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	ADJOURNMENT: The meeting adjourned at 11:34 p.m.	380

The City Council of the City of Palo Alto met on this date in the Council Conference Room at 7:05 p.m.

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

Absent:

Mayor Klein announced the Council had selected the new City Auditor.

Council Member Barton announced Lynda Flores-Brouchoud as the new City Auditor to start September 18, 2008.

Lynda Flores Brouchoud thanked the Council for the opportunity to work for the City of Palo Alto.

SPECIAL ORDERS OF THE DAY

1. Proclamation for 25th Annual National Night Out.
2. Proclamation for Palo Alto Relay for Life.
3. Resolution 8851 stating "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Frank Benest on His Retirement".

Council Member Morton read two resolutions for Mr. Benest; one from the office of Assemblyman Ira Ruskin and the other from the office of Senator Joe Simitian.

Council Member Kishimoto read a proclamation for Mr. Benest from the County of Santa Clara Board of Supervisors.

Dan Rich, the City of Campbell City Manager, spoke highly of Mr. Benest for his ethics, the regional approach he brought to the County, and his true passion for public service.

Robert Moss, 4010 Orme Street, thanked Mr. Benest for his years of service and contributions to the community.

Mayor Klein spoke of the experiences shared with him by employees regarding what an inspiring job Mr. Benest had done over his tenure.

MOTION: Mayor Klein moved, seconded by Council Member Morton to approve the Resolution for Frank Benest.

Council Member Barton thanked Mr. Benest for leading the way on the extraordinary process of the creation of the Opportunity Center.

Council Member Yeh discussed the positive impact Next Generation had for him personally and how grateful he was for the knowledge and opportunities Mr. Benest had brought to the city.

Council Member Morton thanked Noah and Leila for sharing their father with the city and its community. Being a City Manager took a lot of time and commitment from the Manager.

Vice Mayor Drekmeier thanked Mr. Benest for the personal and professional time he had spent with him.

Council Member Espinosa stated Mr. Benests' hard work and commitment showed in how well the city functioned.

Council Member Kishimoto thanked Mr. Benest for his leadership, innovation and commitment to his Council, staff and community.

Council Member Schmid thanked Mr. Benest for the opportunity to work with him during his first few months.

Council Member Burt wished Mr. Benest well in his future endeavors.

MOTION PASSED: 9-0

City Manager Frank Benest stated it was a personal and professional honor to work with the city and its community. He wanted to express his gratitude to the city staff for their caring support, expertise, energy and commitment to public service.

4. Appointment of Two Candidates to the Utilities Advisory Commission for Two Terms Ending June 30, 2011.

First Round of Voting for Two Utilities Advisory Commission Members

Voting For Dudley Anderson: Morton

Voting For Walter Lowenstein:

Voting For John Markevitch: Burt, Schmid

Voting For John Melton: Barton, Drekmeier, Espinosa, Kishimoto, Klein, Morton, Yeh

Voting For Asher Waldfogel: Barton, Burt, Drekmeier, Espinosa, Kishimoto, Klein, Schmid, Yeh

City Clerk Donna Grider announced that Asher Waldfogel with eight votes, and John Melton with seven votes were appointed to the Utilities Advisory Commission for the terms ending June 30, 2011.

ORAL COMMUNICATIONS

Nancy Ferguson, 721 Forest, spoke regarding Pat Briggs at the Children's Theatre.

Barbara Burgelin, spoke regarding Rich Curtis returning to the Children's Theatre.

Lynn Chiapella, 631 Colorado Avenue, spoke regarding more communication to the community through the libraries.

Doria Summa, 2290 Yale St., spoke regarding College Terrace Parking issues.

James Janz, One Embarcadero Center, spoke regarding the Park Plaza Project.

Jeremy Erman, Cowper St. spoke regarding Richard Curtis returning to the Children's Theatre.

Rick Saal, 1837 Bryant, spoke regarding Children's Theatre.

Ralph King, 10 Hawk View, spoke regarding the new management of the Children's Theatre.

Diane Williams, 1111 Morse Avenue, Sunnyvale, spoke regarding Rich Curtis – Palo Alto Children's Theatre.

Stephanie Munoz, 101 Alma, spoke regarding the City needing to more fiscally responsible in a time where unemployment is so high.

George Joseph Themplangas, 345 Sheridan Avenue, #108, spoke regarding the BMR application process.

Robert Moss, 4010 Orme, spoke regarding the Park Plaza Project.

CONSENT CALENDAR

MOTION: Mayor Klein moved, seconded by Council Member Burt to remove Agenda Item No. 5 from the Consent Calendar to become Agenda Item No. 14b.

Council Member Morton advised that he would not be participating in Agenda Item Number 12 due to holding stock in several telecommunications companies.

MOTION: Vice Mayor Drekmeier moved, seconded by Council Member Burt to remove Agenda Item No. 6 from the Consent Calendar to become Agenda Item No. 14c.

Council Member Barton advised that he would not be participating in Agenda Item Number 13 due to it being a project that his wife is involved in.

MOTION: Council Member Schmid moved, seconded by Council Member Kishimoto to pull Agenda Item Number 14a from the Consent Calendar to become Agenda Item No. 14d.

Mayor Klein advised he would not participate in Agenda Item No. 14d due to his firm representing Embarcadero Publishing in some legal matters.

MOTION: Vice Mayor Drekmeier moved, seconded by Council Member Yeh to approve Consent Calendar Item Numbers 7-14.

~~5. Calling a Special Election and Ordering the Submission of a Proposition Incurring Bonded Debt for the Purpose of Construction and Completion of a New Mitchell Park Library and Community Center, Renovation and Expansion of Main Library, and Renovations to Downtown Library to the Qualified Voters of the City of Palo Alto at the Special Municipal Election to be Held on November 4, 2008.
(Introduced on July 21, 2008 — passed 7-0 Schmid & Yeh absent)~~

~~6. Approval of a Contract With Callander Associates Landscape Architecture, Inc., in the Total Amount Not to Exceed \$176,186 for Landscape and Engineering Design Services for Greer Park Irrigation System Replacement and Phase IV Improvements — Capital Improvement Program Project PE-09002.~~

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Purchase of Two 10-12 Yard Dump Trucks, a 3,600-Gallon Water Truck and a Transfer Dump Truck and Trailer Set”.

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Residential Housing Funds in the Amount of \$600,000 for a Very Low Income 56-Unit Senior Rental Housing Project at 3895 Fabian Way

14. Approval of a Final Map to Create Six Residential Condominium Units on a .57 Acre Lot at 433 W. Meadow Drive [08PLN-00149]

(Continued from July 21, 2008)

- ~~14a. Adoption of an Ordinance Amending Section 2.04.070 (Agenda) of Title 2 (Administrative Code) to Eliminate the Printing of the City Council Agenda in a Newspaper of General Circulation.~~

MOTION PASSED for Item No. 7-11, 14: 9-0

MOTION PASSED for Item 12: 8-0 Morton not participating.

MOTION PASSED for Item 13: 8-0 Barton not participating.

- 14b. (former No. 5.) Ordinance 4996 stating "Ordinance of the Council of the City of Palo Alto Calling a Special Election and Ordering the Submission of a Proposition Incurring Bonded Debt for the Purpose of Construction and Completion of a New Mitchell Park Library and Community Center, Renovation and Expansion of Main Library, and Renovations to Downtown Library to the Qualified Voters of the City of Palo Alto at the Special Municipal Election to be Held on November 4, 2008".

(Introduced on July 21, 2008 – passed 7-0 Schmid & Yeh absent)

Mayor Klein stated his position to pull the Ordinance from the Consent Calendar was to reword the ballot question.

MOTION: Mayor Klein moved, seconded by Council Member Morton to approve all the items in the CMR with the change to ballot question to read "Library Facilities, Collections, Safety Improvement Bond, to provide additional space to expand library collections, add new childrens and group program areas, replace outdated lighting, provide modern ventilation and air conditioning systems, assure seismic safety and enhance disabled access. Shall the City of Palo Alto issue Bonds up to \$76 million to construct new energy efficient Mitchell Park Library and Community Center, expand and renovate Main Library, and renovate Downtown Library, with annual audits with independent citizen oversight."

MOTION PASSED: 9-0

- 14c (former No. 6.) Approval of a Contract With Callander Associates Landscape Architecture, Inc., in the Total Amount Not to Exceed

\$176,186 for Landscape and Engineering Design Services for Greer Park Irrigation System Replacement and Phase IV Improvements – Capital Improvement Program Project PE-09002.

Vice Mayor Drekmeier recommended engaging the Midtown Residents Association into the discussion of the design and implementation of Phase 4 of Greer Park.

Director of Public Works Glenn Roberts stated the renovation and expansion were combined due to the reclaimed water system which required renovation to serve the existing park and the expansion. He noted that action did not change the schedule.

Council Member Kishimoto asked why the conceptual design of Greer Park continues to resurface regarding the possibility of the dog exercise area after the Planning & Transportation Commission (P&TC) voted 5-2 without the run.

Interim Director of Community Services Greg Betts stated there was a large turn-over in the Parks and Recreation Commission (PARC) and when the new Commissioners' were brought up-to-date there was a concept of having a park less conducive to athletics and more for family gathering and picnics. He stated that was why the dog area was re-approached.

Council Member Kishimoto stated that explained the resurfacing and asked whether there was an expectation of two more community meetings.

Mr. Betts stated the design would incorporate neighborhood meetings so the community would have the opportunity to prioritize the refurbishment of the amenities in the park.

Mayor Klein stated Council had taken final action on the issue and inquired as to how the PARC reconsidered it.

Mr. Betts stated had the PARC requested conceptual design changes, that would have returned to Council for consideration.

Council Member Burt asked for clarification on whether the Capital Improvement Program (CIP) allocation was directed towards the refurbishment and the build-out or a combination of items.

Mr. Betts stated yes, the CIP was for the combination of the three projects; the build out of phase 4, the irrigation and reclaimed water stations, and the future project of refurbishment of the park amenities.

Council Member Burt asked whether the 1.5 million dollars allocated was adequate to complete build-out, the refurbishment and Phase 4.

Mr. Betts stated yes.

Council Member Morton spoke as the Chair for the PARC and stated the dog area continued to resurface due to the community outreach of the inadequate dog area for the amount of dogs in the community.

Annette Glanckopf, 2747 Bryant, spoke regarding her concerns with combining the three projects and the possibility of losing funding for the completion of Phase 4 of the Greer Park project.

Herb Borock, P.O. Box 632, spoke regarding the process of combining funds for two park projects with the pump station and irrigation projects.

City Attorney Gary Baum stated the Council was voting on the engineering of the irrigation project and there were no California Environmental Quality Act (CEQA) issues.

Vice Mayor Drekmeier asked whether staff would be amenable to partnering with the Midtown Residents Association.

Mr. Roberts stated yes.

Council Member Kishimoto asked whether there were sacrifices being made against the park development by combining the project with the water systems.

Mr. Roberts stated no. In order to have the most effective development package, combining the two projects was more efficient.

Council Member Kishimoto asked why Council was reviewing the project seven months after the PARC review.

Mr. Roberts stated the delay was due to the consultant selection process and the creation of the Scope of Services.

Council Member Kishimoto asked whether the location of the dog area was outside of Phase 4.

Mr. Betts stated yes, the dog area was near the edge of the park behind the Little League diamond.

Council Member Kishimoto asked if the area in question was outside of Phase 4, why was it under consideration for inclusion into the Phase 4 project.

Mr. Betts stated the third part of the project was the overview of the entire park amenities.

MOTION: Council Member Kishimoto moved, seconded by Council Member Morton to approve staff recommendation that Council approve and authorize the City Manager or his designee to execute a contract with Callander Associates Landscape Architecture, Inc., in the amount of \$176,186 for landscape and engineering design services for the Greer Park Irrigation System Replacement and Phase IV Improvements (PE-09002), including \$160,186 for basic services and \$16,000 for additional services.

Council Member Morton congratulated staff on their efforts of combining projects in order to save time and funds.

Council Member Schmid asked why the funds were taken from two different budget years and from two different account types.

Mr. Betts stated no, the portion from the citywide park CIP budget included components for three different projects. He stated the Greer Park portion of next year's budget was brought forward to complete the entire project in the same year.

Council Member Schmid asked for clarification on the budgets approved for this fiscal year and next for Greer Park.

Mr. Betts stated yes.

Council Member Barton stated he supported the Motion.

Council Member Burt asked whether the same consultant would perform the dual function of the landscape and the refurbishment of the pump system.

Mr. Roberts stated the team that was hired had the ability to perform all of the necessary functions with a sub-consultant to the primary lead of the landscape designer.

Council Member Burt asked how critical it was that the pump and irrigation system be redesigned prior to implementation of Phase 4.

Mr. Roberts stated there was not adequate capacity in the existing system to expand the pumping and flow into the Phase 4 area.

INCORPORATED INTO THE MOTION with the Consent of the Maker and Seconder to direct Staff and the Consultant to work in collaboration with Midtown Residents Association (MRA) to understand the history of the Phase 4 design and integration and Staff to hold public meetings in collaboration with MRA.

Council Member Burt clarified the changes was to have the Midtown Residents Association explain the history of Phase 4 and collaborate with staff on the public meetings.

Council Member Espinosa stated he supported the changes.

Council Member Schmid asked whether the goal of the changes was to create a series of meetings intended to redesign the parks plan.

Council Member Burt stated the first aspect was to meet with the MRA to understand the history of Phase 4 and second regarding the redesign of Greer as a whole.

Mayor Klein stated the dog run should not have been included into the Phase 4 project.

MOTION PASSED: 9-0

14d. (former No. 14A.) Adoption of an Ordinance Amending Section 2.04.070 (Agenda) of Title 2 (Administrative Code) to Eliminate the Printing of the City Council Agenda in a Newspaper of General Circulation.

Mayor Klein stated the members of the public would speak first to this Agenda Item.

Angelica Volterra, PO Box 1724, urged Council to reject the item as the Council's published agenda was a weekly reminder to the community of the workings of city government and an open invitation to attend the Council meeting.

Herb Borock, P.O. Box 632, requested the Council not support the item as the publishing maintained civic engagement and kept the community abreast of the Council actions.

Robert Moss, 4010 Orme Street, urged the Council not to support the item and stated the dollar amount was a minimal charge when compared to the overall city budget.

Jeremy Erman stated it was unclear as to why Council would discontinue a logical course of direction for informing the public of Council action.

City Manager Frank Benest stated Council had previously approved this action as part of the 5,000,000 dollar effort to fund the Public Safety Building. He stated there was not a nexus between the publication expense and the stated goals of the city.

Council Member Schmid stated the Ordinance did not offer an alternative after the elimination of printing in the paper.

MOTION: Council Member Schmid moved, seconded by Council Member Burt to refer this item to the Policy and Services Committee to review and return to Council with suggestions to more effectively reach out to the public in a more effective way.

Council Member Burt stated newspapers remained a vital part of the community dialogue.

Council Member Morton stated the community deserved to have the agenda published on a weekly basis which was delivered to their home. He stated support for the Motion.

SUBSTITUTE MOTION: Council Member Barton moved, seconded by Council Member Espinosa to approve Staff recommendation that Council adopt the Ordinance Amending Section 2.04.070 (Agenda) of Title 2 (Administrative Code) to eliminate the printing of the City Council agenda in a newspaper of general circulation.

Council Member Barton stated this subject had been discussed and was previously adopted.

Council Member Espinosa stated each budget cut was difficult and there needed to be a shift in process for every change throughout the city.

Council Member Kishimoto stated yes, Council had approved this previously however with further deliberation she felt it was a mistake.

Council Member Yeh suggested when the newspaper was eliminated it should be done gradually with community education on where to get the information. He asked what happened to the on-line agenda subscription process.

Interim Deputy City Manager Kelly Morariu stated the agenda subscription program was an e-mail process run through the Manager's office. The Administrative Service Department had been working towards an on-line subscription process for any website page changes.

Council Member Yeh stated the 20,000 dollar savings would assist to pay down the debt service requirement, however was not needed until debt had been issued. He asked at what point in the fiscal year the debt would be issued.

Mr. Benest stated the debt would be issued in 2009. He mentioned the goal was to create the reserve and begin early contributions.

Council Member Yeh stated if the item went to the Policy and Services Committee that the commitment was there to be sure the funding was available to debt service.

City Clerk Donna Grider stated the funding had been removed from the City Clerk budget and the funding needed to be returned in the mid-year budget, if the Motion failed.

Vice Mayor Drekmeier asked whether staff had prepared for other ways of publishing the agenda outside of the website and e-mail subscriptions.

Ms. Morariu stated the Peak Democracy website was going to the Policy and Services Committee which was an on-line discussion of agenda items.

SUBSTITUTE MOTION FAILED: 3-5 Yes Barton, Drekmeier, Espinosa, Klein not participating.

Vice Mayor Drekmeier asked the Maker of the Motion whether they wanted to address the 20,000 dollars not budgeted for the continued publications.

Ms. Grider stated the funds were removed from the budget effective July 01, 2008.

Vice Mayor Drekmeier stated the agenda was in the newspaper last week.

Ms. Grider stated yes, on borrowed funds.

Vice Mayor Drekmeier asked whether the Maker of the Motion wished to address the question of the 20,000 dollars not being budgeted.

Council Member Schmid stated no, the items were separable.

Vice Mayor Drekmeier clarified if this Motion was passed there would be no publications in the newspapers until after the Police and Services Committee reviewed the policy and returned to Council.

City Attorney Gary Baum stated the Palo Alto Municipal Code required the city to publish.

Council Member Yeh asked the current balance of the contingency fund.

Mr. Benest stated he did not have the numbers readily available although there were significant fund available.

Council Member Morton stated if the contingency funds were going to be used, the least expensive route needed to be ensured. He stated he did not support the Motion.

MOTION FAILED: 4-4 Yes Burt, Kishimoto, Schmid, Yeh, Klein not participating.

Council Member Morton asked whether the item went away with the failed Motion. He stated the City Clerk had an economic problem that needed to be resolved at midyear.

Council Member Burt clarified the agenda would continue to be published in the paper and the Policy and Services Committee was not being asked to come up with additional ways to communicate the agenda to the public.

MOTION: Council Member Yeh moved, seconded by Council Member Kishimoto to use \$20,000 of Council Contingency Fund monies to pay for the printing of the City Council Agenda.

MOTION PASSED: 6-2 Espinosa, Barton no, Klein not participating

PUBLIC HEARINGS

15. Confirm Weed Abatement Report and Adoption of a Resolution 8852 stating "Resolution of the Council of the City of Palo Alto Confirming Weed Abatement Report and Ordering Cost of Abatement to be a Special Assessment of the Respective Properties Herein Described". Mayor Klein asked whether there had been any written objections received.

City Clerk Donna Grider stated no.

Public Hearing opened and closed at 9:44 p.m. with no speakers.

MOTION: Council Member Morton moved, seconded by Council Member Espinosa to accept Staff recommendation and adopt the Resolution stating "Resolution of the Council of the City of Palo Alto confirming weed abatement report and ordering cost abatement to be a special assessment of the respective properties described".

MOTION PASSED: 9-0

Nathaniel Hefner, County of Santa Clara, Weed Abatement Division read a report into the record where the city was eighty percent compliant, which was an improvement from 2007 at sixty-seven percent compliant.

Mayor Klein asked how the city compared to the rest of the County.

Ms. Hefner stated he did not have exact numbers; however, the County had done well overall.

Vice Mayor Drekmeier asked about invasive exotic plants growing in yards especially near open spaces. He asked the possibility of amending the Ordinance to discourage certain plants.

Ms. Hefner stated he believed the County had an existing brush program.

Council Member Kishimoto asked how to determine a resilient native plant from fire and weeds.

Ms. Hefner stated the Division supplied the community with notices of which native plants were fire resistant and/or were preferred.

Council Member Burt suggested incorporating the Weed Abatement information into the upcoming Landscape Element to the Zoning Ordinance Update.

Interim Deputy City Manager Kelly Morariu stated staff was looking into educational and outreach materials as part of the draft wildland fire management plan scheduled to return to Council in September of 2008.

Deputy Fire Marshall Dan Firth stated the Department annually handed out pamphlets on defensible space planning and a list of native plants that were fire resistant.

City Attorney Gary Baum stated the Ordinance could be amended as long as it was not required to parallel the County's Ordinance.

REPORTS OF OFFICIALS

16. Authorize Staff to Negotiate an Agreement With GreenWaste of Palo Alto to Provide Solid Waste, Recycling and Organics Services and, if Negotiations are Not Satisfactory, Authorize Staff to Alternatively Negotiate With Norcal Waste Systems of Palo Alto.

Director of Public Works Glenn Roberts stated the Council needed to give direction to staff to negotiate a contract for new waste collection contractor.

Vice Mayor Drekmeier asked whether there could be a collection in the commercial areas more than once per week.

Mr. Roberts stated the number of collections was negotiable in the contract. He stated the end users needed to be educated to schedule and pay for the volume of materials needing to be picked-up.

Mayor Klein stated the businesses in question were the small to medium commercial businesses where cost was not the solution.

Vice Mayor Drekmeier asked whether there was a resolution regarding PASCO requesting the City maintain some of their fleet. He asked whether the matter had been broached with GreenWaste.

Mr. Roberts stated no, the City was entering into mediation with PASCO regarding the matter and GreenWaste would not be approached until the negotiation phase.

Vice Mayor Drekmeier asked whether the Smart Station had the capability to compost organic materials. He asked whether GreenWaste would utilize the facility if it were retooled or would they continue to use Z-Best.

Mr. Roberts stated Smart Station did not have the ability nor the land available to alter their capability.

Vice Mayor Drekmeier asked for clarification on the process of recyclables consolidated at the Smart Station and then sent to San Jose.

Mr. Roberts stated the recycle program was structured to be collected here and processed separately then the revenue accounted for elsewhere. He stated the refuse was processed through the Smart Station with additional recovery of recyclables.

Vice Mayor Drekmeier stated curbside recycling would be collected then sent to San Jose and the recyclables would go to the Smart Station.

Mr. Roberts stated yes.

Vice Mayor Drekmeier asked whether sending the GreenWaste processed in Palo Alto to Z-Best was part of the cost savings structure.

Mr. Roberts stated GreenWaste composting would continue at the landfill until after the landfill closure.

Council Member Burt asked whether the cost comparison was from the 2008 Waste Management to the perspective 2009 GreenWaste.

Mr. Roberts stated yes.

Council Member Burt asked whether there was an annual appreciation cost.

Mr. Roberts stated yes.

Council Member Burt stated in comparison of the projected net increases shouldn't the City have stayed with Waste Management.

Mr. Roberts stated the baseline services cost proposed by GreenWaste was commensurate with the current practice and cost.

Council Member Burt asked for the annual increase by Waste Management.

Mr. Roberts stated the increases were based on the Bay Areas Cost of Living Index, in 2008 the increase was 3.8 percent.

Council Member Burt stated in comparing 2009 dollars between the current and proposed hauler there was only a three percent increase instead of a seven percent.

Mr. Roberts stated the calculations would be incurred in the 2009-10 cost increases.

Council Member Schmid asked for clarification on the rate increases versus the revenue generation.

Peter Deibler HF&H Consultants stated there were two separate

considerations, the compensation to the company and actual rate impacts to the Enterprise Fund. He state there were other costs covered by the Fund so the rate payers was less than the incremental increase in compensation to the company. The PASCO contract represented approximately one-third of the total Enterprise Fund.

Council Member Schmid asked where the rest of the money come from.

Mr. Deibler stated the actual rate impact to the rate payers ranged between seven and eleven percent.

Council Member Schmid asked how the income went up by nineteen to thirty percent if the rate impact was between seven and eleven percent.

Mr. Deibler stated it was the difference in compensation that the contractor was actually being paid.

Council Member Schmid asked if funds were being transferred from elsewhere to make up the compensation.

Mr. Roberts stated the Refuse Fund revenues came from the rate payers, recycling operations, and the landfill tolls. The Refuse Fund expenditure totals were 32 million dollars annually with the compensation being 12 million dollars. The rates were set based upon the 30 million dollars with the hauler being paid on a one-third scale.

Council Member Schmid clarified for each dollar of revenue, an increasing share went to the hauler rather than the City.

Mr. Roberts stated all of the revenues came to the City with the fund paying out to other activities.

Council Member Schmid asked what compensation the City received from the increase in the new contract.

Mr. Roberts stated the zero-waste services were included in the new contract.

Mr. Deibler stated the baseline services mirrored each other with changes to the policy, land use, landfill future, and the corporate yard move to another city which explained the delta between the 10.2 million dollars and the 11.9 million dollars.

Council Member Schmid asked for clarification on the rate increases. He asked whether the majority of the increases affected the commercial side rather than the residential.

Mr. Roberts stated the average cost needed to be achieved across the entire rate base.

Council Member Kishimoto asked for clarification on incentives to reduce waste. She stated the contract was a fixed cost contract whether the waste was reduced or not.

Mr. Roberts stated yes. The basic infrastructure and fixed cost was the basis for the system structure.

Council Member Kishimoto stated by reducing or eliminating recyclables accounted for eight percent of the community greenhouse gases.

Council Member Yeh asked when containers were emptied would they be placed blocking the sidewalk or on the curb.

Mr. Roberts stated that was a matter of enforcement and education for the collection company and their staff.

Council Member Yeh asked staffs' approach to the personnel issues between both companies.

Mr. Roberts stated the evaluation team gave a higher score to Norcal and therefore there will be questions asked to GreenWaste on their employee structure.

Council Member Yeh asked whether there were opportunities for subcontracting from other communities as for subleasing the Smart Station.

Mr. Roberts stated staff was researching the probability.

Council Member Yeh asked whether there were negotiations with GreenWaste to lock in a 1.1 percent increase per year.

Mr. Roberts stated the contract stipulated the cost increases were based on factors of industry.

Mr. Deibler stated there was a one to three percent ratio of rate impact

versus compensation.

Council Member Yeh asked for a clarification when the contract returned to Council.

Mr. Roberts stated yes, when the rate setting process returns to Council in 2009 there will be a clear understanding of the compensation to the hauler and the total Refuse Fund.

Mayor Klein asked whether the current PASCO employees would be offered positions with the new company.

Mr. Roberts stated it was a contractual obligation and has been brought to negotiations. He noted if GreenWaste was not agreeable then negotiations would move forward with Norcal.

Mayor Klein asked for clarification on the remaining two-thirds cost to the rate payer.

Mr. Roberts stated the other areas in which the rate payers' funds were for weekly street sweeping, landfill operations, payments to Sunnyvale for the Smart Station and Kirby Canyon.

Mayor Klein asked for the estimated inflation rate.

Mr. Roberts stated the potential increase would be five percent; however that number will be refined with the rate setting process which will return to Council mid-year 2009.

Mayor Klein asked why two-thirds of the estimated increase was five percent when the increase for the process was three percent.

Mr. Roberts suggested bringing back to Council at a later date the projection from the Refuse Fund which had the estimated numbers.

Vice Mayor Drekmeier asked for clarification on the landfill rent payment schedule.

Mr. Roberts stated the Refuse Fund had extended the rent payments for the landfill to 2021 in order to taper off the back of the General Fund.

Vice Mayor Drekmeier clarified once the landfill was closed, the City would be paying rent for the facility and paying Z-Best for processing and disposal fees.

Mr. Roberts stated yes.

Council Member Morton stated there appeared to be an economic disincentive for zero waste when there was a fixed price for garbage and a larger cost for recyclables.

Mr. Roberts stated the Smart Station and Kirby Canyon agreements were entered into in the early 1980's as long-term agreements meant to lock in the future expenses and maximize capacity.

Council Member Morton asked the flexibility within the contract for shifting out of the garbage stream and into the recycle stream.

Mr. Roberts stated the hauler would keep the revenues from recyclable materials therefore there was a built-in incentive for them to gravitate toward recyclables.

Council Member Schmid asked how the contractor was to assist in mandating recycling.

Mr. Roberts stated the desire for mandating recycling was a phased-in process. The first year would be to educate the community; the second year would be notices sent out to the community and the third year was to implement enforcement yet to be determined.

Council Member Schmid asked who would actually be determining what a reusable or recyclable material was.

Manager of Solid Waste, Russell Reiserer stated the first year education process was educating the community on what was able to be recycled, the second year would consist of tagging the cans with a notice of recyclable materials being located in garbage containers and the third year may consist of not getting the cans picked up that week if there had been prior multiple warnings.

Mr. Roberts stated the hauler assists the community by being the first level of review.

Emily Renzel, 1056 Forest Avenue, supported the Staff recommendation. She requested the 1.9 acres parkland be restored to parkland once the new hauler contract takes place.

Walt Hays, 355 Parkside Drive, supported the Staff recommendation.

Bob Wenzlou, 1409 Dana Avenue, stated the new contract was not aggressive enough for the reduction or recycle side for the residential processing.

MOTION: Council Member Espinosa moved, seconded by Vice Mayor Drekmeier to accept Staff recommendation and Authorize Staff to Negotiate an Agreement With GreenWaste of Palo Alto to Provide Solid Waste, Recycling and Organics Services and, if Negotiations are Not Satisfactory, Authorize Staff to Alternatively Negotiate With Norcal Waste Systems of Palo Alto.

Council Member Espinosa stated this was the infrastructure the Council had envisioned which is why he supported the Motion.

Council Member Morton supported the authorization to negotiate.

Council Member Kishimoto supported the Motion.

MOTION PASSED: 9-0

COUNCIL MATTERS

17. This Item Number Has Been Intentionally Left Blank

18. Designation of Voting Delegate and Alternate for 2008 League Conference

MOTION: Mayor Klein moved, seconded by Vice Mayor Drekmeier to appoint City Attorney Gary Baum as voting delegate to the 2008 League Conference.

Council Member Barton recalled two years prior the Council voted the delegate was required to be a Council Member and not a Staff person.

City Clerk Donna Grider stated the League of California Cities has altered the rules and a Staff person could be appointed as a Delegate.

MOTION PASSED: 9-0

19. Approval of Compensation Recommendations for City Manager – Frank Benest, City Attorney – Gary Baum, and City Clerk – Donna Grider and Approval of Contract Amendments with City Attorney – Gary Baum, City Clerk – Donna Grider and new City Manager – James Keene

MOTION: Council Member Barton moved, seconded by Mayor Klein to; 1) Approve the Compensation Recommendations for the City Manager, City Attorney, and City Clerk and, 2) Approve the Contract Amendments with the City Attorney, City Clerk, and new City Manager.

MOTION PASSED: 9-0

COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES

Council Member Kishimoto spoke regarding the Santa Clara County VTA governance document on how small cities are represented on the VTA Board. She noted an item on the VTA Board agenda to put a 1/8th cent sales tax on the November Ballot for BART.

Vice Mayor Drekmeier announced that the San Francisquito JPA has hired a new Executive Director Len Materman, who will begin work on August 11, 2008. He also spoke regarding the Police Department's Community Outreach Program that was presented to the Human Relations Commission about a month ago and all the great programs that they are involved in.

Council Member Burt reported on the Police Auditor Ad-Hoc Committee that was formed to negotiate the revised agreement with the Police Auditor to review the Police investigation of the Palo Alto Children's Theatre. They negotiated a contract not to exceed \$25,000, and if it comes to that, the Committee will reconvene to discuss the issue. The three overriding questions for the Auditor to investigate are: 1) Based on the information initially presented, was it appropriate to initially proceed with a criminal investigation. 2) Did the conduct of the criminal investigation follow accepted practice. 3) Were internal and public communications accurate and consistent with the evidence obtained in accepted practices. The expected outcomes are; 1) to have recommendations for reforms to department procedures and internal supervision, and 2) recommendations for improvements of communications within the department, and between the Police Department, other City Officials and the public. He also spoke about a document the Council had at their places tonight regarding a community outreach meeting with the Santa Clara County Airport Land Use Commission. He wanted to insure that all those who may have an interest in this meeting were advised of the meeting.

Council Member Morton also spoke about the upcoming meeting of the Santa Clara County Airport Land Use Commission, that they will present the proposed revision to the Palo Alto Airport Land Use Plan. He also spoke

about the BART extension and the carbon reduction/air pollution reduction for BART and other small projects.

Council Member Espinosa spoke about being on the Valley Transportation Authority (VTA) PAC and that representatives on the VTA Board think regionally and how that manifests when it comes to representation of smaller cities. There would need to be legislative changes in Sacramento to change how representatives are put on the Board.

Mayor Klein reported that on August 5, 2008 at 7:00 PM there is the unveiling of the Color of Palo Alto at City Hall. He also reported that he and several Council Members attended the Peninsula Division of the California League of Cities and the focus was on gangs. They also discussed the ongoing problems with the State budget. He stated that he represented the City at an event that the Museum of American Heritage had at Palo Alto High School on Sunday, August 3, 2008. He also represented the City at the Senior Games press conference held at Stanford University. There are a lot of issues for the City to consider over the next year for this event to occur and be involved in it.

ADJOURNMENT: The meeting adjourned at 11:34 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.