

Special Meeting
October 18, 2010

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:20 p.m.

Present: Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh arrived @ 6:30 p.m.

Absent:

CLOSED SESSION

1. PUBLIC EMPLOYEE APPOINTMENT
Title: Acting City Auditor
Authority: Government Code Section 54957

The Council returned from the Closed Session at 6:05 p.m. and Mayor Burt announced that there was no reportable action.

STUDY SESSION

2. Joint Meeting with the Utilities Advisory Commission Regarding Utilities Issues.

Council and the Utilities Advisory Commissioners discussed global policy issues involving utility rates, communications with the community and customers, environmental initiatives versus costs (including renewable energy purchases, energy efficiency programs and goals, and customer participation levels), technology and innovation initiatives and solutions, and benchmarking.

STUDY SESSION

3. Status Report on the East Meadow Circle/Fabian Way and California Avenue/Fry's Area Concept Plans. *(Continued from October 04, 2010)*

10/18/10

William D. Ross spoke regarding the Staff application to the Valley Transportation Authority (VTA) for specific funding for the Phase II improvements on California Avenue which contained public improvements that were not listed in the Capital Improvement Plan.

The City Council continued its discussion of the draft East Meadow Circle/Fabian Way and California Avenue/Fry's Site concept plans that are currently under preparation. The Council had begun discussions of both plans on October 4, 2010.

For the California Avenue/Fry's Site study the Council's comments were as follows:

- Retain Fry's Electronics onsite or elsewhere within the City
- Retain uniqueness of California Avenue
- Ensure long term flexibility of land, especially with retention of Fry's
- Ensure viability of retail uses in area
- Accommodate mixed use and startups, especially on California Avenue. Dealerships, incubators, etc. are preferred along Park Blvd. over residential development
- Retain automobile dealerships
- Ensure that land use changes do not encourage owners to eliminate uses that are beneficial to the City
- Prohibit residential development on Park Boulevard. Change designation in area to facilitate auto dealership. Concentrate residential development and higher densities in California Avenue subarea
- Take advantage of area's proximity to transit
- Improve pedestrian and bicycle circulation and safety, especially on Park Boulevard and California Avenue
- Integrate the concept plan with Bicycle Master Plan
- Analyze economic benefit and costs to the City, especially in exchange for allowing more residential density; evaluate relative economic impacts of alternatives
- Protect single family neighborhoods, such as along Pepper and Olive
- Consider applying a hotel designation around 395 Page Mill Road site.

For the East Meadow Circle/Fabian Way study, the Council's comments were as follows:

- East Meadow Circle subarea comments were focused on the potential to increase development intensity. Council Member Holman questioned whether there was any benefit at all to increasing development intensities. However, Mayor Burt supported the concept—linking increased development to the provision of amenities and use of Transfer-of-Development Rights as an effective tool for this concept. Councilmember Scharff supported the concept and recommended

exploring the advantages and disadvantages of a floor-area cap. He and Councilmember Espinosa both emphasized the need for new development in the subarea to be “bike-friendly”.

- East of San Antonio subarea comments focused on the concept of new retail development along Charleston Road. Most Council Members seemed to support the concept of retail. Some preferred retail like 4th Street in Berkeley while others were open to exploring larger format development. Council Member Shepherd pointed out viability of the area for freeway visibility. Some Council Members were open to either type of retail development; but there was an almost unanimous concern for more information regarding the feasibility of new retail development and how to attract the desired retail uses.
- Charleston Road subarea comments were limited to the future of the Fairchild building. Councilmember Schmid emphasized the historical importance of the site; Councilmember Scharff questioned whether a replacement building might better provide incubator space for new fledgling companies.
- Council Member Price stressed the advantage of choices for the area as a whole that allow future flexibility.

SPECIAL ORDERS OF THE DAY

4. Resolution 9107 entitled “Resolution of the Council of the City of Palo Alto Expressing Appreciation to Karen Smith Upon Her Retirement”.

Council Member Schmid read the Resolution into the record.

MOTION: Council Member Schmid moved, seconded by Vice Mayor Espinosa to adopt the Resolution of Appreciation to Karen Smith upon her retirement.

MOTION PASSED: 9-0

Karen Smith thanked the City Council for the Resolution and expressed her enjoyment in working with the City Staff and the community.

5. Appointments for the Library Advisory Commission for Two Unexpired Terms, One Ending on January 31, 2011 and One Ending on January 31, 2013.

First Round of voting for the Library Advisory Commission for two unexpired terms, one ending on January 31, 2011 and one ending on January 31, 2013:

Voting For Ramarao Digumarthi: Klein

Voting For Mark Hoose: Holman, Schmid, Yeh

Voting For Tolulope Akinola: Burt, Espinosa, Holman, Klein, Price, Scharff Schmid, Shepherd, Yeh

Voting For Diane Morin: Scharff

Voting For Noel Bakhtian: Burt, Espinosa, Price, Yeh

Voting For Ambarish Malpani:

City Clerk, Donna Grider announced that Tolulope Akinola with 9 votes was appointed to the Library Advisory Commission for one term ending on January 31, 2013.

Second Round of voting for the Library Advisory Commission for one unexpired term ending on January 31, 2011.

Voting For Mark Hoose: Holman, Klein, Scharff, Schmid, Yeh

Voting For Noel Bakhtian: Burt, Espinosa, Price, Shepherd

Ms. Grider announced that Mark Hoose with 5 votes was appointed to the Library Advisory Commission for one unexpired term ending on January 31, 2011.

MOTION: Council Member Klein moved, seconded by Council Member Shepherd for the City Attorney to return to Council with options for extending the Library Advisory Commission vacancy currently ending on January 31, 2011 for one year.

MOTION PASSED: 9-0

6. Appointments for the Public Art Commission for Two Unexpired Terms Ending on April 30, 2011.

First Round of voting for the Public Art Commission for two unexpired terms ending on April 30, 2011:

Voting For Douglass C. Brown: Holman, Price, Scharff, Yeh

Voting For R. Dean Bunderson: Klein, Schmid

Voting For Trish Collins: Burt, Espinosa, Holman, Klein, Scharff, Schmid, Shepherd, Yeh

Voting For Jane Peterman: Burt, Espinosa, Price, Shepherd

Voting For Arlene Stevens:

City Clerk, Donna Grider announced that Trish Collins with 8 votes was appointed to the Public Art Commission for one unexpired term ending on April 30, 2011.

Second Round of voting for the Public Art Commission for Two Unexpired Terms Ending on April 30, 2011:

Voting For Douglass C. Brown: Espinosa, Holman, Scharff, Schmid, Yeh

Voting For Jane Peterman: Burt, Klein, Price, Shepherd

Ms. Grider announced that Douglass C. Brown with 5 votes, was appointed to the Public Art Commission for one unexpired term ending on April 30, 2011.

AGENDA CHANGES, ADDITIONS, AND DELETIONS

Mayor Burt reported out from the Closed Session that Michael Edmonds accepted the offer for the Acting City Auditor position, and that the appointment would return to the Council on October 25, 2010.

7. Proclamation for the United Nations Association Film Festival.

Council Member Yeh read the Proclamation into the record.

Jasmina Bojic, Founder and Executive Director UNAFF, thanked the City Council for their appreciation.

CITY MANAGER COMMENTS

Assistant City Manager, Pamela Antil announced a letter being sent to the San Francisco Public Utility Commission expressing concern regarding a lack of sufficient water. The City and the Palo Alto/Stanford Citizens Core Council will be hosting an event on October 21st at City Hall to formally recognize individuals who have made an impact ensuring the community was prepared for an emergency. Rinconada Pool will remain open daily for services during the fall and spring seasons.

Council Member Klein stated the letter to the San Francisco Public Utility Commission (SFPUC) expressed concern on behalf of the City regarding a lack of sufficient water. He noted Art Jenson, the Executive Director of Bay Area Water Supply and Conservation Agency (BAWSCA) clarified there had been an acceptable compromise reached between BAWSCA and the San Francisco Public Utilities Commission which averted the concern for the present time.

ORAL COMMUNICATIONS

Brian Ward, SEIU representative, spoke regarding fiscal responsibility and equitable financial sharing across the employee groups to split the healthcare costs.

Raiu Eli Servmalani, spoke regarding the loss of employees in the Parks Division.

Beth Bunnenberg, Palo Alto, spoke regarding the Final Environmental Impact Report (FEIR) of 405 Lincoln Avenue.

Wynn Grcich, spoke regarding the Fluoride Action Network.

Herb Borock, Palo Alto, spoke regarding the High Speed Rail station in Palo Alto.

APPROVAL OF MINUTES

MOTION: Council Member Shepherd moved, seconded by Council Member Klein to approve the minutes of September 13, 2010.

MOTION PASSED: 9-0

CONSENT CALENDAR

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Holman to approve Agenda Item Nos. 8-13.

8. Update on City's Cross Connection Control Program Compliance Efforts and Adoption of a Resolution 9108 entitled "Resolution of the Council of the City of Palo Alto Amending City of Palo Alto Utilities Rule and Regulation 21, Governing Installation of Certain Backflow Prevention Devices in the Public Right-of-Way".
9. 2nd READING Adoption of an Ordinance 5095 entitled "Ordinance of the Council of the City of Palo Alto Amending Section 2.08.210 of Chapter 2.08 of Title 2 [Officers and Departments], and Section 22.04.035 of

Chapter 22.04 of Title 22 [Park and Recreation Building Use and Regulations] of the Palo Alto Municipal Code to Amend Employee Titles and Names of Divisions and Reflect the Titles of Employees Who Are Authorized to Issue Citations, Respectively". *(First reading September 27, 2010 – Passed 8-0 Yeh Absent)*

10. Approval of Three-Year Maintenance Contract With Accela, Inc. in the Amount of \$339,158 for Accela Automation and Accela Citizen Access for Web-Based Permits.
11. Approval of Amendment No. One to Agreement and a Regulatory Agreement With Tree House Apartments, L.P. to Provide an Additional Development Loan in the Amount of \$2.5 Million in Residential Housing Fund for a 35-Unit Affordable Rental Housing Project at 488 Charleston Road.
12. Cancellation of Monday, November 15 Regular Council Meeting and Setting of Special Council Meeting on Monday, November 22.
13. Recommendation From the Council Appointed Officer Committee for Appointment of Interim City Attorney.

MOTION PASSED: 9-0

ACTION ITEMS

14. Recommendation of the Council Ad-Hoc Committee to Adopt an Ordinance Amending Section 2.23.050 of Chapter 2.23 of Title 2 the Palo Alto Municipal Code to Add the Subjects of Wastewater Collection and Fiber Optics to the Purposes and Duties of the Utilities Advisory Commission.

Council Member Yeh stated there had been a significant shift of seated officials from both the City Council and the Utilities Advisory Commission (UAC) in the same proximity. Therefore given rise to the need for the Utilities Ad Hoc Committee to determine the role of the UAC. He clarified the role of the UAC ranged from the responsibilities defined in the Municipal Code to the types of policies and programs that could fall under their purview. The Ad Hoc Committee had made specific recommendations for the UAC to expand; specifically in the areas of Wastewater Collection and Fiber Optics.

Mayor Burt asked Staff for clarification on the Council's ability to move forward with the changes in the Ordinance since the agenda did not have specific details.

Senior Assistant City Attorney, Grant Kolling stated the agenda title was sufficient to cover the two substantive matters.

Council Member Schmid asked why the Refuse Fund was omitted from the purview of the UAC.

Council Member Yeh stated there had been a discussion with the current UAC Commissioners on oversight, rules and responsibilities beyond the Utilities Department. It had been decided there would be a need for additional staffing if the purview of the UAC was to extend beyond that of the Utility Department.

Council Member Schmid stated the second task for the UAC was to engage with the general public. He asked why commerce and industry had been specifically singled out and the consumers and residents had been left out.

Mayor Burt stated the intention was not to single out commerce and industry but rather mentioning them so they were not excluded.

Council Member Shepherd asked how closely related or integrated the UAC was involved with the Economic Development.

Council Member Yeh stated the recommended expanded role of the UAC allowed for open engagement with the stakeholders.

Council Member Scharff asked whether the recommended role of the UAC allowed for them to directly respond to entities desiring to sell utilities or products to the City.

Council Member Yeh stated the reason behind the Ad Hoc Committee was to establish UAC bylaws and procedures to prevent abuse of the system or the perception of favoritism or bias.

Council Member Scharff stated there were two choices, we could have commercial enterprises come and speak directly to the UAC or those same commercial enterprises could go directly to the Utility Department who would submit a City Manager Report (CMR) with a balanced opinion and their view to Council. He asked whether there was an advantage of one approach over the other.

Council Member Yeh stated ultimately the UAC did not direct Staff. The Utilities Department reported directly to the City Manager's Office. The UAC as an advisory body to Council would be in a position to determine whether or not to bring an item or issue to Council.

Council Member Scharff stated the UAC may not direct Staff although they do ask questions that rely on a significant amount of Staff time.

Vice Mayor Espinosa stated there had been discussion and direction to the UAC regarding their opinions and recommendations have a balanced approach.

Council Member Price asked what the process was for items to be agendized to the UAC. She asked at present, if a vendor was to present an item to the UAC, how would they be directed.

Director of Utilities, Valerie Fong stated items typically agendized for the UAC were related to budget, utility rates and benchmarking. There was a twelve month rolling calendar where any Commissioner had the ability to place an item on it for Staff consideration. She clarified where vendors were concerned; typically they were not added to the agenda. When the Commission had ample materials from Staff to present a balanced view was when the product suggested may appear on the agenda.

Council Member Holman asked whether there was clarifying language that could be incorporated to avoid presentations being agendized by vendors.

Mr. Kolling stated he had no specific language at hand that could be added. Although his understanding by Council comments was to avoid stunting the competitive selection process.

Council Member Klein stated as the City Attorney had outlined there were a variety of protections in place to avoid abuse by specific vendors. He suggested the following language be incorporated into Section C "The UAC may subject to its bylaws and at the discretion of the City Council".

Council Member Scharff suggested removing paragraph (c) from Section 1 of the recommendation. He clarified the UAC had a rolling calendar that was meant for items to be heard at any given time. His concern with vendor presentations was Staff had not vetted the product or process.

MOTION: Council Member Scharff moved, seconded by Council Member Holman to approve the recommendation of the Council Ad Hoc Committee to adopt the Ordinance Amending Section 2.23.050 of Chapter 2.23 of Title 2 of the Palo Alto Municipal Code, excluding Section 2.23.050 Section 1, paragraph (c)- The Utilities Advisory Commission may, subject to the discretion of the City Council, foster and facilitate engagement with the general public, including representatives of commerce and industry, in regard to the utility matters referred to in subsections (b)(1)(A) through (E).

Council Member Schmid stated there had been concern by the Public Utility Commission (PUC) that commerce and industry had a voice to speak for them where the ratepayers had none, thereby the Consumer Division was created. He felt more thought needed to be taken prior to implementing policy.

Mayor Burt asked for an alternative process for the UAC to hear from a vendor they may desire to vet on a policy or technology direction.

Ms. Fong stated when a vendor provided information to the UAC prior to their presentation this provided Staff with information to research and review in order to be able to present a balanced presentation to Council.

SUBSTITUTE MOTION: Council Member Yeh moved, seconded by Vice Mayor Espinosa that the City Council adopt the recommendation of the Council Ad Hoc Committee: 1) to adopt the Ordinance Amending Section 2.23.050 of Chapter 2.23 of Title 2 of the Palo Alto Municipal Code, 2) subject to its bylaws and the discretion of the City Council shall foster and facilitate, and 3) to include the following verbiage in paragraph (c) under Section 1: include the wording - not to exclude representatives of commerce and industry.

Council Member Yeh stated the Substitute Motion would allow the UAC to proactively take initiatives where existing programs had esthetic, financial and delivery of utility services to the City's businesses and residents.

Vice Mayor Espinosa noted the efforts put forth in the discussion with the Ad Hoc Committee were to ensure no group of interest was excluded from participation.

Council Member Klein spoke in favor of the Substitute Motion and stated leaving out sub-paragraph c was too dramatic. He clarified the UAC needed to have broad access to the information in order for them to provide Council with sound advice.

Council Member Holman stated she would not be supporting the Substitute Motion. She did not feel the Council provided direction since they were not involved in the creation of the bylaws.

Mayor Burt asked whether the process for setting the UAC agenda empowered them to schedule Study Sessions and had that been their practice.

Ms. Fong stated it had not been precluded although when there were items of such a nature placed on the agenda they were marked for discussion

rather than Study Session. Technically, the discussion category at the UAC level was considered a Study Session although it was not listed as such.

Mayor Burt asked whether the UAC was specifically empowered or was it the practice that the UAC themselves could say they wanted a Study Session or a discussion item on a particular subject or was that left to the Utilities Staff.

Ms. Fong stated the scheduling of agenda items usually went through Staff so Staff could gather information, be conversant on the topic and prepared for Council questions if the item was referred to Council.

Mayor Burt stated his question was not the timing of a Study Session but rather the UAC had the ability to determine whether there would be a Study Session on their agenda.

Ms. Fong stated the UAC did not direct the Utilities Department to add items on the agenda; however, the Utilities Department listens to their requests and at a given time those requests were placed on the agenda.

Utilities Advisory Commission, Vice Chair, Jonathan Foster clarified the Commissioners did have the ability to request a Study Session be added to the agenda. He clarified UAC Commissioners had discussions of whether the to have a Study Session rather than a discussion and in all fairness a Study Session at a UAC meeting was not to the extent it was at a Council Meeting.

Council Member Shepherd stated she would be supporting the Substitute Motion. She stated as the City modernized and merged forward the process should remain nimble and not be constrained.

Council Member Scharff stated currently there were no bylaws in place. He asked whether the bylaws would be self generated by the UAC or would Council approve them.

Council Member Yeh stated his understanding from the City Attorney's office was each Board or Commission was tasked with developing their own bylaws.

Council Member Scharff asked whether the UAC bylaws would specifically be addressing the concerns expressed by Council.

Mayor Burt stated the Motion could be clarified to address the bylaws development.

Council Member Yeh stated as the liaison to the UAC he would ensure there would be a set process for defining the bylaws.

Council Member Scharff stated when the UAC bylaws were developed they would address the specific circumstances of when commerce and industry may come forward to address the UAC.

Council Member Schmid asked if the bylaws would put into practice when a commercial entity could place an item on the UAC agenda. He thought all of the Boards and Commissions had the ability to determine their meeting agendas.

Mayor Burt clarified the Planning & Transportation Commission (P&TC) had the ability to request and initiate a Study Session. It had not been the practice of the UAC to do so, which was how the item came to the Council.

Council Member Schmid clarified the unique element of the item was to empower the UAC to identify an agenda item that may include business and industry.

Council Member Yeh stated he felt that level of detail would be inappropriate for the Municipal Code; although, was an appropriate level of detail for the bylaws.

Council Member Scharff stated he understood each open meeting had a three minute period for speakers. His endeavor was to clarify when an advocacy group or a commerce group wanted to agendize a topic.

Council Member Klein suggested the Council approve the bylaws of the Utilities Advisory Commission.

Council Member Yeh stated requiring the Council to approve the bylaws of the UAC added an additional step that did not apply to other Boards or Commissions. Given the level of interest by Council, he felt with the overall shift in strategic direction he was open to the added language.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to include that the Utilities Advisory Commission, subject to the Council approved bylaws, will address the circumstances that commerce and industry groups with policy issues may bring them forward.

Ms. Fong asked to ensure that the bylaws be developed taking into consideration the Utilities Staff required workload capacity.

Mayor Burt stated the Substitute Motion on the Table required Council approval of the bylaws; therefore, enabling Staff to weigh in on the bylaws.

Council Member Holman stated the UAC currently had Study Sessions, although were referred to as discussions on the agenda.

Vice Mayor Espinosa stated having the bylaws return to Council for approval was uncommon and not necessarily ideal although through the addition of that step the various concerns raised had been met.

SUBSTITUTE MOTION RESTATED: 1) The City Council adopt the recommendation of the Council Ad Hoc Committee: 1) to adopt the Ordinance Amending Section 2.23.050 of Chapter 2.23 of Title 2 of the Palo Alto Municipal Code, 2) subject to its bylaws and the discretion of the City Council, and 3) to include the following verbiage in paragraph (c) under Section 1: not to exclude representatives of commerce and industry, and 4) to include that the Utilities Advisory Commission, subject to the Council approved bylaws, address the circumstances that commerce and industry groups with policy issues may come forward to address the Commission.

SUBSTITUTE MOTION AS AMENDED PASSED: 7-2 Holman, Schmid no

15. Public Hearing: Adoption of Amended Community Development Block Grant (CDBG) Citizen Participation Plan

Chief Planning and Transportation Officer, Julie Caporgno gave a brief background on the Community Development Block Grant (CDBG) Program. Council had requested a reduction in administrative costs for the CDBG program and Staff had presented Council with their proposal.

Council Member Schmid asked if there were any particular expertise the current community group had around the Housing Element which may not be represented in Human Services Resource Allocation Process (HSRAP).

Ms. Caporgno stated she was, uncertain and noted there had been difficulties in recruitment for the Citizens Advisory Committee.

Council Member Schmid asked whether the HSRAP staffing was recruited through the Community Services Department (CSD).

Ms. Caporgno stated Staff proposed the Planning Department would continue to provide the staffing to the Human Relations Commission (HRC) for the CDBG process. In essence Planning would be working with the CSD Staff.

Public hearing opened and closed without public comment at 10:24 p.m.

MOTION: Council Member Yeh moved, seconded by Council Member Shepherd to adopt the amended Community Development Block Grant Citizen Participation Plan.

Council Member Shepherd stated the collaboration of the two groups created a natural flow in support and was a good step for the HRC.

Council Member Scharff stated he supported the Motion.

Mayor Burt stated the change gave the HRC a more substantive role which was aligned with their primary function.

MOTION PASSED: 9-0

16. Approval of a General Services Agreement with ValleyCrest Golf Course Maintenance, Inc. in the Amount of \$1,875,000 for Maintenance Services and Sale of Used City Golf Course Maintenance Equipment for \$125,000; and Referral of Golf Course Financial Planning Issues to the Finance Committee.

MOTION: Council Member Klein moved, seconded by Council Member Price moved to continue the item to October 25, 2010.

SUBSTITUTE MOTION: Council Member Scharff moved, seconded by Council Member Schmid to hear the presentation tonight, and include it on the Consent Calendar on October 25, 2010.

SUSTITUTE MOTION PASSED: 8-1 Klein no

Recreation Manager, Rob De Geus gave a brief explanation of the At-Place memo placed before Council regarding the changes to the requested contract.

Council Member Price asked if the flood control work needed to be accelerated and if there were funds available to do so, would Staff need to return to Council for approval.

Mr. De Geus stated a decision needed to be made on how the golf course was maintained. The impacts of flood controls had on revenues was related, but a separate question. The potential of Staff returning to Council due to flood control would be a need for the contract to be adjusted and not a request for funds in respect of the flood control issue.

Council Member Holman asked whether there had been changes made in the movement of the levy.

Mr. De Geus stated the levy had encroached further into the golf course than Staff had initially anticipated.

Mayor Burt stated his understanding from the staff of the Joint Powers Authority (JPA) was the engineering design would eliminate any further encroachment.

Council Member Schmid asked whether the effect on the number of holes would be enough to close the golf course.

Mr. De Geus stated Staff was presently uncertain as to the sequence of the hole disruption or the loss of revenue. The work being performed inside the levy channel may take up to two years due to seasonal windows. There were no windows to perform the work on the golf course itself and therefore Staff was anticipating a shorter timeframe for completion.

Council Member Schmid asked how much of the golf course would be negatively effected permanently once the levy work had been completed.

Mr. De Geus stated he did not have a specific square footage however, there would be a significant amount of loss.

Mayor Burt asked whether the redesign of the golf course had impacts of the subject for discussion at hand.

Mr. De Geus stated no.

Council Member Schmid asked whether the contract before Council varied financially based on the amount of the golf course being in use.

Mr. De Geus stated the contract being recommended was written with the assumption there would be no flood control work performed within the 30-month term of the contract.

Council Member Schmid stated the revenue projections appeared to be optimistic considering the rounds of golf played which had declined by 15 to 20 percent.

Mr. De Geus stated the revenue projections did not account for the work being performed on the levies.

Vice Mayor Espinosa asked if there was information in regards to what had happened with the employees who had been displaced due to the City contracting out the maintenance services.

Mr. De Geus stated the golf course Staff had all been tremendous during the transition and maintained a high level of work ethic until they had found replacement positions or voluntarily retired.

Council Member Holman clarified the golf course reconfiguration having to do with mitigation of the levies was pertinent to the discussion.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Espinosa to refer to the Finance Committee: 1) the question of how staff should propose fair and reasonable mitigation for anticipated lost revenues at the Golf Course during the San Francisquito Creek Joint Powers Authority's (JPA) flood control project, and 2) the question of whether staff should develop for the Council's approval a proposal to establish a new infrastructure reserve fund in the amount of the annual savings above the fully loaded operating costs of the Golf Course for the eventual replacement of anticipated infrastructure needs at the Palo Alto Municipal Golf Course.

Council Member Schmid asked Staff to restate the probable financial risk by approving a three-year contract with the uncertainty of the Flood Control Project.

Mr. De Geus stated there was an unknown with respect to the end result of the Flood Control Project or when it would occur. Staff had included as much pertinent information into the Agreement in terms of reviewing the terms of the contract and how they may change in the event flood control work began during the term of the contract.

MOTION PASSED: 9-0

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Scharff reported he met with members of the Department of Transportation (DOT) and Federal Rail Authority (FRA), while in Washington, D.C., last week regarding High Speed Rail and Caltrain.

Mayor Burt stated recently in the paper he had read that five members of our local Congressional delegations had formed an Ad Hoc Committee who are meeting regularly with DOT and FRA regarding High Speed Rail and Caltrain.

Council Member Klein reported on attending the Santa Clara County Cities Association (SCCCA) meeting last week and that the Council needed to appoint an alternate to the Santa Clara County Interoperability Committee (communications). Council Member Scharff volunteered to be the alternate. The SCCCA bylaw changes will be brought to the Council in the next few months to review. There will be a SCCCA meeting on November 8, 2010 regarding SB375 on sustainable community strategies. They also saw a presentation about San Jose Airport.

Council Member Price reported that the Santa Clara Valley Transportation Authority Policy Advisory Committee discussed SB375 at their recent meeting.

Mayor Burt reported that the Palo Alto Chamber of Commerce celebrated their 100th anniversary this past week, and the Committee for Green Foothills presented their special activist award to Californians Advocating for Responsible Rail Design (CAARD).

Council Member Klein spoke regarding Victor Calvo who passed away on September 26, 2010. Mr. Calvo served three terms as Mayor for the City of Mountain View, was elected to serve on the Santa Clara County Board of Supervisors, as well as representing the 21st Assembly District. He was also appointed by Governor Brown to the Public Utilities Commission, and served on the California Coastal Commission. He asked that the meeting be adjourned in Mr. Calvo's memory.

The City Council convened into Closed Session at 11:10 p.m.

CLOSED SESSION

17. CONFERENCE WITH CITY ATTORNEY—ANTICIPATED/POTENTIAL LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(b)(1): G. Roberts

Authority: Government Code section 54956.9(b)(1)

The City Council reconvened from the Closed Session and Mayor Burt announced that the Council authorized the City Manager to sign an agreement, granting administrative leave to Director of Public Works, Glenn Roberts. Mr. Roberts will receive six months' severance pay; the payment is consistent with contracts entered into with other members of the City's Executive Leadership Team.

ADJOURNMENT: The meeting was adjourned in memory of Victor Calvo at 11:53 p.m.