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MINUTES

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:10 P.M.

Present: Berman, Holman arrived at 9:30 p.m., Klein, Kniss, Price, Scharff

Absent: Burt, Schmid, Shepherd

SPECIAL ORDERS OF THE DAY

1. Proclamation Honoring the Neighbor's Abroad Delegation From Sister City Oaxaca, Mexico.

Council Member Kniss read the proclamation into the record.

Soledad Osogobio Cuevas President of the Sister City Committee read in Spanish the letter from Luis Ugartechea Beque, City of Oaxaca, Mexico.

2. Selection of Candidates to be Interviewed for the Library Bond Oversight Committee for Five Terms Ending on May 31, 2017.

MOTION: Council Member Kniss moved, seconded by Council Member Price to interview all the candidates for Library Bond Oversight Committee.

SUBSTITUTE MOTION: Council Member Klein moved, seconded by Mayor Scharff to not interview any applicant, but place on the April 8, 2013 Consent Calendar, the appointment of the five incumbents; Sandra Hirsh, John Melton, Dena Mossar, James Schmidt, and Alice Smith.

Council Member Klein felt the five incumbents were well known citizens, and had performed well on the Library Bond Oversight Committee. Interviewing applicants was not an efficient use of Council time as the Library Bond Oversight Committee was scheduled to cease work in a few years.

Council Member Kniss agreed with Council Member Klein's comments.

Donna Grider, City Clerk, suggested an item to reappoint the five incumbents could be placed on the Consent Calendar for April 8, 2013.

Council Member Holman requested Council Members comment on having solicited applicants and now wishing to reappoint the incumbent members.

MINUTES

Council Member Price supported the Substitute Motion.

Council Member Klein explained soliciting applicants was part of the process to determine residents interested in the Library Bond Oversight Committee.

SUBSTITUTE MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

3. Selection of Candidates to be Interviewed for the Historic Resources Board for One Unexpired Term Ending on May 31, 2014 and Three Terms Expiring on May 31, 2016.

MOTION: Council Member Kniss moved to interview all of the applicants.

MOTION FAILED DUE TO THE LACK OF A SECOND

MOTION: Council Member Klein moved, seconded by Mayor Scharff to: 1) place on the April 8, 2013 Consent Calendar, the appointment of the three incumbents; David Bower, Beth Bunnenberg, and Patricia DiCicco to the three terms expiring on May 31, 2016; and 2) schedule an interview with Margaret Wimmer for the unexpired term ending on May 31, 2014.

Council Member Klein felt the three incumbent applicants had performed well; therefore, there was no purpose in interviewing them. Because he did not know Ms. Wimmer, he felt she should be interviewed as part of the Council's due diligence responsibility.

Mayor Scharff inquired whether Council Member Klein meant to interview Ms. Wimmer for the unexpired term.

Council Member Klein answered yes.

Council Member Holman supported the Motion.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

4. Selection of Candidates to be Interviewed for the Human Relations Commission for Two Terms Expiring on March 31, 2016.

MOTION: Council Member Kniss moved, seconded by Council Member Holman to interview all of the applicants.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

MINUTES

CITY MANAGER COMMENTS

James Keene, City Manager, announced on March 19, 2013, the Finance Committee unanimously recommended the Council approve a 7 percent water rate increase effective July 1, 2013. A rate hearing and the deadline for public input was scheduled for the same date as presentation of the Fiscal Year 2014 Budget. On April 16, 2013, the Finance Committee would review the Five-Year Financial Forecast for gas, electric, and sewer services. Staff recommended no rate changes for those services in Fiscal Year 2014. The Santa Clara Valley Transportation Authority (VTA) Board of Directors on April 4, 2013 would consider proceeding with a nexus study, which could require all Santa Clara County cities to participate in a habitat conservation plan as a condition for receiving One Bay Area Grant transportation funding. VTA Staff did not recommend proceeding with the study, and City Staff would submit a letter to the VTA disapproving any potential decision requiring non-member agencies to participate. The pilot program for refuse collection began March 27, 2013 in the Greenmeadow neighborhood. Cesar Chavez Day was celebrated March 31, 2013. Artwork of Bill Barrett was placed behind the dais in the Council Chambers.

ORAL COMMUNICATIONS

Stephanie Munoz stated cities did not have to build new low-income housing; they could retain current low-income housing. By rezoning Buena Vista Mobile Home Park, the City was giving the property owner and developer the right not to have low-income housing required by Zoning laws.

Robert Moss indicated there was no relationship between public and private benefits in Planned Community (PC) Zones. Public benefits were usually minimal while private benefits were large. Public benefits for preserving historic buildings were difficult to quantify; however, the City could place a value on those public benefits. The City should enforce PC Zones immediately.

Council Member Price spoke regarding the Santa Clara Valley Transportation Authority (VTA) nexus study. The VTA Policy Advisory Committee voted 10-0 against the study, and the VTA Technical Advisory Committee voted 11-1 against the study. Issues of concern were the California Environmental Quality Act (CEQA) and local authority implications.

MINUTES

MINUTES APPROVAL

MOTION: Council Member Kniss moved, seconded by Council Member Holman to approve the minutes of February 11, 2013.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

CONSENT CALENDAR

MOTION: Council Member Klein moved, seconded by Council Member Berman to pull Agenda Item Number 9 from the Consent Calendar as requested by Staff, and continue it as an Action Item on April 8, 2013.

MOTION PASSED: 6-0

MOTION: Council Member Kniss moved, seconded by Council Member Price to approve Agenda Item Numbers 5-8, 10-12.

5. Approval of Amendment Number One to the Water Supply Agreement with the City and County of San Francisco.
6. Policy and Services Committee Recommendation to Accept the Auditor's Office Quarterly Report as of December 31, 2012 and Revised Workplan.
7. Approval of Contract with D&M Traffic Services, Inc for a Total of \$150,000 to Provide On Call Traffic Safety Services.
8. Approval of Enterprise Wastewater Treatment Fund Contract with Kennedy/ Jenks Consultants in the Total Amount of \$205,430 for the Design of Dual Media Filters Optimization Project at Regional Water Quality Control Plant - Capital Improvement Program Project WQ-80021.
- ~~9. Approval of Amendment Number 2 to Contract #C10131396 in the Amount of \$1,260,000 with CDM Smith Inc. to Provide Additional Services Associated With the Reservoir, Pump Station, and Well at El Camino Park and Mayfield Pump Station Augmentation Project WS-08002, for a Total Not to Exceed Amount of \$6,387,802.~~

MINUTES

10. Approval of a Contract with Geosyntec Consultants in the Total Amount of \$241,000 for Preliminary Site Remediation Design and Permitting Services for the Former Los Altos Treatment Plant Located at 1237 North San Antonio Road (CIP PO-12002).
11. Resolution 9325 entitled "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Submit a Grant Application to the California Department of Water Resources for an Enhanced Regional Flood Warning System for the San Francisquito Creek Watershed."
12. Appointment of Lanie Wheeler to the Emergency Standby Council, Replacing Judy Kleinberg.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

Council Member Kniss asked when Agenda Item Number 9 would return to the Council.

Donna Grider, City Clerk, noted the City Manager wanted it to return as an Action Item on Monday, April 8, 2013.

ACTION ITEMS

13. Approval of a Water Enterprise Fund Contract with RMC Water and Environment, Inc. for a Total Not to Exceed Amount of \$193,914 to Complete the Environmental Analysis of Expanding the City's Recycled Water Delivery System.

Nicolas Procos, Senior Resource Planner, provided background information for the Recycled Water Program in Palo Alto. The Project would serve the demand for irrigation water in the Stanford Research Park area. In February 2013 Staff presented a Water Integrated Resource Plan (IRP) update to the Utilities Advisory Commission (UAC). Staff performed a preliminary analysis of portfolio options, including use of groundwater and a connection to the Santa Clara Valley Water District treated water system. With regard to the Recycled Water Program, the recommendation was to complete the Environmental Impact Report (EIR) and to develop a financing plan for the Project. Staff also discussed with the UAC possible sale of a portion of the City's water supply entitlement. The UAC provided conceptual approval to further analyze options. Staff wanted to complete the Federal and State environmental review. Consultant costs were estimated to be approximately \$176,000 including a contingency amount.

MINUTES

Several years ago, Staff secured a 50-percent reimbursable grant from the Federal Bureau of Reclamation for preparation of environmental documents. The final cost to complete environmental documents was estimated to be approximately \$96,000. The EIR process would end in approximately one year with presentation of a final EIR to the Council for consideration. Staff's recommendation was for the Council to approve the contract. Staff wanted to complete the EIR, capture remaining grant funds, and retain the recycled water option for future discussion with the UAC.

Council Member Kniss inquired about the need for a contingency within the consultant's contract.

James Keene, City Manager, explained the contingency amount covered any unforeseen changes in a contract. A contract exceeding \$85,000 required Council authorization. Staff could continue working on a project without seeking Council authority for contract changes if the change amount was within the contingency limit. If contract changes exceeded the contingency amount, then Staff had to return to the Council for authorization of additional funds.

Council Member Kniss expressed concern about the use of contingency amounts in contracts, and wished to have a discussion of City policy regarding contingency amounts at the appropriate time.

Council Member Holman recalled contingency amounts were regularly 20 percent of contract amounts when she first joined the Council. That policy had been change to 10 percent contingency amounts. She asked who would pay for the costs of the recycled water system.

Mr. Procos reported there were many different ways to approach pricing. Users were required to use recycled water for irrigation purposes should the City provide recycled water. In terms of pricing, Staff was evaluating Proposition 218 issues.

Council Member Holman inquired if there was a means to gauge public support for the Project in general and in a scenario of water conservation versus water for landscaping.

Mr. Procos indicated public outreach was limited to scoping meetings and public comment periods regarding environmental documents related to the EIR. There had not been a thorough and exhaustive process of outreach. In developing the Facility Plan approximately four years ago, Staff held discussions with customers.

MINUTES

Phil Bobel, Assistant Director of Public Works, explained the Public Works Department was the wholesaler for recycled water, and the Utilities Department was the buyer and distributor of recycled water. As part of the Long Term Facilities Plan for the sewage treatment plant, Staff held a series of public meetings. Participants were interested in recycled water, because of the long-term lack of fresh water in California.

Council Member Holman did not believe Stanford supported the Project because of its mature landscaping. Use of groundwater as a water source was not likely, because salt would flow into the aquifer.

Mr. Bobel noted the only part of Stanford University that expressed concern about use of recycled water was the group managing the Stanford Research Park. The group's only interest was to maintain landscaping and to ensure no degradation occurred. Twenty years ago, the level of total dissolved solids (TDS) in the water supply was in the neighborhood of 1,100 parts per million (ppm). Various projects reduced that level to the low 900s, and future projects could reduce it further to the mid-800s. The City's goal for TDS was 600 ppm. Regulatory agencies did not impose any standards.

Mayor Scharff expressed concerns about putting salt in the earth, environmental degradation, and the amount of Staff time required for the Project. The Council adopted the 600 ppm TDS guideline. He was unsure why the City would want to build the Project prior to the TDS level reaching 600 ppm.

Mr. Bobel reported the 600 ppm value for TDS was Staff's recommendation, which was based on the level Staff believed they could achieve long term. Achieving a TDS level of 600 ppm would require a number of years.

Mayor Scharff referenced Staff comments that the cost for the Project could be \$32 million or \$40 million, and inquired about the discrepancy in amounts.

Mr. Procos reported the Facility Plan indicated the cost was approximately \$32 million. The consultants determined an amount and added a significant layer of contingency to reach the \$32 million estimate. A full engineering analysis was needed to determine a realistic cost estimate.

Council Member Kniss asked how the EIR would help the Council reach a realistic decision on the Project. She questioned whether the end result of using recycled water would justify its use. She assumed Staff had a reason for targeting use of recycled water at the Stanford Research Park.

MINUTES

Mr. Bobel explained the Stanford Research Park presented the largest opportunity for use of recycled water, because of its large area of landscaping. The EIR would monitor the system and provide more study. The level of salinity in Palo Alto water was not unusually high. Water of the same salinity level was used in the arid West; water of higher salinity was used in Southern California. There was some concern about using recycled water for redwood trees, and the EIR needed to find a solution for that use.

Council Member Kniss requested examples of where recycled water could be used.

Mr. Bobel stated golf courses, parks, and landscaping at commercial facilities. Recycled water was used extensively in San Jose, Sunnyvale, Southern California, and the Central Valley.

Council Member Kniss inquired about the salinity level of recycled water used in San Jose and Sunnyvale.

Mr. Bobel indicated the TDS level in San Jose was in the mid-700s.

Council Member Kniss inquired about the goal level of TDS for Palo Alto water.

Mr. Bobel reported the Council adopted a goal of 600 ppm for TDS.

Council Member Kniss did not believe the City would reach the goal of 600 ppm soon.

Mr. Bobel agreed. From an engineering perspective, the goal of 600 ppm TDS could be achieved. Saline groundwater was leaking into the sewer system. Relining sewers to prevent leakage was expensive, and projects had to proceed slowly and in tandem with partners. If the saline groundwater leaks could be prevented, the City could achieve the TDS level of 600 ppm.

Council Member Berman suggested Staff obtain information from other locations around the State with similar landscape and similar salinity levels. He understood the Golf Course had problems with salinity requiring replacement of irrigation lines. He inquired whether the Project would have the same problem with its supply lines.

MINUTES

Mr. Bobel was not aware of a salinity problem with the irrigation system at the Golf Course. Irrigation water at the Golf Course was blended, and was not delivered at 100 percent of current salinity. Use of blended water was a common practice for golf courses.

Council Member Klein reported the Bay Area Water Supply and Conservation Agency (BAWSCA) was performing a study regarding long-term water supplies for the Bay Area. In 2018, San Francisco was due to reevaluate the amount of water it was willing to supply to BAWSCA agencies. Palo Alto's contractual agreements for the amount of water San Francisco provided could change. The Council needed to study the potential uses of recycled water. The cost for the EIR was relatively small compared to the essential need for water. Palo Alto was not a leader in water conservation, because of its trees and landscaping.

Council Member Price noted Staff's recommendation did not seek additional funds. The UAC approved the conceptual plans, and it seemed to be inadvisable to move in a different direction. She inquired whether the City would need to return funds it had received if the Project was not completed.

Mr. Procos understood the City would not have to return any funds if environmental review was not completed. The Federal Bureau of Reclamation would extend the grant as long as the City was making progress towards completing the Project. The BAWSCA study explored water options, and the recycled water project was included in earlier phases of the study.

Council Member Price felt technical work that continued to emerge in the environmental process was critical. The issue of water within California was well known.

MOTION: Council Member Price moved, seconded by Council Member Klein to approve a contract with RMC Water and Environment, Inc. (RMC) to complete the environmental analysis of an expanded recycled water project to serve the Stanford Research Park for \$176,286, plus a contingency of \$17,628, for an amount not to exceed \$193,914. Staff also recommends that Council approve this contract as a "sole source" exemption from the City's competitive bidding process under its authority in Palo Alto Municipal Code Section 2.30.360(d).

Council Member Price concurred with comments in the Staff Report. It was critical to make progress with the Project.

MINUTES

Council Member Klein explained water projects were immense and required a great deal of time to study. Allocation of water resources was a part of governmental structure.

Council Member Kniss indicated the City was in the midst of an EIR, which was different from implementing the recycled water project. The Motion was to obtain additional information about the use of recycled water. She would be interested in the information provided by the EIR, and inquired about the length of time needed to complete the EIR.

Mr. Procos projected a final EIR would be presented to the Council in approximately a year. If the Council approved the EIR, then Staff had to develop a financing plan and present that to the Council for consideration.

Council Member Kniss believed few topics in California history had been as incendiary as water.

Mr. Keene appreciated the Council's concern for managing the externalities associated with this Project. A viable reclaimed water project was in the future for every city. This Project was an essential part of the City's long-term repertoire for managing the future for the City. Moving ahead gave the City a stronger position for advocating with its partners.

Mayor Scharff opposed the Motion, because the issues of infiltration should be solved prior to proceeding with the Project. A TDS level of 800 ppm was not good enough. Mitigations of planting salt-tolerant plants was not acceptable. Putting salt into the earth caused irreversible, long-term damage to the soil. He questioned Staff wanting to sell part of the City's water allocation if San Francisco could reduce the amount of water allocated to Palo Alto. He did not believe Staff was substantially reviewing the salt issue.

Council Member Holman had concerns about the Project, because the Stanford Research Park was across town from the Bay and had extensive landscaping. One of the most effective means of conservation was conservation. Palo Alto did not have any gray water programs for residential or commercial use. She agreed with Council Member Berman's comments regarding replacement of the irrigation system at the Golf Course due to salt content. She would support a reclaimed water program along the Bay where the salt content of the soil was higher. Basic questions needed to be answered before the Council spent more money on the Project.

MINUTES

Council Member Berman would support the Motion; however, he had many questions regarding financing, public outreach, and environmental issues. He agreed with Council Member Klein's concerns regarding the State's water supply.

Council Member Klein explained the water contract with San Francisco involved a lawsuit from many years ago. The contractual water allocation from San Francisco only applied if water was available. The amount of water available for distribution was also dependent on relicensing of the Don Pedro Dam. The Motion was to perform a study, and that was the logical next step.

Council Member Kniss inquired about the number of votes needed for the Motion to pass as only six Council Members were present.

Mayor Scharff indicated five votes were needed to pass the Motion.

MOTION FAILED: 4-2 Holman, Scharff, no, Burt, Schmid, Shepherd absent

Council Member Klein asked the City Attorney to explain why five votes were necessary to pass the Motion.

Grant Kolling, Senior Assistant City Attorney, explained the City Charter required an affirmative vote of a majority of the Council to approve an award of a contract.

MOTION: Council Member Klein moved, seconded by Council Member Berman to continue this item to the Council meeting of April 8, 2013.

MOTION PASSED: 4-2 Holman, Scharff, no, Burt, Schmid, Shepherd absent

Council Member Klein suggested the Council urge absent Colleagues to review the video recording in order not to repeat tonight's discussion.

Mayor Scharff requested the City Clerk notify absent Colleagues by email to review the video recording of the meeting.

MINUTES

14. Approval of the 2013 Federal and State Legislative Program.

Sheila Tucker, Assistant to the City Manager, stated in February 2013 the Policy and Services Committee reviewed the Legislative Action Manual and the Federal and State Legislative Program, and voted unanimously to recommend approval.

Steve Palmer, Van Scoyoc Associates, reported there was more Federal legislative activity in the prior three months than in a number of years. The fiscal cliff legislation was enacted early in the year. Sequestration went into effect on March 1, 2013. The Appropriations Bill was signed into law in March 2013 for full-year appropriations. Both the House of Representatives (House) and Senate passed budget resolutions. The House budget resolution proposed balancing the Federal budget in ten years and making substantial reductions in entitlement programs. The Senate budget resolution proposed raising approximately \$1 trillion in revenue over ten years, did not balance the budget, and did not significantly change entitlement programs. Between now and the end of the summer, there would be opportunities for immigration reform, gun control, a debt ceiling increase, and tax reform.

Thane Young, Van Scoyoc Associates, noted Vice Mayor Shepherd, Council Member Klein, and Council Member Kniss visited Washington, D.C., during the National League of Cities conference. He arranged meetings for them with Congressional members and federal agencies regarding the future of tax-exempt financing, the flood control project along San Francisquito Creek, High Speed Rail (HSR), the potential acquisition of the Post Office Building, and fiber to the premises.

Ms. Tucker indicated Democrats gained a super majority in the California Senate and Assembly. Serious discussions were underway regarding a measure for the November 2014 ballot to reduce the voter threshold. Staff met with Assemblyman Gordon before the legislative calendar for new bills closed, and began advocacy efforts with his office. Staff was monitoring legislation regarding California Environmental Quality Act (CEQA) reforms, prevailing wage, plastic bags, HSR, lowering of the voter threshold, and clarifications of California Public Employees' Retirement System (CalPERS) pension reforms.

Council Member Kniss reported sequestration resulted in the closing of several public buildings. The visit with Post Office officials was interesting and helpful. Suggestions were made that the City have a state lobbyist.

MINUTES

Council Member Price stated the Silicon Valley Leadership Group was taking a significant leadership position regarding sea level rise and levee infrastructure. She inquired whether there were funding sources for those two issues.

Mr. Young reported the San Francisquito Creek Flood Control Study was the only project addressing sea level rise on the Bay. Tax-exempt financing was an effective way to allow public infrastructure to move forward. The Senate committee recently passed the Water Resources Development Act which contained an innovative water infrastructure financing component. He was considering innovative methods for additional infrastructure financing.

Council Member Price suggested coordinating efforts with other cities along the Bay. She requested comments regarding cyber security.

Mr. Palmer noted the White House issued an Executive Order on cyber security; however, implementation of the Executive Order was undetermined at the current time. Most policymakers knew cyber security needed to be addressed through legislation. Dealing with privacy issues was a major concern. More time was needed before legislation for cyber security matured.

Council Member Price requested clarification of lobbying efforts regarding MAP21 funding related to pedestrian and bicycle funding.

Mr. Palmer indicated there was an effort to restore funding to MAP21. Legislation would not be presented to the House and Senate until 2014; therefore, he was working with coalitions to ensure the legislation remained a priority issue in the next authorization bill.

Council Member Price assumed the Metropolitan Transportation Commission (MTC) participated in the effort.

Council Member Berman mentioned the City should compile anecdotes of how the loss of tax-free status for municipal bonds affected the City. He asked who supported removing the tax-free status of municipal bonds.

Mr. Young reported removal of the status was supported as an option to close tax loopholes in order to raise additional revenue. Capping or eliminating the mortgage interest deduction and the deduction for state and local taxes were also possibilities for inclusion in comprehensive tax reform legislation.

MINUTES

President Obama's budget for the prior year recommended capping the deduction for tax-exempt bonds at 28 percent, and that could be included in his current year proposed budget. Public interest groups were opposed to that option. The City's letter provided specific information regarding projects that would be affected by loss of the tax-exempt status.

Council Member Berman believed local municipalities would be hurt by the loss of tax-free status, not the wealthy.

Council Member Klein requested an explanation of capping the deduction for tax-exempt bonds at 28 percent.

Mr. Young explained that the proposal would decrease the amount of interest earned from bonds that could be written off. A person in the top tax bracket currently could write off 35 percent of interest earned. The proposal would reduce the amount to 28 percent. Elimination of tax-exempt financing was being discussed, but he did not feel that was realistic.

Council Member Klein inquired whether the Senate budget resolution included this issue.

Mr. Young answered yes. Tax-exempt bonds were cited as a means to limit deductions for high-wage earners.

Mr. Palmer stated the Senate budget resolution was not focused on municipal bonds. There were no specific numbers, just the idea that wealthy people should not be allowed to deduct this type of interest.

Council Member Holman requested an update regarding the Post Office Building.

Mr. Palmer reported United States Postal Service (USPS) staff expected the process to be ready in 60-90 days, but details were sketchy.

James Keene, City Manager, announced Staff would present an updated report and analysis regarding the Post Office Building in late April or early May 2013.

Mr. Young explained covenants for historic preservation seemed to be slowing the process. Those covenants had to be coordinated with the State's Historic Preservation Office.

MINUTES

Council Member Holman inquired whether the City would have priority access to bidding for the Post Office Building.

Mr. Palmer indicated USPS officials stated the City did not have a first right of refusal. He was working to determine whether the City could submit a bid and negotiate with USPS prior to the property being made public.

Council Member Klein suggested the City accelerate its report, because there was a possibility the USPS process could be finalized sooner than expected. Subject to a final review, the USPS could place the building on the market during the second quarter of 2013. USPS officials stated they were mandated to obtain the highest purchase price possible.

Council Member Holman believed the one entity in Palo Alto that was most likely to hold a covenant was Palo Alto Stanford Heritage. She suggested the City offer to help implement a covenant to protect the building consistent with State Historic Preservation Office requirements.

Mayor Scharff was interested in whether the City should contract for state lobbying services.

MOTION: Mayor Scharff moved, seconded by Council Member Price to refer to Policy and Services Committee the issue of hiring a state lobbyist.

Council Member Price felt the Motion was prudent and advisable.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

MOTION: Mayor Scharff moved, seconded by Council Member Holman to approve the 2013 Federal and State Legislative Program, to include RHNA reform.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

15. Direct City Clerk to Return Ballot Designating the City Council's Vote for the Two League of California Cities Amendments to Membership Bylaws.

Donna Grider, City Clerk, received a letter from the League of California Cities (League) regarding two amendments to the League's Bylaws. The first proposed amendment provided that resolutions submitted to the League for presentation to the General Assembly must be concurred by at least five cities or by city officials from at least five cities.

MINUTES

The second proposed amendment provided that the League Board could take a position on a statewide ballot measure by a two-thirds vote of those directors present. Currently the Board could take positions with a simple majority vote. The City's ballot had to be returned to the League by April 19, 2013.

MOTION: Council Member Kniss moved, seconded by Council Member Berman to move to support the League's two amendments to the League's Bylaws to the membership and vote yes on amendment number 1- Resolutions submitted to the League for presentation to the General Assembly must be concurred by at least five or more cities or by city officials from at least five or more cities; to vote yes on amendment number 2-the League Board may take a position on a statewide ballot measure by a two-thirds vote of those Directors present.

Council Member Kniss felt it was appropriate to support the amendments.

Council Member Klein did not believe there was a Staff recommendation.

Ms. Grider agreed she did not make a recommendation.

Council Member Klein asked why this item was before the Council.

Mayor Scharff reported Vice Mayor Shepherd, as liaison to the League, was not comfortable voting on behalf of the Council.

Council Member Klein inquired whether Vice Mayor Shepherd had an opinion on the proposed amendments.

Mayor Scharff did not recall whether she had an opinion.

Council Member Klein noted the proposed amendment made it more difficult for the League Board to take a position on a ballot measure.

Council Member Kniss suggested the item could be continued to the next Council meeting.

Mayor Scharff indicated continuing items burdened the Agenda.

Council Member Kniss did not believe the proposed amendments were controversial. She would be willing to continue the item if Council Members were agreeable.

MINUTES

SUBSTITUTE MOTION: Council Member Klein moved, seconded by Mayor Scharff to direct our delegate, Vice Mayor Shepherd, to vote on the two amendments after consideration of the issues, according to her conscience.

Council Member Holman would support continuing the item to allow Vice Mayor Shepherd to answer Council Member Klein's concerns. Allowing the Vice Mayor to vote her conscience did not address Council Member Klein's concerns.

MOTION TO CONTINUE: Council Member Holman moved to continue this item to next Council meeting.

Mayor Scharff would not support the Motion to Continue because it would burden the Agenda. He would prefer Vice Mayor Shepherd report her vote to the Council.

MOTION FAILED DUE TO LACK OF SECOND

SUBSTITUTE MOTION PASSED: 5-1 Holman no, Burt, Schmid, Shepherd absent

16. Authorization to the City Manager to Fly the Rainbow Flag in King Plaza and Potential Adoption of Resolution 9326 Authorizing the City Manager to Fly the Rainbow Flag in King Plaza; and Possible Additional Discussion and Action Adopting a Position Regarding Proposition 8 and/or the Federal Defense of Marriage Act (DOMA)

James Keene, City Manager, requested the Council provide him with explicit authorization to fly the Rainbow Flag in King Plaza. Staff provided a Resolution to allow the Council to express its formal position with regard to Proposition 8 and the Federal Defense of Marriage Act.

Greg Betts urged Council approval of the City Manager's recommendation. The Rainbow Flag was displayed in many cultures around the world as a sign of diversity and inclusiveness, of hope and yearning. Palo Alto celebrated the background and cultures of all of its citizens.

Omar Chatty was concerned by language regarding marriage in the Resolution. The Resolution should advocate civil unions rather than marriage between same sex persons.

Faith Bell would be proud to live in a city that flew the Rainbow Flag.

MINUTES

Mayor Scharff felt this was the current civil rights issue. People should be allowed to marry whomever they wished to marry.

MOTION: Mayor Scharff moved, seconded by Council Member Holman to authorize the City Manager to fly the Rainbow Flag in King Plaza and adopt the Resolution on page 346 of the report.

AMENDMENT: Council Member Holman moved to authorize the City Manager to fly the Rainbow Flag in King Plaza at a minimum until the Supreme Court decision is reached.

AMENDMENT FAILED DUE TO LACK OF SECOND

Council Member Holman stated Palo Alto voters rejected Proposition 8 by a vote of 76 percent. Many youth struggled with their identity. Adopting the Resolution and flying the flag would support all members of the community. She inquired about the meaning of "at the City Manager's discretion."

Mr. Keene explained there might be more impact to fly the Rainbow Flag at various times rather than continuously. If the City's position needed to be demonstrated, then the flag would be flown. Flying the flag at different times could have more impact.

Council Member Berman supported the Motion. Flying the Rainbow Flag was a means for the City to support its residents and an inclusive society. He would support the Council taking a position on Proposition 8.

Mayor Scharff indicated the Resolution did take a position.

Council Member Price took pleasure in supporting the Motion. Same sex marriage was a longstanding issue. The Motion illustrated the City's values and beliefs.

Council Member Klein believed it would be best for the City Manager to determine when to fly the Rainbow Flag. The Supreme Court might not render a meaningful decision in 2013.

Council Member Kniss agreed same sex marriage was a civil rights issue. The Rainbow Flag was flown in many parts of the County and in many parts of the country.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

MINUTES

COUNCIL MEMBERS QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Council Member Berman reported on his trip to Washington D.C. with the Silicon Valley Leadership Group to meet with Senators and Congress Members on various important issues, including tax reform, fiber to the premise, transportation.

Council Member Holman brought for Colleagues copies of 2012 Stewardship report on Santa Clara Valley Water District and she encouraged her colleagues to participate in the League of Cities Bocce Ball Tournament on Thursday, April 18, 2013.

Council Member Kniss stated that the Bay Area Air Quality Management District spare the air days are making a difference in the valley air.

Council Member Price reported that she attended the Project Cornerstone event last week, and a Project Safety Net meeting.

Council Member Klein spoke about the Bay Area Water Supply & Conservation Agency Board meeting where they discussed no water rationing this year, the progress of upgrades to local dams.

Mayor Scharff reported on attending the Regional Housing Needs Assessment (RHNA) appeals meeting today and the status of claims by several local cities.

MOTION: Council Member Klein moved, seconded by Mayor Scharff to direct Staff to bring to the Regional Housing Mandate Committee a discussion on possible RHNA allocation reforms.

Council Member Price wanted to confirm that the issue is not just the allocation numbers but also the methodology used by each county.

MOTION PASSED: 6-0 Burt, Schmid, Shepherd absent

ADJOURNMENT: The meeting was adjourned at 10:08 P.M.

MINUTES

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.