Special Meeting January 21, 2012

The City Council of the City of Palo Alto met on this date in the Downtown Library, 270 Forest Avenue, at 9:05 A.M.

Present: Burt, Espinosa, Holman, Klein, Price arrived @ 9:28 A.M.,

Scharff, Schmid, Shepherd, Yeh

Absent:

Mayor Yeh

Oral Communications

None

Action Items

 Council Retreat for the Purpose of Discussing Council Priorities for 2012, Topics for Future Council Retreats, and the Infrastructure Blue Ribbon Commission's Report Findings, Recommendations, and Next Steps.

Mayor Yeh stated that he had recommended to the Council to rollover the 2-year old Council Priorities into the third year, 2012, and asked to open up the recommendation for discussions or Motions.

Council Member Klein said he did not have a problem with the recommendation. He said five Priorities were too many and needed to explore how other Cities handled priority setting. He suggested referring the process to the Policy & Services Committee (P&S) to review the definition of the Priorities and to recommend to the Council changes to the process.

MOTION: Council Member Klein moved, seconded by Council Member Schmid to; 1) rollover the five Council Priorities; and 2) refer to Policy and Services Committee to review the definition of Council Priorities and recommend to Council any changes to the priority setting process.

Council Member Schmid said updating the Housing Element, the Comprehensive Plan, and Infrastructure were three issues that needed to be addressed, which would bring the total to eight Priorities for 2012.

Council Member Burt stated that the Council needed to decide which Priorities to keep and/or to make Infrastructure as Priority 1 or 2.

Council Member Holman proposed to make Healthy Community as a Priority. She spoke of a worldwide program that started in Europe and involved community participation. She provided a handout that outlined the program, which encompassed more than Project Safety Net (PSN) and Youth Wellbeing elements. She said a Healthy Community Priority would focus on the quality of life, community values, and a movement to a healthy and prosperous community.

Council Member Shepherd stated the categories in setting priorities were too general and needed more detailed description. She said P&S could better define each Priority, focus, and set goals. This would allow the Council to speak to the issues and to clearly relate and have people understand what was being accomplished.

Vice Mayor Scharff recommended Infrastructure as a 2012 Priority and to delete Land Use & Transportation Planning.

AMENDMENT: Vice Mayor Scharff moved, seconded by Council Member Burt to add Infrastructure and delete Land Use & Transportation Planning from the current Council Priorities.

Council Member Klein felt the Amendment would open up the question of having Five Priorities and that a similar argument could be made on all the other items. He was not opposed to doing that but did not think that was the plan for today's meeting.

Vice Mayor Scharff said most of the Land Use & Transportation Planning goals had been met and could be singled out.

Council Member Klein said that was being optimistic and that more work needed to be done for Land Use & Transportation Planning.

Mayor Yeh said the proposed Amendment was not accepted by the Makers of the original Motion.

Council Member Burt stated there had been prior discussions to make the Stanford Development a major project and was folded into Land Use & Transportation Planning and was an on-going element for the City.

Council Member Espinosa needed the Amendment clarified.

Vice Mayor Scharff stated there would be Five Council Priorities and proposed to replace Land Use and Transportation Planning with Infrastructure.

Council Member Espinosa stated that flushing out work from work plans evolved from Staff in setting Priorities. He wanted to get Staff's input to help determine if Infrastructure fell into one of the existing Priorities or if it should stand on its own.

Mayor Yeh stated Infrastructure was categorized under City Finances in the 2011 Strategic Summary. He said the Priorities could go back to P&S for further definitions once the Council took action on the 2012 Priorities. P&S could revisit the goals and Infrastructure could be framed under City Finances. His preference would be to focus on Infrastructure for 2012, which would be a multi-year effort.

Council Member Shepherd stated the Cubberley discussion was a missing gap. There was a methodology in working with the School District on Cubberley but was separate from Infrastructure. She said Cubberley discussions needed more clarity in its definition, goals, and focus.

City Manager, James Keene said he understood Council Member Shepherd's concerns and asked what method would be used to determine if Infrastructure should be a Priority. The process could open up other areas to determine if other goals and initiatives needed more clarity that had not previously been identified.

Council Member Schmid stated it appeared that the group was going down two paths; setting priorities and establishing general categories on how to frame things. He did not support the Amendment and was in favor of sending the matter to P&S for further discussions and make recommendations on changes to the Council.

Council Member Holman needed clarification on the Motion.

Council Member Klein said there were two parts to the Motion: 1) to continue to have Five Priorities for 2012, and 2) to refer the matter to P&S for discussion and to recommend to the Council a change in the priority setting process and to define Priority.

Council Member Holman was not in favor of removing Land Use and Transportation Planning because Cubberley was a large project and should be landmarked.

Annette Glanckoph, gave a report on 2011 Emergency Preparedness Program. She said all of the emergency volunteers in the community have come together and would continue to in 2012. Three priority goals were accomplished. Several drills had taken place with stakeholders and emergency preparedness in the neighborhood. A large amount of funding was received from external sources for materials and projects the group wanted to accomplish. New Emergency Preparedness classes were added and trained over 100 new people in the Block Preparedness Coordinator program. A self-assessment was completed at the end of the year. Goals mentioned by Stakeholders would be brought forward into the 2012. Efforts would be made for neighboring communities to get into a best practice model, to have the same identification, and use the same terminology in preparing for a disaster. The 2012 goals were to maintain momentum in emergency preparedness program, grow efforts, work towards a unified command for emergency volunteers to be under one structure, set task forces for vulnerable populations, and to foster a culture of preparedness.

Lidia Ku asked the Council and the City to continue Emergency Preparedness as a Priority and continue to fund \$15-20k for the operations, education, and other related materials for the community. She asked that Council Members participate in classes, to advocate and become a Block Preparedness Coordinator. There participation would show the community the Council's commitment to move Emergency Preparedness forward as a 2012 Priority.

Council Member Burt stated that P&S had produced a cross-matrix that showed a goal or initiative did not fall only under one particular Priority. One of the objectives should be to have something that served as multiple purposes at once. An example was if Infrastructure was framed under City Finances it did not mean it was not a Priority but meant it had a financial, environmental sustainability, Land Use and Transportation Planning and an Emergency Preparedness element. Cubberley was at the core of the Infrastructure. There were more core value elements versus initiatives. Priorities were a hybrid of both. A Healthy Community Priority was a crossover between several areas. He raised concerns that the Council devoted this meeting and other sessions to Infrastructure and asked why it

was not a Priority. He felt it should be a Priority but was not sure if Infrastructure should be number one and City Finances was the core. He said these were not normal times and would want to make fundamental changes to City Finances over multi-year period to allow the City to do other things.

Council Member Klein stated the discussion started by trying to define something as a Priority. City Finances was always first Priority. He said Priority should be defined as, "A Priority is an issue or topic which will receive particular, unusual, and significant extra attention during the year. There should be no more than three Priorities in a year. If an issue or topic was not listed as a Priority, it was not being downgraded in its importance to the City." He said 2012 should be limited to two priorities if the definition was accepted and should be Infrastructure and Cubberley Center. It would make sense to send the general topic to P&S.

AMENDMENT TO AMENDMENT: Council Member Klein moved, seconded by Vice Mayor Scharff to have Infrastructure and Cubberley Community Center as the two Priorities for 2012.

Council Member Klein said the Amendment to the Amendment would provide clarity to what the Council wanted to do for 2012.

Vice Mayor Scharff said he supported the Amendment to the Amendment. It did not mean the City would not continue to work on the other Priorities, but the focus would be on two specific Priorities and not overarch on goals for the City.

Council Member Shepherd stated she was in favor of sending the matter to P&S. She said there should be a structure to bring policies forward, signed off by two colleagues and would allow Staff to discuss the items in the beginning of the year. She did not support the Amendment to the Amendment

Council Member Schmid said he was not in favor of dropping the other Priorities. He said consideration needed to be made on how large of a City we wanted to be and what were the basic economic goals that would make for a Healthy City. Infrastructure fitted into the Comprehensive Plan. Two critical priorities were identified, but needed to build on the context in order to do a good job. He did not support the Amendment to the Amendment.

Council Member Espinosa stated he did not have a problem narrowing down to two Priorities but this should not be done today since it required working through the mission, goals, and work plans. He was in favor of having Infrastructure as a Priority because it captured all of the main City issues.

Council Member Burt said he wanted to fold into the Amendment to the Amendment to forward the discussion to P&S to define the definition of Priorities. He said to accept Council Member Klein's definition of a Priority and to settle on two Priorities would be doing two things at once. More discussion needed to take place at P&S and returned to the Council for approval. He was not in favor of dropping the other Priorities. He supported the original Motion.

Council Member Klein stated the definition he provided was personal and not part of Motion.

Council Member Burt said that was understood. The two Priorities that Council Member Klein proposed and those he proposed to drop were in line with his definition. His definition would be accepted at this time for practical purposes.

Mayor Yeh said Infrastructure cut across the existing Priorities and highlighted what Infrastructure meant. He supported the original Motion.

Council Member Price said Infrastructure transcended the other Priorities that were identified. Priorities defined work plans and could be systematic of where Staff should devote their time. She supported sending the matter to P&S but raised concern of getting trapped into an analysis syndrome to define and redefine. She said Infrastructure was not a separate item but was a means to address across all Priorities previously established.

Mayor Yeh said the Amendment to the Amendment would be to replace the Five Priorities with two for 2012: 1) Infrastructure, and 2) Cubberley Center

AMENDMENT TO AMENDMENT FAILED: 2-7 Klein, Scharff yes

Mayor Yeh said the original Amendment to the Motion was to 1) add Infrastructure and delete Land Use & Transportation Planning from the current Council Priorities and 2) to refer to Policy & Services discussion to define Priority.

Council Member Burt said Infrastructure was not an overriding overlay. It was not a value but a work plan around a topic. The cross-matrix document acknowledged and recognized one Priority to another and how one goal served several other goals.

Vice Mayor Scharff said his understanding of the original Motion would be to rollover the Five Priorities along with its current goals. There would be an issue because a rollover would mean certain goals would appear to have been completed when they were not. He said goals needed to be clarified prior to voting on the item today if Infrastructure was not going to be a goal.

Council Member Klein stated that the discussion needed to get back to a more philosophical approach. He said several languages were being spoken around the table in terms of calling something a Priority. Time had not been set aside to discuss goals and was not hearing what was trying to be accomplished in setting Priorities. He did not support the Amendment.

Council Member Holman said she agreed with Vice Mayor Scharff's comments that there were flaws in the original Motion and would not support the Amendment.

Council Member Burt said he had neglected to modify the Amendment to incorporate Council Member Klein's recommendation that P&S take on the task to define Council Priorities. He asked if an Amendment to the Motion was needed.

Mayor Yeh clarified that was part of the original motion

AMENDMENT FAILED: 3-6 Burt, Espinosa, Scharff yes

Mayor Yeh restated that the original Motion was that the 2011 Council Priorities would be continued in to 2012 and for the Policy & Services Committee to review the definition of Council Priorities and to recommend to the Council any changes to the priority setting process.

Council Member Price asked if P&S would be providing an update regarding the language once Priority was defined to reflect the importance of the Infrastructure Blue Ribbon Committee (IBRC) Report and all its related work.

Council Member Klein said P&S would go through a different process and would have the definition of goals in a work plan.

Council Member Shepherd asked if she could make an Amendment to refresh the goals framed under the Priorities.

Council Member Espinosa said it was part of the process.

Council Member Burt stated there was going to be Five Priorities and Infrastructure was an unstated Priority. His interpretation was that Infrastructure was an over-the-top Priority that the word would not be mentioned. He said that did not make sense and was wrong.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to have Policy & Services Committee establish a process for how priorities and goals are established.

AMENDMENT: Council Member Holman moved, seconded by Council Member Schmid to replace Youth Wellbeing with Healthy Community as a Priority.

Council Member Schmid said other Priorities had been flushed out by examples and goals and that the current Amendment was putting Youth Wellbeing in a larger context of a Healthy Community as a whole.

Council Member Shepherd said she was interested in the other Priority but had not invested time in analyzing what the change would bring. She said she was very familiar with Youth Wellbeing and Emergency Preparedness. City Finances was in the Charter and could not move forward without a balanced budget. Environmental Sustainability had hosts of things and could possibly encompass a Healthy Community. She said P&S needed to provide a clear definition of goals, what a Priority was, and had the ability to replace that Priority with Infrastructure.

Council Member Klein said he was opposed to changing Priorities on a fly and felt it would be inappropriate to act on a change without further research on the language and other impacts it could create.

Council Member Holman stated Priorities were made on the fly every year except for last year when they were rolled over. She addressed Council Member Shepherd's comments and asked how P&S had the ability to replace a Priority when the original Motion was to rollover the existing five Priorities.

Mayor Yeh said the City's structure was that Elections were done in November. New Council Members coming in January would want to have input on Priorities and goals. Priorities were discussed during Council Retreats and goals were shaped through P&S during the year. It would be ideal to plan all goals in the preceding year but with the current structure that would not be feasible. He felt there were ways to incorporate Healthy City within the existing priorities.

AMENDMENT FAILED: 2-7 Holman, Schmid yes

Council Member Holman asked if P&S had the ability to recommend to the Council to change a Priority.

Mayor Yeh said that was excluded from the Motion.

MOTION AS AMENDED PASSED: 8-1 Burt no

City Manager, James Keene stated the Mayor's memo identified the Council's interest in structuring some other retreat-like settings, perhaps four during the year, to discuss big issues facing the City. He said planning for this Retreat made it clear that, given the scope of work on Infrastructure, working through Infrastructure in one session was unlikely. recommendation was to schedule up to four retreat-type sessions; one in February or March, one after that, and one in June or July. He stated that was driven by the complexity of the issue and schedule implications, particularly if the Council wanted to have a November ballot. He suggested the Council could view this as evolving, that the Council could get to the next meeting and then determine if subsequent ones were needed. He said it would not be practical to think about retreats separately during the first half of the year, given the work that had to take place on the Infrastructure issue and other big initiatives, such as supporting the Cubberley community, process discussions, launch of the Housing Standing Committee, and the He reported the recommendation was seeking the Council's endorsement for, at least for the first half of the year, devoting up to a potential of three more sessions on Infrastructure separate from the regular Council setting.

Mayor Yeh asked for Council Member feedback on this idea.

Council Member Price was concerned that some of the issues around Infrastructure were time sensitive. She stated the creation of agendas for each of these sessions was critical to determine the outcomes the Council was seeking and what was the most strategic way to do that. She assumed that was part of the thinking as Staff laid out the goals of each retreat and the things the Council would attempt to accomplish. She noted the Council had a tendency to take on too many things, and then take a lot of time on each of them.

Mr. Keene thought the Council would not set the dates for these meetings today, but would acknowledge the concept. He stated the Mayor, Vice Mayor and Staff would determine possible dates when preparing the Agenda.

He indicated the Mayor thought this could be revisited at the end of the meeting, after obtaining a sense of how much time was required to work through the Infrastructure Report and implementation issues for the Council.

Council Member Klein stated the Council needed these meetings. He didn't have a problem with that. He asked what was the difference between a meeting and a retreat.

Mr. Keene thought separating it from the Council Meeting itself was the difference. He noted the pressure to complete the Council Agenda at a Council Meeting. He stated the concept was to have a conversation rather than a formal discussion under Parliamentary Procedures.

Council Member Klein stated the Council may need meetings as it moved forward on Infrastructure, and the meeting day was dependent on Council Members' schedules. He said decisions would have to be made, and thought those worked better in the Council Chambers using Parliamentary Procedures.

Mayor Yeh suggested the Saturday meetings would be arranged as non-Action Item Saturdays with dialogue by the Council, and Staff would be able to pull from discussions potential Actionable Items for Council Meetings. The idea of a retreat was to meet, talk, converse, and then Staff would determine Action Items for the Council.

Council Member Shepherd asked if the recommendation was to have them on Saturday.

Mr. Keene stated the thinking was to set aside a particular day, whether Tuesday, Wednesday or Saturday, for only this topic. He indicated this Item was listed as an Action Item so the Council could take action. He thought the Council would always want to be able to take action at these meetings. He said this setting, with the Council working through complex issues with education, immersion, debate and technical aspects, was easier for Staff. He felt the discussions as Council worked through this issue could make better policy.

Council Member Shepherd suggested Saturdays be considered, but she would like to see Staff have their Saturdays off. She thought the Council needed to get through some of this processing that was only hinted at in a Council meeting. She stated the Council didn't have a relaxed environment under the Brown Act, where the Council could have dialogue and actually begin propelling themselves forward.

Council Member Holman agreed with Council Member Shepherd that Saturday should be scheduled only if really needed. She suggested these could be Monday night meetings, if agendas could be managed to have an extra Council meeting. She wanted them to be Action Items and not Study Sessions. She stated if Staff were to provide Action Items from the discussions, they needed to have clear guidance from the Council on what to provide. She said they needed to have them listed as action meetings.

Council Member Burt envisioned the Council having one more retreat-type meeting, followed by meetings that would be action oriented; although, the retreat would be agendized so that it would enable the Council to take action. He suggested the Council think about integrating Infrastructure in the other Priorities, because the Council would look disjointed if it didn't have a deliberate effort. He thought it was a mistake not setting Infrastructure as a Priority. He said a key goal under City Finances was developing an Infrastructure Finance Plan; under Emergency Preparedness were flood control issues, which were major issues to the community that were both Infrastructure and Emergency Preparedness related, and the Public Safety Building; and, under Land Use & Transportation, the Council could include the Cubberley discussion, the Municipal Services Center (MSC) and perhaps other IBRC elements. He thought if the Council didn't make a deliberate effort to fit an overriding priority into the existing Priority structure, it would look disjointed. He feared the Council had backed into that, and thought this was a means to integrating Infrastructure into the other Five Priorities since the Council didn't choose to call it a Priority.

Council Member Price asked if seating could be arranged at the next retreat so that Council Members' backs weren't to the public and Staff.

Council Member Espinosa was fine with the meetings and suspected they would continue through the year. He thought having some actionable and some not made sense. He stated the way the conversation was structured by the Report and by the Commission, to tee up some considerations and decisions, was helpful. He wasn't sure that was exactly the categories and the framework that Council would want throughout the year, because of politics, timelines and a potential ballot. In thinking about this first half, he encouraged the Mayor and Vice Mayor to think through what other factors might be out there, such as timing related to Cubberley and conversations with the School District, and a whole host of other outside factors. He said it was easy for the Council to take just the pieces discussed by the Commission. He encouraged the Mayor and Vice Mayor to put on the front burner those other factors when they were thinking through this timeline of retreats.

Council Member Schmid repeated previous comments that endorsement of the calendar in the meetings was not endorsing regular Saturday meetings.

Mayor Yeh asked the City Manager and City Attorney if it was appropriate to have a Motion to schedule three additional meetings in addition to the regular Council Meeting schedule. He stated this was atypical from the Council Calendar. He suggested having a Council Motion on this if it was appropriate.

Mr. Keene thought it would fall down to the Agenda scheduling process that Staff did with the Mayor and Vice Mayor. He didn't think any specific language needed to be added to the Motion.

Mayor Yeh heard consensus from Colleagues that this was a good approach, particularly given the timeframe for a potential bond measure.

Council took a break from 10:30 A.M.-10:50 A.M.

Mayor Yeh recognized the members of the IBRC and passed out certificates and bricks. He read the acknowledgement on the brick. He thanked the IBRC members for their service.

Mr. Keene noted three sub-topics on the Agenda: Overview, Cubberley and Timeline, and Financing Issues. Staff had taken the liberty of structuring the remainder of the meeting, but obviously the Council could make any modifications it chose. With regard to Overview, Staff acknowledged the structure of the IBRC Report, and proposed the Council stay with that structure in working through the Report in detail. He stated it worked well at the previous Council meeting, and the structure already existed. He said Staff had re-ordered it a bit because the timeline for decisions and possible implementation of a ballot would impact the structure of discussions. Staff thought the catch-up and keep-up discussion was a foundation in many ways for the other discussions, and the Public Safety Facilities was a specific and timely recommendation from the IBRC. He explained the Municipal Services Center was further in the future and dependent upon subsequent studies, so it was not necessary to discuss that. He said the Infrastructure Management System and associated recommendations included discussions about catch-up and keep-up, and were ways to assure the public that the City meant business about Infrastructure and tracking and accountability mechanisms would be in place. He noted Finance was intertwined with all of the discussions. Staff placed Finance towards the top of the list as Finance Committee members were present. Staff's objectives were to begin with a catch-up and keep-up session and then possibly move into the Public Safety

He reported the Council had many questions at Facilities discussion. Tuesday's meeting; therefore, at the end of the session Staff would distribute a list of those questions with initial responses and notations of those questions that needed further discussion. He indicated Staff suggested the Council refer to the questions and responses pertaining to catch-up and keep-up for in-depth discussion, rather than having Council simply read the questions and responses. He stated that the Council would need to familiarize themselves with the information and data of the IBRC He felt it important to remember all the numbers and data proceeded from assumptions. He explained it wasn't a matter of is this the right number; numbers needed to be connected to the underlying assumption. For example, he cited the IBRC recommendations regarding PCI, pavement index, were to achieve no less than a 60 PCI rating over the next ten years. He explained if Council wanted an 80 index rather than a 60 index and in a different timeframe, then that could generate different costs and numbers. He thought it was important to connect the data back to the He reminded everyone there was an aspect of immersion, assumptions. better understanding and inquiry by the Council, yet the Council had other responsibilities such as converting IBRC recommendations into decisions and actions that required implementation. He reported the Infrastructure needs of the City could not be satisfied by the status quo funding situation. He stated decisions would have to be made and some had important timeframes. He said he would ask the City Attorney to participate in the discussion regarding timeline and financing issues. With regard to the Cubberley issue, he reported the Mayor's recommendation in memorandum was to articulate that, contrary to the IBRC's recommendation or its interpretation, the Council had established a Community Planning Process. He noted he and Mr. Emslie met with the School Superintendant on the Technical Advisory Committee work they were performing on Cubberley. He thought Staff would meet the schedule of bringing Guiding Principles and Policies and the appointment of a community panel to the Council by March. Following that there would be a lot of community work in that Process on what to do with Cubberley. He stated the Mayor's memorandum made it clear that Staff needed to consider putting aside a Cubberley financing issue and letting that process go through this year. Staff thought the Council might want to discuss that, so it was scheduled. He was not planning to discuss Cubberley more, unless the Council wanted to. He said when the Council had finished that, Staff would be ready to orient the Council to the timeline issues related to elections and the types of issues related to the kinds of elections, mail ballots, and those sorts of things.

Mayor Yeh invited Mark Harris to speak specifically to Cubberley.

Mark Harris, former IBRC Member referenced the IBRC's recommendations in Appendix 8, pages 142-148, of the Report. He encouraged the Council and public to use it as a reference in the months ahead as part of the Cubberley discussions. While written from an Infrastructure perspective and many may disagree with its conclusion, it was an accurate and vetted description of the history of the Cubberley lease and an explanation of some of its more complicated provisions. Commission members appreciated the angst and emotion that changes to the agreement could bring, particularly for existing tenants. He explained many aspects related to Cubberley had changed over the past 22 years and it was not possible to continue the same arrangements for the next 25 years. He wanted to emphasize some of the key findings and hoped they would add to the Cubberley deliberations and reduce some of the community's concerns. Point 1, the Cubberley lease did exactly what it was intended to do when it was entered into 22 years ago. He stated to date the City had paid the School District approximately \$125 million under the terms of the lease, and would pay \$150 million total by the time the lease expired at the end of 2014. This money had helped one struggling School District maintain and enhance its educational excellence, which had benefited everyone. He said had the School District been in good financial condition in 1979, Measure B could have been presented to the community as an Infrastructure measure. In which case, the money would have been available to fund the identified catch-up requirements plus Public Safety Facilities and all future Infrastructure keep-up needs. In fact, there would have been no need for the Commission. He stated the School District was deemed the highest and best use of such funds at the time, and he concurred with that decision. The lease preserved the use of critical recreational facilities, created opportunities to use vacant building space for desirable community services, and allowed the School District the opportunity to reuse the site as an educational facility should the need arise. He explained the lease was never intended to last forever and had a variety of off-ramp dates for either party should conditions change. He noted the next one was December 31, 2013, and said the agreement provided no mechanism to extend its terms beyond December 31, 2024. He explained the lease never visualized an agreement in perpetuity, otherwise it would have been structured as a lease-purchase such as Terman. In July 2011 the District officially expressed its intent to reuse the site as a school. He said it was this declaration and questions by the Council at the July Study Session that caused the Commission to broaden its analysis on Cubberley. relative financial position of the School District and the City had changed dramatically since the passage of Measure B. His written statement provided some reasons as to why that was true. He said although there is no doubt that both the City and the School District face substantial challenges in balancing operating budgets in the coming years, future agreements related to Cubberley, if any, should reflect current and anticipated benefits. His last point was change of ownership or lease

agreements between the City and the School District did not mean the current rental agreements with Cubberley would change. He indicated should the lease cease after December 31, 2014, the management of the land, all or part, simply moved from one public entity, the City, to another, the School District. Thus, all facilities, open space and recreational uses would remain as-is and should be available to current tenants and the general public until the School District decided how and when to reuse the land for an educational facility. He stated although the City could modify the terms of any current rental agreements it was more likely the School District or a tenant, for example Foothill College would likely be vacating its lease once its new site became available, would have the major influence over changes to the use of the site. He concluded by saying the IBRC was fully aware that a mechanism was now in place between the City and the School District to determine the future of Cubberley site and decisions regarding the use of Measure B revenues would not be made until that process was complete. However, he felt that in order to have a comprehensive dialogue regarding Cubberley, the points raised by the IBRC should be part of the discussion.

Mayor Yeh knew Cubberley was a separate Item. However, he wanted to begin with remarks because of information in the press that the future of the Cubberley site was occurring through private talks, meaning not public meetings, between the School District and the City. He stated that was an absolute inaccuracy, that the process defined by the City Council in 2011 was formed of three committees, mapped out with different start times, with the intention of holding public meetings.

Council Member Shepherd thought Cubberley provided a sense of angst to the community, and she wanted to clarify that the Council was not having the IBRC Report provide actionable items regarding Cubberley.

MOTION: Council Member Shepherd moved, seconded by Council Member Schmid that the decision on the future of Cubberley site be made by and through the established Cubberley Process and integrated into the infrastructure process and discussion.

Council Member Shepherd stated Council was wise to allow IBRC to consider the financial position the City might have if the covenant was terminated. She said it was similar to any business decision of having all options on the table. She indicated there was a defined process, and there was confusion in the community right now that could circumvent that process via the reports being made. She did not want that to happen.

Council Member Schmid thanked the Mayor for his clarification. In terms of the Cubberley process, he wished to clarify the City Manager's comments that there would be a public discussion of the Guiding Principles and the community commission by March 2012.

Council Member Burt asked Council Member Schmid to clarify his comment regarding public discussion of the Guiding Principles.

Council Member Schmid understood that when the Council voted on the process, it said the first step would be establishing a set of Guiding Principles to be used by the public commission.

Mayor Yeh asked the City Manager to further clarify the point.

Mr. Keene indicated that was part of the original directive. He stated the Council would have a public discussion regarding the Guiding Principles.

Council Member Klein wanted to respond to Mr. Harris' comments so that people wouldn't have a misunderstanding of the facts. In response to Mr. Harris' statement that Measure B funds could have been used for Infrastructure if the School District had been in a better financial condition, he stated Measure B would not have passed if it had been presented to the voters as funding Infrastructure. He explained it was a joint City-School effort that barely passed, as only a few hundred votes were involved. He thought it was a contra-factual history that was nice to contemplate but would not have occurred. He wanted to speak briefly to the financial situation of the School District, because the implication was that the School District was in a much better financial situation than 25 years ago. thought they all could agree the City was not in as good a situation as it was 25 years ago, and this was also true of the School District. He felt people kept saying this, but it wasn't accepted; that California School Districts were ranked at the bottom nationally and Palo Alto was outspent by its peers across the country by almost 2:1. He stated the School District had been and is in financial difficulty and was threatened by more under the Governor's proposed budget. He noted the School District reported on legislative possibilities for the year, and one was that Palo Alto's advantage of being a Basic Aid District could be lost. He said the City and the School District both had significant financial needs, and how to balance them would be a problem. He didn't think anyone could say the School District was in a better financial condition. He said Mr. Harris' remarks concerning change of ownership impacting occupants at Cubberley were on point, which point was lost in communications from citizens. The School District reported at the City School Liaison Committee meeting that it wouldn't need to use the Cubberley site for a high school until sometime in the 2020's. He felt this

indicated there would not be an immediate change for the tenants no matter who was the landlord. He thought it sufficient to say that Cubberley was going to be a difficult problem.

Council Member Holman stated there had been concern about the public aspect of the Cubberley discussions. She suggested an updated schedule for the Cubberley Process be published to provide a clear idea of the Process. She asked that the Motion be repeated.

Council Member Shepherd reiterated the Motion to be that the decision of the future of the Cubberley site be made via the Cubberley Process that had already been established by the Council, and then integrated by Staff back into the Infrastructure decisions that the Council would make.

Council Member Holman indicated the Council would want Staff's input regarding how it was integrated into IBRC; however, she thought Staff and Council should make that decision not Staff alone.

Mr. Keene suggested deleting Staff and have it read "be integrated into the ... Process."

Council Member Burt supported the Motion. He indicated IBRC had proposed using funds going to the School District as a potential revenue source for other Infrastructure needs. He thought the Council needed to have some important discussion, not necessarily under this motion or even today, regarding diminishment of the City's ability to provide the services that Cubberley was presently providing, as the School District would take over not only elements of the buildings but also potentially and probably diminish the availability of the playing fields. He thought some of that could be negotiated and the City wouldn't necessarily lose it entirely. He stated that was one aspect of Cubberley that was a future need and the Council needed to review it. He explained another aspect was around a broader issue, the City's future needs; needs if we, as a community, are to continue to provide services and quality of life comparable to what we have historically provided. He explained the City was battling with the Association of Bay Area Governments (ABAG) between the City wanting the low end of the growth range in population going forward, and ABAG wanting the high-end. He reported the School District was seen as having significant school population growth in youth, and there would be youth needs outside of and within the schools. He felt that was not only the result of new housing development, but also the turnover in housing. Just as the City had over the last 20-30 years been remiss in allowing a deficit to occur in Infrastructure maintenance, it would be remiss in ignoring the future needs. He asked what was the reconciliation between essential services and other things that

made Palo Alto Palo Alto. He mentioned the Knight Foundation and former Mayor Judy Kleinberg's White Paper and presentation on what makes quality communities and why people choose to live in communities. He said Palo Alto had some things that were very important to the community and had been for a long time. He thought the vast majority of the community chose to live in Palo Alto for a variety of reasons: quality of the community and quality of schools. He hadn't heard anyone say they were not going to move to Palo Alto because of the Public Safety Building or they were not moving to Palo Alto because they didn't like the streets. He remarked that didn't remove the importance of addressing those issues, but it wasn't why people chose to live or work in Palo Alto. He stated the Council would have to struggle with reconciliation between addressing the important issue of Infrastructure needs while not implying that other community values weren't important. He felt those other community values were critical to what Palo Alto is. He indicated that was going to be a big struggle.

Council Member Price agreed with Council Member Burt's comments; however, she thought the Futures Working Group outlined the implications of present and future Infrastructure needs and impacts. She stated that needed to be agendized for future discussions. She recognized that would be an Item for a more thoughtful discussion during the meetings over the next six to eight months.

Council Member Espinosa supported the Motion. He understood having this Motion to clear up public inaccuracies; however, he didn't want to have a Motion that restated a process and position already in place because the Council had already gone through this. If this was needed for public clarification, he agreed.

MOTION PASSED: 9-0

Mr. Keene asked the City Attorney to discuss the parameters of schedule and elections.

City Attorney, Molly Stump explained this was a high level discussion about elections and financing options to frame and allow people at a general level to move on to your discussion about catch-up and keep-up and other specific projects identified by the IBRC. She provided a tool that laid out the specific dates available for elections in 2012, 2013 and 2014. There were three types of items listed. She reported Regular Elections were elections available for Palo Alto to call, a traditional election with polling places where people can also use either an ad hoc or permanent absentee ballot procedure. Among those elections there were two in bold that were General Municipal Elections, November 2012 and November 2014. She explained a

General Municipal Election meant those were dates that members of the City Council were standing for election. She stated that was important because certain types of revenue measures needed to be placed only on those types of elections. Staff had included in this chart for the Council's information dates available for all Mail Ballot Elections; these would be items where there would not be polling places. She understood this procedure hadn't been used in Palo Alto, but Staff wanted to provide this list of dates. She indicated there were complex regulations about the types of matters that could be placed on these types of elections. If the Council had interest in considering an all Mail Ballot Election, then Staff would provide a more She noted the second tool Staff had detailed briefing on those rules. prepared was a high-level chart of the major finance tools that had been listed and discussed by the IBRC. With respect to elections, these finance tools fell into three general categories. The first category was General Taxes which, under the State Constitution, must be voted on at a General Municipal Election, November 2012 and November 2014, and could be adopted by a majority of the voters, 50 percent of votes cast plus one or more. The second category was funding mechanisms that required voter approval, were not limited to General Municipal Elections, and carried a twothirds voter approval requirement, 66 2/3 percent of the votes cast must be in favor of the measure for it to pass. The third category was financing mechanisms available to the City through Council action and didn't require voter approval. She explained General Obligation Bonds were Property Tax based assessments and varied based on the assessed value of properties within the jurisdiction. She reported those were not required to be on a General Municipal Election, giving the City flexibility in using the election dates listed on the prior exhibit. She noted they did require two-thirds approval to pass. She indicated Parcel Taxes were similar except that they did not vary in their percentage based on the assessed value of the parcel; they were flat assessed per parcel. She stated the IBRC Report discussed a potential Sales Tax, and said 3/8ths was one way to structure that. This could be structured as a General Tax, which meant it would be assessed for general municipal purposes. She noted often these were paired with advisory measures that allowed the voters to express their preference that the tax be used for a particular purpose. If the tax were actually defined, limited and structured for a particular purpose, it would likely be a Special Tax which placed it in the category of needing two-thirds voter approval. She reported Certificates of Participation did not require voter approval. She explained this was a funding mechanism where the City securitized an identified revenue stream and was able to do that through a Council Action. She indicated Utility Revenue Bonds were similar, but they were limited to the Utility Fund purpose against which they were secured. She stated a Utility User Tax was a General Tax assessed on utility charges. Because it was a General Tax similar to the Sales Tax, the Council would need a General Municipal Election and a simple majority to approve. A Business

License Tax was also in that category as it needed to be on a General Municipal Election, a simple majority would pass that tax. She recalled there was some discussion at the Council Meeting about the Gasoline Excise Tax. She explained Staff had placed it on this chart not to suggest that the tax would be altered or increased, but rather to indicate there was an ability for the City to securitize the income stream on that, and then push forward those funds in a way that could be used on specific projects appropriate with respect to use of that gas tax.

Mr. Keene stated the IBRC Report recommended new or replacement facilities be funded through bonds, possibly Utility Bonds for the MSC and a General Obligation Bond for the Public Safety Building. The City Attorney had clarified that did not need to take place at a General Municipal Election. Because the dates of November 2012 weren't a requirement to consider the Council had more options. He indicated another IBRC recommendation was to deal with gap funding issues by either a 3/8ths Sales Tax, which would require a General Municipal Election in either November 2012 or November 2014, or by funds from Cubberley. reminded the Council they had discussed that not taking place outside the Cubberley Process, which didn't anticipate discussions regarding the lease agreement until 2013. He thought this could inform the Council regarding their schedule and options in working through these IBRC issues. He asked Mr. Perez to discuss the General Obligation (G.O.) bond issue schedule and the preliminary steps to placing a topic on a ballot measure.

Lalo Perez, Administrative Services Director indicated Staff had provided a G.O. calendar concerning a timeline needed to put an effort forward. He explained the first piece, prior to July, would be to have a sense of what the Council wanted to do. For example, if it were Public Safety, then the Council would want to perform community outreach and polling. If it were a wider discussion, then the Council would want to look at the technical deadlines, meaning the July and August dates, backwards to determine the amount of time to perform outreach and polling. He explained the critical pieces from a financing perspective were the July 9 date when the Council would adopt a resolution of necessity; and the July 16 date when the Council would adopt the Ordinance. He noted these dates provided a couple of Council Meetings as a buffer for changes. If the Council made changes at the Meetings on those dates, then the Council would have to begin the process again. He indicated August 6 was the last day for the City Clerk to file the Ordinance for an election with the County. Staff recommended that be done sooner, but wanted to point out the actual date.

Council Member Shepherd stated she had read information about the Utility User Tax. She knew the Utility User Tax was decreasing, as people shifted

from land-line telephones to cellular telephones. She noted the City did not have a Utility User Tax on cell phone calls, because people made emergency calls from their cell phones. She asked if the Council needed a referendum on the Utility User Tax, and should the Council consider that along with other topics for a ballot.

Ms. Stump explained the Utility User Tax was placed on the chart as a potential broader discussion for whether the Council might be interested in adjusting the rate with respect to additional financing. She stated the questions concerned cleaning up and modernizing the tax which had been in place for a number of years without any kind of adjustment. She reported a change in the Utility User Tax needed to go on a ballot in the same way that regular approval would; a General Municipal Election with passage by a majority vote. She said Staff could provide more information in another forum about various technical aspects of the tax and the way it was structured.

Council Member Shepherd asked if this would allow the Council to capture cell phone activity.

Mr. Perez reported it was covered at the moment, and part of the confusion arose when telephone companies began bundling services. He understood federal law protected taxation of internet service, and so providers had the problem of identifying the cost of the bundle. He indicated the companies now split the costs for each service on bills. He explained this was difficult for Staff to review, because it didn't receive data with payment, only a check. He stated Staff was working on this issue.

Ms. Stump explained the City was in litigation along with 132 other cities in California with one provider over an issue related to this. She suggested updating the Council in another forum regarding the status of that litigation and the issues.

Council Member Burt stated an important element of this matrix was estimated revenue. He said the Council had to have that in their discussions. He asked if this discussion was focused on the Public Safety Building or was it the other financial needs for Infrastructure on catch-up, keep-up.

Mayor Yeh reported there was a particular IBRC recommendation of how to fund catch-up, keep-up and the Public Safety Facility. He said it was Staff's intention to provide the Council with the full breadth of financing options,

then leave the decision of funding which projects through which mechanism to the Council.

Council Member Burt confirmed this was a preliminary background to understand the timing and other issues around funding, then the Council could discuss what would be funded, in what sequence and priority, and how it would be funded. He noted one Funding Type resulted in a specific revenue which was Sales Tax, 3/8ths cent. He suggested deleting the amount from the Funding Type and moving it to Estimated Revenue, where the amount of revenue would be noted for each quarter cent or eighth cent increment. The Document Transfer Tax, discussed as an alternative to the Business License Tax, wasn't part of the IBRC recommendation and he didn't see it in the information. He thought the Council would want to review that. He asked what was the voter threshold for the Document Transfer Tax.

Ms. Stump believed it was usually structured as a General Tax, so it would be placed on a General Municipal Election and would pass by a majority. She indicated the current Documentary Transfer Tax was structured as a General Tax, so those rules would apply.

Council Member Burt thought the Council would need polling as discussion progressed, and if the polling was similar to the library polling, the Council could encounter a challenge of reaching a two-thirds vote. He felt most cities did have difficulty reaching the threshold vote to pass these types of items. He stated the Council could focus on those revenue streams that could be passed by a simple majority, such as Sales Tax, Business License Tax and a Document Transfer Tax, if the Council chose not to raise the Utility User Tax. He wanted that option noted as the Council thought about this. He mentioned discussions of Council Member preferences, but he didn't know if the Council could state preferences without looking at political realities.

Mr. Perez noted Appendix J of the IBRC Report discussed the other areas they had reviewed and compared surrounding agencies. He said the Property Transfer Tax, Transient Occupancy Tax (TOT) and some others were included, as well as election results.

Council Member Schmid asked if the two-thirds vote noted for the July 16 date was two-thirds of the Council.

Ms. Stump answered correct.

Council Member Schmid inquired if that was true of any election, whether it was Sales Tax, Parcel Tax or G.O. Tax.

Ms. Stump responded it was, but not necessarily the Certificates of Participation or other types of funding like that.

Council Member Schmid thought the last school Parcel Tax issues was a mail ballot.

Ms. Stump indicated her response referred to a city-sponsored ballot.

Council Member Schmid noted there had been a recent election which was successful of a mail-in ballot.

Council Member Holman agreed with Council Member Burt regarding the Sales Tax, and thought those increments were important. She thought it important also to note the taxes passed by other communities. She requested information on the impact of increased Sales Tax in other communities, if it were available. She didn't know if a Cigarette Tax was worth pursuing, but it was part of Healthy Communities. She stated the Council would want to consider it if it was worthwhile. She didn't know the current amount of revenue generated from Cigarette Tax.

Ms. Stump reported her initial review of that issue suggested the City did not have the authority to impose a tax on cigarettes; that issue was reserved for the State. She indicated she would confirm that and report to the Council if she found any contrary information.

Council Member Holman requested a matrix of potential cost savings. Just as there was confusion in the press concerning the public component of the Cubberley Process, she didn't want the public to have the perception that the Council was only considering fund raising. Fund raising was only one means of addressing catch-up/keep-up. She thought it critical to have information concerning square footage and costs for leased office space, some of which was provided in the IBRC Report. She asked what were the possibilities for reducing or relocating that. She noted the Council discussed the Public Safety Building, but didn't discuss relocating Public Safety offices and using the space for the Development Center, for instance, or leasing the space and at what rate. She thought it critical for the Council to review those pieces. She mentioned the possible purchase of the Downtown Post Office, and asked what that could provide. She knew Staff was aggressively pursuing that information. She indicated it was important to look at this information in a matrix format, where it was easily accessible and

understood, to allow the Council to focus on possibilities. She didn't want to underestimate the dual means of sponsoring Infrastructure improvements.

Council Member Espinosa inquired whether polling the community was specific to G.O. bonds or was the idea that the Council would review an amalgamation or options.

Mr. Perez stated if the Council chose to follow the IBRC recommendations for the Public Safety Building, then polling would be specific to that. If the Council chose to renovate the MSC and combine something else with that, Staff would have to create that package and perform outreach and polling for that wider range of items. He reported polling depended on the recommendation to be put forward and the components to be financed in the G.O. Bonds.

Council Member Espinosa agreed the chart should include estimated revenue totals. He appreciated the work of the IBRC, Appendix J and the comparison to other cities. He thought, as the Council came to understand which made the most sense and which were most palatable to the public, making sure that the Council really understood revenue tied to project tied to pro and con was obviously fundamental and critical. He felt the matrix would be more complex in the discussion and wanted thoughts on how to make it comprehensive.

Mr. Perez stated the IBRC Report had included details, so some of the work was complete and Staff could combine and expand it.

Council Member Klein felt the Council had moved away from the Agenda and was not sure which Item they were discussing.

Mayor Yeh responded 5c.

Council Member Klein said Colleagues' comments were all over the place, and thought the Council should acknowledge what it was doing. He noted there had been no mention of the Transient Occupancy Tax, which was a possibility. He knew that had recently been increased, but felt it was still lower than other places he traveled. He wasn't necessarily speaking in favor of it, but considered it a possibility. He thought the Council should acknowledge a General Obligation Bond on the November ballot was not a good idea, as there wasn't enough time. He felt an advantage for the Library Bond was providing very specific details, such as conceptual plans, the site, and good cost estimates, to the voters. He stated none of that was true for the Public Safety Building. He didn't think those items could be in

order by any of the stated dates. He suggested the Council should get moving in order to be ready for a date in 2013 or 2014. He was interested in hearing Chief Burns' thoughts regarding revising the previous plans to a smaller and less expensive building. He wanted to know where the building would be located, and was intrigued by the suggestion of using the Downtown Post Office site. He indicated the building had a basement which could be utilized, the main floor could be divided into two floors, and an addition could be built at the rear. He asked if Staff could speak to the possibility of receiving a reduced price on that site. He thought voters were more likely to support a bond measure when they knew what they were getting. He stated the Council would be asking voters to trust it, and using numbers based on previous plans was not good enough. With regard to catch-up and keep-up, the Council questioned whether the numbers in the IBRC Report were defensible. He said before asking citizens to increase taxes or reduce services, the Council needed to be confident in the numbers.

Council Member Shepherd requested Mayor Yeh and Council Member Klein, as they were attending the City School Liaison Committee meeting, find out the potential for PAUSD placing an initiative on the ballot. She indicated it was problematic if the Council and the School District both had initiatives. She reported they were running a \$4.3 million deficit and thought it had grown by \$700,000 based on reduced State funding. She said that meant the School District could be in a financial crisis in approximately two years. Because of the close relationship with the School District, she stated it was important for the Council to understand their thinking and actions in order to avoid budget cuts particularly if the Council was transitioning the Cubberley site to them. She was interested in understanding when the Council needed to perform polls in order to make decisions. She understood the dates for elections, and asked how long polling required. She thought polling was needed in order to make an informed decision on what the community would vote for. She recalled using that information with the first Parcel Tax the School District put into place. She inquired if the Council had enough information to perform polls. She wanted to understand the process of going to a campaign manager who could process that type of polling. Her final comment concerned the budget-setting process for the current year: whether the Finance Committee should begin earmarking items differently than in the past; and whether the Council should begin searching for items to comprise the \$2 million for Infrastructure.

City Clerk, Donna Grider spoke regarding the Mail Ballot Elections for the storm drain issue. She reported that was a property-related election, so she could handle that. She explained voter information was held by the Voter Registrar, so she had discussed this with the Registrar in the past. She said the it would follow the same election calendar of 88 days prior to the date of

election and there would still be sample ballots with arguments. She wanted to point out it was not the same as the storm drain ballot, and the costs were higher because it was considered a Stand Alone Election.

Council Member Price asked for the status of a refinement of the programmatic needs for a Public Safety Building that would address current and future needs. She stated the City didn't need to build something that would be obsolete in ten years. She inquired if they were relying on internal Staff alone or assigning consulting monies.

Mr. Keene thought her questions would be answered during discussions of the Public Safety Building under this Agenda. In response to Council Member Klein's comments, he explained the Agenda was not designed to discuss financing mechanisms in detail but to understand the timeline implications of different financing issues. He stated that, knowing the schedule was a moveable piece to be considered during discussions, the Council would have to determine the opportunities for acting on financing options and some options were elections. Staff wanted the Council to have that background schedule. He thought the whole Council was considering Council Member Klein's comment about timing and the amount of work to be done. He said if the Council didn't make a decision today on future actions, it was difficult for him to determine if Staff had enough time to perform the prerequisite work. He suggested it was time to provide the questions and answers and prepare to move into the subject area of catch-up, keep-up and Public Safety. He indicated Staff was open to reordering the sequence if the Mayor wished.

Mayor Yeh stated his first question for Council was the order, as there had been questions specifically about Public Safety. He asked if the Council was interested in moving Item E before Item D.

Mr. Keene said Staff would pass out the information. He noted the first section was catch-up and keep-up, cautioned the Council that some responses were abrupt, and stated the purpose was to discuss the answers.

Mayor Yeh indicated the first decision was whether to discuss catch-up/keep-up first, followed by Public Safety, or reverse those two items.

Council Member Price proposed the Agenda Items be reversed to discuss Public Safety first.

Mayor Yeh determined the general consensus was to discuss Public Safety Facilities first.

Mr. Keene stated the questions and initial responses from Staff began on page 5 of 11 in the handout. He understood the IBRC recommendations were generally founded in the status quo from an organization and service perspective. In other words the IBRC didn't contemplate different methods for providing services or take recommendations from other sources to determine needs and solutions resulting from a different method of providing services.

Public Safety Chief, Dennis Burns thanked the IBRC for their attention and thorough work on this complex subject. He reported this project had been in the process for over 27 years within the Police Department, and there were dozens of documents and Staff Reports he wanted to summarize and present to the Council. He indicated the 2006 Blue Ribbon Task Force and the current IBRC recommended a 49,000 square foot facility, which was essentially the same size as the San Mateo Police Department. He thought the numbers being used could be confusing because of the way the buildings were designed and the spaces were measured. He reported the population of San Mateo was 93,000 compared to Palo Alto at 64,000, however, Palo Alto increased to 110,000 during the day; San Mateo had 142 employees of which 106 were sworn compared to Palo Alto's 157 police employees of which 91 were sworn. He indicated the exact size of San Mateo's building space was difficult to identify, that even the Staff there wasn't sure of the size. He had heard the size of San Mateo's facility was 46,000 to 49,000 square feet. He stated the Blue Ribbon Task Force recommended the next Public Safety Building be located on property on Park Boulevard. In 2008 the City had entered into a lease agreement in anticipation of building the Facility there and had made payments on that, but eventually terminated that agreement. He noted that space was still available. He said Staff had worked with an architect and obtained a 30 percent design for building that Facility on Park Boulevard. He indicated he would discuss the building designs from Ross Drulis, the architect. With regard to the second question to compare the Fire Study with the IBRC recommendations, he stated the IBRC discussed improvements to Fire Stations 3 and 4. Fire Station 3 was located at Newell and Embarcadero: Fire Station 4 was located at Middlefield and Meadow. He reported they were still studying how to provide services, if those locations were identical, as the IBRC recommended completely remodeling Stations 3 and 4 at the current locations; whereas, the Fire Utilization Study recommended merging Fire Stations 2 (located at Hanover and Page Mill) and 5 (located at Clemo and Arastradero) at another location further west towards 280. He didn't think the IBRC Study discussed that action, because it was out of their scope. He indicated question 1 was to provide an update on the perspective of the needs, Public Safety Building, architectural program, ability to downsize, and program perspectives. thought the Public Safety Building could be smaller, but he didn't know how much smaller. He indicated there was an opportunity to co-use areas. He

indicated you could downsize, but there were advantages to retaining the current size as planned in the 30 percent design from Ross Drulis. He stated Police Chiefs, City Managers, and Fire Chiefs throughout the country were discussing the opportunity to regionalize, and the first topic was regionalizing the Dispatch Center. That had been a discussion for quite some time in Santa Clara County. He explained a plan to regionalize Dispatch was built into the 30 percent design, which was good to have. He noted a bigger building had the advantage of flexibility of having non-law enforcement partners in the Facility to serve the community. He stated 49,000 square feet was not a hard number; it could be reviewed. The fourth question was how did Staff intend to respond to the numbers presented by the IBRC Report, and did the numbers include modernizations and efficiencies or the status quo. He reported it was generally making some assumptions of moderate growth, not a tremendous amount of growth; therefore, the Building as designed in the 30 percent configuration did not have large areas that would not be built out unless they were needed. Rather, the Building had workspaces with room for one or two more employees should that be necessary as the City moved forward. The fifth question at the top of page 6 was can Fire Staff evaluate the impact times relating to options proposed by the IBRC, and he was not sure.

Council Member Burt thought Chief Burns addressed it under Staff Response 2 of section 3, that the Efficiency Studies recommended combining Fire Stations 2 and 5; whereas the IBRC recommended Fire Stations 3 and 4.

Mr. Burns reported, as the City moved forward, Staff wanted to develop a Public Safety Department through nominal consolidation, whereby operations would remain essentially the same, Firefighters would respond to fire calls and the Police Department would continue to manage and handle calls for service there. There wouldn't be a true consolidation as in some communities, the closest example being Sunnyvale. He indicated Staff would attempt to achieve efficiencies at the command, support and administrative levels and reduce the overhead for administrative assistants, information technology, etc. For example, one person would prepare the Budget for both Police and Fire. He stated that was the plan, and additional personnel had not been accounted for in the 49,000 square foot design. He reiterated the Facility could be less than 49,000 square feet, but the amount of decrease would shrink as Staff was added.

Council Member Shepherd asked what amount of population could be covered by the current plans for the Safety Building.

Mr. Burns wasn't exactly sure. He thought the Facility was designed for some growth, such as extra lockers. He felt Staff would not exceed the size of the Building for quite some time.

Council Member Espinosa reiterated the Fire Report recommendation of consolidating Stations 2 and 5 at a new, centrally located site. He asked whether the relocated Fire Station and the overall Public Safety Facility would be a combined facility, or would those be separate with the City building two new facilities. He noted there was limited space to have two separate facilities.

Mr. Burns reported the recommendation was to close Stations 2 and 5, and design and build another facility further west. He thought that location was not the best location because of egress and ingress to Barron Park. He said a Public Safety Building was separate from that. He suggested having some sort of paramedic or light response vehicle staged at this other building to increase effectiveness.

Council Member Klein inquired how the Mobile Emergency Operations Center (MEOC) changed the view of what might be necessary at the new Public Safety Building.

Mr. Burns thought it was a great interim solution, and he appreciated the funding that allowed them to design it such that it was one of the best in the State. However, it was not a substitute for a Public Safety Building. He thought it would suffice until the Public Safety Facility was built. He reported it was a great platform and its technology could be upgraded. He suggested adding the ability to work payroll and a variety of other functions from there. He indicated it wasn't a solution for the long term without having a standalone Public Safety Building.

Council Member Klein didn't recall the contents of the original program on Emergency Operation Facilities, but he thought there were some in the proposed Public Safety Building.

Mr. Burns replied yes, there was.

Council Member Klein inquired if the existence of the mobile unit reduced the need for that in the new Public Safety Building.

Mr. Burns answered no, the City would want to have that capability in the event there was a critical failure of the systems at that location; that would be the redundancy Staff wanted. He stated the Public Safety Building

proposed by the IBRC would include Police, Fire Administration, Dispatch, EOC and the Office of Emergency Services (OES). He indicated it would be a multi-use facility. When Staff thought about the mobile command vehicle, it was to have a flexible platform to respond to a variety of situations; namely, as an incident command post for a significant incident, as a backup 911 center; and as an MEOC. He reported there were plans to build a small tent city which would operate as an EOC while the Council was considering a new Public Safety Building.

Vice Mayor Scharff asked whether it was a high priority to rebuild Stations 3 and 4 or could that wait a few years.

Mr. Burns indicated Staff was examining how the City provided Fire Service, and rethinking the traditional method of fire engines responding to medical calls as well as the locations of those two stations. He noted the Fire Utilization Study specifically discussed Stations 2 and 5, and addressed the locations of Stations 3 and 4. It reported Station 3 was a good location, but had long response times because the area of responsibility was very large. It reported Station 4 was located in the southern-most area of the City, such that it benefited the residents of Mountain View more than Palo Alto. He stated Staff would consider those facts and discuss other opportunities. He suggested if the City were to design a new facility at Stations 3 and 4, it should be able to accommodate fire engines, ambulances, and perhaps hybrid vehicles of the future. He thought the City had to decide what it wanted to be.

Vice Mayor Scharff inquired if there was a sense of when the Council would have recommendations on that. He thought Chief Burns was suggesting that rebuilding those two Fire Stations could happen in the following year, once there was a decision on structuring a Public Safety Organization.

Mr. Burns didn't want to give the impression it wasn't important; he thought it was important. He explained Public Safety's first action immediately after an earthquake was to check on the status of all Fire Stations and personnel. He thought the City could be compromised after an earthquake at those two locations. He wanted to move quickly, but the consultants from the Fire Utilization Study were returning to analyze data and make recommendations, and Staff would then determine if there were likely locations.

Vice Mayor Scharff asked if he supported merging Stations 2 and 5 or was that still under discussion.

Mr. Burns understood the concept and wasn't opposed to it. He didn't like the recommended location for a variety of reasons. He explained the design of the Business Park and Barron Park limited access to that area. He noted moving the pieces affected the other Fire Stations and their response times. He stated Staff still needed to review that, but it wasn't one of his first choices.

Council Member Burt repeated Stations 3 and 4 had physical conditions that put them toward the top of list of what do we do with them; and Stations 2 and 5 had geographic and demographic issues that put them at the top of the list with the Fire Utilization Study. He thought Staff and then the Council needed to determine an action and not have it spread among four stations.

Mr. Burns stated the recommendation to close Stations 2 and 5 and move them to another location was not as urgent as Stations 3 and 4.

Council Member Burt asked whether the possibility of less than 49,000 square feet for the Public Safety Building was partially driven by trends in policing toward mobile offices for sworn offices.

Mr. Burns replied it was true to a certain degree. He said offices for patrol officers were patrol cars, especially with access to the Internet and mobile data terminals, ability to write reports, and make telephone calls. Because of this, Public Safety didn't need much space for writing reports; however, a variety of functions would not change significantly. He thought the future would involve storage and retrieval of data, so Public Safety would be more reliant on technology. He indicated additional space would be needed for increasing numbers of servers.

Council Member Burt asked if he had considered transferring some functions historically performed by the Police Department to the Fire Department when personnel were not on a call. He recognized that meant these functions would be interrupted in an emergency. He suggested school safety training might be one of those functions. He inquired if there was a potential for better utilizing Fire Personnel during periods when they were not on call.

Mr. Burns indicated they had not examined that, but it was a possibility. He noted Fire Personnel currently performed a fair amount of that work. He tried to have Police and Fire engage on an Ad Hoc basis, and wanted them to be in schools and to provide inspections and training. He stated there were opportunities to do more of that.

Council Member Burt inquired if the potential partners did not have space to allow them to be the Regional Dispatch Center, should the City move in that direction.

Mr. Burns thought Mountain View would have some room, but it wouldn't be a great site. He reiterated the 30 percent design had enough room for both.

Council Member Burt asked if Staff knew the cost of the San Mateo Public Safety Building.

Mr. Burns replied he could obtain that information.

Council Member Price noted every discipline had individuals who were considered futurists relating to the delivery of services. She asked what he considered the gold standard in terms of evolving delivery of Public Safety Services, and how he ascertained that information. She stated his point regarding technology was good.

Mr. Burns stated Staff was part of a variety of professional associations, and was very involved in the next generation of 911 through a group called National Emergency Numbers Association (NENA) and Cal-NENA. indicated the Police Futurists International group, which was started by a former FBI agent, discussed topics 15 and 20 years over the horizon. He gave examples of being welcomed to a police station by a robot and interacting with a kiosk. He said the International Association of Chiefs of Police and the Federal Bureau of Investigation's National Academy Associates had regular meetings to discuss the best things to do and what cities wanted to do. He reported Staff attempted to send personnel to conferences that discussed the future. He indicated these organizations also provided publications. He reported an emerging trend was low tech and concerned the merging of Police and Fire at the command administrative level. He said they were constantly searching the horizon for what would be best for the City and community and how to maximize resources to make it work.

Council Member Shepherd read in a blog that the City should outsource Fire or Police. She asked if the Council should discuss that specific to Palo Alto before proposing an initiative. She asked the City Manager to discuss strategy for that. She could not imagine it not being a question in voters' minds if the Council didn't reach a conclusion.

Mr. Burns indicated it was an option in almost any size community, there were pluses and minuses, and was easier to do in the fire arena. He noted

there were discussions at the County level, and the County Fire Chief had been asked by the Board of Supervisors to speak about designing a County-wide fire department. He thought that would be an easy conversation if there wasn't a city with 1 million population in the middle of the county. He stated the topic was broad and conceptual at this time, but could be done. San Mateo County had an excellent model where Dispatch for the entire County was performed through County Communications, such that they worked as a single Fire Department even though they were employed by the individual communities. He thought that was an excellent model to examine, but they were not one Fire Department. He stated issues would be pay, station locations and union issues.

Council Member Shepherd inquired what changes the Council would want to make if it were to propose a new Public Safety Building.

Mr. Burns thought there might be some extra space, but not empty wings. As it applied to the Police Department, there would be a different feel. He assumed the most likely option would be having the Santa Clara County Sheriff's Office work in Palo Alto rather than Palo Alto Police Officers. He suggested a Deputy Sheriff might rotate assignments: working in the jail, working in the courts, working civil, and working in Palo Alto. He felt the connection would be different. He thought the communities' relationship with the Police Department was emblematic of their philosophy. He stated the City would lose some control, but it was an option.

Council Member Shepherd mentioned this because some in the public thought having a Safety District was a no brainer. She indicated her neighbors and community members were very proud of Fire and Police, and were happy to know the Police Department was responsive to their needs. She thought that was a feature of quality of life, and she wasn't ready to part with it.

Mr. Burns said one of the greatest advantages of having a stand-alone Fire Department in Palo Alto was the .201 Rights (a legal status allowing Palo Alto to have paramedics in ambulances), which meant their response times and level of care was outstanding. He thought that was the gold standard as far as delivery of medical service. He stated Palo Alto was the only community in the County to have transport, meaning the Fire Department responded first, treated, then transported folks to the hospital. He indicated that was a great service to have especially in a County as big as Santa Clara; otherwise Palo Alto would be reliant on the County EMS system which was probably focused on the center of the County where there was more population.

Mr. Keene explained the outsourcing question came down to two things: cost and quality of service. He stated quality of service was difficult to define, and managing costs for the long term versus the near term was a challenge. Even if the Council considered consolidating the Fire Department, Palo Alto would still need Fire Stations and fire equipment. He thought consolidation dealt with the way services were provided, and there were many opportunities to re-imagine how the City provided these services. He indicated consolidation became a factor when a city failed at providing services, and ultimately those were the advantages that came with that approach. He referenced the IBRC recommendations regarding Stations 3 and 4, and stated with the kind of model and mindset the City had the stations were too small and the City wanted to ensure Essential Service Standards for Public Safety Facilities. He reminded the Council this wasn't about getting a better evidence storage room; it was about having an Essential Service Standard for Public Safety Facilities. He explained it was sometimes hard to accept that, because it involved high investment for a relatively small risk. He said there would be all sorts of commission and inquisitions if Police and Fire couldn't respond to a disaster. He felt the Council had to rethink it in every way. As the IBRC Report and the City's Studies pointed out, the vast majority of calls for service were for emergency services; therefore, needing to rebuild facilities to store fire engines versus different paramedic and emergency response equipment could be done differently. He thought more options would open up as the Council discussed it, which forestalled the consolidation issue. He noted that was different from the current conversation, were there particular functions that made sense for regionalization. He indicated Mr. Burns discussed Dispatch, and that made sense. He remarked equipment maintenance and evidence storage were also ripe for potential regionalization, which could shrink local space demands.

Council Member Schmid stated the Council was considering consolidating police functions and activities into a single, larger location, and discussing rebuilding Stations around town, certainly Stations 3 and 4 and possibly Stations 2 and 5. He explained the Council was considering consolidation for the Fire Department and dispersion for the Police Department. He remarked the Fire Department and Emergency Medical Services were concerned with response times, which meant the equipment should be close to the location of the problem. He thought the Fire Department and their emergency vehicles located within walking distance would be a key resource in responding to disasters. He asked whether a dispersion model for the Police Department would make sense. He suggested the Police Department emergency response vehicles and personnel should also be dispersed at local Fire Stations. He inquired if an emergency response station should be equipped to deal with all kinds of emergencies if transportation systems weren't working.

Mr. Burns stated that only Fire and EMS Administration would be incorporated into the new Public Safety Building. He explained that Firefighters were involved in training or education when not responding to or at a call; however, Police Officers were patrolling and meeting people when not on a call. He said Police Officers were out there all the time. He stated Staff had discussed staging surplus vehicles at an offsite location in the event there was a catastrophic failure. He remarked vehicles were currently stocked with a tremendous amount of supplies and equipment that the City provided, and the Officers brought supplies for themselves. He thought it was a great idea to have additional resources at Fire Stations and indicated Staff hoped to be more sustainable for longer periods of time.

Council Member Schmid asked if it would take some of the square footage from the central location and disperse it to Emergency Response Centers.

Mr. Burns responded it wouldn't be a significant amount.

Council Member Price indicated new and upgraded hospitals are required to meet seismic standards, and asked if something similar applied to Fire, Police and Public Safety Buildings throughout the State.

Mr. Burns answered yes, it was called the Essential Services Standard.

Mayor Yeh asked if the number of employees stated in the Staff Response was for both Police and Fire Departments.

Mr. Burns stated that was just for police. He reported the Fire Department had a total of 122 employees, of which 108 were considered line firefighters or working at the Fire Stations and the remaining were support or command personnel. He noted one of the issues in the Fire Department was personnel located at various places. He thought it would be a benefit for personnel to be together to create synergy in looking for opportunities to educate and provide services .

Mayor Yeh inquired where did cost sharing fit in the opportunities to regionalize with other jurisdictions. He understood Mountain View had recently rebuilt their Police Station. He asked if the City regionalized Dispatch, what was the willingness of other jurisdictions to absorb costs associated with regionalized services.

Mr. Burns wasn't aware Mountain View rebuilt their Police; he was aware they built a new Fire Station located by Google. He stated they had to find a partner, and indicated some communities might be on a different timeline

from Palo Alto. He explained this could be similar to the Joint Community Area Dispatch Project where Staff had identified the need, worked out some details, and involved the City Attorney and Finance to work through more details. He reported this had been successful, but they hadn't had a large project yet.

Mayor Yeh recalled the IBRC recognized that once the existing Police Building was completed, it almost immediately needed updating. He did not want to repeat that. He asked, given the operational shifts within Public Safety for both Police and Fire, what was the best design to ensure flexibility, not knowing what future technology might be. He asked how much flexibility would the City have if it built a Public Safety Building and two separate Fire Stations without considering obsolescence.

Mr. Burns shared his concern about building an obsolete and inefficient facility. He thought the design model would be flexible so that resources, efforts or initiatives could be shifted. He remarked the basic thing was power to support the Facility, and the major issue, especially for the Police Department, was security. He stated there were a variety of key objectives, and thought Staff was smarter in 2012 than in 1968 when that building was designed. He said there were better models which could include a green standard. He thought they could design a Facility to meet their needs, which would require time spent on the front end anticipating needs for 20 to 25 years in the future.

Mayor Yeh commented this was helpful to the Council in determining what it wanted to discuss. He asked Mr. Burns for his observations concerning political wills within jurisdictions that Palo Alto might partner with, as Chiefs from different jurisdiction often spoke with one another. He inquired if it would be helpful to meet with other elected officials to discuss this issue. He stated the challenge for the Council was a possible November bond issue, and felt knowing these operational considerations would factor into what the Council would ask of voters. He asked what would push the discussion forward in a way that allowed that kind of clarity. He sensed Palo Alto voters would not be willing to support this.

Mr. Burns thought the Fire Department was moving toward a regional model, and there was a significant amount of momentum. He didn't know if that applied to the Public Safety Building. He indicated the Council could have conversations with Mountain View, Los Altos and Stanford. He commented the timeframe of a November vote could slow the likelihood of consensus on a regional project. He did not know where those communities were in terms of wanting to build a next generation Public Safety Building.

Council Member Holman concurred with the comments regarding the need for clarity about the program for Public Safety Operations before funding a Public Safety Building.

Mayor Yeh stated the goal was to maintain the overall schedule. He knew that had an impact on catch-up/keep-up, but noted Colleagues wanted a second round of comments on Public Safety. He thought it important for the Council work toward the Next Steps piece. In terms of planning for future meetings, the Vice Mayor and he would work with the City Manager to map out topics. He suggested comments be directed towards Next Steps.

Mr. Keene agreed with the Mayor. He commented the need to arrange subsequent meetings was borne out by the fact that the Council could only continue with Public Safety and Next Steps. He viewed catch-up/keep-up as a more complex discussion than the Public Safety discussion, and thought it would be a mistake to think they could discuss catch-up/keep-up today.

Council Member Burt agreed that the Council couldn't have a deep discussion that would allow resolution, but he thought it would be useful to touch on it. He stated it could help frame the other issues to provide a sense of the Council's thoughts. He agreed the primary discussion should be at a subsequent meeting, but wanted to take a few minutes to determine where the Council was at the current time.

Council Member Espinosa agreed it might be good to have Staff provide an overview; however, he pointed out that there were five times as many questions as in Public Safety. He suggested it would have to be Staff walking through that topic for 15 to 20 minutes without Council discussion or questions, because of the volume of questions.

Council Member Klein requested Mr. Burns provide a timely update on the revised program for the Safety Public Building; Staff explore use of the Post Office site and any other site they thought viable; and the City Manager provide a proposed schedule for when these reports would come back to the Council.

MOTION: Council Member Klein moved, seconded by Council Member Shepherd to direct Staff to return to Council with Chief Burns' revised Public Safety Building plan, information on the Post Office and any other potential sites, and at the next Council meeting the City Manager is to report when these reports will be available.

Council Member Schmid noted this didn't say anything about Fire Stations 3 and 4, and thought that was appropriate as the Council needed to discuss Emergency Medical Response before getting into that.

MOTION PASSED: 9-0

Mayor Yeh thanked Mr. Burns for his participation. He accepted Council Member Espinosa's suggestion to have Staff walk through this.

Mr. Keene stated there were a number of questions on pages 1-4. He began with question 5, attempting to reconcile the numbers from past reports estimating a \$500 million backlog and IBRC's recommendation of \$250 million. He indicated Mr. Perez would discuss the handout. He explained the IBRC netted out existing funding streams over the next 25-year period to calculate their amount. Whereas, previous reports looked at need without calculating the existing funding sources and netting them out. He indicated the Council would see even larger numbers as part of the IBRC Report.

Mr. Perez explained there were two different views, so it was comparing apples and oranges from his perspective. He didn't have a chance to share this with IBRC, because he compiled it the day before. He began with the top part of the handout, which he obtained from page 9 of the IBRC Report. He noted page 9 had more detail, and he had summarized it. He explained Staff had talked about everything being a backlog when they first introduced the number to IBRC. He thought they did a great job of determining a way to divide the information for a better view, which was catch-up and keep-up. He explained in Table1.1 of the Report on page 9 the total summary was from Fiscal Year 2012 through Fiscal Year 2037. This was one of the differences versus the number that Staff had been sharing with Council. The total for catch-up for that period was identified as \$41.5 million in needs, and there were no sources identified for that. He stated the gap was \$41.5 He indicated he summarized the operating and CIP maintenance that was identified for the same period. He stated it was important to note that the operating maintenance was in the General Fund Operating Budget and the planned CIP was in the Capital Program. He said that was a key point. He combined them for simplicity of comparison. The needs identified totaled \$801 million, the sources identified were \$747 million, with a gap of approximately \$54 million. He explained combining catch-up and keep-up resulted in needs of \$842.5 million, sources were \$747.2, with a gap of He was reading the total column on the far right. indicated to the right of the table was a list of new and replacement needs for the City, which totaled \$210 million with no source of funds identified. He stated there were recommendations for these, but he was just identifying the needs and sources as stated. Combining that gave \$1.53 billion, with

sources of \$747 million and a total gap of \$306 million. He asked if that made sense in terms of the IBRC view.

Council Member Burt asked for an explanation of how the difference between new and replacement tied into backlog.

Mr. Perez explained Staff had presented it to the Council in the Capital Program by lumping everything into backlog. He said in the Capital Budget document, page 275, Staff provided the 20-year capital view, which the total needs were \$300 million; in page 276, Staff identified Infrastructure future needs – backlog. He indicated many of those major projects were included in the new and replacement projects in the IBRC Report. He suggested comparing page 276 of the Capital Budget to page 9 of the IBRC Report for the new and replacements to see the similarities of the projects.

Council Member Burt inquired if it was most correct to include the new and replacement as part of backlog. He indicated one item which had been clarified was the \$500 million, which was actually \$300 million and it could be refined. He noted \$95 million was catch-up and keep-up. He asked if keep-up was a backlog at present or was that a future deficit.

Mr. Perez deferred the questions to Mr. Bobel.

Phil Bobel, Assistant Director Pubic Works explained they needed a definition of catch-up and keep-up. He said this was a new way of talking; the old way of talking was backlog, which implied there was something overdue. He noted the IBRC didn't use the word backlog; IBRC used catch-up and that was their way of conveying something that was overdue. He confirmed Council Member Burt was asking if new and replacement was part of keep-up or part of catch-up. He thought most IBRC members would say it was more like catch-up, it was overdue. He reported it was not placed in a backlog bucket, but was placed in its own bucket of new and replacement. There was a catch-up bucket, and the keep-up bucket was items not overdue but really needed to be done in some future year.

Council Member Burt asked if keep-up was not part of backlog.

Mr. Bobel stated he wouldn't put keep-up in backlog if they were redefining it today.

Council Member Burt stated it would become backlog if it wasn't addressed.

Mr. Bobel agreed.

Mr. Keene repeated that everything was thrown together and labeled backlog. He indicated the need for a Public Safety Building wasn't treated as a new and replacement item, it was in backlog just as other items were. He thought it was more about establishing the new vernacular based on the IBRC's work.

Council Member Burt inquired if keep-up were pulled out from backlog, then they were looking at approximately \$250 million in backlog including new and replacement.

Mr. Bobel stated that would be a better way to use the word backlog.

Council Member Burt wanted to emphasize that, because this other number had been floating out for a long period of time. He stated the Council would need to recalibrate and educate the community and press that the IBRC had more effectively defined backlog, such that there were discrete elements comprising the total and they could be separated.

Mr. Keene restated that the difference wasn't a change in the amount of work that needed to be done over the 25-year period, rather the IBRC had focused on where new funding sources needed to be found knowing there were annual commitments to Infrastructure. He explained the Street Maintenance Program had doubled in the last couple of years and was now included in the current numbers in the Long Range Forecast and in these projections.

Council Member Klein recalled that the Public Safety Building was never included in the \$500 million backlog.

Mr. Perez indicated \$60 million was the figure.

Council Member Klein stated that was not included in the \$500 million.

Mr. Perez said it was.

Council Member Klein asked if it was included.

Mr. Perez replied yes, on page 276. He noted Council Members didn't have that information. He stated it included items such as the MSC, Fire Stations 3 and 4, Animal Shelter, Junior Museum.

Council Member Klein commented the one-page summary didn't help him reconcile IBRC's number with the \$500 million. He had heard the explanations and still didn't understand them. He remarked he would treat the \$300 million number as good news compared to \$500 million. He didn't think it was worthwhile to spend more time trying to reconcile the two numbers. He was throwing out the \$500 million as a worthless number. He thought the lack of confidence in the \$500 million number resulted in the creation of the IBRC. He preference was to move on. He noted the numbers particularly concerning catch-up and keep-up were more manageable because of the IBRC's good work. He said they were manageable through a combination of either expense cuts or revenue increases; whereas, the old number seemed unmanageable.

Mr. Perez indicated he would stop if it was the Council's pleasure. He acknowledged the IBRC did an excellent job in outlining it this way. It was much better. He emphasized the City Manager's comments regarding dependency and assumptions. If the numbers moved, it wasn't because the number was incorrect; it was the assumption as to the vision of what the community wanted.

Mayor Yeh stated there was a separate document which provided line item detail for these aggregate numbers in the report. He noted over time as everyone reviewed it, there could be questions concerning those He said the document was titled Palo Alto General Fund assumptions. Capital Assets Needs Assessment Master Plan and copies were at the front table. As assumptions arose during the separate sessions, he thought it was helpful to know the Council would have more clarity about what specifically would result from funding these different areas. He was unsure if the public read all the data or preferred to stay at the aggregate level; however, at some point the community would want to know exactly what might be funded through different initiatives. He reported the new Chief Information Officer (CIO) was working with different technologists and coders to make this information digestible. He asked Council Members to define and share any methods they had of making the data more accessible in order to educate the public. He felt people needed to understand what the term Infrastructure translated to.

Bob Moss stated there would need to be at least two items on the ballot. He explained a bond issue for the Public Safety Building was needed, because the Public Safety Building definitely needed to be replaced. He indicated the primary function of City Government was public safety. He noted the inadequacies of the building were not new. He explained there needed to be an ongoing source of funds, whether from a Business License Tax or a Sales Tax, to catch-up, keep-up and to fund unexpected requirements. He

suggested the Council should review the Utility Tax, because cell phones and Internet access were not available when that was passed and thus weren't included in the taxes. He stated the Council was not required to use Utility Tax Funds for the School District; it was a General Fund. He felt the City had given the School District more than enough money over the last 20+ years. He suggested using it for the General Fund. He reported one problem would be people saying, if the Council built a new Public Safety Facility, the Council should regionalize it. He reiterated Mr. Burns' comment regarding not everything could be regionalized effectively. He said 20 years ago nobody thought the Fire Department would be spending 60 percent of their time answering calls for paramedics. He commented Palo Alto was the only department in the County with a high quality paramedic service as part of the Fire Department, and regionalizing that would result in its loss. He felt paramedics were important. He indicated Neighborhood Coordination was no longer operating. He felt the local Police Department was needed. He stated these topics were important and had to be sold to the community. He suggested the Council work on that right away.

Mr. Keene wanted to explain why not reviewing all the Staff Responses would be okay. He thought there were a number that provided basic, factual responses. Obviously the Council would have more questions than those on the list, so he asked the Council to think about the area beyond the data and consider the assumptions, because the Council may see things differently. He gave the example of question 1 regarding the amount of money for the Civic Center, he didn't agree with the way Staff presented the needs and thought that could be significantly more depending on what the Council chose to do. He stated that was more than just reroofing and basic He mentioned the pavement index standard of 60 and maintenance. whether the Council wanted a different standard and whether ten years was the appropriate period. He thought Council's review of these responses could trigger the question of whether they agreed with the vision of the future. He indicated it did invoke the future issues in some ways, and only the Council was best prepared to respond. Staff knew the Council would have many more questions. He said Staff would be available to Council Members to attempt to answer questions.

Mayor Yeh thanked Staff, the public and IBRC members for their participation and attendance, especially on a Saturday. He knew the Council was focused on Infrastructure as it had wanted to for a long time. He felt it was an exciting beginning to focus on Infrastructure this year and in forthcoming years.

<u>Adjournment:</u> The meeting was adjourned at 1:57 P.M.