

Special Meeting
September 13, 2010

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:07 p.m.

Present: Burt, Espinosa, Holman, Klein, Price arrived @ 6:10 p.m.,
Scharff, Schmid, Shepherd, Yeh arrived @ 6:41 p.m.

Absent:

SPECIAL ORDERS OF THE DAY

1. Acceptance of \$275,000 Donation from Palo Alto Library Foundation.

President of the Palo Alto Library Foundation, Bern Beecham presented the City Council with a check totaling \$275,000 for furnishings, fixtures, and supplies for the City's new libraries financed by Measure N.

Mayor Burt spoke on his appreciation for the fundraising efforts from the Palo Alto Library Foundation and Friends of the Palo Alto Library.

Vice Mayor Espinosa encouraged community members to make contributions to the Palo Alto Library Foundation's fundraising campaigns.

2. Appointment of Members to the Infrastructure Blue Ribbon Commission.

Mayor Burt reviewed the process for selection and voting of potential candidates to the Infrastructure Blue Ribbon Commission (IBRC). Staff's recommendation was to appoint the four currently seated members of Boards and Commissions that were selected by their respective Boards, 11 members from the community, and three members to serve as alternates. The 11 community members would include two members with financial backgrounds and three members with technical backgrounds. Council Members worked in subcommittees of three to interview one-third of the IBRC candidates and brought forward their recommendations for appointment.

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Council Member Shepherd stated Robert Stillerman was included as a recommendation for appointment in the At-Place Item.

Council Member Klein stated 16 candidates were recommended for 14 IBRC positions. He spoke on the potential difficulty for eliminating two candidates. He spoke on his concern for the appointment of three members serving as alternates. He supported the appointment of four currently seated members of Boards and Commissions that were selected by their respective Boards.

MOTION: Council Member Klein moved, seconded by Council Member Shepherd to appoint all 16 candidates that were recommended by the Council Subcommittees to the Infrastructure Blue Ribbon Commission.

City Clerk, Donna Grider stated Robin Kennedy, one of the 16 candidates, withdrew her application.

Mayor Burt requested that the voting structure for the IBRC appointments be clarified.

Ms. Grider spoke on Staff's recommendation for the voting structure for the IBRC appointments. She stated Staff's recommendation was to appoint 14 commissioners to the IBRC.

Council Member Shepherd spoke on her concerns for the selection of candidates to the IBRC.

Council Member Scharff inquired on the number of candidates that were currently recommended to the IBRC.

Ms. Grider stated the Motion was to appoint all 16 candidates, which included Mr. Stillerman.

Council Member Scharff agreed with Council Member Klein's comments; however, he felt the City Council could eliminate two candidates to appoint 14 candidates, as recommended by Staff.

SUBSTITUTE MOTION: Council Member Scharff Moved, seconded by Council Member Holman to limit the vote from the 16 candidates that were recommended by the Council subcommittees and vote for 14 members who would be full voting members.

Council Member Scharff stated the Council subcommittees put a lot of effort into their recommendations, and felt the City Council should limit their selections to the subcommittees' recommendations. He felt increasing the

Wick Goodspeed	Burt, Espinosa, Klein, Scharff, Shepherd
Mark Harris	Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd
Leland Levy	Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd
Steven Levy	Burt, Espinosa, Holman, Klein, Price, Schmid,
Mark D. Michael	Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd
Jim Olstad	Burt, Espinosa, Holman, Price, Scharff, Schmid, Shepherd
Alex Panelli	Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd
James Schmidt	Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd
Robert Stillerman	Burt, Holman, Klein, Scharff, Schmid, Shepherd
Gary Wetzel	Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd

Mayor Burt stated the City Council's options were to appoint 14 candidates per the Substitute Motion, or create a Motion to accept all 15 candidates that received votes from the majority of the City Council.

Council Member Scharff stated an additional option was to not appoint the candidate that received the minimum required number of votes.

MOTION: Council Member Scharff moved, seconded by Council Member Klein to accept the 15 candidates (Ray Bacchetti, Marc Berman, Ralph Britton, Brent Butler, Eric Gerritsen, Wick Goodspeed, Mark Harris, Leland Levy, Steven Levy, Mark D. Michael, Jim Olstad, Alex Panelli, James Schmidt, Robert Stillerman, Gary Wetzel) who received the majority vote of the Council.

MOTION PASSED: 9-0

3. Selection of Candidates to be Interviewed for the Public Art Commission.

Mayor Burt stated there were seven applications received for two terms ending on April 30, 2011 for the Public Art Commission.

City Clerk, Donna Grider stated Candidate Mickey Griffin withdrew her application.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Shepherd to interview all candidates for the Public Art Commission.

MOTION PASSED: 8-0 Yeh absent

STUDY SESSION

4. Update on City and Community Emergency Preparedness Activities.

The City Council held a Study Session on the topic of emergency preparedness, both with respect to Staff and resources, and community and non-governmental organizations. Staff presented an overview of activities, plans, and structures that had been implemented to support this City Council priority. The new Palo Alto/Stanford Citizen Corps Council (CCC) was discussed as an "umbrella" to facilitate the sharing and coordination of City and community activities and programs. The City Council underscored the importance of the CCC and of individual responsibility for emergency preparedness.

CITY MANAGER COMMENTS

City Manager, James Keene introduced Tommy Fehrenbach the City's newly hired Manager of Economic Development and Redevelopment. He spoke on the following topics: 1) Pearson-Arastradero Preserve temporarily closed to dogs due to aggressive coyote encounters; 2) preparatory work at Mitchell Park Library and Community Center and construction would commence soon; 3) Independent Police Auditor's Report covering the City's revised policy on the use of Tasers; 4) appreciation plaque received from the City of Oaxaca, Mexico for the sale of three fire engines; 5) plaque received from Chief Information Officer (CIO) Magazine listing Palo Alto as one of the top 100 organizations driving future business growth through new technological innovations for the implementation of Hara Carbon Management Software; 6) update on the evaluation of eucalyptus trees at Eleanor Pardee Park; 7) update on the Hoover Park Play Structure Replacement project; 8) 26th

Annual Moonlight Run & Walk scheduled on September 24, 2010 at the Baylands Athletic Center; 9) Skype's relocation to 3210 Porter Drive, located in the Stanford Research Park; and 10) Palo Alto Chamber of Commerce's Centennial Celebration held and hosted at Tesla Motors on October 14, 2010.

ORAL COMMUNICATIONS

Emily Renzel, Palo Alto, spoke on the Refuse Enterprise Fund shortfall and Staff's recommendation to close its budget gap, and the trickling closure of the Palo Alto City Landfill facility.

Rebecca Counihan, Silicon Valley Leadership Group, spoke on the 6th Annual Applied Materials Silicon Valley Turkey Trot Run/Walk scheduled on November 25, 2010.

Jo Coffaro, Lucile Packard Children's Hospital, spoke on the 6th Annual Applied Materials Silicon Valley Turkey Trot Run/Walk scheduled on November 25, 2010.

Pat Emslie, President of the Palo Alto Recreation Foundation, spoke on the 2010 Palo Alto Black and White Ball scheduled on October 2, 2010.

William Landgraf, Palo Alto, spoke on Staff wages and unsustainable employee costs.

Wynn Grcich, spoke on Agenda 21 Depopulation and inorganic materials found in drinking water.

Herb Borock, Palo Alto, felt Measure S should be defeated due to its implications on High Speed Rail and other important City issues.

Michael Francois spoke on rising water rates, San Francisco Public Utilities Commission as a money-generating entity, and a potential medical marijuana dispensary.

Bernadette Burns-Line, Administrative Director for Emergency Management at Stanford Hospital Clinics and Lucile Packard, spoke on emergency preparedness.

Bob Moss, Palo Alto, spoke on the location of Pacific Gas and Electric Company's pipelines that travel through Palo Alto.

APPROVAL OF MINUTES

MOTION: Council Member Shepherd moved, seconded by Council Member Klein to approve the minutes of July 19 and 26, 2010, and August 2 and 5, 2010.

MOTION PASSED: 8-0 Yeh absent

CONSENT CALENDAR

MOTION: Council Member Schmid moved, seconded by Council Member Klein to pull Agenda Item No. 11 to become Agenda Item No. 12a.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Yeh to approve Agenda Item Nos. 5-10, 12.

5. Ordinance 5092 entitled "Ordinance of the Council of the City of Palo Alto Amending the Budget for the Fiscal Year 2011 to Provide an Additional Appropriation of \$30,000 to Capital Improvement Program (CIP) Project PD-08000, Crime Scene Evidence Collection Vehicle".
6. Recommendation from Finance Committee to Preliminarily Approve Fiscal Year 2010 Reappropriation Requests to be Carried Forward into Fiscal Year 2011.
7. Recommendation from Finance Committee to Accept the City Auditor's Office Fiscal Year 2011 Work Plan.
8. Recommendation from Finance Committee to Accept the City Auditor's Office Quarterly Report as of June 30, 2010.
9. Resolution 9093 entitled "Resolution of the Council of the City of Palo Alto Approving an Amendment to the Northern California Power Agency Green Power Project Third Phase Agreement to Allocate Shares from Existing Participants to an Additional Member, the City of Gridley".
10. Approval of a Term Contract with Okonite Company in the Not to Exceed Annual Amount of \$1,313,356 for a Three Year Period for the as Needed Purchase of Four Types of Medium Voltage Cable in Support of Utility Department. Maximum Value of Contract for the Three Year Term of the Agreement would be \$3,940,068.

- ~~11. Adoption of Budget Amendment Ordinance for Fiscal Year 2011 to Provide Additional Appropriations of \$275,000 Within the General Fund for Estimated Election Costs for Measure R (Firefighters Charter Amendment) and Measure S (Charter Amendment to Change Council Elections to Even-Numbered Years).~~
12. Approval of Utilities Advisory Commission Recommendation to Defer any Action on Trading the City's Unused Individual Water Supply Guarantee Until at Least January 2011 and Approval of the City's Position that San Francisco Should Use the Individual Water Supply Guarantee to Establish the Interim Water Supply Allocation.

MOTION PASSED for Agenda Item Nos. 5-10, 12: 9-0

- 12a. (Former No. 11) Budget Amendment Ordinance 5093 for Fiscal Year 2011 to Provide Additional Appropriations of \$275,000 Within the General Fund for Estimated Election Costs for Measure R (Firefighters Charter Amendment) and Measure S (Charter Amendment to Change Council Elections to Even-Numbered Years).

Council Member Schmid stated the estimated election cost for the two Measures in November was \$275,000. There was a constant flow of special elections, referendums, and initiatives in the City that were voted on. Measure S proposed that the City change Council elections to even-numbered years. He stated it was hard to see the savings that would be generated by moving Council elections from odd-numbered years to even-numbered years.

MOTION: Council Member Shepherd moved, seconded by Council Member Klein to approve Agenda Item No. 12a.

MOTION PASSED: 9-0

AGENDA CHANGES, ADDITIONS, AND DELETIONS

Mayor Burt requested, with the consent of the City Council, to move up Agenda Item No. 14 to be heard before Agenda Item No. 13, Agenda Item No. 13 to become Agenda Item No. 14a.

Mayor Burt stated the City Council Meeting scheduled on September 20, 2010, would be principally focused on High Speed Rail matters.

City Manager, James Keene stated that was correct. He stated the bulk of City matters, other than the Public Hearing considering changes to the City's

refuse rates, were moved to a Special City Council Meeting scheduled for September 27, 2010.

Council Member Schmid inquired on a corresponding item that connected to the City's refuse rate increase.

City Clerk, Donna Grider stated the Agenda Item associated with the City's refuse rate increase was the Public Hearing.

Council Member Schmid stated the Agenda Item should include a recommendation, by the Finance Committee, for Staff to prepare a report on the land activity over the coming year. He inquired whether the matter was included within the Public Hearing.

Council Member Holman inquired whether the High Speed Rail item scheduled on September 20, 2010 would be an Action Item.

Mayor Burt stated that was correct.

ACTION ITEMS

~~13. High Speed Rail Presentation on Background and History by Californians Advocating Responsible Rail Design (CARRD).~~
(Continued from 7/19/10)

14. High Speed Rail Update.

Staff provided an overview of High Speed Rail (HSR) activities past, present and future. Staff's presentation covered the following topics: 1) new Palo Alto HSR website, including the use of social media tools Facebook and Twitter; 2) HSR project schedule; 3) background on the California High Speed Rail Authority (CHSRA) Board and Chief Executive Officer; 4) Peninsula Rail Program Partnership; 5) policy and technical working groups; 6) policy and technical issues; 7) Caltrain Corridor and potential station locations; 8) HSR funding status; 9) key HSR milestones with dates and activities; 10) Caltrain electrification funding; 11) Palo Alto station; 12) HSR project phasing; 12) Stanford impacts; and 13) CHSRA oversight and inter-connect of issues (i.e., HSR and Caltrain). Staff spoke on key HSR issues as follows: 1) track designs; 2) costs; 3) traffic impacts; 4) property impacts; 5) noise; and 6) ridership. Staff spoke on next steps for the HSR project as follows: 1) Program Environmental Impact Report action; 2) responding to Supplemental Alternatives Analysis Report (SAAR); 3) property value analysis; 4) economic value analysis; 5) responding to station guidelines and principles; 6) partnerships; and 7) lobbying.

14a. (Former No. 13) High Speed Rail Presentation on Background and History by Californians Advocating Responsible Rail Design (CARRD).

(Continued from 7/19/10)

Co-founder of Californians Advocating Responsible Rail Design (CARRD), Sara Armstrong, spoke on the importance for the upcoming timeline and deadlines for the High Speed Rail (HSR) project. She spoke on recent changes to the California High Speed Rail Authority's (CHSRA) executive leadership, increase in Statewide and local awareness along the HSR corridor, awareness of Caltrain issues, and Caltrain's support of HSR. She spoke on the overriding concerns from various urban cities regarding potential HSR impacts on noise, vibration, and property. A green fields approach, through agricultural and open field areas, had been considered due to higher costs and mitigation impacts associated with HSR alignment in urban areas. There were increased concerns from Central Valley Farmers and Environmental groups about sprawl and agricultural land impacts. She stated the Context Sensitive Solutions process had failed. She stated the Program Level Environmental Impact Review (EIR) next step was to accept the Program decision, or challenge the EIR via litigation. The Program Level issues and implications seen were flawed ridership data, locked in the Caltrain corridor as the HSR route, and insufficiently described impacted areas. CARRD suggested an alternate route, on the Altamont Corridor with no bay crossing, which was not studied by the CHSRA. She spoke on three different HSR alignments, track configuration, and engineering schematics contained in the Project Level EIR. The physical constraints engineers needed to work around were creeks, existing grade separations, horizontal curves in right-of-ways, and the width of right-of-ways. Although in favor for the Phasing Alternative approach to try to ready the corridor, she spoke on the implications for the approach. She spoke on capital expenditures and operational costs. Caltrain was currently in a budget crisis due to a lack of dedicated funding. She stated the City had no formal position on Caltrain electrification; however, was considering one as part of the No Confidence Resolution. She spoke on Caltrain funding and a dedicated funding source that may take the form of a sales tax.

William Cutler, Palo Alto, addressed three elements of the No Confidence Resolution.

Virginia Saldich, urged the City Council to take a strong stand on the No Confidence Resolution, and take legal action necessary in the interest of protecting Palo Alto from the threat posed by the CHSRA.

Carolyn Dobervich, representing the Green Meadow Association, urged the City Council to take a strong stand of no confidence toward the CHSRA.

Hinda Sack urged the City Council to take a strong stand on the No Confidence Resolution, and take legal action against the CHSRA.

Ellen Hartog urged the City Council to take a strong stand of no confidence toward the CHSRA.

Jim McFall urged the City Council to take a strong stand of no confidence toward the CHSRA.

Council Member Klein inquired whether the City's HSR website could display renderings of what the preferred project, the Aerial Viaduct, would look like along Alma Street.

Mr. Keene stated they would be placed on the City's HSR website.

Caran Chappell supported Council Member Klein's original version of the No Confidence Resolution.

Robert McGinn stated the lack of technical, engineering, and maintenance experience of CHSRA personnel, combined with the economic viewpoint for maximizing traffic circulation, would cause serious safety risks.

Martin Sommer, Palo Alto, urged the City Council to facilitate the meeting organized by HNTB scheduled on October 7, 2010, and spoke on the various HSR alignment options.

Herb Borock, Palo Alto, stated the City Council should take separate votes on each of the actions that Council Member Klein had suggested to implement within the No Confidence Resolution, vote on whether the City should spend any funds on the HSR project, and not take a leadership role in a lawsuit.

Aram James, Palo Alto, spoke on the possibility for private funding for an underground HSR project by high tech companies.

Mr. Keene directed Staff to work on decision deadlines and decision mapping over the next few months.

Council Member Schmid spoke on the importance of meeting critical deadlines. He spoke on the financial impacts on the community, and the importance of holding a discussion on funding and cost impacts before the City Council responded to the Supplemental Alternatives Analysis Report (SAAR).

Council Member Holman spoke on her support for Council Member Klein's original version of the No Confidence Resolution. She recommended that background information be incorporated in the No Confidence Resolution. She stated information on the financial burden to the City and community, and the fact that the State cannot support an unfunded HSR project should be included.

15. Adoption of an Ordinance Amending Section 2.04.010, Relating to Notice of Regular Meetings, and Section 2.04.070, Relating to Notice of Agendas, of Chapter 2.04 of Title 2 of the Palo Alto Municipal Code to Eliminate the Publishing of the Council Agendas in the Newspaper and Updating the Language for the Council Regular Meetings and Agenda Sections of the Municipal Code. (Continued from 7/19/10)

MOTION: Council Member Klein moved, seconded by Council Member Shepherd to continue Agenda Item No. 15 to September 27, 2010.

MOTION PASSED: 9-0

16. Council Direction to Voting Delegate Council Member Klein for 2010 League Conference Regarding City's Position on Proposed Six Resolutions.

Council Member Scharff inquired whether Council Member Klein was the Council liaison to the League of California Cities (League).

Council Member Klein stated no. He stated he had been much more involved in the National League of Cities. He stated he had read the Resolutions contained within the League's Annual Conference packet. Resolution 3 was controversial and related to opposing the Board of Directors' decision to defer action on AB32 and SB375. He spoke on Resolution 4 related to responsible banking.

Council Member Scharff felt Resolution 3 was not controversial among the City Council. He stated Resolution 4 could potentially encourage a misallocation of capital, and banks may lend to higher risk loans than they otherwise would make. He recommended that the City Council vote against Resolution 4.

Council Member Klein agreed with voting against Resolution 4.

City Manager, James Keene agreed.

MOTION: Council Member Klein moved, seconded by Council Member Scharff to direct its delegate to vote in favor of the proposed Resolutions 1, 2, 5, and 6, and vote against Resolutions 3 and 4.

Council Member Schmid requested a review of Resolution 3 and 4.

Council Member Klein felt Council Member Scharff effectively expressed the reasons to vote against Resolution 4. He stated Resolution 3 would potentially have a negative impact on the economy. His concerns extended toward the ability for cities to deliver vital public services, and the viability of businesses which were critical to the State's economic recovery.

Council Member Schmid inquired whether the League had specific recommendations, or simply sought to delay implementation deadlines.

Council Member Klein stated Resolution 3 requested that the Governor exercise his authority to delay individual AB32 implementation deadlines, and support, but not sponsor, any legislation that would suspend or delay implementation of SB375 until there was funding and resources in place to implement individual mandates and requirements associated with the bill.

Council Member Shepherd requested that Resolutions 3 and 4 be separated out of the Motion for voting. She felt Resolution 4 was created for transparency, and banks making small business loans may be beneficial.

Council Member Klein stated the Motion could be divided if it was the direction of the City Council.

Council Member Shepherd stated she intended to support Resolution 4. She felt reluctant to support Resolution 3.

Council Member Klein requested that the vote be separated out with Resolutions 1, 2, 5, and 6 being heard first.

MOTION: Council Member Klein moved, seconded by Council Member Scharff to direct its delegate to vote in favor of the proposed Resolutions 1, 2, 5, and 6.

MOTION PASSED: 9-0

MOTION: Council Member Klein moved, seconded by Council Member Scharff to direct its delegate to oppose the proposed Resolution Number 3.

Council Member Holman requested clarification on the implications on AB32 and SB375.

Assistant City Attorney, Donald Larkin stated AB32 would set the 2020 greenhouse gas emissions reduction goal into law. SB375 entailed the

Sustainable Communities Strategy legislation. The implications surrounded climate action programs and environmental impacts.

Mr. Keene stated Staff did not foresee concerns with Resolution 3, as it had no targeted issue.

Council Member Holman stated AB32 and SB375 had good intentions; however, applying their applications could pose a struggle. Staff had alluded that the City Council could enact local rules to help contain implications regarding SB375.

Mr. Larkin stated there was a provision in SB375 that stated nothing in the bill would remove local control over planning decisions.

Council Member Schmid inquired whether supporting SB375 would support the Association of Bay Area Governments (ABAG) allocations.

Mr. Larkin stated SB375 was not intentionally related to ABAG allocations.

Council Member Holman inquired whether the City Council had the ability to separate AB375 from the Resolution.

Council Member Klein stated he did not foresee amendments being made to these Resolutions at the League Annual Conference.

MOTION PASSED: 9-0

MOTION: Council Member Scharff moved, seconded by Vice Mayor Espinosa to direct its delegate to oppose the proposed Resolution Number 4.

Council Member Shepherd believed Resolution 4 was to provide transparency to banks when investing in the community.

Council Member Scharff believed Resolution 4 would place pressure on banks to make investments, which they would normally not make, within the City that they did business in. He stated loans may be taken away from smaller cities, such as Palo Alto.

Council Member Yeh stated the Federal Community Reinvestment Act was a powerful example for cities deciding on their own initiatives. He felt SB375 may not be appropriate for some cities and would be best left to individual cities to decide.

MOTION PASSED: 9-0

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Yeh reported that on September 17, 2010 at Mitchell Park there would be the Harvest Moon Festival presented by the Palo Alto-Menlo Park Parents Club.

Council Member Price reported, on behalf of the Valley Transportation Agency's (VTA) Policy Advisory Committee, that the VTA received a Bike Share Pilot Program grant at three Caltrain stations including Palo Alto. She stated the VTA Grand Boulevard Initiative Task Force started a conceptual design of a Bus Rapid Transit System through Santa Clara County.

Council Member Klein reported that at the last Santa Clara County Cities Association meeting they provided a list of the propositions on the November 2010 ballot.

MOTION: Council Member Scharff moved, seconded by Council Member Klein to agendize the discussion of the positions to take on the November 2010 ballot measures for September 27, 2010.

Council Member Schmid reported on attending a tour of the Santa Clara Valley Water District Salt Ponds.

Mayor Burt reported on the new hotel on High Street, and the expanded Magnussen-Toyota dealership. He attended the North County Cities meeting of the Silicon Valley Leadership Group, and the major discussion was about a permanent funding source for Caltrain. He reported on the new Head of School at Castilleja and her changes in their curriculum. He spoke on attending Quakeville on Saturday, and the new online newspaper provided by America On Line (AOL).

ADJOURNMENT: The meeting adjourned at 11:50 p.m.