

ACTION MINUTES

Special Meeting
September 4, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:00 P.M.

Present: Burt, Holman, 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, Joe Saccio, Kathryn Shen, Sandra Blanch, Marcie Scott, Darrell Murray, Val Fong)

Employee Organization: Utilities Management and Professional Association of Palo Alto (UMPAPA)

Authority: Government Code Section 54957.6(a)

The City Council reconvened from the Closed Session at 7:16 P.M. and Mayor Yeh advised no reportable action.

SPECIAL ORDERS OF THE DAY

2. Proclamation Expressing Appreciation to the Rotary Club of Palo Alto.

Council Member Schmid read the proclamation into the record.

3. Proclamation Declaring the Month of September to be Emergency Preparedness Month.

Council Member Burt read the proclamation into the record.

4. Proclamation Recognizing Suicide Prevention Week, September 9-15, 2012.

Council Member Price read the proclamation into the record.

MINUTES APPROVAL

MOTION: Council Member Shepherd moved, seconded by Council Member Price to approve the minutes of April 23 and 30, 2012, and May 7, 2012.

MOTION PASSED: 8-0 Espinosa absent

CONSENT CALENDAR

MOTION: Council Member Klein moved, seconded by Council Member Price to pull Agenda Item No. 7, to become Agenda Item No. 17a.

MOTION: Council Member Scharff moved, seconded by Council Member Price to approve Agenda Item Nos. 5-6, 8-17.

5. Resolution 9280 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Arlene Demore Upon her Retirement".
6. Approval and Authorization for the City Manager to Execute a Contract with Three Phase Line Construction in a Total Not to Exceed Amount of \$607,997 for the Electric Underground Rebuild and Re-conductor Project on the City's Electric Distribution System Near Middlefield and San Antonio Road.
- ~~7. Approval of City Response to the Adopted Regional Housing Needs Allocation (RHNA) for the 2014-2022 Cycle.~~
8. Resolution 9281 entitled "Resolution of the Council of the City of Palo Alto Approving and Authorizing the Execution of the State of California Department of Community Services and Development 2012-2014 Direct Payment Program Agreement No. 12Y-1418 Governing the City of Palo Alto Utilities Department's Administration of Home Energy Assistance Program Funds".
9. Approval of Contract with ADPI West for Ambulance Billing Services for Up to Five Years in a Total Amount not to Exceed \$900,000.
10. Approval of Amendment No. 19 to the Contract with the Peninsula Corridor Joint Powers Board for Rail Shuttle Bus Administration to Extend the Term for One Year and Add \$51,980 for a Total Not To Exceed Amount of \$2,877,244.

11. Approval of a Contract for Up to Five Years with York Risk Services Group, Inc. In a Total Amount Not to Exceed \$1,175,000 for Workers' Compensation Claims Administration Services.
12. Request for City Council to Cancel the Regular Meeting of September 17, 2012 and Call for a Special Meeting on Tuesday, September 18, 2012.
13. Approval of Purchase Order with Leader Industries in an Amount Not to Exceed \$393,267 for the Purchase of Two Ambulances (Scheduled Vehicle and Equipment Replacement Capital Improvement Program VR-13000).
14. Approval of Funding Agreement with the Santa Clara Valley Transportation Authority for 2010 Measure B Vehicle Registration Fee Local Road Improvement and Repair Program.
15. City of Palo Alto's Ballot for 2012-13 Peninsula Division Executive Committee Elections.
16. Ordinance 5161 entitled " Ordinance of the Council of the City of Palo Alto Regarding Massage Regulations".
17. Ordinance 5152 entitled "Ordinance of the Council of the City of Palo Alto Adopting a Plan for Improvements at Cogswell Plaza".

MOTION PASSED for Agenda Item Nos. 5-6, 8-17: 8-0 Espinosa absent

AGENDA CHANGES, ADDITIONS AND DELETIONS

- 17a. (Former No. 7) Approval of City Response to the Adopted Regional Housing Needs Allocation (RHNA) for the 2014-2022 Cycle.

MOTION: Council Member Klein moved, seconded by Council Member Price to: 1) approve Staff recommendation and direct the Mayor to execute the letter to the Association of Bay Area Governments (ABAG) regarding the City's response to the Adopted Regional Housing Needs allocation (RHNA) for the 2014-2022 Cycle; and 2) direct Staff to modify the letter to file an appeal of the RHNA allocation.

AMENDMENT: Council Member Burt moved, seconded by Council Member XXX to: 1) not exercise the appeal at this time, 2) Staff to return with clarification that we would not be reducing our strength of the case if the

City decides to appeal in the October through December time frame; and 3) if Staff determination was that we do not have September 19, 2012 as the time frame to appeal but instead we had October through December then Staff would return to Council with an Informational Item, whereas if September 19, 2012 was the deadline the item would return to Council at the September 10, 2012 meeting.

SUBSTITUTE MOTION: Council Member Klein moved, seconded by Council Member Holman to continue this item to September 10, 2012.

SUBSTITUTE MOTION PASSED: 8-0 Espinosa absent

ACTION ITEMS

MOTION: Council Member Schmid moved, seconded by Council Member Holman to hear Agenda Item Nos. 20 and 22, before Item No. 21.

MOTION PASSED: 8-0 Espinosa absent

18. Consideration of a Vote of Support for the Revote High Speed Rail Initiative.

MOTION: Council Member Klein moved, seconded by Vice Mayor Scharff to table the item.

MOTION PASSED: 8-0 Espinosa absent

19. Request for Authorization to Submit a Grant Proposal to the County of Santa Clara for the "Stanford and Palo Alto Trail Program: Connecting the Bay to Ridge" for \$10.4 Million of Recreation Funds Established by the County/Stanford Trails Agreement.

MOTION: Council Member Shepherd moved, seconded by Council Member Price to authorize the submittal of a joint grant proposal with Stanford University for "The Stanford and Palo Alto Trail Program: Connecting the Bay to Ridge" in response to a call-for-projects by the County of Santa Clara for use of recreation funds established by the County/Stanford Trails Agreement.

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

Council took a break from 9:54 P.M. to 10:02 P.M.

20. Approval of Response to Grand Jury Report on Pension and Other Post-Employment Benefits.

MOTION: Council Member Holman moved, seconded by Vice Mayor Scharff to: 1) direct Staff to convert the staff report into a letter from the Mayor, 2) attach recent colleagues memo to the letter, 3) incorporate word change on page four from prohibited to prohibitive, and 4) clarifications to tables on page seven as previously discussed.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to include a chart showing the General Fund liability per resident.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff to respond to the Grand Jury that unless the issue of vested rights is reexamined in California the question posed by the Grand Jury, "Is the cost of providing pension and other post-employment benefits interfering with the delivery of essential City services and is the ultimate cost to the taxpayers a bearable burden?" will be answered in affirmative for the foreseeable future.

MOTION SEPARATED FOR THE PURPOSE OF VOTING: Mayor Yeh requested the Motion be bifurcated to allow a separate vote for the following: To direct Staff to respond to Grand Jury that unless the issue of vested rights is reexamined in California the question posed by the Grand Jury, "Is the cost of providing pension and other post-employment benefits interfering with the delivery of essential City services and is the ultimate cost to the taxpayers a bearable burden?" will be answered in affirmative for the foreseeable future.

SEPARATED MOTION PASSED: 6-2 Espinosa absent, Yeh, Price no

REMAINING MOTION AS AMENDED PASSED: 8-0 Espinosa absent

22. Adoption of Two Resolutions: (1) 9282 Adopting a New Compensation Plan for Management and Professional and (2) 9283 Amending Chapter 9 of the Merit System Rules and Regulations to Revise Rules Related to Probationary Periods.

MOTION: Council Member Klein moved, seconded by Council Member Shepherd to: 1) adopt the resolution adopting a new compensation plan for Management and Professional and Council Appointed Officers effective the pay periods beginning July 1, 2012 and continuing in effect until revised, and 2) amending the Merit System Rules and Regulations to change the probationary period from six to twelve months.

MOTION PASSED: 8-0 Espinosa absent

21. Approval of City Positions for the 2012 League of California Cities Resolutions.

MOTION: Vice Mayor Scharff moved, seconded by Mayor Yeh to accept Staff recommendation to support Resolution Nos. 1, 2, and 5 and to oppose Resolution Nos. 3 and 4.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to take no position on Resolution No. 3 and to oppose Resolution No. 4.

MOTION PASSED AS AMENDED: 8-0 Espinosa absent

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Council Member Price reported that on August 2, the Santa Clara Valley Transportation Authority Board of Directors approved the allocation of \$2.5 million for several projects including the California Avenue Transit Hub project. On August 25 she attended the 50th birthday celebration of the Stanford Linear Accelerator Center. She asked if the upcoming September 18th meeting regarding employee benefits was also going to serve as a presentation to the community regarding the broader issue of benefits and compensation.

Ms. Stump stated at the initial meeting Staff would be presenting initial broad information and would be requesting guidance from the Council on how to proceed.

Mayor Yeh adjourned the meeting in honor of Dr. Mo who recently passed away.

ADJOURNMENT: The meeting was adjourned in Memory of Dr. Mo at 12:07 A.M.