increases due to added or changed project scope during design. The construction contingency covered unforeseen site conditions or design modifications or changes needed. Cost escalation was at eight percent per year and in the past had been as high as 10 to 12 percent.

Ms. Harrison asked the Council to review the 2007 directions to staff in terms of what would be placed on the ballot. The Library/Community Center Project could be done in phases without affecting the ballot in November 2008. The only difficulty with meeting a November ballot was if the Council had asked to downsize the current project of the Mitchell Park Library and Community Center due to the very involved design process. She asked that the Council give direction regarding the Library/Community Center Project. The public outreach and education campaign would need to be completed by March 6 in order to have the June 2008 ballot. The staff would need direction if these measures were going to a November election. There would need to be a Budget Amendment Ordinance (BAO) and a contract would need to be negotiated for the design of the Public Safety Building.

Council Member Morton asked why there had not been a design decided upon for the Mitchell Park/Community Center. He stated that the previous Council had decided that it had made no sense to only do a library at Mitchell Park.

Ms. Harrison stated that staff received some feedback after that decision had been made that the staff had not provided enough information regarding the costs of that option. There were updated numbers that were available for Council to make a well-informed decision.

Council Member Morton stated that if they backtracked to the Library only they would lose the advantage of having control of the site and realigning Mayfield.

Ms. Harrison stated that from a design perspective she did agree. Staff was just concerned with the size of the Bond Measure and wanted to be open about costs.

Council Member Morton asked whether staff had any other options in mind.

Ms. Harrison stated they did not. The feedback received after the Measure D debriefing was to check back with the Council.

Council Member Morton stated he hoped that they were not backtracking regarding the Mitchell Park combined Library and Community Center.

Council Member Burt stated that the comparison of costs for other construction projects like the Santa Teresa and Almaden Libraries in San Jose included the site while other projects excluded the site.

Ms. Merkes stated the comparisons referred to the cost of doing the site work.

Council Member Burt asked whether the escalation costs included an eight percent per year escalation cost on project development costs, design, inspection, and permits or was it the cost of construction and contingency.

Director of Public Works Glenn Roberts stated the City of San Jose owned those sites and did not include land costs in their site. The eight percent was applied to the construction costs, which had escalated. The design costs were not escalated and were based on the current estimated cost because that was the basis on how the fees were negotiated.

Council Member Burt stated that 10.9 million dollars on escalation and cost of construction 28.1 million dollars did not look right.

Mr. Roberts stated the design costs were calculated in one basis and the construction management in another. There were different layers of the process so some of the costs compounded and some did not.

Mayor Klein asked whether the price per square foot was quoted in 2008 dollars.

Mr. Sartor stated the base construction cost was quoted in 2008 dollars and the escalation was applied to that.

Mayor Klein asked whether the Mitchell Park Library was 455 dollars a square foot plus what the inflation was between now and 2010.

Mr. Sartor stated that was correct.

Council Member Burt asked for clarification on the intended uses of the program room at the Main Library.

Director of Library Services Diane Jennings stated the program room was where the programs offered by the library or presented by different community groups were held.

Council Member Kishimoto asked what the assessments were translated into for the property owners.

Director of Administrative Services Lalo Perez stated if we were looking at a General Bond issuance, we would start at a 52 million dollar issuance for project costs assuming a 4.84 percent rate. The assessed evaluation for every 100 thousand dollars would be 18 dollars.

Council Member Kishimoto asked what it would be for 80 million dollars.

Mr. Perez stated for 80 million dollars in project costs the assessed evaluation for every 100 thousand would be 27 dollars, which was an estimated rate at this point.

Council Member Kishimoto asked whether we would do different work if we financed the Police Building with Certificates of Participation (COP) as opposed to a bond.

Mr. Roberts stated the life of the building would be longer than the terms of the bonds and the financing. From an engineering and design standpoint, there would not be anything done differently.

Council Member Kishimoto asked when the Environmental Impact Report (EIR) became stale.

Mr. Roberts stated the design was based upon current codes and current design criteria. The design was based upon the land and the purchase of the property and the site would need to be secured before the design could be viable. If the City chose to not proceed with the Land Acquisition then the land would become stale.

Council Member Kishimoto clarified that the June 2008 was still feasible and that the only issue was the community outreach.

Ms. Harrison stated the architects assured us they would not stand in the way of a June election date.

Council Member Kishimoto asked if the Mitchell Park Library was financed this year when the construction would be done.

Mr. Roberts stated the three years inflation was to the midpoint of construction.

Council Member Kishimoto asked for clarification that the Downtown Library would be done first and then Mitchell Park Library.

Mr. Roberts stated that was correct.

Council Member Yeh asked whether there was a per household estimate for the Library/Community Center Project assuming that 100 percent would go to the General Obligation Bond.

Mr. Perez answered no.

Council Member Morton asked if because of Proposition 13 was there an average household assessment of four hundred thousand.

Mr. Perez stated there were approximately 19 thousand assessed properties in Palo Alto.

Council Member Morton asked if this was a General Obligation Bond are commercial properties included.

Mr. Perez stated that was correct.

Mayor Klein noted the County Assessors Annual Report stated the average annual household assessment was about 650 thousand dollars.

Council Member Morton clarified that was the average for the community.

Vice Mayor Drekmeier stated the Gold Leadership in Energy and Environmental Design (LEED) would cost an additional 1.2 million and asked if there was any analysis on the pay back time.

Mr. Sartor stated all that had been done was to identify any additional upgrades that would be included and they had not done a cost benefit analysis yet.

Vice Mayor Drekmeier asked whether there would be considerable energy savings and in turn cost savings on operations.

Mr. Sartor stated that was correct.

Mayor Klein asked where we were in regards to outreach.

Assistant to the City Manager Kelly Morariu stated the Lew Edwards Group would help with the Outreach effort. The production of the Outreach materials had not occurred as quickly as they wanted but there was an aggressive schedule moving forward.

Vice Mayor Drekmeier asked what the plan was for using the videos for outreach.

Ms. Morariu stated they could be used through a speaker's bureau with different community groups and provide seven minute videos demonstrating the need for improvements for all of the library and community facilities as well as the Public Safety Building. Those videos could also be used by members of the community as part of an outreach effort.

Mayor Klein stated part of the suggestions for the Council actions was whether we should be prepared for a possible November 2008 bond election for the Public Safety Building. He stated there was no comparable bullet point in respect to the libraries and he asked if there was a reason for that.

Ms. Harrison stated that particular issue was highlighted because at this point in time to get back on schedule for the November election it would be extremely aggressive for staff. The design contract had not been negotiated and a four million dollar Budget Amendment Ordinance (BAO) would need to be approved.

Mayor Klein stated that did not answer his question in regards to the library.

Ms. Harrison stated that staff was asking for a confirmation of when this would go to an election.

Council Member Schmid stated that the housing price index was falling at the rate of eight to ten percent per year and 2008 might be a good time to go out into the market and negotiate. He asked if that was a correct assumption.

Mr. Roberts stated that no one knows for sure regarding the inflation increase on these projects. The staff needed to use a figure that was reasonably conservative and provide a reserve to deliver the project. He stated the residential market and the commercial market for construction were different in the cost impact factors. The residential market was driven by land value and availability. There were no land costs on the library and a fixed price on the land for the Police Building.

Council Member Kishimoto spoke regarding the Gold LEED and the eventual cost savings for the project. A quick indicator would be what the utilities costs were for the Mitchell Park Library and Community Center today. She asked if that information was available.

Mr. Sartor stated he did not have that information.

Council Member Kishimoto stated she would be interested in seeing that information.

Council Member Burt asked if staff had the opportunity to check on his question confirming whether the project development costs were part of the escalation costs.

Mr. Roberts stated there were two factors to consider. The minor factor to consider was eight percent compounded and the major factor was that the design costs were based upon the current construction dollars and the construction management, inspection and testing were based upon future dollars which would happen during the construction period.

Council Member Burt stated the primary driver of the inflation of costs and construction for recent years had been materials and secondary labor. The materials inflation factor was continuing to rise and on commercial property the labor factor had been greatly modified. He asked whether the escalation costs included the project development costs.

Mr. Roberts stated they would double check that number.

Mr. Perez added that if they overestimated the costs, the assessed evaluation in future years would be adjusted.

Mr. Roberts added that when the downtown parking garage was done the costs were estimated too high and the project came in about five million dollars less than the estimate. That five million dollars was returned to the bond holders and the rate payers through early payment of their assessments.

Council Member Burt stated he wanted to make sure we were not going for too big of a bond.

Mr. Roberts stated that was a balance that staff was trying to find.

Council Member Morton stated we should tell the community that we could upgrade every single library in this community for 180 dollars per household and he asked why we were not doing community outreach now. He stated the contractor who supplied the first survey did not impress a number of people in the community and he asked whether we could change the contractor.

Ms. Harrison stated that there were people in the community who were aware and informed by these projects and the majority of the community was not. The polling did suggest that a public outreach effort would be a good idea.

Council Member Morton asked whether staff had done any research on whether bonds were more likely to pass on a June ballot as opposed to a November ballot.

Ms. Harrison stated there had been discussions on that and had been told that a November election with a maximum turn out would give the best chance for a proposal which had to do with the demographics in Palo Alto.

Ms. Morariu stated there were two separate consultants one did the polling and one had been working on the outreach messages. They both strongly recommended against the June 2008 measure given the lack of time for outreach.

Council Member Morton asked whether the outreach was more complicated when they are focused on two items like the Library Community Center and the Public Safety Building.

Ms. Harrison stated yes.

Council Member Morton clarified that outreach for one project would be better than two.

Ms. Harrison asked us not to underestimate the impact of the Public Safety Building coming through financing other than a General Obligation (GO) Bond.

Vice Mayor Drekmeier stated the first action question was to confirm the preferred option for the Library and community center projects. He asked what the Council would be polling.

Ms. Morariu stated they would have to work with the polling consultant to come up with different options.

Ms. Harrison stated the Council could direct staff to proceed with a package of projects and staff could return at the second round of polling with information. The decisions could be made later in the process with a November election.

Vice Mayor Drekmeier asked whether the direction could be that the full project was the preferred alternative unless polling showed it would not be approved.

Ms. Harrison stated that was correct.

Kathy Miller, Palo Alto Library Foundation, 849 Lincoln Avenue spoke regarding her support for the library projects.

Jay Boyarsky spoke regarding his support for the Public Safety Building.

Veronica Tincher, 4137 Thain Way spoke regarding her support for the new Public Safety Building.

Lanie Wheeler, 362 Diablo Court expressed her support for the Public Safety Building.

Vic Ojakian, 526 Addison Avenue expressed his support for the Public Safety Building and asked for it to be on the June Ballot.

Dan Dykwel, 480 Gary Court spoke regarding his support for libraries.

George Browning, 4005 Sutherland Drive expressed his support for the library projects.

Joel Davidson, 504 Thain Way expressed his support for all of the library projects.

Alison Cormack, 3487 Ross Road supported the library projects and asked for a November ballot.

Robert Moss, 4010 Orme Street expressed his support for all of the library projects.

Herb Borock, P.O. Box 632 expressed his support for the library projects and asked for these to go on the November 2009 ballot.

Sanford Forte, 280 College Avenue stated he supported the library projects.

Carl Anderson, 4044 Amarant Avenue stated he supported all of the library projects.

Betsy Allyn stated the Public Safety Building should be on the ballot for a public vote and there were other needs in the community.

Council Member Espinosa encouraged everyone to watch the videotape from the Library Advisory Commission's (LAC) last meeting where Group 4 Architecture gave a full presentation on this design. He stated he was truly inspired by the design and there was a need for all of the library projects and the Public Safety Building.

MOTION: Council Member Espinosa moved, seconded by Council Member Barton, to approve staff recommendation to:

- 1) Confirm the October 1, 2007 Council action which directed the design of a new combined 51,000 square foot Mitchell Park Library and Community Center, expansion and renovation of the Main Library by 4,000 square feet and renovation of the Downtown Library;
- 2) Eliminate consideration of a June 2008 bond election for financing of the library/community center and public safety building projects to ensure sufficient time to conduct public outreach on community facility needs and priorities;
- 3) Provide preliminary direction on whether to bring a design contract amendment and Budget Amendment Ordinance for continued design of the public safety building back to the Council as soon as possible for consideration to be designed for certificates of participation and confirm a bond issue for the libraries for an election in November 2008.

Council Member Barton stated that number one had already gone to the Council. He asked that the library bond be in November 2008 and asked to urge the outreach consultant to start the outreach.

Vice Mayor Drekmeier asked whether there would be an option to use some of the private funding for a project that was funded by a bond and the same for a project that was funded by Certificates of Participation.

Ms. Harrison stated that was correct.

Vice Mayor Drekmeier asked whether we knew the value of the existing Police Station that would be vacated and would there be potential revenue or savings of money elsewhere.

Mr. Benest stated there was an analysis for the Finance Committee that had a value for renting out space at the Police Station based upon conversations with developers in town.

Vice Mayor Drekmeier asked at what point in the process the Council decided whether to go with LEED Gold.

Mr. Roberts stated that decision would need to be early in the design process. He recommended that staff follow through with the cost benefit analyses and return it to Council with the award of contract for the design services.

Vice Mayor Drekmeier stated that AB32 will require communities to reduce greenhouse gases by 80 percent by 2050. There was a projection that the population of California would increase from 37 million to 60 million by 2050.

If that happened, the per capita reduction in green house gases would have to be 88 percent and LEED Silver would not do it. LEED Gold would get us that much closer and would save money in the long run. He clarified that the Motion was to study the three preferred alternatives with the understanding that we will poll on the smaller projects to make sure what was on the ballot had a good chance of passing.

Council Member Espinosa asked what the process was to put questions on the survey and asked if that would come back for Council review.

Ms. Harrison stated we would rely on the consultant to frame the questions and staff would take the Council's input about any concerns as part of the polling process.

Vice Mayor Drekmeier stated he did not want to rule out an option that was not the Council's preferred alternative but also had a chance of being approved.

Council Member Espinosa stated he wanted to make sure it was clear what the Council's preferred option was.

Ms. Harrison stated that staff would bring back the polling results and a decision could be made from the polling results.

Council Member Yeh stated the cost that we would commit to was for the next 30 years. The opportunity to go to the voters and ask for support to spread the costs over new resources that we had created was unique to municipalities. By locking in this decision we would have continued funding for certain, on future programs and services and he did support both projects moving forward.

Council Member Burt stated he was open to COP's because staff was able to identify the funding sources for new revenues. At the last Finance Committee Meeting the data presented was there may be additional revenue sources from a higher income as a result of the lease value of the back-filled Police Building site along with greater revision to the calculation to the Transient Occupancy Tax (TOT). He stated that given the poll results on the library there may not even be a two-thirds vote unless there was a combination of a public-private partnership and other revenue sources to make sure that both of these projects were built.

Council Member Morton stated the Motion including financing the Police Building with COP funds would bypass the discussion from the Finance Committee. The public should get to vote on the Police Building. He stated he would vote against the main Motion even though for 166 dollars per year per average household all segments of the community would benefit from the

library upgrades. He could not support the use of Certificates of Participation.

Vice Mayor Drekmeier stated that the Finance Committee should work through some of the details and return the discussion of Certificates of Participation to Council.

Council Member Kishimoto stated she supported both projects and asked whether staff was asking to return to Council with a BAO for 4 million dollars because the 4 million dollars was not included in the current budget.

Mr. Roberts stated it was not included in the adopted budget and that money would fully fund the design and begin to fund the construction management activities. This was also not in the adopted Capital Improvement Project (CIP).

Mr. Perez stated that was correct.

Council Member Kishimoto added that this project was appropriate to return to Council because prices had gone up. When these projects were polled last February the public was polled for the Library Bond for all three projects at 45 million dollars and now it was 80 million dollars. She stated that given the economy an option would to do the Mitchell Park Library and fund the Main Library and Downtown Library through other ways. She wanted to stay with the June 2008 date due to rising construction costs and timing of the Library Bond with the School Bond on the ballot may give us a higher chance of passing. She did support the option of having escalating rates.

Mayor Klein stated he would divide the original motion in to three parts for the purpose of voting.

Council Member Schmid stated he was amazed at the proposal to fund the Public Safety Building by COP's. There would need to be an increase of money and he asked whether there would be an opportunity to involve the public in supporting a tax increase other than a Public Safety Building and the Library. He asked why we were using a COP because this was a long-term planning issue and there were still discussions to be had regarding this.

Mayor Klein stated he started with the oath of office that all of the Council had taken which stated "I swear to uphold the laws of the State of California." It would not be upholding the laws to allow a decrepit Public Safety Building continue to exist.

Council Member Burt asked when this item would return to Council once it went to the Finance Committee.

Mr. Benest stated this could return to the Council in one week with a summary of the actions from the Finance Committee.

Council Member Burt stated we had heard 40 percent of the community who stated they were not willing to be taxed additional amounts to pay for the Public Safety Building. We need to build infrastructure out of our ongoing revenue but it was improper to ignore the action of the Finance Committee.

Council Member Morton stated that there were a number of citizens who were concerned with the Police Building. There needed to be a discussion on the impacts that this project would have on libraries and all other community services. We should not strip the future revenue of this community until the proper discussions had been done in the public.

Council Member Yeh stated that it would set an unfortunate precedent to trump a committee's process and this item should go to the Finance Committee and return to Council at a later date.

Substitute Motion: Mayor Klein motioned, seconded by Council Member Espinosa to continue the third part of the motion to next Monday, February 11, 2008.

Substitute Motion Passed: 8-0, Schmid abstaining

MOTION: Council Member Espinosa moved, seconded by Council Member Barton, to approve staff recommendation to:

Confirm the October 1, 2007 Council action which directed the design of a new combined 51,000 square foot Mitchell Park Library and Community Center, expansion and renovation of the Main Library by 4,000 square feet and renovation of the Downtown Library.

MOTION PASSED: 9-0

MOTION: Council Member Espinosa moved, seconded by Council Member Barton, to approve staff recommendation to:

Eliminate consideration of a June 2008 bond election for financing of the Library/Community Center and Public safety building projects to ensure sufficient time to conduct public outreach on community facility needs and priorities and to confirm the election would be in November 2008.

Ms. Harrison stated that one thing we needed to be sure about was to get positive feedback from the polling to ensure 66 and two thirds percent on the ballot.

Council Member Morton asked whether there would be any outreach before June.

Ms. Harrison stated that by March 7, 2008, Council needed to approve placing the measure on the ballot for June 2008.

City Clerk Donna Rogers stated that March 7, 2008 was the last day that a certified resolution could be received by the County for inclusion in the June election.

Council Member Schmid stated people in the community were waiting for the Council to give a clear vote in favor of the library expansions and a statement for a June ballot would be proof of that.

Council Member Espinosa stated that we can not gather the information and get ready to do this election in June.

MOTION PASSED: 7-2, Kishimoto, Schmid no

REPORTS OF COMMITTEES AND COMMISSIONS

10. Finance Committee Recommendation That Council Review and Comment on the Update to the Long Range Financial Forecast and "Sustainable Budget" Reports

Mr. Benest stated with four new members on the Council and it being the first time they see the Long Range Financial Forecast he asked that this be rescheduled.

Mayor Klein advised that due to the late hour and the time needed to discuss the following two items, he would motion to move both items to the February 11, 2008 meeting.

Vice Mayor Drekmeier stated that he would like to discuss item number 11 tonight as there is a Policy and Services Committee meeting on Tuesday, February 12, 2008 and this is the only item on the agenda.

Mayor Klein stated that he would separate each item for Council to vote on whether to hear them tonight or at the next meeting. He also stated that Council Member Barton had advised earlier that he had to leave by 11:00 p.m. He advised that he was prepared to stay and speak about this item tonight.

Assistant City Manager Harrison advised that item 11 could be moved to February 11, 2008 Council Meeting and still be discussed the next day at the

Policy and Services Committee meeting.

Mayor Klein stated that if the council members vote "Yes" they are voting to move the item to next week's agenda, and if they vote "No" they are voting to stay and discuss the item tonight.

MOTION: Mayor Klein motioned, seconded by Council Member Morton to continue item 10 to February 11, 2008.

MOTION PASSED: 9-0

11. Policy and Services Committee Recommendation to City Council for Discussion of Whether the Existing Policy for Naming City-Owned Land and Facilities Should be Modified to Accommodate Naming Opportunities for Major Donors to Capital Campaigns that Raise Funds for the Construction or Renovation of City Facilities

MOTION: Mayor Klein motioned, seconded by Council Member Morton to continue item 11 to February 11, 2008.

MOTION PASSED: 5-4, Drekmeier, Espinosa, Klein, Schmid voting no

Council Member Barton left the meeting at 11:00 p.m.

COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES

Council Member Morton informed the Council that the County Land Use Commission would be updating the Comprehensive Land Use Plan for Palo Alto Airport for this year and would be bringing a revised Comprehensive Land Use Plan to the City Council in late summer.

Assistant City Manager Emily Harrison stated that staff would have a full plan for the programs for the Children Theatre by the end of this week.

Mayor Klein stated the Council meeting on March 24, 2008 will go on as planned and the March 10 meeting which had been cancelled was back on.

Council Member Espinosa read a letter from Carol Harrington expressing her support and appreciation for the Downtown Streets Team.

Council Member Kishimoto stated the Amgen Tour of California would start on February 10, 2008 with a charity bike ride to raise money for cancer. On February 16, 2008 there is a community bike ride that would start at Mitchell Park and the big event on February 17, 2008.

Mayor Klein announced that he was appointed to the Steering Committee of the National League of Cities on Energy Environment and Natural Resources.

Council Member Yeh stated February 7, 2008 was the Chinese New Year which is the Year of the Rat and wished everyone a Happy New Year. He also thanked Officer Lee from the Police Department for allowing him to do a ride-a-long.

ADJOURNMENT: The meeting was adjourned at 11:10 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

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