

ACTION

Special Meeting
June 20, 2011

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:04 P.M.

Present: Burt, Espinosa, Holman, Klein arrived @ 7:26 P.M., Price, Scharff, Schmid, Yeh

Absent: Shepherd

STUDY SESSION

1. Study Session Regarding the Valley Transportation Authority's El Camino Real Bus Rapid Transit (BRT) Project.

Staff from Valley Transportation Authority presented the El Camino - Bus Rapid Transit (BRT) project in a Study Session to the City Council. The proposed El Camino Real BRT Corridor extends from Downtown San Jose (Arena Station) to Downtown Palo Alto (Palo Alto Transit Center) passing through the cities of Santa Clara, Sunnyvale, Los Altos, and Mountain View. The goal of the project is to improve transit access along the El Camino Real corridor by providing faster and more reliable bus transit service with target stops using specialized transit vehicles and enhanced station facilities. VTA staff is recommending that the project include a combination of BRT operations in either a "Mixed Flow Lane" or "Dedicated Center Median Lanes" through the corridor. Mixed Flow Lane operations preserve existing lane configurations along El Camino Real while Dedicated Center Median operations require a reduction in lanes along El Camino Real to provided the dedicated roadway right-of-way to sustain BRT operations. In Palo Alto, the VTA is proposing BRT to operate within a Mixed Flow Lane operation with stations at California Avenue and near Charleston Road-Arastradero Road (Maybell Avenue). The City Council indicated a preference for the VTA to

analyze both BRT operation models in Palo Alto and to return to both the Planning & Transportation Commission and Council in the Fall 2011 so that a better informed decision regarding design preference for BRT operations in Palo Alto can be made.

SPECIAL ORDERS OF THE DAY

2. Proclamation Recognizing the 80th Anniversary of Gleim the Jeweler.

Vice Mayor Yeh read the Proclamation recognizing the 80th anniversary of Gleim the Jeweler into the record.

3. Selection of Candidates to be Interviewed for the Planning and Transportation Commission for One Term Ending on July 31, 2015.

MOTION: Council Member Klein moved, seconded by Council Member Holman to interview all candidates for the Planning and Transportation Commission.

MOTION PASSED: 8-0 Shepherd absent

CONSENT CALENDAR

Staff and Stanford University representatives request Agenda Item Number 9 be pulled to be heard on July 11, 2011.

Council Member Klein advised he would not be participating in Agenda Item Number 9 due to his wife being on staff at Stanford University. He left the meeting at 7:33 P.M.

MOTION: Vice Mayor Yeh moved, seconded by Council Member Scharff to approve Agenda Item Numbers 4-8, 10.

4. Resolution 9175 entitled "Resolution of the Council of the City of Palo Alto Determining the Proposed Calculation of the Appropriations Limit for Fiscal Year 2012."
5. Resolution 9176 entitled "Resolution of the Council of the City of Palo Alto Approving a Professional Services Agreement between the Northern California Power Agency and the Cities of Alameda, Palo Alto and Santa Clara for Electric Transmission, Generation and Regulatory Consulting Services."
6. Approval and Authorization of the City Manager to Execute a Contract with Pacheco Utility Line Builders in the Amount of \$371,412 for the

Electric Pole Replacement and Overhead Wire Install Project on City's Electric Distribution System.

7. Approval of a Utilities Enterprise Fund Contract with Dresser, Inc. in an Amount of \$935,700 for Supplying Regulating Equipment for Rebuilding of Gas Receiving Stations 1, 2, 3, and 4 Capital Improvement Program Projects GS-09000, GS-08000, GS-10000, and GS-11001.
8. Approval Of Software Consulting Service Contract Amendment with Sierra Infosys, Inc. in the amount of \$84,000 for the SAP Basis Support of SAP Industry-Specific Solution for Utilities, SAP Financials, Customer Relationship Management System, Business Intelligence System and Utilities Customer Electronic Services.
9. ~~2nd Reading Adoption of a Resolution Approving the Reorganization of an Approximately .65 Acre Territory Designated "Major Institution/University Lands" Located in the County of Santa Clara and Second Reading for the Adoption of Two Ordinances: (1) Amendment of Title 18 of the PAMC to add a new Chapter 18.36 (Hospital District), adding Section 8.10.95 (Tree Removal in HD Zone) to Chapter 8.10 (Tree Preservation and Management Regulations) of Title 8 (Trees and Vegetation) and amending Section 16.20.160(a)(1) (Special Purpose Signs) of Chapter 16.20 (Signs) of Title 16 (Building Regulations) and amending Section 18.08.010 (Designation of General Districts) and Section 18.08.040 to Chapter 18.08 (Designation and Establishment of Districts) and (2) Approval of a Development Agreement Between the City of Palo Alto and Stanford Hospital and Clinics; Lucile Salter Packard Children's Hospital at Stanford; and the Board of Trustees of the Leland Stanford Junior University. (Continued from June 13, 2011)~~
10. Annual Adoption of the City's Investment Policy.

MOTION PASSED for Agenda Item Numbers 4-8, 10: 7-0 Klein, Shepherd absent

Council Member Klein returned to the meeting at 8:19 P.M.

ACTION ITEMS

11. PUBLIC HEARING: Approval of an Ordinance 5121 Adopting the Fiscal Year 2012 Budget, including the Fiscal Year 2012 Capital Improvement Program, and Changes to the Municipal Fee Schedule; Adoption of Five Resolutions: (1) Resolution 9177 Amending Utility Rate Schedules for a Storm Drain Rate Increase; (2) Resolution 9178 Amending Utility Rate Schedules for Fiber Optic Rate Increases; (3) Resolution 9179

Amending Utility Rate Schedules for Wastewater Rate Increases pursuant to Proposition 218; (4) Amending Utility Rate Schedules for Water Rate Increases; (5) Amending the 2010-2011 Compensation Plan for the Management and Professional Personnel and Council Appointees; and Adoption of an Ordinance Amending Chapter 2.08 to Create a New Department of Information Technology (Continued from June 13, 2011).

Public hearing opened and closed without public comment at 8:35 P.M.

Council Member Klein advised he would not be participating in this portion of the Agenda Item as it pertains to Stanford University and his wife is on staff at Stanford University. Council Member Klein left the meeting at 8:38 P.M.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Yeh to approve Staff and the Finance Committee recommendation that the City Council adopt the portions of the Police and Fire Department Budgets and CIP relating to Stanford University for the Fiscal Year 2012 and the Ordinance portions related thereto.

MOTION PASSED: 7-0 Klein abstaining, Shepherd absent

Council Member Klein returned at 8:40 P.M.

MOTION: Council Member Scharff moved, seconded by Council Member Klein to: 1) not approve water rate increases and Staff is to return to Council on June 27, 2011 with new rates that do not include Tier 3 rates for residential usage or Tier 2 rates for commercial usage; 2) and revised water rates do not need to be reviewed by Utilities Advisory Commission or the Finance Committee; 3) a transfer of \$2.8m from the Water Rate Stabilization Reserve Fund would continue as currently proposed; and 4) no further updates to the financial forecast.

SUBSTITUTE MOTION: Council Member Schmid moved, seconded by Vice Mayor Yeh to: 1) approve Staff recommendation to increase the water rates for 6 months, 2) direct Staff to do a Cost of Services Study for the basis of new rates for April 2012.

SUBSTITUTE MOTION FAILED: 3-5 Price, Schmid, Yeh yes, Shepherd absent

MOTION PASSED: 7-1 Price no, Shepherd absent

MOTION: Council Member Scharff moved, seconded by Vice Mayor Yeh to: 1) Staff and the Finance Committee recommend that Council approve the following:

1. The Budget Adoption Ordinance, which includes:
 - a. the City Manager's Fiscal Year 2012 Proposed Budget
 - b. amendments to the City Manager's Fiscal Year 2012 Proposed Budget
 - c. revised pages to the Table of Organization
 - d. amendments to the Fiscal Year 2012 Proposed Municipal Fee Schedule
2. Resolution amending Utility Rate Schedules for a Storm Drain Rate Increase
3. Resolution amending Utility Rate Schedules for a Fiber Optic Rate Increase
4. Resolution amending Utility Rates Schedule for a Wastewater Rate Increase
5. Resolution of the Council of the City of Palo Alto amending the 2010-2011 Compensation Plan for Management and Professional Personnel adopted by Resolution No. 9156 to add three new positions, change the titles of six positions and update the compensation for five positions
6. Ordinance of the Council of the City of Palo Alto amending Chapter 2.08 of Title 2 of the Palo Alto Municipal Code to add Section 2.08.240 creating a new Department of Information Technology

MOTION PASSED: 8-0 Shepherd absent

12. Policy & Services Committee Recommends the City Council Increase the Number of Flex Positions in the Table of Organization in the Fiscal Year 2012 Proposed Budget.

MOTION: Council Member Price moved, seconded by Council Member Burt to accept Staff recommendation that Council increase the number of flex positions (over-strength) in the Table of Organization in the Fiscal Year 2012 Proposed Budget, from seven to twenty positions.

MOTION PASSED: 8-0 Shepherd absent

13. Policy & Services Committee Recommends the City Council Make Policy Decision Regarding Removal or Modification of City Charter Provision on Binding Interest Arbitration.

MOTION: Council Member Klein moved, seconded by Vice Mayor Yeh to refer to Policy & Services Committee to: 1) draft a significant modification of the existing Binding Interest Arbitration provision, 2) provide language to repeal the Binding Interest Arbitration provision, 3) return with recommendation when the election should occur, if there is to be one, and 4) return with this information on July 25, 2011 for full Council consideration.

SUBSTITUTE MOTION: Council Member Scharff moved, seconded by Council Member Holman to place before the voters, in November 2011, a ballot Initiative to repeal Binding Interest Arbitration.

SUBSTITUTE MOTION WITHDRAWN BY THE MAKER

MOTION PASSED: 8-0 Shepherd absent

~~14. Adoption of Two Resolutions: (1) Adopting Utility Rate Schedule E-16, as amended; and (2) Approving the Master License Agreement and Exhibits For Use of City-controlled Space on Utility Poles and Streetlight Poles and in Conduits.~~

Staff requests Agenda Item Number 14 be pulled to be heard on July 25, 2011.

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Burt spoke about the ability of citizens to put in backyard wells that would allow them to use the water for irrigation purposes.

Council Member Klein reported on his attendance at the last Board of Directors of the Santa Clara County Cities Association where they had 3 presentations including: 1) census taking of homeless persons in Santa Clara County, 2) recycling of products by businesses, and 3) Bay Plan Update focusing on sea level rise.

Mayor Espinosa acknowledged Claude Ezran and his hard work on World Music Day festivities.

ADJOURNMENT: The meeting was adjourned at 11:27 P.M.