

# ACTION MINUTES

Special Meeting  
May 7, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:00 P.M.

Present: Burt, Espinosa arrived @ 6:26 P.M., Holman arrived @ 6:05 P.M., Klein, Price, Scharff, Schmid, Shepherd, Yeh

Absent:

## CLOSED SESSION

1. CONFERENCE WITH CITY ATTORNEY - EXISTING LITIGATION  
Subject: City of Palo Alto et al. v. California High-Speed Rail Authority  
Superior Court of California, County of Sacramento, Case No. 34-2010-80000679  
Authority: Government Code section 54956.9(a)
2. CONFERENCE WITH CITY ATTORNEY–POTENTIAL/ANTICIPATED LITIGATION  
Subject: Written liability claim against the City of Palo Alto, et al. by Michael Siegel, et al., Palo Alto Claim No.: C11084  
Subject: Written liability claim against the City of Palo Alto, et al. by David Morse, Palo Alto Claim No.: C11084-1  
Authority: Government Code Sections 54956.9(b)(1) & (b)(3)(C)

The City Council reconvened from the Closed Session at 7:00 P.M. and Mayor Yeh advised no reportable action.

Council Member Price left the meeting at 7:00 P.M.

## STUDY SESSION

3. Long Range Facilities Plan for the PA Wastewater Treatment Plant (RWQCP).

The Public Works Regional Water Quality Control Plant's (Plant) Long Range Facilities Plan (LRFP) was presented and discussed. Council was given an

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overview of the LRFP, long-term operational footprint and site planning, long-term capital costs and financing alternatives, and next steps for staff. The key solids and liquid treatment capital projects were explained. The need for incinerator retirement was presented. An explanation of the four recommended solids handling options was given; staff explained that the options would be further studied in a Biosolids Facility Plan. Costs for the four main solids handling options were reviewed. Preliminary debt service impacts for the major capital projects were explained. The Financing Plan needed after the LRFP was explained. Potential nutrient regulatory actions for the Plant were reviewed. One member of the public encouraged better integration with the Measure E Energy / Compost facility. Council Members inquired about source control for nutrients, salt marsh conversion mitigation options related to the Plant's outfall, level of interaction with partner agencies, grant funding opportunities, and food waste handling issues.

#### SPECIAL ORDERS OF THE DAY

4. Presentation by Keith Bechtel on the Tsuchiura, Japan Marathon Race.

Council Member Price returned at 8:07 P.M.

#### APPROVAL OF MINUTES

**MOTION:** Council Member Schmid moved, seconded by Council Member Shepherd to approve the minutes of January 23, 2012 and January 30, 2012.

**MOTION PASSED:** 9-0

#### CONSENT CALENDAR

Council Member Klein advised he would not be participating in Agenda Item No. 8 as his wife is on Stanford Faculty.

Mayor Yeh advised he would not be participating in Agenda Item No. 8 as his wife is a Stanford student.

**MOTION:** Mayor Yeh moved, seconded by Council Member Schmid to pull Agenda Item No. 12, to become Agenda Item No. 12a.

**MOTION:** Council Member Espinosa moved, seconded by Council Member Price to approve Agenda Item Nos. 5-11.

5. Approval of Contract with SAP Inc. for Software Maintenance Support Services to the City of Palo Alto.

6. Request for Authorization to Increase the Existing Blanket Purchase Order with OldCastle Precast, Inc. by \$200,000 for Fiscal Year 2012 and to Approve a \$500,000 Blanket Purchase Order with OldCastle Precast, Inc. for 2013 for the Purchase of Concrete Vaults and Pads.
7. Approval of the City's 2012 Federal and State Legislative Program.
8. Ordinance 5153 entitled "Ordinance of the Council of the City of Palo Alto 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". (*1<sup>st</sup> Reading passed 4-16-12, 6-0 Espinosa absent, Klein, Yeh not participating*).
9. Ordinance 5154 entitled "Ordinance of the Council of the City of Palo Alto to Amend the Contract Between the Board of Administration of the California Public Employees' Retirement System (CalPERS) and the City of Palo Alto to Implement California Government Code Section 20475: Different Level of Benefits Provided for New Employees, Section 21363.1: 3.0% @ 55 Full Formula, Section 20037: Three Year Final Compensation, and Without Section 20692: Employer Paid Member Contributions for Safety Fire Employees" (*1<sup>st</sup> Reading passed 3-5-12, 8-0 Yeh absent*).
10. Approval of Amendment No. 2 to Agreement Between the City of Palo Alto and the Midpeninsula Community Media Center, Inc. in the Amount of \$50,000.
11. Resolution 9245 entitled "Resolution of the Council of the City of Palo Alto of Intent to Establish Underground Utility District No. 47 (Middlefield Road/ Addison Ave/ Cowper Street/ Homer Ave) by Amending Section 12.16.020 of the Palo Alto Municipal Code".
- ~~12. Approval of Revisions to Regulations of the City of Palo Alto Regarding Prohibited Conduct at or in Community Centers, Theaters, Interpretive Buildings and the Art Center.~~

**MOTION PASSED for Agenda Item Nos. 5-7, and 9-11: 9-0**

**MOTION PASSED for Agenda Item No. 8: 7-0 Klein, Yeh not participating**

AGENDA CHANGES, ADDITIONS, AND DELETIONS

12a. (Former No. 12) Approval of Revisions to Regulations of the City of Palo Alto Regarding Prohibited Conduct at or in Community Centers, Theaters, Interpretive Buildings and the Art Center.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Shepherd to approve Agenda Item No. 12a.

**SUBSTITUTE MOTION:** Mayor Yeh moved, seconded by Council Member Schmid to refer this to Policy and Services Committee for discussion in June.

**SUBSTITUTE MOTION FAILED:** 3-6 Burt, Schmid, Yeh yes

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to strike the words "enter or" in Rule Number 1.

**MOTION PASSED:** 9-0

ACTION ITEMS

13. PUBLIC HEARING: to Hear Objections to the Levy of Proposed Assessments on the Palo Alto Downtown Business Improvement District and Adoption of a Resolution 9246 Confirming the Report of the Advisory Board and Levying Assessment for Fiscal Year 2013 on the Downtown Palo Alto Business Improvement District.

Council Member Shepherd advised she would not be participating in this item as her husband has a lease in the Business Improvement District.

Public hearing opened and closed without public comment at 9:00 P.M.

**MOTION:** Council Member Burt moved, seconded by Vice Mayor Scharff to approve the resolution confirming the report of the Advisory board and levying an assessment for Fiscal Year 2013 on the Downtown Palo Alto Business Improvement District.

**MOTION PASSED:** 8-0 Shepherd not participating

14. Acceptance of the Long Range Financial Forecast for Fiscal Years 2012 to 2022.

**MOTION:** Vice Mayor Scharff moved, seconded by Mayor Yeh to: 1) accept the Long Range Financial Forecast for Fiscal Years 2012 to 2022, 2) lower the 3 percent annual PERS pension increase assumption to 1.5 percent, 3) include \$2.2 million per year in additional infrastructure funding assumptions

in the LRFF, and 4) remove 2 percent salary increases built into the LRFF for labor groups.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to direct Staff to put in the LRFF the conservative projected concessions along with the conservative 2 percent salary increase.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to retain in the LRFF the current 3 percent and incorporate bands to reflect the different CALPERS scenarios into the LRFF.

**SUBSTITUTE MOTION:** Council Member Klein moved, seconded by Council Member Price to accept the Long Range Financial Forecast.

**SUBSTITUTE MOTION FAILED:** 4-5 Holman, Klein, Price, Shepherd, yes

**MOTION AS AMENDED PASSED:** 8-1 Klein no

15. PUBLIC HEARING: Adoption of a Resolution 9247 Approving the Proposed Fiscal Year 2013 Community Development Block Grant (CDBG) Funding Allocations and the 2012/13 Draft Annual Action Plan.

Public hearing opened at 11:31 P.M.

Public hearing closed at 11:34 P.M.

**MOTION:** Council Member Shepherd moved, seconded by Council Member Espinosa to accept Staff and Finance Committee recommendation to: 1) adopt the funding Resolution allocating CDBG funding as recommended by Staff and the Human Relations Commission in the 2012-13 Action Plan; 2) authorize Staff to submit the 2012-13 Action Plan to the Department of Housing and Urban Development by the May 15, 2012 deadline; and 3) authorize the City Manager, on behalf of the City, to execute the 2012-13 application and Action Plan for CDBG funds and any other necessary documents concerning the application and to otherwise bind the City with respect to the application and commitment of funds.

**MOTION PASSED:** 9-0

16. ~~PUBLIC HEARING: Adoption of a PC Ordinance for the Proposed Lytton Gateway Project to Amend the Zoning Map of the City of Palo Alto to Change the Zone Designations From CDC-P and CDN-P to a Planned Community (PC) District to Allow a Mixed Office and Retail, Four-Story, 50-Foot Tall Building (and a 70-Foot Tall Corner Tower Feature) on the Former Shell Station Site, Located at 355 And 335 Alma Street. The~~

~~Project Includes Exceptions to the Daylight Plane and 35-Foot Height Limit Within 150 Feet of Residential Property. \*Quasi-Judicial.~~

**MOTION:** Council Member Burt moved, seconded by Council Member Holman to: 1) reschedule Agenda Item No. 16 to May 14, 2012 Council meeting and for it to be heard first under Action Items, and 2) move 195 Page Mill agenda item to a date uncertain.

**MOTION PASSED:** 8-1 Shepherd no

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Mayor Yeh reported he attended the Northern California Power Agency annual meeting two weeks ago where there were discussions on Secretary Steven Chu's letter, tax exempt financing, and homeland security. He also attended the Silicon Valley Leadership Group meeting whose primary discussions focused on H-1 Visa Reforms, and repatriation of overseas revenues.

ADJOURNMENT: The meeting adjourned at 11:50 P.M.