

ACTION

Special Meeting
May 03, 2010

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:50 p.m.

Present: Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh arrived at 6:20 p.m.

Absent:

SPECIAL ORDERS OF THE DAY

1. Proclamation and Presentation of Architectural Review Board 2010 Design Awards by Mayor Burt to Recipient Architectural Firms

Council Member Price read the Proclamation in to the record.

CLOSED SESSIONS

The City Council adjourned into Closed Sessions at 6:01 p.m.

2. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray)

Employee Organization: Local 521 Service Employees International Union

Authority: Government Code Section 54957.6(a)

CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Nick Marinaro, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray)

Employee Organization: Local 1319, International Association of Firefighters

Authority: Government Code Section 54957.6(a)

The City Council reconvened from the Closed Sessions at 7:37 p.m. and Mayor Burt advised no reportable action.

SPECIAL ORDERS OF THE DAY

3. Proclamation Recognizing Foster Care Month.

Vice Mayor Espinosa read the Proclamation into the record.

4. Proclamation Recognizing TheatreWorks on Its 40th Anniversary.

Council Member Yeh read the Proclamation into the record.

STUDY SESSION

5. Update on the Library Bond Measure Projects and the College Terrace Library Infrastructure Renovation.

Staff reported that the Downtown Library closed to the public on April 24, 2010 for renovation and that the last day of operation of the Mitchell Park Library will be June 5, 2010. A celebration for the groundbreaking of the new Mitchell Park Library & Community Center will be held on Saturday, June 12, from 1-3 pm on the site of the current facilities. The bids for the Downtown Library projects are due on May 11, 2010; Council will award the general contract on Monday, June 7, 2010. The plans for the Mitchell Park project are going through final plan check. Bids on this project will be due in June. Staff introduced David Marks, of Nova Associates, the firm providing construction management services for the seismic upgrade and rehabilitation of the College Terrace Library. Mr. Marks provided an overview of the scope of this project and showed photos of the work that has been underway since November 2009. This project is current on schedule and on budget and will be ready for occupancy in the fall of 2010. Staff then introduced Dawn Merkes of Group 4 Architecture, the firm providing design services for the renovation of Downtown Library, the construction of a new Mitchell Park Library & Community Center, and

the renovation and expansion of Main Library. Ms. Merkes provided an overview on the progress on each of these projects as well as a description of the temporary Mitchell Park Library now nearing completion in the former auditorium and kitchen of the Cubberley Community Center. Floor plans for these projects were shown, including the locations of donor recognition opportunities at the three bond measure projects. Council members expressed their appreciation for the progress on these projects.

6. Presentation of the City Manager's Proposed Budget for Fiscal Year 2011.

City Manager, James Keene presented the Proposed Operating and Capital Improvement Plan budgets for Fiscal Year 2011. He read the City Council his transmittal letter from the Proposed Operating budget. Through the transmittal letter the City Manager updated the City Council on the financial status of the General Fund for FY 2011, and the budget balancing recommendations proposed. He also reviewed the Budget Hearing schedule which includes two community outreach meetings scheduled for May 4 and May 15, and the opportunity for additional community outreach meetings with groups of 20 or more, six Finance Committee hearings scheduled throughout the month of May and June, and two meetings with the full City Council in June, with budget adoption scheduled for June 28.

CONSENT CALENDAR

Council Member Holman stated she would not participate in Agenda Item Number 13 as one of the owners of the property is serving on a board that employs her.

Council Member Klein stated he would not participate in Agenda Item 11 as his wife is on faculty at Stanford University.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Shepherd to approve Agenda Item Nos. 7-10, 12-13 and to continue Agenda Item No. 11 to a date uncertain.

7. Resolution 9050 entitled "Resolution of the Council of the City of Palo Alto Amending Rules and Regulations Governing the Provision of Utility and Public Works Services, Including Rules and Regulations 1-11, 13, 15-18, 20-27, and 29; and Repealing Rules and Regulations 12 and 14."
8. Approval of a Utilities Enterprise Fund Contract with All Day Electric Company, Inc. in the Total Amount of \$561,458 for a 4kV to 12kV Conversion Capital Improvement Project in the Area Between Alma Street, Middlefield Road, Loma Verde Avenue and East Meadow Drive (CIP: EL-08002).

9. Approval of a Water Enterprise Fund Contract with URS Corporation in the Total Amount of \$662,065 for Professional Engineering Services for the Well Testing and Rehabilitation Design of Five (5) Existing Water Wells Project WS-08002.
10. Adoption of an Ordinance Approving and Adopting a Plan for Improvements to the Nolte Property Addition to Mitchell Park.
- ~~11. Adoption of a Resolution Summarily Vacating Public Access and Public Recreation Access Easements at 600 and 620 Sand Hill Road.~~
12. Adoption of Ordinance Amending Section 2.30.360 (Exemptions from Competitive Solicitation Requirements) of Title 2 (Administrative Code) of the Palo Alto Municipal Code Regarding Contracts and Purchasing Procedures.
13. Ordinance 5079 entitled "Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code to Change the Classification of Property Located at 1700 Embarcadero Road from PC Planned Community 2378 and PC Planned Community 2491 to Service Commercial (CS) and Site and Design (D) Review."
(First reading April 12, 2010 – Passed 8-0, Holman not participating)

MOTION PASSED for Agenda Item Nos. 7-10, 12: 9-0

MOTION PASSED for Agenda Item No. 13: 8-0 Holman not participating

ACTION ITEMS

14. Approval of the Naming Recognition Plan for Significant Donations to the Palo Alto Library Foundation's Capital Fundraising Campaign for Measure N Projects.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Shepherd to approve the naming recognition schedule and authorize the Palo Alto Library Foundation to proceed with making naming commitments according to the plan for the organization's "Launch our Libraries" campaign, in support of the purchase of furniture, equipment, books and other collection items for the Measure N bond projects.

MOTION PASSED: 9-0

15. Public Hearing: Finance Committee Recommendation to Adopt the Draft 2010-15 Consolidated Plan, Draft 2010-11 Action Plan and Associated 2010-11 Funding Allocations and Adopt a Resolution 9051 entitled "Resolution of the Council of the City of Palo Alto Approving

the Use of Community Development Block Grant Funds for Fiscal Year 2010-2011.”

Public hearing opened at 10:41 p.m.

Public hearing closed at 10:43 p.m.

MOTION: Council Member Schmid moved, seconded by Council Member Holman to: 1) Allocate CDBG funding as recommended by Staff and the Citizens Advisory Committee (CAC) in the 2010/11 Action Plan and adopt the Resolution approving the allocations, 2) Authorize Staff to submit the 2010/11 Action Plan to HUD by the May 15, 2010 deadline, and 3) Authorize the City Manager, on behalf of the City, to execute the 2010/11 application and Action Plan for CDBG funds, 2010-2015 Consolidated Plan and any other necessary documents concerning the application, and to otherwise bind the City with respect to the application and commitment to funds.

MOTION PASSED: 9-0

16. Public Hearing: Finance Committee Recommendation to Consider Adoption of a Resolution 9052 entitled “Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules W-5 and S-5 of the City of Palo Alto Utilities Rates and Charges Pertaining to Water and Wastewater Service Connection Fees.”

Public hearing opened and closed without public comment at 10:49 p.m.

MOTION: Council Member Yeh moved, seconded by Council Member Schmid to adopt the Resolution to approve a 40 percent increase in capacity fees in Utilities Rate Schedule W-5 and Utilities Rate Schedule S-5 to take effect on July 2, 2010.

MOTION PASSED: 9-0

17. Adoption of Two Resolutions to Incorporate a Side Letter Agreement with the Palo Alto Peace Officers’ Association (PAPOA) to Provide a Supplemental Military Leave Benefit to Pay for the Differential Between Regular Salary and Military Pay to PAPOA Members Called to Involuntary Active Duty Amending: (1) Resolution 9053 entitled “Resolution of the Council of the City of Palo Alto amending Section 1601 of the Merit System Rules and Regulations Regarding the 2007-2010 Memorandum of Agreement”, and (2) Resolution 9054 entitled “Resolution of the Council of the City of Palo Alto amending the Compensation Plan for Police Non-Management Personnel (PAPOA) Adopted by Resolution No. 8779.”

MOTION: Council Member Yeh moved, seconded by Council Member Holman to adopt the Resolution to incorporate a side letter agreement with the Palo Alto Peace Officers' Association (PAPOA) to provide a supplemental military leave benefit of \$5,000 to compensate the employee and to reexamine the policy.

SUBSTITUTE MOTION: Vice Mayor Espinosa moved, seconded by Council Member Klein to adopt Two Resolutions to Incorporate a Side Letter Agreement with the Palo Alto Peace Officers' Association (PAPOA) to Provide a Supplemental Military Leave Benefit to Pay for the Differential Between Regular Salary and Military Pay to PAPOA Members Called to Involuntary Active Duty Amending: (1) Section 1601 of the Merit System Rules and Regulations Regarding the 2007-2010 Memorandum of Agreement, and (2) the Compensation Plan for Police Non-Management Personnel (PAPOA) Adopted by Resolution No. 8779.

SUBSTITUTE MOTION PASSED: 7-2 Holman, Scharff no

18. Approval of Utilities Public Benefit Three-Year Contract with OPOWER, Inc. in the Total Amount of \$574,083, \$213,000 of Which Comes From Federal Stimulus Funds, for Administration and Delivery of Residential Home Energy Reports.

MOTION: Council Member Yeh moved, seconded by Vice Mayor Espinosa to approve and authorize the City Manager to execute the contract with OPOWER, Inc. for administration and delivery of residential Home Energy Reports.

MOTION PASSED: 9-0

19. Finance Committee Recommendation to Approve the 2010 Ten-Year Electric Energy Efficiency Plan.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Yeh to approve the 2010 Ten-Year Electrical Energy Efficiency Plan for the period 2011 to 2020.

MOTION PASSED: 9-0

20. Colleagues' Memo from Mayor Burt, Vice Mayor Espinosa, Council Members Yeh and Scharff Requesting the City Council Direct the Utilities Advisory Commission to Make Recommendations to the City Council on a Comprehensive Energy Efficiency and Renewables Procurement Strategy.

MOTION: Council Member Yeh moved, seconded by Council Member Price to direct the Utilities Advisory Commission and Staff to analyze and make recommendations to the City Council on: 1) Relative environmental benefits, economics, and rate impacts of undertaking energy efficiency projects locally versus purchasing higher cost renewable energy supplies to meet energy loads, and 2) Alternate mechanisms to Power Purchase Agreement-type contracts to acquire renewable supplies as a lower or competitive cost (e.g. locally-sited generation output purchased through feed-in-tariffs, investing/owning generation through the City's joint partnerships such as NCPA, etc.).

MOTION PASSED: 9-0

21. Utilities Advisory Commission Recommendation to City Council to Adopt Two Resolutions: (1) Approving A Power Purchase Agreement with Ameresco San Joaquin LLC for the Acquisition of Up to 52,000 Megawatt-hours per Year of Energy Either Over Fifteen Years at a Cost Not To Exceed \$88.7 Million, or Over Twenty Years at a Cost Not to Exceed \$122.4 Million, and (2) Approving A Power Purchase Agreement with Ameresco Crazy Horse LLC for the Acquisition of Up to 52,000 Megawatt-hours per Year of Energy Either Over Fifteen Years at a Cost Not to Exceed \$80.7 Million, or Over Twenty Years at a Cost Not to Exceed \$111.3 Million; Finance Committee Recommendation to Direct Staff to Re-examine the Alternative Energy Program Policies and Goals.

MOTION: Council Member Klein moved, seconded by Vice Mayor Espinosa to adopt Staff and the Utilities Advisory Commission recommendation to:

1) Adopt a Resolution approving a Power Purchase Agreement (PPA) with Ameresco San Joaquin LLC, a Delaware limited liability company, for the acquisition of up to 52,000 MWh per year of energy over twenty years at a cost not to exceed \$122.4 million, including, if required, a payment of up to \$1.425 million for electric transmission interconnection costs; 2) Adopt a Resolution approving a PPA with Ameresco Crazy Horse LLC, a Delaware limited liability company, for the acquisition of up to 52,000 MWh per year of energy over twenty years at a cost not to exceed \$111.3 million, including, if required, a payment of up to \$1.425 million for electric transmission interconnection costs; and 3) Waive the application of the investment-grade credit rating requirement of Section 2.30.340(d) of the Palo Alto Municipal Code, which applies to energy companies that do business with the City, as the Ameresco companies are not rated by credit agencies.

SUBSTITUTE MOTION: Council Member Holman moved, seconded by Council Member Scharff to adopt Staff and Utilities Advisory Commission recommendation to adopt a Resolution approving a PPA with Ameresco Crazy Horse LLC, a Delaware limited liability company, for the acquisition of up to 52,000 MWh per year of energy over twenty years at a cost not to

exceed \$111.3 million, including, if required, a payment of up to \$1.425 million for electric transmission interconnection costs.

SUBSTITUTE MOTION FAILED: 4-5 Espinosa, Klein, Price, Shepherd, Yeh, no

MOTION PASSED: 5-4 Burt, Holman, Scharff, Schmid no

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Holman reported on attending the Santa Clara Valley Water District (SCVWD) meeting last week where the topic of redistricting was discussed.

Mayor Burt stated that there were several proposals reviewed and that the one voted on by the SCVWD, combining Gilroy and Palo Alto into one water district, does not necessarily harm Palo Alto's position. He also stated that he will be attending a press conference on May 4, 2010 on High Speed Rail.

Council Member Yeh reported on attending the Northern California Power Agency Federal Policy Forum in Washington, D.C.

Council Member Price reported on attending a suicide prevention workshop last week presented by the Santa Clara County Mental Health Department. Yesterday, she also attended the Peninsula Interfaith Action meeting focusing on supporting our youth.

ADJOURNMENT: The meeting adjourned at 1:26 A.M.