

Regular Meeting  
January 5, 2015

6. City Manager Year in Review. ....	282
Special Orders of the Day .....	284
1. Election of the Mayor for 2015. ....	284
2. Election of the Vice Mayor for 2015. ....	285
3. Resolution 9482 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation for Outstanding Public Service to Nancy Shepherd as Council Member and Mayor. ....	287
4. Resolution 9483 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation for Outstanding Public Service to Gail Price as Council Member." .....	288
5. Resolution 9484 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation for Outstanding Public Service to Larry Klein as Council Member and Mayor.....	289
Oral Communications .....	291
Adjournment: The meeting was adjourned at 9:30 P.M. ....	291

# MINUTES

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:15 P.M.

Present: Berman, Burt, Holman, Klein, Kniss, Price, Scharff, Schmid, Shepherd

Absent:

Mayor Shepherd suggested the Council hear Agenda Item Number 6- City Manager Year in Review, prior to Agenda Item Number 1.

**MOTION:** Council Member Holman moved, seconded by Council Member Burt to move Agenda Item 6 - City Manager Year in Review - to be heard before Agenda Item 1.

**MOTION PASSED:** 6-0

6. City Manager Year in Review.

James Keene, City Manager, was surprised by the number of issues the Council addressed in 2014. In 2014, the Council had a bias towards action and community engagement, which was symbolized by the Our Palo Alto initiative. Due to strong tax growth, the General Fund ended 2014 with an \$8.7 million surplus, \$4 million of which was transferred to the Infrastructure Reserve. The City made changes to employee healthcare costs and maintained its AAA bond rating. Near-term projections demonstrated the City had a solid economic and fiscal foundation through 2016. The National Citizens Survey again rated the City and City services highly. The Comprehensive Plan process was reset in 2014 and coupled with the Our Palo Alto initiative to obtain broader and deeper community engagement. The 2015-2023 Housing Element was approved and adopted by the Council. The Council adopted a Citywide framework for Residential Permit Parking Programs and a specific program for the Downtown area. The first phase of analysis for the Downtown CAP Study would inform Council policy decisions regarding development. The Council approved \$2 million for smart traffic signals. Retail preservation surfaced as an important issue in 2014. The Council approved development of a Sustainability and Climate Action Plan. The Council expanded shuttle service, made improvements to parking garages, identified potential locations for a new parking garage, and analyzed public-private partnerships for parking garages. Transportation Demand Management (TDM) was discussed in 2014, and creation of a Transportation Management Agency (TMA) would be a topic for 2015.

# MINUTES

The Council reviewed the Draft Environmental Impact Report (DEIR) and Final Environmental Impact Report (FEIR) for Caltrain's Electrification Project. The Council directed Staff to create a Business Registry. Planned Community (PC) Zoning reform continued to be a topic in 2014. Staff supported the termination process for Buena Vista Mobile Home Park. The Council completed a hazards analysis of the CPI plating facility and laid groundwork for an amortization study and schedule. In 2014, the Council approved an Infrastructure Funding Plan totaling \$126 million. Residents approved an increase in the Transient Occupancy Tax (TOT) to provide some funding for the Infrastructure Funding Plan. The Mitchell Park Library and Community Center formally opened in 2014. Money saved from the Mitchell Park Library and Community Center project supported remodeling of Rinconada Library. Preparation of the Bike and Pedestrian Master Plan began with 16 community meetings. Construction of the Magical Bridge Playground began in 2014. With accelerated funding, the Pavement Condition Index of City streets advanced to 78. The California Avenue Streetscape Project began in 2014 and was scheduled for completion in March 2015. The City took over the Airport and received a Federal grant to make improvements at the Airport. The City submitted an offer to purchase the Downtown Post Office Building. The City reached an agreement with the Palo Alto Unified School District (PAUSD) concerning Cubberley Community Center. The San Francisquito Creek Flood Project remained in limbo. A design competition was underway for the Highway 101 Pedestrian Bike Bridge in the Baylands. Capping of the landfill was completed in 2014. Funding was included in the Capital Improvement Program (CIP) for improvements at the Lucy Evans Nature Center. Fiber to the Premise remained a City objective and could become a reality in the near future. Staff continued to expand free Wi-Fi around the City. The first Palo Alto Apps Challenge occurred in 2014. Staff expanded the City's 311 app. The new tri-city virtual dispatch center allowed more responses and faster responses from different agencies. The City funded and installed automated external defibrillators (AED) and deployed the related Pulse Point app. 85 percent of street lights were converted to LED. The City was utilizing more social media outlets. Residents approved the Utility Users Tax (UUT) ballot measure. The City Attorney's Office prevailed on an \$8 million Below Market Rate (BMR) case. The Council concluded negotiations with the Service Employees International Union (SEIU), adopted the Management and Professional Compensation Plan, and adopted a formal Ethics Policy. The Utilities Department instituted a local community solar program. The Palo Alto Green Gas Program replaced the Palo Alto Green Program. The Council rescinded the Living in Vehicle Ordinance. The City dedicated 7.7 acres of parkland and developed an integrated budget system.

# MINUTES

A project to remodel City Hall was underway. The recycled water program was reporting lower salinity numbers. The City received awards from the League of California Cities, Solar Electric Power Association, Silicon Valley Water Conservation Awards Consortium, U.S. Solar Congress, Urban Libraries Council, and livability.com. 2015 would bring the opening of Rinconada Library, selection of a Public Safety Building site, potential closure of Buena Vista Mobile Home Park, Comprehensive Plan Update discussions, preservation of retail, implementation of TDM and TMA, PC Zone reforms, discussion of continued use of SAP, labor negotiations with all labor groups, and renewed focus on Project Safety Net and Youth Well Being.

Mayor Shepherd recognized Senator Jerry Hill, Supervisor Joe Simitian, former City Mayors, former Council Members, Jim Thurber from Los Altos, Mayor Jim Griffin from Sunnyvale, Julia Miller from Sunnyvale, Walt Hays from San Jose, Mary Gustav Larsen of East Palo Alto, Ken Rosenberg, Palo Alto Unified School District Board Members, and City Board and Commission Members.

Beth Minor, Acting City Clerk, administered the oath of office to the new Council Members Tom DuBois, Eric Filseth, Cory Wolbach, Karen Holman, and Greg Scharff.

## Special Orders of the Day

1. Election of the Mayor for 2015.

Vice Mayor Kniss announced the procedure for election of Mayor and Vice Mayor. While the Council election had been divisive, now was the time for the community to come together.

**NOMINATION:** Vice Mayor Kniss nominated Council Member Holman for Mayor for 2015.

Vice Mayor Kniss felt Council Member Holman could be an effective Mayor. Vice Mayor Kniss briefly related Council Member Holman's service to the City and personal history.

Council Member Burt had worked with Council Member Holman on civic activities for the past 20 years. She steadfastly held to an approach of fairness, integrity, and inclusiveness. While serving as Chairman of the Planning and Transportation Commission, she received respect for leading colleagues and engaging the public. She believed the primary role of City government was to work on behalf of residents to maintain the community environment and exceptional services. She was respected for her courage to abide by her principles and her hard work.

# MINUTES

Council Member Schmid stated Council Member Holman advocated for open, transparent government and valued the City.

Jill O'Nan was impressed with Council Member Holman's concern for the City and incisive approach to solving City problems.

Sea Reddy indicated Council Member Holman demonstrated integrity, which would serve her well as Mayor.

Kip Husty expressed concern that Council Member Holman supported the Living in Vehicles Ordinance, which violated individuals' civil liberties.

Eric Rosenblum appreciated Council Member Holman's work on the Planning and Transportation Commission.

Council Member Wolbach supported Council Member Holman for Mayor, because she showed exceptional moral leadership in opposing the ban on sleeping in vehicles.

## **NOMINATION PASSED:** 9-0

### 2. Election of the Vice Mayor for 2015.

Mayor Holman appreciated the opportunity to serve the City. While the City had many reasons to be proud, it should not forget its less fortunate residents. She invited and welcomed community engagement. Her guidepost would be the public's best interest. She would immediately engage Council Members in developing initiatives such as architectural review reform, improvement of Staff Reports, strengthening neighborhoods, increasing retail opportunities and protecting local independent retail, a concept plan for the California Avenue area, and general office allowances. Prioritizing the many initiatives before the Council would be a challenge. She requested the public to ask questions and join in civic discussion. She opened the floor to nominations for Vice Mayor.

**NOMINATION:** Council Member Scharff nominated Council Member Schmid for Vice Mayor for 2015.

Council Member Scharff advised that Council Member Schmid had been an excellent Council Member and would make an excellent Vice Mayor. He was impressed by Council Member Schmid's attention to detail, desire for data, commitment to transparency, and work ethic. The community thought well of Council Member Schmid. Council Member Schmid provided leadership when chairing Council Committees and would provide leadership as Vice Mayor.

# MINUTES

**NOMINATION:** Council Member Filseth nominated Council Member Burt for Vice Mayor for 2015.

Council Member Filseth remarked that Council Member Burt was an exceptional public servant with a strong grasp of policy, long experience with City issues, deep ties to the community, and the energy and passion to be an outstanding Vice Mayor.

Vice Mayor Kniss would support Council Member Schmid for Vice Mayor. Council Member Schmid had a deep background in the community.

Council Member Berman would support Council Member Schmid for Vice Mayor. Council Member Schmid was capable and deserving of a leadership role.

Mayor Holman held the highest regard for Council Member Schmid's intellect, integrity, and ability to analyze data. However, she had strong allegiances to Council Member Burt. Council Member Burt's experience with the South of Forest Avenue (SOFA) 1 and 2 groups, on the Planning and Transportation Commission, and in leadership roles on Council Committees would serve the Council well in the coming year. She would support Council Member Burt as Vice Mayor.

Council Member Schmid advised that elected officials were responsible for policy decisions. The role of Council officials was to facilitate the process. That was best done by placing important policy decisions on the Council's action calendar; making sure appropriate data was available for discussion; welcoming active, public participation; and assuring discussions were open and transparent.

Council Member Burt commented that there was a great need to build consensus after a contentious election period. The Council achieved a great deal of positive action, a sense of accomplishment, and a great deal of consensus building during his term on the Council and as Mayor. The Vice Mayor's role was to support the Mayor and the new City Council and to work constructively and collaboratively with Staff and the community.

Sea Reddy supported Council Member Schmid for Vice Mayor. The City needed Council Member Schmid as Vice Mayor.

Beth Minor, Acting City Clerk, read the vote results.

**NOMINATION FOR COUNCIL MEMBER SCHMID FOR VICE MAYOR PASSED:** 5-4 Berman, Kniss, Scharff, Schmid, Wolbach yes

# MINUTES

**NOMINATION FOR COUNCIL MEMBER BURT FOR VICE MAYOR FAILED:** 4-5 Burt, DuBois, Filseth, Holman yes

3. Resolution 9482 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation for Outstanding Public Service to Nancy Shepherd as Council Member and Mayor.

Council Member Berman read the Resolution into the record.

**MOTION:** Council Member Berman moved, seconded by Vice Mayor Schmid to adopt the Resolution expressing appreciation for Outstanding Public Service to Nancy Shepherd as Council Member and Mayor.

Nancy Shepherd thanked each Council Member for his/her Committee work during her term as Mayor, as well as the City Clerk's Office, the City Manager's Office, and the community. Perhaps Palo Alto could discuss being a global "it" spot.

Council Member Kniss recalled Ms. Shepherd's enthusiasm for Transportation Demand Management, trenching of Caltrain tracks, and the Our Palo Alto initiative.

Council Member Berman related Ms. Shepherd's support for him through the years. He modeled his behavior after her drive, energy, and caring.

Council Member Scharff enjoyed working with Ms. Shepherd. Ms. Shepherd cared deeply about the community and worked hard.

Mayor Holman thanked Ms. Shepherd for her passion, compassion, and commitment.

Jerry Hill, California State Senator, felt Palo Alto was an extraordinary city, and Ms. Shepherd was a perfect example of an extraordinary Council Member. He presented Ms. Shepherd with a Resolution from the State Legislature.

Joe Simitian, County of Santa Clara Supervisor, presented a commendation from the County of Santa Clara Board of Supervisors. He thanked Ms. Shepherd for her dedication and service to the City.

Nana Spiridow felt Ms. Shepherd had been a great Mayor. Ms. Shepherd believed in and listened to people. She appreciated Ms. Shepherd's achievements.

# MINUTES

Samina Sundas challenged the community to obtain the title of Most Compassionate City for Palo Alto. Access to public officials was critical for minorities. Ms. Shepherd had made her feel a part of the City.

Holly Ward noted Ms. Shepherd's passion, integrity, grace under pressure, and devotion to the best for Palo Alto. She hoped Council Members would continue to prioritize Youth Well Being.

Mark Weiss shared the story of his first meeting Ms. Shepherd. Ms. Shepherd's strong suit was her heart and concern.

Mark Shepherd related three instances that demonstrated Ms. Shepherd's high level of ethics and professionalism.

Stephanie Munoz viewed all Council Members as having passion for and dedication to the City. No one could have been a better Mayor than Ms. Shepherd.

## **MOTION PASSED:** 9-0

4. Resolution 9483 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation for Outstanding Public Service to Gail Price as Council Member."

Council Member Kniss read the Resolution into the record.

**MOTION:** Council Member Kniss moved, seconded by Council Member Scharff to adopt the Resolution expressing appreciation for Outstanding Public Service to Gail Price as Council Member.

Council Member Berman enjoyed getting to know Ms. Price while serving on the Council. Everyone should attempt to emulate Ms. Price's passion for those less fortunate.

Vice Mayor Schmid concurred with Council Member Berman's comments. Ms. Price consistently reminded the Council to pay attention to those who needed help the most.

Council Member Scharff appreciated Ms. Price's perspective and consistency. Ms. Price never wavered from her beliefs.

Vice Mayor Kniss would miss Ms. Price on the Council.

Mayor Holman often agreed with Ms. Price's viewpoint regarding social justice, the underprivileged, and art.



# MINUTES

Jerry Hill, California State Senator, enjoyed Ms. Price's planning professional expertise. He presented Ms. Price with a Resolution from the State Legislature.

Joe Simitian, County of Santa Clara Supervisor, explained that Ms. Price's service on the Palo Alto Unified School District Board made her voice important to the Council. Ms. Price spoke on behalf of children, and the community was better for it.

Sheena Chin, Library Advisory Commission, advised that Ms. Price, as liaison to the Library Advisory Commission, was always present to support the Commission.

## **MOTION PASSED: 9-0**

Gail Price believed the Resolution clearly outlined her values, beliefs, accomplishments, and concerns as a Council Member. She appreciated the support provided by citizens and City employees. She had been consistent and steadfast in attempting to balance local needs with regional needs. Council Members needed to communicate better and model respectful behavior to encourage civility, flexibility, and creativity.

5. Resolution 9484 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation for Outstanding Public Service to Larry Klein as Council Member and Mayor.

Council Member Burt read the Resolution into the record.

**MOTION:** Council Member Burt moved, seconded by Council Member Berman to adopt the Resolution expressing appreciation for Outstanding Public Service to Larry Klein as Council Member and Mayor.

Council Member Wolbach felt Ms. Shepherd, Ms. Price, and Mr. Klein based their decisions on what they thought was best for the community as a whole. All three were statesmen. He appreciated their example.

Council Member Berman requested a seat next to Mr. Klein, because he respected and trusted Mr. Klein. He thanked Mr. Klein for working with the Council in the 1980s and 2000s to make Palo Alto a great place to live.

Council Member Kniss wondered which Council Member would replace Mr. Klein as the Council grump and as the Council Member who changed other Council Members' opinions. Persuading Council Members to change their opinion was a powerful ability.

# MINUTES

Council Member Scharff stated serving with Mr. Klein was a pleasure. Mr. Klein had the unique ability to alter the course of Council discussion.

Vice Mayor Schmid thanked Mr. Klein for sharing ideas, history, stories, and precedents for 16 years.

Mayor Holman would miss Mr. Klein's grammar, editing, and spelling skills.

Jerry Hill, California State Senator, believed everyone learned from Mr. Klein. Mr. Klein would continue to work for a High Speed Rail system that did not harm the community. He presented Mr. Klein with a Resolution from the State Legislature.

Joe Simitian, County of Santa Clara Supervisor, noted Mr. Klein's extraordinary 30 years of service to the community. Mr. Klein's opinion always added value to the discussion.

Karen Harwell expressed gratitude to Mr. Klein for his dedication and outstanding service to the community. Mr. Klein's ability to approach problems with real, creative solutions benefited the City.

Stephanie Munoz often did not agree with Mr. Klein's view, but she admired him.

Sandra Slater expressed appreciation for Mr. Klein's service on the Council on behalf of the environmental community. Mr. Klein could be counted on to raise environmental aspects of issues.

Lisa Van Dusen had enjoyed seeing Mr. Klein's perspective as well as her own perspective evolve over 30 years. Mr. Klein had consistently been the voice of the environment and sustainability.

Tony Klein stated Mr. Klein's passion for Palo Alto and the environment was unparalleled. Mr. Klein always considered Palo Alto's interests and was always willing to speak out.

## **MOTION PASSED: 9-0**

Larry Klein acknowledged his family and their support. Palo Alto was a superb place to live as evidenced by the awards presented to the City and by market forces. The City employed good people, and he appreciated them. The Council should continue to address infrastructure needs and climate change. Serving on the Council was an honor and privilege.

# MINUTES

## Oral Communications

Ken Horowitz requested assistance with retaining a recreational facility at the site of the Page Mill Road YMCA. The owner had not returned his phone calls.

Faith Brigel thanked the Council for their time and efforts in working through various issues.

Judy Kleinberg congratulated the Mayor, Vice Mayor, and reelected Council Members. She thanked outgoing Council Members for serving on the Council. She related her experiences with Ms. Shepherd, Ms. Price, and Mr. Klein.

Sea Reddy recognized Lydia Kou's grace while votes were being counted.

Stephanie Munoz advised that the \$4,400 cost of conditional use permits for Heart and Home was unconscionable.

Adjournment: The meeting was adjourned at 9:30 P.M.

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.