

ACTION MINUTES

Special Meeting
April 16, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:32 P.M.

Present: Burt, Holman arrived @ 5:35 P.M., Klein, Price, Scharff, Schmid, Shepherd, Yeh

Absent: Espinosa

CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS
City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Lalo Perez, David Ramberg, Sandra Blanch, Marcie Scott, Darrell Murray)
Employee Organization: Service Employees International Union, (SEIU) Local 521
Authority: Government Code Section 54957.6(a)
2. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Subdivision (a) of Section 54956.9)
Curtner Homes LP v. City of Palo Alto, Santa Clara County
Case No. 1-10-CV-170151

The City Council reconvened from the Closed Session at 7:31 P.M. and Mayor Yeh announced no reportable action.

Council Member Klein left the meeting at 7:30 P.M. and returned at 8:25 P.M.

SPECIAL ORDERS OF THE DAY

3. Proclamation IIMC Municipal Clerks Week-April 29 Through May 5, 2012.

Vice Mayor Scharff read the Proclamation into the record.

4. Appointment for Three Positions on the Public Art Commission for Three Terms Ending April 30, 2012.

First Round of voting for three positions on the Public Art Commission for three terms ending April 30, 2012:

Voting For Richard Ambrose: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

Voting For Alena Campagna: Klein

Voting For Harvey Citrin: Klein

Voting For Hemla Makan-Dullabh: Scharff, Schmid

Voting For Vikki Tobak: Burt, Holman, Price, Schmid, Shepherd, Yeh

Voting For Patricia Walsh: Burt, Holman, Price, Scharff, Shepherd, Yeh

City Clerk, Donna Grider announced that Richard Ambrose with 8 votes, Vikki Tobak with 6 votes, and Patricia Walsh with 6 votes were elected to the Public Art Commission.

5. Appointment for One Position on the Utilities Advisory Commission for an Unexpired Term Ending June 30, 2013.

First Round of voting for one position on the Utilities Advisory Commission for an unexpired term Ending June 30, 2013:

Voting For Garth Hall: Burt, Holman, Scharff, Schmid, Shepherd, Yeh

Voting For Mark Harris: Klein, Price, Yeh

Voting For Walter Loewenstein:

City Clerk, Donna Grider announced that Garth Hall with 5 votes was elected to the Utilities Advisor Commission.

6. Appointment for Three Positions on the Human Relations Commission for Three Year Terms Ending March 31, 2015.

First Round of voting three positions on the Human Relations Commission for three Year terms ending March 31, 2015:

Voting For Ray Bacchetti: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

Voting For Theresa Chen: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

Voting For Diane Morin: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

City Clerk, Donna Grider announced that Ray Bacchetti with 8 votes, Theresa Chen with 8 votes, and Diane Morin with 8 votes were elected to the Human Relations Commission.

STUDY SESSION

7. Overview of California's Cap-and-Trade Program to Reduce Greenhouse Gas Emissions and Impacts on the Operation of Electric and Gas Utilities.

Scott Tomashevsky, Regulatory Affairs Manager of the Northern California Power Agency provided an overview of the regulations related to the cap-and-trade regulations adopted by the California Air Resources Board (CARB). Mr. Tomashevsky noted in particular the requirement that the City utilize the value of allowances to be allocated to its electric utility, including proceeds from the sale of the allowances in the auctions conducted by CARB exclusively for the benefit of electric retail ratepayers, consistent with the States greenhouse gas reduction goals. CARB will conduct quarterly auctions of the allowances currently scheduled to begin in November 2012.

8. Update on the Climate Protection Plan - Earth Day Staff Report.

Debra van Duynhoven, the Sustainability Manager for the City of Palo Alto, provided an update on the City's Sustainability programs and the progress made towards meeting the City's GHG reduction goals set by Council. The 2012 GHG emissions reduction goal for municipal operations (also called City operations) is 20% below the 2005 baseline levels. The corresponding 2012 GHG emissions reduction goal for the entire community was set at 5% below the 2005 baseline levels. At present, Staff estimates that emissions from City operations could be reduced by 27% by the end of 2012, and community emissions could be reduced by 15% by the end of 2012. These projected reductions far exceed the goals set for 2012 and reaches the 2020 community

reduction goal of 15%. These estimated reductions will be primarily achieved with greater purchases of electricity from renewable supplies, greater participation in the PaloAlto**Green** program and lower levels of waste to the landfill.

CONSENT CALENDAR

MOTION: Council Member Price moved, seconded by Mayor Yeh to pull Agenda Item No. 11 and continue it to a date uncertain.

MOTION PASSED: 8-0 Espinosa absent

MOTION: Council Member Schmid moved, seconded by Council Member Klein to approve Agenda Item Nos. 9-10, 12.

9. Resolution 9241 entitled "Resolution of the Council of the City of Palo Alto Modifying the City of Palo Alto's Utilities' Long-term Electric Acquisition Plan's Strategy Related to the Renewable Portfolio Standard".
10. Budget Amendment Ordinance 5151 entitled "Ordinance of the Council of the City of Palo Alto for FY 2012 to Appropriate Three Grant Donations: (1) in the Amount of \$13,500 from the City and County of San Francisco For the Purchase of a Rapidly Deployable Shelter System, (2) in the Amount of \$68,800 From the City and County of San Francisco For the Purchase of a Mobile Emergency Operations Center Support Vehicle, and (3) in the Amount of \$57,000 From the Silicon Valley Community Foundation to Promote Widespread Participation by Peninsula Cities in Formulating and Implementing a Best Practices Common Model for Neighborhood Emergency Response Preparedness.
- ~~11. Adoption of a Resolution Approving the City of Palo Alto Annex to the Santa Clara County Annex to the 2010 Association of Bay Area Governments Local Hazard Mitigation Plan "Taming Natural Disasters".~~
12. Approval of an Amendment No. One to the Amended and Restated Stewardship Agreement Between The City of Palo Alto and Acterra in the Amount of \$54,496 for the Initial Year of Services for the Enid W. Pearson Arastradero Preserve.

MOTION PASSED for Agenda Item Nos. 9-10, and 12: 8-0 Espinosa absent

ACTION ITEMS

13. Approval of Retiree Medical Report and Assumption Changes.

MOTION: Council Member Shepherd moved, seconded by Vice Mayor Scharff to: 1) accept the retiree medical actuarial study with changes to amortization method, asset smoothing, and actuarial load, but keeping the 7.75 discount rate assumption in 2012, and 2) for fiscal year 2013 accept all Finance Committee recommended changes, including the discount rate changing from 7.25 to 7.61 percent to match the highest CalPERS discount rate option.

AMENDMENT: Council Member Schmid moved, seconded by Council Member XXX to use the original assumptions included in slide 3 on packet page 449.

AMENDMENT FAILED DUE TO LACK OF SECOND

MOTION PASSED: 7-1 Schmid no, Espinosa absent

14. Budget Amendment Ordinance 5152 entitled "Ordinance of the Council of the City of Palo Alto Amending the Budget for Fiscal Year 2012 to Adjust Budgeted Revenues and Expenditures in Accordance with the Recommendations in the Midyear Report".

MOTION: Vice Mayor Scharff moved, seconded by Council Member Shepherd to:

- 1) Adopt Budget Amendment Ordinance, which includes:
 - a) Proposed midyear adjustments to the Fiscal Year 2012 Budget for the General Fund, Enterprise Funds, Special Revenue Funds, Internal Service Funds, and Capital Improvement Fund
 - b) Fiscal Year 2012 Midyear CIP Adjustments
 - c) Amendments to the Fiscal Year 2012 Table of Organization
 - d) Establishment of the Special Revenue Fund for Stanford University Medical Center Development Agreement payments;
- 2) Resolution 9242 entitled "Resolution of the Council of the City of Palo Alto amending the 2010-2011 Compensation Plan for Management and Professional adopted by Resolution No. 9156 to change the titles of four positions and to add one new position";
- 3) Include the Council action taken in Agenda Item No. 13 into the Midyear Budget; and
- 4) Revise the midyear adjustment for Electric Fund CIP EL89-028 to \$500,000.

MOTION PASSED: 8-0 Espinosa absent

15. Recommendation that Council Adopt the Draft Cubberley Guiding Principles, Confirm the City Manager's Appointments to the Community Advisory Committee (CAC) and Review the Conceptual Site Plans Prepared Jointly by the Staff of the PAUSD and City of Palo Alto (continued from 04/09/12).

MOTION: Council Member Shepherd moved, seconded by Council Member Klein to: 1) accept the revised Cubberley Guiding Principles in draft form, 2) forward to the Policy Advisory Committee the draft guiding principles, the draft conceptual plans, and the review of the composition of the Community Advisory, and 3) return to the City Council for approval of the above.

1. The meetings are to be recorded and minutes completed. (Costs of minutes to be cost-shared by the City and PAUSD).
2. Documents, architectural drawings and other written communication provided to the Committees shall be made available to the general public as soon as possible.
3. The City and PAUSD are supportive of Cubberley remaining a major cultural, educational and non-profit resource very important to the community's health and vitality.
4. The City and PAUSD seek to work cooperatively to explore all practical means to jointly re-use the Cubberley campus for both educational and community services.
5. The City and PAUSD recognizes that both entities have significant financial interests in the Cubberley campus which both parties should be open and sympathetic to the interests of the other party.
6. Both The City and PAUSD have ownership interests in portions of the campus: PAUSD owns 27 acres and the City owns 8 acres. The parties may consider relocation of its ownership interests within the site to facilitate optimal site layout and efficiency.
7. To the extent possible, facility planning, architectural design, economic analysis or other expert service costs should be shared equally between the City and PAUSD for 2012-2013.
8. While the Policy Advisory Committee planning should occur as cooperatively as possible, the City Council representatives and the PAUSD Board

members will retain independent recommending authority should consensus not be reached.

9. School quality and capacity is a significant City-wide issue considered essential to the maintenance of educational opportunities and excellence, and the overall health and well-being of our community.
10. Cubberley programs enrich the community and criteria should be developed to prioritize and/or retain existing uses as well as assess prospective new uses.
11. The City and PAUSD recognizes the potential to re-use the site as a joint City/PAUSD facility could result in stronger educational and cultural programs provided more efficiently.
12. The City Council representatives on the Policy Advisory Committee shall report, not less often than bi-monthly, to the full Council on Cubberley planning activities.
13. The City and PAUSD should work to continue community access to Cubberley to the extent possible. Recreation facilities provided at the Cubberley campus produce important services benefitting the community at large.
14. The residential neighborhoods surrounding Cubberley are significant factors in determining the compatibility of possible building changes on the Cubberley campus.
15. Transportation issues and access to and within Cubberley shall be considered in evaluating possible re-use options including improved bicycle and pedestrian facilities.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER: change Guiding Principle No. 5 to: The City and PAUSD recognizes that both entities have significant interests in the Cubberley campus and both parties should be open and sympathetic to the interests of the other party.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER: add a sentence in the Guiding Principles that states: Draft conceptual site plans are a starting point for discussion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that Guiding Principle No. 1 will reflect: The City Clerk's Office would be responsible for sense minutes for the Policy Advisory and the City Manager's Office would be responsible to take notes at each Community

Advisory Committee meeting for the purpose of compiling a final report (similar to the one created for the IBRC).

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that the Community Advisory Committee members are to be jointly appointed by the City Manager and the PAUSD Superintendent.

MOTION PASSED: 8-0 Espinosa absent

16. Public Hearing: Adoption of an Ordinance Approving an Amendment to the 1997 Sand Hill Road Development Agreement to Extend Lease on El Camino Park and to Remove Approximately 10.25 Acres of Land (Searsville and Fremont Roads) in Santa Clara County from Special Condition Area B to be Used for Central Energy. (Cogeneration) Facility.

Council Member Klein advised he would not participate in this item as his wife is on faculty at Stanford University. He left the meeting at 11:23P.M.

Mayor Yeh advised he would not participate in this item as his wife is a PHD candidate at Stanford. He left the meeting at 11:23 P.M.

Public hearing opened at 11:40 P.M.

Public hearing closed at 11:43 P.M.

MOTION: Council Member Price moved, seconded by Vice Mayor Scharff to:
1) approve the Ordinance approving the proposed amendment to the 1997 Sand Hill Road Development Agreement to remove a 10.25-acre site from the 139-acre Special Condition Area B within the jurisdiction of Santa Clara County, and 2) to extend the lease of the 10.74-acre El Camino Park, from June 30, 2033, to June 30, 2042.

MOTION PASSED: 6-0 Espinosa absent, Klein, Yeh not participating

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Holman reported on attending the Santa Clara Valley Water District Commission meeting last week, she registered a No vote on reapproving the 9.3 increase for ground water production in the north county area.

Council Member Shepherd attended the Caltrain Joint Powers Board meeting approximately 10 days ago and they reported that Palo Alto has increased its ridership by 15.7% over last year.

Council Member Price reported she attended the BART Berryessa extension ground breaking event on Thursday April 12, 2012.

Council Member Burt spoke about an initiative to achieve funding and plans for the South Bay Tidal Plan for sea level rise.

ADJOURNMENT: The meeting was adjourned at 11:56 P.M. in honor of Lucie Stern's birthday.