



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Regular Meeting
January 9, 2017

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:02 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss arrived at 6:07 P.M., Kou, Scharff, Tanaka arrived 6:07 P.M., Wolbach

Absent:

Closed Session

1. CONFERENCE WITH CITY ATTORNEY-EXISTING LITIGATION
Subject: Slezak v. City of Palo Alto
United States District Court, Northern California,
Case No. 16-CV-3224 LHK
Authority: Government Code Section 54956.9(d)(1).

Mayor Scharff: Our first Item of business is a Closed Session conference with City Attorney, existing litigation, Slezak versus the City of Palo Alto. Can I have a Motion to go into Closed Session?

Council Member Wolbach: So moved.

Council Member DuBois: Second.

MOTION: Council Member Wolbach moved, seconded by Council Member DuBois to go into Closed Session.

Mayor Scharff: All in favor.

Council Member Wolbach: Are we going to push our buttons?

Mayor Scharff: I think it's unanimous. That passes on a 7-2 vote with Kniss and Filseth absent. I'll note that I can actually read these for the first time.

Council Member Holman: It's Kniss and Tanaka.

Mayor Scharff: Tanaka absent.

TRANSCRIPT

MOTION PASSED: 7-0 Kniss, Tanaka absent

Council went into Closed Session at 6:02 P.M.

Council returned from Closed Session at 6:25 P.M.

Study Session

2. City Manager's 2016 Annual Year in Review.

Mayor Scharff: We've already called the meeting to order. We're now going to proceed into a Study Session, City Manager's 2016 annual year in review.

James Keene, City Manager: Thank you, Mr. Mayor, members of Council. A new Council. It's really nice to see you all. One of the nice things about doing the ...

Mayor Scharff: Jim, before we go, I actually forgot. I'm supposed to say after we come out of Closed Session that we have no reportable action.

Mr. Keene: Thanks. One of the nice things about doing a year in review look-back is that so often our orientation is always on what's ahead of us or what needs to be done. It's pretty easy to lose perspective at times on how much has actually been accomplished or transpired during the year or how wide-ranging the issues that the City deals with are. In some ways, it's an opportunity for me to work with the Staff to generate our own in-house Report on what we've accomplished. I do this Report each year, and it's abbreviated. It's meant to be more representative than exhaustive. I'm not trying to report on everything that really happened. I also thought, since we have a new Council, it will be helpful maybe to provide some touch points or references on some of the kinds of issues that the Council will be dealing with. I think about half of this actually is the year in review and then half just my own thoughts about looking ahead to 2017. I did ask Leadership Team members, which are all of the appointed department heads and the other CAOs in addition, the Clerk, myself, the City Attorney and the City Auditor, to potentially be available here to answer any of your questions, if you want. Obviously they were already surprised that we're a half hour ahead of schedule this year in a meeting. They may not arrive—here come a few folks. I certainly would say—if you let me go through the presentation and then if you had any questions or comments, Mr. Mayor, it's just designed to serve your purposes. This is a little diagram that I'm fond of. Obviously it looks a little bit weird up there on the screens there. It looks perfectly fine on mine. It's an iceberg. It's a picture that we've used often trying to describe what the work of the City is. In many ways, we focus when the Council adopts its Priorities during the course each year—you're

TRANSCRIPT

scheduled to do that right now to have the Council Priority-setting Retreat on the 28th of January. Beth, I don't know if we've established where we're going to be at on that.

Beth Minor, City Clerk: No, we (inaudible).

Mr. Keene: You'll be setting the Priorities for 2017. Of course, you've already pre-submitted your thoughts about what those would be. In many ways, as voluminous as the Council's Priorities are as it relates to the work plan, in many respects they represent the tip of the iceberg, the things that are visible and above the water line. In addition to those, we have a bunch of crosscutting initiatives at the Staff level with the Leadership Team that we call ELT priorities. Again, those are above the water line, so to speak, in the organization. I think the thing that this diagram is designed to represent is that a good 80 percent of what we do as a City is really just the work of running the City, the day-to-day work of firefighters and police officers out on patrol and Utility workers out making repairs, Parks and Rec folks teaching classes and those sorts of things, things that for the most part never rise to the level of the Priority we're dealing with unless there's a very specific issue with it. This idea of me saying what's in a year, there's the Council Priorities, there's the ELT priorities, there's all this stuff of running the City, and then there's this thing this year I put over here called incoming which, as you know, there are things that come in all year, usually from our community that in many ways put requirements on the City to respond. Across the bottom, I listed this: finances, Staff, Council and community. In many ways, thinking about response to the demands of the City, what are the resources that we have? On the one hand, there's the financial resources or capacity that we have as a City, the budget that we have. Secondly, it's the Staff we have, a little over 1,000 full-time employees, maybe 1,500, 1,600 when we add part-time employees. The Council itself. The Council has in many ways obviously a fairly constrained capacity. There's nine of you and there's 24 hours in a day and seven days in a week times 365 days a year. That's the maximum capacity in a sense the Council has. Some of this is designed to help us think, when you go into your Retreat, about how do we use all of these resources most efficiently. There's the resources of our community, both in requests or demands that they put especially to the Council, but then also the abilities and the gifts they bring as volunteers to the City. All of that is what helps make up the good life of the City. Each year with the Council, we provide a work plan Report in response to the Council Priorities. Last year, 2016 that ended, the Council's Priorities were the Built Environment: Housing, Parking, Livability, Mobility with a particular emphasis on mobility; secondly, Infrastructure; third, Healthy City Healthy Community; and four, completion of the Comprehensive Plan with increased focus from the Council. When we did

TRANSCRIPT

the Retreat with the Council last year in January or early February, we brought to the Council, based on our estimate of what these issues would be, or soon thereafter 69 different projects related to just the four Council Priorities. By midyear when we were reporting to the Council, that had grown to 88 projects on just that list. Just to give you an example. If we were just to look in Planning, some of those projects would be things like the CEQA transportation analysis, the Midtown connector project, the annual Land Use Code update, the next RPP implement, a retail preservation Ordinance for Cal. Ave. follow-up, a Paid Parking Study, review office and R&D use categories in zoning, a Vacation Rentals Ordinance, parking guidance system, shuttle expansion, Quarry Road bicycle road improvements, all of those sorts of things. Probably in the area of Planning, obviously given the fact that you have the built environment as the Council had last year, we probably have close to half of the projects in that almost 88 area just in the realm of the Planning Department. One of the things I have shared with the prior Council is that when it comes down to the Staff doing the work of the Council in these Priority areas, not just the business of running the City, we've added up overtime, and we probably have about 80-some people in the entire organization who can work on all of those high-level issues. It's not like we've got 1,000 or 1,500 people who are going to respond to the work plan that the Council has, that I have, that the CAOs and the Leadership Team have and even respond to lots of the complicated problems from the community. That's really a pretty small number of about 80-some people. The ELT itself has a lot of responsibilities as far as making sure the City does perform well. Those are things like reorganizing the Office of Management and Budget, pursuing fire accreditation, enhancing our regional dispatch, developing the Library e-branch, focusing on utility infrastructure replacement and improvement, negotiating and renegotiating the Stanford fire contract, electrification work plan, etc., etc. We have over 100 projects from last year that were on the ELT work plan also. I was going to just take a minute to touch on the resources that we have to respond to the demands of our community, the needs of our City. In the realm of finances, just some interesting facts I put together this weekend for you. Since fiscal year 2010, our property tax revenue has increased 50 percent. Our sales tax has increased 69 percent. That's over that seven or eight-year period. We're getting almost 70 percent more a year than we got in 2010. Our TOT, our hotel-related tax, is up 246 percent. That's partly due to the fact that there was an increase that the Council put on and has dedicated that to specific infrastructure projects. It's also due to the fact that we've had a number of hotels that have been built to provide this revenue. I would say in many ways that's been a crucial revenue for the City. We now bring in maybe about \$23 million a year in TOT taxes. That was significantly less. We'd have a lot more challenges—excuse me, I'm getting ahead of myself here. I did want to let you all know that you're

TRANSCRIPT

fortunate that we actually have a competent financial Staff. The City has 19 years of receipt of the Government Finance Officers' award for achievement and excellence in financial reporting, going back 19 years. We also have a similar award representing the distinguished budget presentation award. It's the highest award that can be applied to a local government and demonstrates we meet the highest standards and principles of governmental budgeting. Of course, as many of you know, we are a AAA bond rated City. When we look at some of the things like the TOT revenues we're getting, I would just say these are only estimates that we can try to put out. What we're able to be collecting from Airbnb and Expedia online is about anywhere between \$1.3 and \$1.5 million a year now. That's something that we've just recently started doing. We've had a good revenue stream, but there's also been good discipline over the years on the expenditure side. Last year, we ended it with a \$7.7 million surplus or overage of revenues over the expenditures that we have. Our Budget Stabilization Reserve, which is our key reserve for the City's General Fund, stands at \$42 million. That's at 21.5 percent level of our General Fund operating budget. The Council's policy sets a target of 18.5 percent. We're \$5.9 million above that particular target. Just since 2012, we've transferred \$36 million to the Infrastructure Reserve above and beyond what our typical plan is for infrastructure funding. Secondly, our Staff is our key resource. There's a bunch of these things on this chart, probably too hard for you to see them up there. It might be better on the screen here. The two bar charts on the left-hand side attempt to show you the 10-year trend in full-time positions in the City. We did a little bit of a chart—I wouldn't hold it to be an exact line—on the population growth over that time. You can see that even in 2017 we have about 20 fewer employees than we had 10 years ago in 2007. In the General Fund, we have over 40-some positions less in the General Fund than we had, in this case, in 2006. Obviously, our population has increased during that time. Right now, we have 99 vacant positions in the City. That's 9.4 percent of our workforce, again when we're thinking about what we have planned and what we want to be responding to and delivering on. This list here just tries to identify some of the recruitment highlights from 2016 of positions that we had to fill and then some key vacancies that we already have looking ahead to 2017. It's just indicative a little bit of the level of turnover that we have. It's also the loss of experience and institutional knowledge that we often experience every year. You can see positions like the Utilities General Manager, the Budget Director, the Chief People Officer, the Human Resources Director, the Assistant Director in Libraries, etc., etc. Even right now, key vacancies we have are the Police Chief and now the Assistant Police Chief. These are for this year that we're in, that we have to deal with: one Assistant City Attorney, the Assistant Director of Administrative Services—that's Joe Saccio's position—two Deputy City Managers, two Assistants to the City Manager, a Transportation Manager,

TRANSCRIPT

Advance Planning Manager in Planning, and some vacancies in Public Safety. These don't represent all of the vacancies that we have, but they are key. That being said, even though we have a lot of employees who are potentially eligible for retirement, our average age in our workforce is 42 years old. There's been no major change in that over the past five years. The ethnic makeup or the racial makeup of our organization is 57 percent white, 43 percent nonwhite. That's an increase of six percent in the nonwhite population over a five-year period. Just as a note, the Palo Alto population is 61 percent white and 39 percent nonwhite. Additionally, our community—this is just designed to represent that fact. On the right corner you can see the request mapping on the GIS for various Palo Alto 311 requests, which essentially are problems that are coming in from our community, saying, "City, what about this pothole or this graffiti here or there?" We've got an increasingly robust feedback loop from our community. We have, as you know, so many Commissioners, volunteers, friends groups, neighborhood associations, all of whom are actively involved in the life of the City and enhancing our life. We have key initiatives from the community itself. At the moment right now, the Cool Block program is just identified here with the first pilot test of the Cool Block engagement program. Just some fun and interesting things for you to think about in the course of a year. The Art Center itself has 800 active volunteers and interns and gets a value of almost a quarter of a million dollars in volunteer aid. Our parks and open space volunteer hours are over 14,000 hours last year. Just in our open space area, the value of volunteer time is equivalent to seven full-time positions and over almost \$400,000. Staff, finances and the community with the Council clearly as the interface between the Staff and the community particularly. Looking back at 2016 before we even really look at the focus for the Council's work plan, just examples of pop-ups that come up during the course of the year. We have two single-story overlay zones, Greer Park and Los Arboles—is that how I say it—that the Council dealt with last year. You'd indicated as a policy that we would take these up. In many ways, this was not an issue that was on the City's work plan. Edgewood Plaza. The departure of Fresh Market has continued to be a nagging problem for the community, for your Staff and for you, believe it or not, that has sucked up a fair amount of time. Airplane noise. Here we have a bunch of citizens in the overflow space watching one of the many meetings related to airplane noise. I can't tell you how many hundreds and hundreds of hours it took just on the Staff side, let alone community volunteers. Of course, we always will have some projects that are way out of the ordinary. Last year, we had the Super Bowl which, believe it or not, took all kinds of at least frenetic worrying and planning on the front side. If you can't see this, this was one of my favorite tweets from our Police Department last year during this. This was before the New England Patriots had gotten here to play at the game. Of course, our guy here is saying, "Going to a Super Bowl

TRANSCRIPT

party this weekend? Please use a non-drinking driver and be sure to properly inflate your tires." Just to let you know that our Police Department has a good sense of humor. Let me go back for a second. There are other pop-up issues. You could think of many that really weren't on the—dewatering is something that really escalated as a community concern that took a lot of time. The CineArts departure, the minimum wage issue. Even though it wasn't a lot, the welcoming community concern and the Council Resolution. We may have many more things like that that come forward in the coming year. Other notable deliverables. We started off the year with the Sustainability/Climate Action Plan Summit, where the Council ultimately enhanced our Climate Action Plan goal with a target of an 80-percent reduction by 2030. The CAC continued their work on the Comprehensive Plan. The Council itself reviewed three sections of the Plan in 2016. In other areas, the Council adopted the Professorville Design Guidelines, an update for Architectural Review findings. We updated the Planning Department user fees to align with the City's cost recovery policy. We updated impact fee calculations, got Council approval for concept plans for four additional bike boulevards. You can see the Bike Pedestrian Plan advancing. We received grants totaling \$6 million for pedestrian and streetscape improvements on El Camino Real. Actually, what I think was just an amazing accomplishment really by all, we worked out an agreement that was acceptable to both CPI, the neighbors and the City relating to the ultimate departure of that use from the community. Other notable issues are our TDM and Transportation Management Agency. Efforts inched forward. It's a challenging issue for us. We did put a lot of effort into parking and those sorts of things. We commenced Phase Two of the Downtown RPP program. We also completed traffic signal upgrades Citywide and updated signal timing on San Antonio, Middlefield, Embarcadero, Bryant and others. We finished the successful first review cycle on the City's interim annual limit on the office and R&D development in the fastest-changing areas of the City. You see the picture of the golf course under construction. That began along with the San Francisquito project construction, a project that has been in the works for well over 10 years, under way. Additionally in the realm of infrastructure-related issues, one of your Priorities. Just as it relates to paving, we reached a score of 83 for our Pavement Condition Index. We expect to reach 84 by next year. If you recall the conditions in the County Measure B, any city with an 85 or higher Pavement Condition Index will be able to use those funds provided in that portion of the Countywide bond measure for any transportation need that we see. We now have the best street condition of all cities in Santa Clara County. We completed the Blue Ribbon Committee process, recommending new storm water management fees. We did complete the first year Pilot Study of requirements on the basement dewatering, began construction on the final two of seven capital projects from the 2005 storm drain fee

TRANSCRIPT

election. That's the Lincoln Avenue Phase Three and the Matadero pump station improvements. We completed Bowden Park improvements, completed the Baylands Boardwalk Feasibility Study and began design of the new Boardwalk. We completed a traffic circles improvement project, completed community garden irrigation project, finished the installation of new Civic Center wayfinding and signage, completed new signage for the Art Center and Rinconada Library, completed installation of book drops and bicycle repair stations at Mitchell Park and Rinconada Libraries and infrastructure plan projects. The Charleston-Arastradero Corridor project received NEPA clearance, and we completed 35-percent design. We got, of course, also approval of the Council on the design of the 101 pedestrian-bike bridge up there on the right-hand corner. The Council made a decision on the Public Safety Building, and we are in design on Fire Station Three, which is on Embarcadero and Newell Road. One of your last actions before the end of the year was approval on the design and environmental services contract for the Downtown parking garage. That's in the realm of infrastructure. Just some other notables. Whenever I wonder sometimes what I'm doing, City Manager and the City, I go out to the Baylands, and I go for a run. As I run down Embarcadero, I notice the fact that actually we have enhanced car dealerships that have moved in there over the years, which certainly has helped out with the City's revenue. I get down to the golf course and see that we're rebuilding the golf course. I look just beyond that, and we've got what used to be the County airport that the City has now taken over and is enhancing. I mentioned the creek project itself. We've got the Regional Water Quality Control Plant, and we got Council approval to put out the bid for the \$25 million construction project to basically allow us to eliminate sludge incineration at that facility within two years, reducing our greenhouse gas emissions dramatically. I knew for certain Council Member Schmid's attention to the Baylands—he was always asking me when a new section of the landfill was going to be opened up. These pictures just show you again this year the additional landscaping. If you haven't been out there, get a chance to go out and take a walk and run around there. It's fantastic. Lastly, in the area of water, we've finalized a precedent-setting agreement with the Water District for them to fund \$2 million in studies for new water resources for Palo Alto including more upgraded water, recycled water and potential groundwater recharge. We out-performed our drought reduction requirements from the State. Of course, we had a Colleagues' Memo from the Council at the end of the year asking us to look at how we could begin to work with East Palo Alto to share some of our assured water supply, given the fact that they are way underserved in water. Finally, again, if we go back to below the iceberg and just remember the day-to-day life of running the City, all of these are just pictures of things that for the most part take place every day around the City by different Staff people, who are making sure that the lights are on, providing friendly customer service at our

TRANSCRIPT

revenue counter even to dogs and willing stick their head in God knows what situation in order to make sure that the City is safe. Every year we just have a plethora of Staff people, projects, initiatives the City has that receives recognition. We received the best in active and safe communities award in the 2016 Healthy Cities campaign in response, I think, in many ways to the Council's Priority. Our Staff in Development Services from Acela received their 2016 trendsetter award. This picture here is of Kathy Durham, one of our former employees, who was recognized for her groundbreaking Safe Routes to School work as a bicycle professional of the year by the League of American Bicyclists. Also, an additional award related to our bike program. We received an award from the California Energy Efficiency Industrial Council as an energy champion. Our Urban Forestry program received accreditation by the Society of Municipal Arborists. You can see Chief Nickel here in the picture, who was recognized by the California State Fire Marshal as a certified fire chief. He is only one of 33 to obtain this certification in the whole State of California. Our own Chief Information Officer Jonathan Reichental was recognized as one of the top 20 most influential CIOs in the United States, public and private sector realms. For the fourth year in a row, Palo Alto was named among the top five digital cities in our population category by the Center for Digital Government. I don't think our Auditor is here tonight. Harriet Richardson received the Association of Governmental Accountants excellence in government leadership award for a State and local government professional. She also received the Knighton award from the Association of Government Auditors for the Animal Services audit. We won the EPA EAT sustainable purchasing award from the Green Electronics Council. We received an award of outstanding achievement for local government innovation from the Alliance for Innovation. The City's Information Security Manager received an award for excellence in cybersecurity leadership from the California Cybersecurity Symposium. The City of Palo Alto 2017, the year in preview not the year in review. There you all are, up there. 2017 looks like a good year to focus. One of the interesting things is that we've had for a couple of years, for example, completion of the Comprehensive Plan by the City. We haven't done that. That might be one of the things that we assure that we do this year. As it relates to our capacity, our resources, our finances in 2017. The nearer-term pressures we really have are, I think I can safely say, externally imposed. We have a challenge in the General Fund related to the Stanford fire contract and Stanford's desire to renegotiate the contract. In some ways, it could have about a \$2 million effect on us. We've had some court rulings related to—not just for us but statewide—street lights needing to not be funded out of the Utilities' Electric Fund. We brought those last year back into the General Fund, but that's an ongoing \$2 million impact. The TrackWatch means restrictions both between the guards and what we're taking a look at as it relates to a replacement camera system is about a \$2

TRANSCRIPT

million impact on the City. Those are the bigger drivers as we work with Finance on the fiscal year 2018 budget. The long-term pressures, as the Council knows very well, are essentially workforce-related, and they're constrained by the State in many ways as far as some of the flexibility that we have. That's both in the realm of our pension liabilities, as it relates to unfunded pension liabilities and our other post-employment benefits, otherwise known as OPEBs, our healthcare liability. We've done some good work comparatively over the years. We have a trust for OPEB funding. It was \$33 million in March 2008. It is currently \$84.6 million in 2016. It has grown in that period of time. That's money essentially available as an offset to the unfunded liability we have in this area. For this year, the Council has directed—I think within the next month we'll be coming forward to set aside \$2.1 million as the beginning of a pension trust fund or a 115 trust fund towards the unfunded liability of our pension. It's a small step, but it's a first step. In the realm of long-term pension cost, just sharing with the Council again, we have in the non-legacy area of the pension benefits what are called Tier 2 and Tier 3 employees that have different, older retirement ages and a lesser annual year percentage. We're now at a point where 38 percent of our Miscellaneous employees are in either Tier 2 and 3 and 21 percent of our Safety employees are in that area. As it relates to our Staff, our focus and initiative on ensuring that we have a high-performing workforce. We have the issue of the recruitments we've got to successfully pursue this year. We have the background challenge of just being an employer of choice to make sure that we can employ and attract the best folks to work here in the City. We're going to have to be looking more and more at how we can be more flexible, how we deal with some of the travel/mobility/commute issues that all of us share as it relates to our workforce, how it is that we may be taking some—I wouldn't say risks exactly, but we may have younger and somewhat less-experienced but exceedingly bright and motivated folks coming into our workforce, particularly in the public realm where there can be a lot of pressure and criticism in the public. We're going to have to have some patience as we bring folks on who—I'm quite excited about a lot of the new people who are also coming into our organization. How we invest in our culture and our learning organization. We have some big systems investments we have to make in our Enterprise Resource program, which is basically our core financial management system. That'll be a big issue we're going to bring to the Council this year. How we add some meaningful and much more flexible HR modules. I want to really be looking at a much more robust constituent relationship management system that cuts across lines. We need to continue to enhance our 311 systems with the public. The Comprehensive Plan will be adopted in 2017. I was discussing even with the Mayor just this morning how we've set a schedule where the Council vision for the Plan can be defined fully within the first half of 2017. There will still be follow-up

TRANSCRIPT

work with the EIR review components. It'll ultimately have to come back to the Council, but we're going to be hopefully working with the Council to establish some really dedicated times for you to work on the Comprehensive Plan itself. The target for the CAC, the Citizens Advisory Committee, is that they will complete its work in May 2017. We really want to track how the Council makes the big decisions in parallel with them wrapping up their work. Secondly, in the area of mobility in many ways there's nothing in the non-automobile area that is more important than the Caltrain right-of-way that we have in our City. There are a lot of parallel issues that the City's been dealing with through its Rail Committee and at the Council. I would really encourage that the Council think about adopting a vision for grade separation this year. There are going to be other procedural issues, but to start to get really clear about exactly what we mean and where we see these things taking place and what the design is. That would be in advance of some of the continuing studies we would do. We need to be paying attention to our ability to compete for dollars and to make some other policy decisions. Next in the realm of parking, we've been doing a lot. We've worked on RPP. We have two new RPP programs that will be coming to the Council in the first quarter this year. Evergreen Park will be before you shortly, followed by Southgate. I think we have some updates and review to the Downtown RPP. We will be bringing the results of an in-house Parking Study we've been doing with the assistance of outside consultants, that really will be looking at how we start to move to price parking as a way to really incent alternatives. I think that will be an interesting discussion. I think it's something that absolutely is going to have to happen, in particular if we really want to make progress on alternative modes of transportation. Again, in 2017 how we accelerate our efforts in TDM. We continue to focus on mobility as a service. You have an outstanding directive related to a transportation tax. You may want to be thinking actually, I think, about what are some other decisions we make that generate funding in the City that could be used. We had the Mercedes dealership to the extent that that project comes back at all. You're going to be faced with some other challenges as it relates to hotels. Clearly if we move forward with some new recommendations related to parking for the long term ultimately, that can generate revenues that could be used to really incentivize TDM in some big ways. As VTA considers service changes that will negatively affect transit, our Staff has been analyzing the Palo Alto free shuttle and will be shortly bringing forward concepts for additional services for your consideration to complement other existing and proposed routes. There's a lot of different ways to be thinking about shuttles that we would look at working with Council on. There's a potential to harness some of the County's Measure B transit operations funding. We'll need to work closely with VTA both to preserve existing transit service and to access funding. Again, over the next six weeks roughly, the Council will have at least one community session, I

TRANSCRIPT

think, and maybe another Study Session with Council before that. We got an FTA mobility on demand grant at the end of 2016 of \$250,000, which is going to help us develop our commuter wallet app over the next two years. That's an app that will allow people to pay for transit, parking, bikeshare, etc., all in one and will better enable us to incentivize trips by alternate transportation and better monitor commuting patterns, getting us closer to our goal of 30 percent reduction in SOV trips in Downtown. The City's traffic signal system was completely upgraded in 2015 and '16. This year we began implementing coordinated traffic signal timing. Hopefully you've noticed improvements on San Antonio, Middlefield and Embarcadero. Next year, we'll be turning our attention to Alma, University and Charleston-Arastradero. In 2016, we saw the construction of a 70-unit affordable housing project on El Camino Real. There was ongoing construction of 180 units of faculty housing on Stanford lands as part of the Mayfield Development Agreement. Of course, Stanford has 2,000 units of graduate student housing in Escondido Village on the Stanford campus planned. The City has pending applications for new rental housing including an application for 50 units in two buildings at 3001 El Camino Real, otherwise known as the old Mike's Bikes lot, and a potential pilot project of 60 small units at the Page Mill/El Camino corner, formerly the VTA lot. My understanding is we've just received an application for that. Over the past 40 years or so, the City's averaged about 160 new dwelling units per year. A lot of the housing that gets built in Palo Alto is replacement housing, specifically new single-family homes replacing older homes. We saw about 100 such projects last year. The Council did see a focus on accessory dwelling units last year, and we'll be coming back to Council within the next month on a Draft Ordinance. We've been working to adjust housing impact fees that generate funding to support affordable housing. Right now, we have an estimated \$8 million in uncommitted funds we could make available for development. That's outside of the funding that the City has scheduled towards the Buena Vista project. I would hope that we're able to advance the housing possibilities next year. Almost at the end. In the realm of infrastructure, I think the big story just as time is money, we have projects approved by you; they're under way. We expect that that Highway 101 overcrossing by the end of this year we would have completed our environmental clearances and have about 65 percent of our design completion. Fire Station Number 3, we will complete design and 30 percent of the construction under way. For the Public Safety Building, we would complete the CEQA environmental review and preliminary design. For certain, the golf course itself will reopen in 2017 to play to a new links course that we think will without a doubt be the best destination public golf course on the Peninsula. Just some wrap-up issues that are out there. Fiber is one. A lot of different moving aspects to that. I think it would be good for the City to really define our strategy this year going forward. We have decisions to make on the animal shelter, which will

TRANSCRIPT

be coming to you this year. The S/CAP itself, we'll be bringing back some pretty detailed SIPS as we call them, strategic implementation plans, which will actually be dealing with what it will take to make some progress over the next three years. I've been talking with our Staff a little bit about us being a Cool, Smart City. We spent last year working through a collaborative approach with our Staff team on Smart City initiatives, how we really position ourselves to use technology as best as possible, a lot of strategic ways to improve services and livability in our City. I didn't want to lose sight of that and just focus on a top-down organizational piece, so I offset this with what is happening with the Cool Block, more of a grassroots uprising from neighbors, to really add to what our neighborhood groups already do as far as making our City the great place it is to live. I will end with just this, which is after all those projects, let's just not forget what is the City but the people. Let's have fun in 2017, echoing the Mayor's comments the other night. That's the end of my presentation.

Mayor Scharff: We don't have any public comment, do we? No. We're back to Council for any questions, comments.

Vice Mayor Kniss: Could I say one thing?

Mayor Scharff: Sure.

Vice Mayor Kniss: Jim, I think this is very helpful, very comprehensive. I presume you're going to get it out. It'll be on our website and so forth?

Mr. Keene: Yes, we will.

Vice Mayor Kniss: In that form?

Mr. Keene: Yes.

Vice Mayor Kniss: It's very encouraging to see us moving in a positive direction.

Mr. Keene: It's exciting, isn't it?

Vice Mayor Kniss: Good for you and the Staff.

Mayor Scharff: Seeing no further comments, we'll move to the Special Orders of the Day.

TRANSCRIPT

Special Orders of the Day

3. Proclamation of the Council of the City of Palo Alto Honoring the Volunteer Services of Sheri Furman.

Mayor Scharff: Our first Special Order of the Day is a Proclamation of the Council of the City of Palo Alto honoring the volunteer services of Sheri Furman. I've asked Council Member Holman to read the Proclamation.

Council Member Holman: Thank you, and happy to do so. She read the Proclamation into the record.

Mayor Scharff: Council Members, if any of you would like to say a few words. Karen, do you want to kick us off?

Council Member Holman: Just in addition to what's in the Proclamation, I've known Sheri for a number of years. I'm an old, long-timer here. Have just watched you in action and seen how effective you are, how committed you are, how engaged you are, and how respected you are as a leader in this community. Your accomplishments and volunteering efforts have been greatly recognized and appreciated. It's really time that we do this in a public manner. Congratulations.

Sheri Furman: Thank you so much.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: Sheri, I don't think we'd be eating as much ice cream as we do without you. Congratulations for the work especially you've done with the Midtown Residents Association, pulling that together. You and Annette have always done an amazing amount to keep that group together. We so enjoy the things you do. I in particular enjoy the ice cream social. Keep it up. I know it's hard work.

Ms. Furman: I intend to.

Vice Mayor Kniss: I know it is hard work. It's appreciated.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: I just want to say this is very well-deserved recognition. You've been an activist citizen for a long time. It really has benefited not just Midtown but, I think, the City overall, your work on the Cubberley plan, on our Housing Element and probably a lot of other things that I'm not mentioning. I've just gotten to know you in the last couple of

TRANSCRIPT

years, so I just personally wanted to say thank you. Thank you for what you do in the future too as we go forward.

Ms. Furman: Thank you, Tom.

Mayor Scharff: Council Member Filseth.

Council Member Filseth: Hey, Sheri. Pretty much what Tom said. Thank you very much for everything. You're awesome. I think big pieces of the City would grind to a halt without you. Thanks a lot. Richly deserved.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I'll second everything that was said before me. Without repeating it all, just say I appreciate you keeping us on our toes and keeping us honest and always being frank and making sure that the City is really working for everybody. Thank you.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: We served together on PAN for a few years when I was present at the College Terrace Residents Association. I've seen your work, seen your dedication and really appreciate it. I just want to echo what everyone else has just said as well. Thank you.

Ms. Furman: Thank you.

Mayor Scharff: Sheri, I wanted to echo what everyone has said. We really do appreciate your service to the community. It wouldn't be as great a community without you doing what you do. I'll second about the ice cream social. It is a fantastic event and really appreciated by the community. Thanks for all you do. I didn't see it. I'm sorry. Council Member Kou.

Council Member Kou: Sheri, I just want to say thank you so much for the years of dedication and also for guiding me when I joined the emergency preparedness program. Thank you so much for all your work.

Ms. Furman: You're welcome.

Mayor Scharff: Sheri, before I come down and give you the Proclamation, I wanted to give you an opportunity to say a few words.

Ms. Furman: I want to, of course, thank all of you as well as the three—I know this Proclamation actually started last year, and I was out of town. I also want to thank Former Mayor Burt and Council Members Berman and Schmid for participating in this. Congratulations to our new Council

TRANSCRIPT

Members as well. I've been doing this for over 20 years now. It's a labor of love. I do it because I believe in neighborhoods. Some of you have worked in neighborhoods, and you know the importance of neighborhoods. We even call it out in our Comp Plan. In this day of social media and everybody's faces in their phones, I still believe in the importance of face-to-face contact and of knowing your neighborhood and being involved with your neighbors. In accepting this Proclamation, which I deeply appreciate, I'm also doing so on behalf of all the neighborhood leaders who have worked on behalf of their neighborhood to bring issues that they know intimately, that are going on in their neighborhood to you. You can't know everything that's going on in every neighborhood. I think it's important that we bring to you the individuality of the neighborhoods. I want to keep those neighborhoods strong. I also have to give a shout-out to my mentor and friend and cohort for these 20-some-odd years, Annette Glanckopf, who has been my mentor and taught me everything I know and still teaches me to this day. Thank you so very much. I do appreciate it.

Mayor Scharff: Again, we all appreciate your service. The next Special Order of the Day is—I think we had one that we took off—is the presentation of the accreditation of the Urban Forestry program by the Society of Municipal Arborists. I did forget; I didn't see this. Take this back. We have a bunch of public speakers on behalf of you, Sheri. The first person is Annette Glanckopf, to be followed by Becky Sanders.

Annette Glanckopf: First of all, let me congratulate Mayor Scharff and Vice Mayor Kniss for their appointments for this year and welcome the new Council Members Fine, Kou and Tanaka. You guys stole my thunder in speaking about Sheri, but tonight I'm speaking as the Vice Chair of the Midtown Residents Association and for our Steering Committee. Again, you've taken all my thunder. We also want to thank the Council for recognizing Sheri for her many, many years of contribution to the City of Palo Alto and all the hard work and positive energy for almost two decades. I met Sheri in '95, when the Midtown Residents Association was just getting started. From one email that came along, I just want to quote, "It's not that often that good people are recognized for their efforts, and Sheri really deserves it." The commendations that Council Member Holman read speak to Sheri's accomplishments and to the many task forces and advisory groups over the years that she's participated in as well as Midtown Residents Association and Palo Alto Neighborhoods. Becky will speak to that in a minute. It is a gigantic effort to be chair of anything, especially of a neighborhood association, preparing monthly Agendas, responding to dozens of emails—I know you Council Members can really resonate to that—tackle the issues that face our neighborhoods such as any potential developments in the Midtown Shopping Center for 2017. Thank you also—in recognizing

TRANSCRIPT

Sheri you are recognizing the role of neighborhoods in the City of Palo Alto for building community with our newsletters, events and general meetings; Neighborhood Watch which is incorporated into emergency preparedness, which also is Crime Watch; for vetting local issues brought to the Steering Committee, and strength in numbers in getting these to Council; for developing local leadership in our neighborhoods—some of you came out of neighborhoods, so that's proof of the pudding—for projects; for art; for bathrooms; for park landscaping, bulletin boards, the height of flood walls on Matadero Creek, ground-floor retail in Midtown, and working with our local merchants. I could go on for a long time. These are all neighborhood roles. Midtown has greatly benefited from Sheri's efforts and leadership. Thank you, Council.

Mayor Scharff: Thank you. Becky Sanders to be followed by Mike Nolan.

Becky Sanders: Good evening. As Co-Chair of the Palo Alto Neighborhoods Association, I am delighted that Council has chosen to commend Sheri Furman for her service to the community. Two years ago, I suddenly became aware that my little Ventura neighborhood was changing in ways that I could not fathom. I noticed an erosion in the fabric of the community and in the quality of life there. I started poking around, and it was then that I was introduced by Annette Glanckopf to Sheri Furman. I had worked with Annette on some safety videos. When I met Sheri, I sensed a force to be reckoned with. She was and is a strong woman, a strong female role model for civic engagement. Now, my mom and I passed out doughnuts at the precinct on voting day. When I met Sheri, I thought she'd more likely be passing out civics textbooks along with a lecture on civic duty at any polls that she served. She was and is a soapboxer. I admire her fierce giddy-up tremendously. Sometimes we have to meet fire with fire, and she is a fireball. Sheri challenged me to start the Ventura Neighborhood Association. Annette and she have mentored me these two years. Now, the Ventura Neighborhood Association has a 60-plus person listserv, and we can point to several wins our community has experienced due to citizen civic engagement as a direct result of Sheri's mentoring of me. Her organizational skills, her leadership, her passion, her fire, her commitment and her integrity are beyond dispute. I will forever be grateful to Sheri and for her work through the Palo Alto Neighborhoods Association for shining a bright light for me to find my way to civic engagement and to a deeper sense of connection to and love for my community. Thank you very much.

Mayor Scharff: Thank you. Mike Nolan to be followed by Catherine—is that a different Item? Mike Nolan is the final speaker on this Item.

TRANSCRIPT

Mike Nolan: Thanks. I've lived in Midtown since 1979. I just want to point out that I want to thank the Midtown Residents Association, I guess, in general for being there and Sheri specifically for being there. Having her and that group there really adds to the quality of our life in Midtown and helps maintain some sort of fabric there. Thank you, Sheri. I really appreciate your service. I guess I also—iterating what Annette said, I'd like to say I appreciate you folks for recognizing Sheri and by that recognizing the importance of these community organizations and these networks of citizens in the various neighborhoods. It's really important to us. It's important to maintain that fabric of what I've come to think of as Palo Alto. I know there's differences of opinion about ways things should be done. The fact that you're here and willing to listen to these groups and to citizens like myself, I really appreciate it. Thank you, and thanks, Sheri. Thanks a lot.

Mayor Scharff: Thank you. Now, onto the next Item.

4. This item will be heard on February 13, 2017.
5. Presentation of Accreditation of the Urban Forestry Program by the Society of Municipal Arborists.

Mayor Scharff: Item Number 5, presentation of the accreditation of the Urban Forestry program by the Society of Municipal Arborists.

Gordon Mann, Society of Municipal Arborists: Good evening, Honorable Mayor and City Council. Thank you for the opportunity to recognize your Urban Forestry program. My name is Gordon Mann, and I represent the Society of Municipal Arborists, the SMA, which is the international professional association for urban forestry. I'm here to recognize and present the SMA Urban Forestry program accreditation to the City of Palo Alto's Urban Forestry program. I've had the pleasure to professionally meet and work with Walter Passmore on the California Urban Forest Advisory Council, and I have known Dave Dockter, Steve Scott and Dave Sandage and some of your other employees for many years through our professional activities. I'm sure you have pride in your program and Staff members caring for the trees in Palo Alto. The SMA accreditation is the highest recognition for municipal Urban Forestry programs. To obtain this recognition, the agency's program must meet seven requirements. Have at least one ISA-certified arborist on staff with an ISA-certified municipal specialist preferred; you have ten. Have a local forest Master Plan approved by the appropriate local body; you have your Urban Forest Master Plan adopted in 2015. Be a current Tree City USA, and this must be attained annually to maintain your accreditation; Palo Alto has been a Tree City USA for 29 years. Have received a Tree City USA growth award in at least one of

TRANSCRIPT

the past five years; Palo Alto's most recent was in 2016. Show acknowledgement of TCIA accredited tree care companies and specifications when contracts are advertised for tree care companies; your contract specifications contain language to encourage tree care industry association accredited companies to bid on contracts. Incorporate the American National Standards Institute Z133 safety standards in the department crew and contract operations; your safety program and contract specifications clearly acknowledge the importance of safety and reference Z133. Incorporate the American National Standards Institute A300 tree care performance standards in the department pruning specifications and work activities; your maintenance specifications and construction requirements are written in accordance with the ANSI A300 tree management standards, of which there are ten parts ranging from pruning to vegetation management to construction management. Palo Alto submitted their application and documentation for accreditation on April 12, 2016. After the rigorous peer review and audit performed by the SMA Accreditation Committee, on August 7, 2016, Palo Alto became only the fifteenth accredited program, 14 in the United States and one in Canada, joining only two other cities in California, Sacramento and Santa Monica. To meet the requirement for the urban forest management plan, there are 11 criteria you have met. Operational goals achieved through your annual budget and program objectives; the agency's personnel, equipment, budget and other resources aligned and supported to meet these goals achieved through your budget allocation each year; designation of trees for which municipality is responsible, you have your street trees, utility trees and your Tree Protection Ordinance; continuing care of municipally owned trees, your annual maintenance program; identification and removal of municipally owned trees that are past their useful lifespan, your inventory and inspection program handle that; planting of new and replacement trees as appropriate, your planting program and partnership with Canopy is excellent; progress toward educating the general public, your municipal employees, commercial and utility tree workers and others as appropriate concerning the benefits and care of trees, your Staff in partnership with Canopy again accomplish this well; actions taken in enforcement of Tree Protection Ordinances, zoning and construction regulations, your Code enforcement and (inaudible) process meet this well; inventory or other systems for identification and management of tree resources, problems and opportunities, your tree inventory is up-to-date and kept current; identification of program's current objectives and goals, the program manager is in budget review process; and local government approving body, the City Council recognition of Staff's efforts and your budgetary support. This accreditation is not a one-time award or a snapshot. The accreditation and recognition period is valid for one year. The intent is to encourage high-level urban forest management following the accreditation criteria. Annual review is approved with

TRANSCRIPT

submitting supporting documentation that the criteria are continuing to be met. I'm very happy to with great honor recognize the City of Palo Alto and present the SMA Urban Forestry program accreditation to the City of Palo Alto. Would Mayor Greg Scharff and Urban Forester Walter Passmore please join me in accepting the award?

Mayor Scharff: As most of you know, over the holidays we had an incident with swastikas in our City. We sent out a message from the Mayor on this issue, but I wanted to read it into the record, so everyone can hear it. As part of our last meeting of 2016, the City Council adopted a Resolution reaffirming Palo Alto's commitment to a diverse, supportive, inclusive and protective community. The values articulated in the Resolution are ones that we as Palo Altans recognize as emblematic of our community. Recently we have been reminded that these values need to be continually reinforced. Over the holiday break, we learned that a number of swastika symbols were drawn on signs within Palo Alto and at Stanford. These symbols of bigotry and hate are disturbing. Of course, we must remain vigilant and speak out against such acts and do everything we can to protect our community while remaining open and inclusive. One passage of the Resolution speaks to this directly and states: the City of Palo Alto rejects bigotry in all its forms including but not limited to Islamophobia, anti-Semitism, racism, nativism, misogyny and homophobia. We should take great comfort that such occurrences are rare in Palo Alto. At first glance, this appears to have been the work of an individual, and there have been no further incidents reported, but we cannot be complacent when we experience such acts. Our Police Department continues to investigate the incidents and is doing everything they can to identify those responsible and bring them to justice. To that end, we encourage anybody with information to contact the Police Department's 24-hour dispatch center at 650-329-2413. Anonymous tips can be emailed to paloalto@tipnow.org or sent via text message or voice mail to 650-383-8984. As Palo Altans, we can all affirm our City's commitment to a diverse, supportive, inclusive and protective community through our actions and words each and every day. Thank you. I think we could just take a five-minute break. Wait, sorry. I have one more card on SMA accreditation that I didn't see (inaudible) up here. Catherine Martineau, you wanted to speak. I apologize.

Catherine Martineau: What you had to say was very important, and we thank you for that. Good evening, Mayor Scharff, Vice Mayor Kniss, Council Members and City Manager Keene. On behalf of the Board of Canopy, of the whole Canopy community, I too wanted to congratulate the Urban Forestry program and Walter Passmore in particular and the Council, of course, for the accreditation. In an interview that Walter gave to City Trees, a publication on urban forestry, he talked about some of the reasons that the

TRANSCRIPT

Palo Alto tree program is remarkable. You have heard the pretty exhaustive list of criteria that need to be met in order to be recognized. Of course, the vision of the founders of Palo Alto certainly was of a City among trees. As John Muir said, any fool can destroy trees because they don't move, they can't run. It does take a wise community working together to protect, grow and renew the mature forest that we enjoy today. That's what we have in Palo Alto, a City Council that understands and values the myriad benefits trees afford us. A very skilled and dedicated Staff, you've heard about the ten certified arborists on staff. That's quite amazing. Finally, the third really important component is the community at large, the community that cares, that is vigilant, that is vocal and that supports Canopy. We are very fortunate that Walter accepted the offer that the City made to him, extended to him four years ago. He provides the leadership that we so much needed. The program has progressed tremendously under his watch. It is not an easy job. Trees are living organisms. Sometimes they get sick, they die, they fall, they need to be removed. Sometimes very hard choices have to be made. Development pressures abound. Walter leads the Urban Forestry program with his mild-mannered way, but he also has a very sure hand because he uses science and the best professional practices to guide him. This is something that the whole community really appreciates. I also wanted to take the opportunity to invite you all to the 21st Mayor's Tree Planting ceremony that will take place on the 26th of January at Mitchell Park Center. We will plant one tree for Mayor Scharff; it's going to be your second tree. That will start at 5:15 p.m. on the 26th. Right after that, we'll plant another tree next to it for retiring Police Chief Dennis Burns. You'll find all of the information—please RSVP from the Canopy website. It's canopy.org. Again, congratulations to the Council, to Public Works, to the City as a whole, to Walter, to his Colleagues. One of his Colleagues, Courtney Schumm, is here tonight also. This is quite an achievement. We're very, very proud to be associated with the Urban Forestry program here. Thank you.

Mayor Scharff: Thank you very much. Let's take a five-minute break.

Council took a break from 7:41 P.M. to 7:52 P.M.

Agenda Changes, Additions and Deletions

Mayor Scharff: ... additions and deletions. Mr. City Manager.

James Keene, City Manager: Mr. Mayor, Council Members, since we're going to merge into City Manager's Comments here in a minute, with the Council's okay, I'd like a point of privilege here. On Consent Item Number 17 that we have in here, which is the Policy and Services Committee recommendation

TRANSCRIPT

related to City Council Priority suggestions in preparation for the annual Council Retreat, one of the recommendations they've put in here was to have the Mayor appoint some Council Members to work with the City Manager to identify a facilitator for a second, subsequent Retreat meeting. I did want to let you know we're on a really tight schedule. The facilitators I could get in here for this week, I already asked the Mayor and Vice Mayor to think about being the people who could sit in that meeting. I would like to just acknowledge to the Council, when you go ahead and approve this as is, we've already started going in that direction. That's all I have to report.

Mayor Scharff: I have something under additions, changes, additions and deletions. On Item 9 on Consent, we have a number of Council Members that have raised questions. Unfortunately, the questions were raised after the deadline to raise the questions to get written responses. First, I'm going to, as friendly as I can, admonish all of you to get your questions in early so that Staff has the opportunity to answer the questions. I think that's really important if we're going to run efficient meetings. The next thing we're going to do is take Item 9 and move it over two weeks from now, because we don't have a Council meeting on Martin Luther King Day. We'll have that Item. Any Council Member who has questions on that, you should submit them in writing, and the City Manager and Staff will answer those questions. I don't know if you have any further comments on that.

Mr. Keene: No. That would be the meeting of—the 23rd is the date? January 23rd.

Mayor Scharff: I can't actually remember the procedure. Do I need a Motion to move Number 9?

Molly Stump, City Attorney: I can't remember it either. I think you should take a vote in the absence of memory.

Mayor Scharff: I will make the Motion that we move Item 9 to—what date is that? Is it ... January 23rd. Do I have a second?

Vice Mayor Kniss: I'll second it.

MOTION: Mayor Scharff moved, seconded by Vice Mayor Kniss to continue Agenda Item Number 9 - 900 N. California Avenue [15PLN-00155] ... to January 23, 2017.

Mayor Scharff: That's a second. If we could vote on the board. That passes unanimously.

MOTION PASSED: 9-0

TRANSCRIPT

City Manager Comments

Mayor Scharff: Are there other City Manager Comments?

James Keene, City Manager: Yes, sir, a few items. In relation to the weekend storms, while the City was well prepared overall, the storm over the weekend had less rainfall than we had anticipated and had relatively few incidents. Public Works crews were out all weekend making sure sandbag stations were restocked, monitoring creek levels, checking to make sure debris was cleared. We had a number of power outages yesterday, through the night, and into this morning due to the storm and windy conditions. The outages were primarily caused by downed trees falling on power lines. As of this morning, crews were still working to bring power back to all. Most of the City has been restored. The largest outage occurred in the Midtown area around 4:50 a.m. this morning. Approximately 875 residents were affected, and our crews, working with Public Works to safely remove trees, restored service. There were also some large tree branches that blocked the Caltrain tracks for a period of time yesterday. Public Works also responded to the West Bayshore/San Francisquito Creek site to assist Caltrans, the State Highway Department, on the East Palo Alto side of the creek. A massive debris had accumulated, and the Caltrans crews removed as much as possible last night and expected to continue today. Of course, we kept a close eye on the creek water levels all weekend, which stayed well within the banks. All of our updated information was posted on our storm page at cityofpaloalto.org/storms. As you can imagine, this is a good example of one of the things that I was mentioning in the yearend Report about, in one sense, the ordinary but extraordinary things that our Staff is doing, just the coordination, the worry, the anxiety, the preparation between Office of Emergency Services, Public Works, our communication folks, Utilities, Interim Chief Ron Watson and his team in Police. I had kind of constant conversations with folks. It's sort of all dressed up with nowhere to go in the end of the day, which is always a good thing that we didn't have that sort of problem. It's pretty phenomenal. We're really, really lucky to have the Staff we have. This next item is a Report to Coleridge Avenue at Cowper Street. This is a traffic safety pilot project. I love this one; this is quintessential Palo Alto right here. Last April, our Staff started a six-month traffic safety pilot project at the intersection of Coleridge Avenue and Cowper to address neighborhood concerns about traffic safety. The pilot project included a temporary traffic circle, yellow high-visibility crosswalks and advanced yield lines. At the conclusion of the pilot, our Staff collected feedback through mail and in-person surveys. While Safe Routes to School leaders and parents of the nearby Walter Hays Elementary School submitted very positive feedback, the survey results were evenly split with half in favor of making the traffic circle permanent and half requesting its removal. Our

TRANSCRIPT

Staff has decided that the existing two-way stop configuration was generating the bulk of the skepticism around the traffic circle, so we plan to leave the circle in place and convert the intersection to an all-way yield configuration. We'll leave that in place for six months and then do another survey. As there are several roundabouts and traffic circles planned as part of our upcoming neighborhood traffic safety and Bike Boulevard projects, this pilot offers a valuable opportunity to refine the designs of these intersections. We're really relying on the feedback that we get from the public. Just a reminder. Martin Luther King Day, as the Mayor just mentioned, is next week, Monday the 16th. The City's youth and Community Services will hold a celebration event to pay tribute to the life of Dr. King on Monday, January 16th, from 11:00 a.m. to 2:00 p.m. The event will include guest speakers and local organizations, activities for youth and teens, music and dance performances and a legacy exhibition displaying different periods of the civil rights movement. Organizations participating in this year's event include Project Safety Net, Outlet Youth, Neighbors Helping Neighbors, Aim High, the King Papers Project at Stanford, and Stanford's Muslim Student Union with performances by Dance Connection and School of Rock. That will be at Mitchell Park next Monday, January 16th, from 11:00 to 2:00. The VTA has scheduled a public meeting here in the City Council Chambers on Thursday, January 19th, at 6:00 p.m. to discuss their Next Network plan for bus service changes. We've also invited VTA to present to the City Council at a Study Session. I believe that's still planned for January 23rd. We'll be preparing a comment letter to the VTA Board for the Council's review in February. Secondly, on a different topic, Stanford University has scheduled a public meeting at Mitchell Park on Wednesday, January 25th, from 6:00 to 8:00 p.m. to discuss their pending application to Santa Clara County for a new General Use Permit, more affectionately called GUP, extending to the year 2035. We've also invited Stanford to present at City Council, and they will do so at a Study Session on February 6. We'll be preparing a comment letter in response to the County's notice that the EIR will be prepared. We expect to receive the County's notice this week, and we'll have a deadline to comment by the middle of February. Palo Alto Children's Theatre experienced record-breaking attendance numbers in December 2016 with sold-out productions of *The Lion*, *The Witch and the Wardrobe* on the Main Stage and the *Gingerbread Boy* in the Playhouse. The Teen Arts Council, which is an initiative of Palo Alto Children's Theatre, will host a movie night at Mitchell Park Teen Center on Friday, January 13th, Friday the 13th, at 7:00 p.m. The Teen Arts Council will also have its next open mike night at the Palo Alto Art Center on Friday, February 10th, at 7:00 p.m. in collaboration with the Art Center's teen takeover event. Other than just one more welcome to the new Council, welcome to the new Council, that's all I have to report.

TRANSCRIPT

Mayor Scharff: Council Member Holman.

Council Member Holman: Just one question. While it may seem frivolous, it's really not. The roundabouts that are being studied and put in as a temporary basis in the neighborhoods—are the neighborhoods being informed that those will be landscaped? It does make a difference in perception.

Mr. Keene: I'll look into that. I don't know. I don't know that every design has a potential. Some of these are pretty small. I'll share that with the Staff. I clearly understand, and I think we noticed a big change in neighborhood attitude after this past year getting those three circles we have in Downtown North and elsewhere done.

Council Member Holman: Just thought it might break the logjam. Thank you.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: Jim, because that roundabout you're discussing is not far from where I live, how were the comments received or how were they initiated?

Mr. Keene: My understanding is there was either a written or an email survey and actual conversations. Beyond that, I don't have the details.

Vice Mayor Kniss: Do you know how wide a radius?

Mr. Keene: I don't. I can get you that information though, give you a little diagram.

Vice Mayor Kniss: I like it. Just so it's on record.

Mr. Keene: We'll go back and see whether or not that's what you said in the—no, I'm just kidding.

Oral Communications

Mayor Scharff: We're now onto Oral Communications. Just a minute. Let me make sure I have the right Packet here. Stephanie Munoz to be followed by Esther Nigenda.

Stephanie Munoz: Good evening, Council Members. Welcome new members and old ones. I want to tell you all at one of your first meetings you carry a lot of criticism up here, but understand that underneath it all we all appreciate very much your time, your effort and your dedication. Thank

TRANSCRIPT

you, thank you, thank you. What I wanted to say was I'm pretty much concerned about housing. I must say that our society has progressed a lot since the 13th and 14th and 15th centuries. There used to be laws in England that if you came to a new place looking for work and you rented someplace for less than market value, whatever that was determined to be, within 40 days the authorities could pick you up and take you back to the place you came from lest you become a charge on the welfare stock of the parish. We have come a long, long way. You're still confronted with the problem of housing. It's true that the worst problem of the housing has come as a bad effect of the good idea of having a wonderful industrial workplace next to Stanford. The bad effect was having the houses, not that there were too few of them and not that there were too many jobs, but that the houses were too far away from the place where the people had to work, making all the people in between like a doormat that had to put up with many, many cars. What I want to say is we should look at all the possibilities. The first thing I would like to state is that we have in today's paper a note from the editor of the *Post* suggesting that they look to Moffett Field for housing and call on Anna Eshoo. I'd like to recommend that you all take that to heart. We owe those veterans a lot more than we're getting. We've seen efforts in that arrangement. Karen and Pat Burt had parties. That's great, great to acknowledge what we owe these veterans. Really, the entire country should give them some housing so that they'd have some stability for those who have traumatic stress disorder and a little leg up to those who are just trying to run their families. I'm going to recommend that you look into that and recommend that the Federal Government install housing for all levels to be rented at an appropriate rent for our veterans. Thank you.

Mayor Scharff: Thank you. Esther Nigenda to be followed by Rita Vrhel.

Esther Nigenda: Good evening, Council Members and members of the public. Congratulations to the new Council Members. The City Manager was talking about storms today. I'll just mention something about storms in the future. This is a map about the groundwater levels in Palo Alto. I'm not sure if you can see where the green zone is, but that's the FEMA flood zone. The red spots are contaminant plumes. The blue contour lines are the groundwater levels. The very first line there on the right-hand side, the large one, is 10 feet. The second one's 15 feet, and 20 feet and so on. In this map, which is expanded, you can see the basements that required dewatering for the years 2015 and 2016. You can see that they're located below the 15-feet. They're at less than 15 feet. Anything beyond 15 feet, you don't need to dewater. All the basements are clustered around 15 feet or less. This Study from the Journal of Hydrology from the USGS is very recent, so you won't find this information in the FEMA plans yet or in the

TRANSCRIPT

State plans yet. This Study says that areas with coastal aquifers that are less than four meters, which is 13 feet, from the ground surface should be considered for the potential to contribute to sea level rise—it's cut there, but you'll have your copies—via groundwater emergence. These are storms in the future. As the sea level rises, the groundwater level rises also. We're going to have—this Report says that underground structures such as basements, pipes and tunnels will be increasingly vulnerable to flooding at sea level rise. As you saw in the second map, all of the basements that are currently being constructed are within that zone. This Report is important beyond basements, because groundwater emergence is important for our development planning for the City and for emergency planning where the groundwater table is 13 feet or less. This includes—I hope when you look at the plans for the Fire Stations, 3 and 4, you remember to take into account the 13 feet, any underground construction, green infrastructure planning and all our current vital infrastructure such as the wastewater plant. Thank you so much.

Mayor Scharff: Thank you. Rita Vrhel to be followed by Mitchell Harnett.

Rita Vrhel: Good evening. I'm going to follow up on what Esther was speaking about. I wanted to thank everyone who came to the December Policy and Services Committee and made their voices known about the new regulations or recommendations that Public Works will be presenting to the full City Council on 2/13. I would like to invite everyone who was concerned regarding the issue of dewatering and wasting of community groundwater to attend and/or email the City Council and make your views known. It's interesting that one of the Items that was taken off the Consent Calendar concerns basements. I thank you for taking those off the Consent Calendar, because these will be three large basements in an area where the water table is seven feet. I'm beginning to wonder what the process is so that when someone builds a basement that is sitting in groundwater and then sells that property to another person, do they have to under law disclose this or is it buyer beware? Since the City is beginning to be informed or is aware on their own of the potential for sea level rise and what the groundwater tables are in our area, is this not their responsibility to make sure that people who buy houses with basements realize that additional long-term pumping or clearing of the groundwater around the basement is not allowed? Essentially they're buying a large concrete boat in a water table. I would love to have Public Works, who it has been a pleasure to work with over this last year. I want to particularly thank our City Manager for suggesting a moratorium on dewatering until additional information on building techniques could be brought forward to reduce groundwater extraction. Thank you.

TRANSCRIPT

Mayor Scharff: Mitchell Harnett.

Mitchell Harnett: Good evening, happy new year. My name is Mitchell Harnett. I'm from study.com. Study.com is an online education service based out of Mountain View. For years, we've been looking for a good way to give back to the community, and we think we've finally done it. We've created this completely free program for anybody who works or lives in Mountain View to earn their college degree at no cost. We call it Mountain View Working Scholars. We believe it has great potential throughout Silicon Valley. We know that the cost of living in the Bay Area is getting more and more expensive. A lot of people have had to put school on the back burner in order to stay living here. They've got family stuff coming up. Living here, paying rent just gets super expensive, and school can just add to those costs. We think this is probably the best way to give back to those people who may have always wanted to go back to school but never had the chance because of finances and other barriers. We're really excited about this program. I just wanted to invite you and anyone else in the audience to an open house we're having in Mountain View City Hall on January 19th at 6:00 p.m. to learn more about this program that we're really excited about. We think every city should learn more about it. Thank you for your time and definitely take this into consideration. Have a good night.

Mayor Scharff: Thank you.

Minutes Approval

6. Approval of Action Minutes for the December 5 and 12, 2016 Council Meetings.

Mayor Scharff: Now the Minutes. If I could have a Motion to approve the Minutes.

Council Member DuBois: So moved.

Mayor Scharff: Second.

MOTION: Council Member DuBois moved, seconded by Mayor Scharff to approve the Action Minutes for the December 5 and 12, 2016 Council Meetings.

Mayor Scharff: That passes unanimously with Council Member Fine abstaining.

MOTION PASSED: 8-0-1 Fine not participating

Council Member Fine: I wasn't in those meetings.

TRANSCRIPT

Mayor Scharff: You could still vote for the Minutes if you've read them.

Consent Calendar

Mayor Scharff: The next thing is the Consent Calendar. Council Member Wolbach.

Council Member Wolbach: I'd actually like to pull Item 11 from the Consent Calendar.

Mayor Scharff: We need two other people to pull that. You just say it; you don't put your lights on. The three of you are pulling Item Number 11.

MOTION: Council Member Wolbach moved, seconded by Council Member Tanaka, third by Council Member Fine to pull Agenda Item Number 11 - Policy and Services Committee Recommends the City Council Adopt the City's Legislative ... to be heard as Agenda Item Number 18A.

Mayor Scharff: I just cleared the lights because I had a bunch of them, but I saw another light out of the corner of my eye. Is there any other lights? Council Member Fine.

Council Member Fine: I'd like to pull Item 14.

Mayor Scharff: Do we have anybody ...

Council Member Wolbach: I'll second that.

Mayor Scharff: Do we have a third for that? Item 14.

Vice Mayor Kniss: Yes.

Mayor Scharff: Vice Mayor Kniss.

MOTION: Council Member Fine moved, seconded by Council Member Wolbach, third by Vice Mayor Kniss to pull Agenda Item Number 14 - SECOND READING: Adoption of two Ordinances to Update the City's Below Market Rate (BMR) ... to be heard on a date uncertain.

Mayor Scharff: We have two Items that are—do I have a ... On Item Number 14, I don't think Staff's prepared tonight to do that. We'll just reschedule that to a time uncertain. On Item Number 11, I think we'll try and hear that. If it looks like it's going to take too long, I may suggest we move it off. I think we're going to try and hear that tonight. Item Number 11 becomes Item Number 19A, and we'll hear it first when we get to the

TRANSCRIPT

Action Items. On the balance of the Consent Calendar, if I see no more lights, do we have a Motion to approve?

Council Member Filseth: So moved.

Council Member Holman: Second.

MOTION: Council Member Filseth moved, seconded by Council Member Holman to approve Agenda Item Numbers 7-8, 10, 12-13, 15-18.

Mayor Scharff: That's been first and seconded, if we could vote on the board.

Female: (Inaudible).

Mayor Scharff: There are speakers; you're absolutely right. Thank you. First speaker is Barbara Riedor.

Barbara Riedor, speaking regarding Agenda Item Number 10: Members of the Council and Mayor, I'm here to request that you withdraw my emailed January 1st request to remove from the Consent Calendar Item Number 10, which is the contract with Tim Sheeper for the Rinconada pool. I want to let you know that on Friday the eight of us that were a mix of morning and midday lap swimmers met with four of the Community Services Division Staff, a member of the Parks and Recreation Commission and with Tim Sheeper to discuss the 2017 pool schedule. I would say that we had a very successful dialog about that schedule and our interest as committed stakeholders to continue working with the Community Services Department in terms of the expanded and balanced use for all five swim groups in our near future. Thank you.

Mayor Scharff: Timothy Wong to be followed by Jim Migdal.

Timothy Wong, speaking regarding Agenda Item Number 10: Good evening members of the City Council. Again, I'd like to echo my appreciation for your dedicated services and the time that you spend to work on our City. My name is Timothy Wong. I live in Palo Alto in Southgate. I'm speaking on Item 10 as well. I just want to show my appreciation for your forward looking in introducing more programs and extended hours for our pool in Palo Alto. Over the years, I've been able to use the Burgess pool in Menlo Park and had the pleasure of working out at the pool. It offers wonderful programs. I've been able to introduce friends to use the pool in Menlo Park. I'd like to say I think we're going to be good having Team Sheeper run our programs in Rinconada. I applaud you for looking forward and making some progress with our aquatic programs in Palo Alto. Thank you very much.

TRANSCRIPT

Mayor Scharff: Thank you. Jim Migdal to be followed by Bonnie Packer.

Jim Migdal, speaking regarding Agenda Item Number 10: Hi, Council Members. Just very briefly on Item 10, I am a Crescent Park resident for the last 10 years and an active swimmer. My kids learned to swim some at Rinconada, some at Burgess. I've swum Masters at Stanford, at Rinconada and Burgess. I'm really excited about the potential for expanding the access and use of the Rinconada pool. I think it's a great resource. I think that having additional programs, particularly for kids, for people to learn how to swim, is fantastic. I've been very, very happy with the program. I switched about four years ago to swim at Burgess after a couple of years at Rinconada. Tim's done a great job in terms of creating very robust programs and access to things at all levels. I'm glad that we're considering it. I think it'll be a great resource for the community. Thank you.

Mayor Scharff: Thank you. Bonnie Packer.

Bonnie Packer, speaking regarding Agenda Item Number 14: Good evening Mayor Scharff and Council Members, and welcome new Council Members. My name is Bonnie Packer, and I'm here speaking for the League of Women Voters of Palo Alto, of which I am President. I sent you a letter, asking you to remove Item 14 from the Consent Calendar, which you did. I thank you for that. The reason we sent the letter and the two concerns we had was that we wanted the Council to have the opportunity to consider again the recommendations that the Planning and Transportation Commission made last December. The main concerns that we have relate to the viability of the affordable housing fund. It's uncertain and, I think, the economists and the Commissioners were also uncertain as to what the impact of the fees and some of the language in the Ordinance would have on the viability of that fund. We thought the idea that the Commissioners had to phase in the fees and to review them annually so you could understand better how this was affecting development in the City and affecting the growth of the affordable housing fund. The other issue is we felt that the Ordinance in certain sections seems to favor the creation of onsite or offsite units in the case of the development of for-purchase housing. It makes it very hard for the developer to show why it is infeasible to develop those units, in fact, discourages the payment of in-lieu fees. That is something that we hope you look at when you do reconsider this Ordinance and make sure that it fulfills the Council's goals regarding affordable housing in Palo Alto. Thank you for considering our comments and our concerns.

Mayor Scharff: Thank you. We have one more public speaker, Rita Vrhel.

TRANSCRIPT

Rita Vrhel, speaking regarding Agenda Item Number 10: I just wanted to speak briefly on Item Number 10, the swim club. I read through part of the document. I was astounded to find out that the City is subsidizing swimming lessons. If I read it correctly, they're subsidizing private lessons \$26 a lesson and regular swimming lessons \$11 a lesson. I hope I read it correctly; I hope I'm not misleading you. I'm not sure why when this document discusses the increased need and demand for swimming programs that the City's General Fund has to pay a subsidy. I'm sure that a lot of the kids who take swimming lessons can afford to pay for them. I'm sure some children or adults cannot. I think there should be a special scholarship set up for them or some sort of way that everyone is able to take swimming lessons but not at a City subsidy. I helped the community garden over at Eleanor Pardee Park. When I attended a meeting on an increase in fees on community gardens several years ago, I thought I heard that the City had a new policy which was that the people who benefit from the services directly, like the gardeners, had to pay their way, that the City could not subsidize them. The distinction was made between the community gardens and the City Library, where the community gardens are only open to a certain number of people because the community garden plots are limited; whereas, the City Libraries are open to everyone. I think the same thing about the swimming lessons. I just don't understand in this City why a subsidy continues. Thank you.

7. Approval of Contract Number C17166566 With O'Grady Paving, Inc. in the Amount of \$686,290 for the Construction of the Quarry Road Improvements and Transit Center Access Project and Finding of Exemption From the California Environmental Quality Act (CEQA).
8. Approval of Amendment Number 1 to Contract Number C15157160 With Traffic Data Services to Extend the Term Until June 30, 2019 for Provision of On-call Traffic Data Collection Services.
9. ~~900 N. California Avenue [15PLN-00155]: Denial of the Appeal of the Planning and Community Environment Director's Architectural Review Approval of Three new Single-Family Homes, one With a Second Unit. Environmental Review: Categorically Exempt per CEQA Guidelines Section 15303(a) (New Construction or Conversion of Small Structures), Zoning District: R-1.~~
10. Approve and Authorize the City Manager to Execute an Agreement Between the City of Palo Alto and Team Sheeper LLC, for the Learn to Swim Program for Summer 2017 at an Amount Not-to-exceed \$143,000.

TRANSCRIPT

11. ~~Policy and Services Committee Recommends the City Council Adopt the City's Legislative Program Manual and 2017 Legislative Priorities.~~
12. Ordinance 5404 Entitled, "Ordinance of the Council of the City of Palo Alto to Update the Fiscal Year 2017 Municipal Fee Schedule to Adjust Development Services Department Fees (FIRST READING: December 12, 2016 PASSED 8-0)."
13. Ordinance 5405 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Chapter 9.14 (Smoking and Tobacco Regulations) of the Palo Alto Municipal Code to ban Smoking in Units in Multi-unit Residences and Common Areas, and Make Other Minor Amendments to Smoking Restrictions (Remove Bingo Games as Places and Workplaces Exempt From the City's Prohibition Against Smoking in Enclosed Places) (FIRST READING: December 5, 2016 PASSED: 8-0)."
14. ~~SECOND READING: Adoption of two Ordinances to Update the City's Below Market Rate (BMR) Housing Program as Recommended by the Finance Committee: (1) Repealing Municipal Code Section 16.47 (Non-residential Projects) and 18.14 (Residential Projects) and Adding a new Section 16.65 (Citywide Affordable Housing In-lieu Fees for Residential, Nonresidential, and Mixed Use Developments. The Proposed Ordinances are Exempt From the California Environmental Quality Act (CEQA) per Sections 15378(b)(4), 15305 and 15601(b)(3) of the State CEQA Guidelines (FIRST READING: December 12, 2016 PASSED: 5-3 Kniss, Scharff and Wolbach no).~~
15. Resolution 9657 Entitled, "Resolution of the Council of the City of Palo Alto Declaring Weeds to be a Public Nuisance and Setting February 6, 2017 for a Public Hearing for Objections to Proposed Weed Abatement."
16. Resolution 9658 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Issuance of the California Municipal Finance Authority 2017 Tax Exempt Loan (International School of the Peninsula) in an Aggregate Principal Amount Not-to-Exceed \$7,500,000."
17. Policy and Services Committee Recommends City Council Review the 2017 City Council Priority Suggestions in Preparation for the Annual Council Retreat and Direct the Mayor to Appoint Council Members to Work With the City Manager in Identifying a Facilitator for a Subsequent Retreat.

TRANSCRIPT

18. Resolution 9659 Entitled, "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Execute and File an Application on Behalf of the City of Palo Alto to the Federal Transit Administration (FTA) for the Management of and Participation in a Grant Award to Enhance and Evaluate a Comprehensive Technology/Policy Solution Called Fair Value Commuting (FVC), Designed to Reduce Traffic Congestion."

Mayor Scharff: Thank you. Now, we're back to the Consent Calendar. There's a Motion to approve the Consent Calendar without Items 9, 11 and 14. If we could please vote on the board. That passes unanimously.

MOTION PASSED: 9-0

Action Items

- 18A. (Former Item No. 11) Policy and Services Committee Recommends the City Council Adopt the City's Legislative Program Manual and 2017 Legislative Priorities.

Mayor Scharff: Now, we'll move to Item 19A, which is former Item Number 11, which is the Policy and Services Committee recommendation about the legislative priorities. Council Member Wolbach, you pulled that Item and you have your light on.

Council Member Wolbach: Two things. I'd basically likely to remove one Item from Item 11. This is, of course, our legislative priorities that we're sending to our lobbyists in Sacramento and in Washington, D.C. There's one Item in our—it's actually tiered into different sections. You'll find this particularly on Page 298 of our Packet, Attachment 11B, Page 1 of 3. The highest level is Active Advocacy Items. Letter D regards the minimum wage. I'll come back to that in a second. I'd like to see that one sent back to Policy and Services where I think it needs a little bit more discussion before we establish it as a legislative priority. Also, I would like to add something under Important Priorities, the next section, an Item H which would basically reflect the legislative advocacy that would accompany the Resolution that we passed last month. I've sent sample language to the City Clerk as well. I'd be happy to discuss each of those in greater detail, but I just wanted to give that quick preview. (Crosstalk).

Mayor Scharff: Was that a Motion?

Council Member Wolbach: I'd be happy to make it as a Motion.

TRANSCRIPT

Mayor Scharff: Then you need to get the language up there. You need to get a second, so you need to say what it is.

Council Member Wolbach: I'd like to make a Motion to pass our legislative priorities with two changes. The first being to remove Active Advocacy Item D, which is at the State level exempt tipped employees from the minimum wage, and refer that back to Policy and Services for further discussion. Secondly, to add Item H under Important Priorities with the language in front of us, which is "oppose attempts to undermine rights of any group whether by the Federal Government or by coercing states or local government or by weakening existing laws and enforcement thereof against harassment, discrimination and hate crimes."

Mayor Scharff: Do we have a second for that?

Council Member Fine: I'll second that.

MOTION: Council Member Wolbach moved, seconded by Council Member Fine to:

- A. Remove from Active Advocacy items, "at the State level, exempt tipped employees from minimum wage" and refer the topic to the Policy and Services Committee; and
- B. Add to Important Priorities, "oppose attempts to undermine rights of any group, whether by federal government; or by coercing states or local government; or by weakening existing laws and enforcement thereof against harassment, discrimination, and hate crimes;" and
- C. Adopt the update to the Legislative Program Manual and the 2017 Legislative Priorities.

Mayor Scharff: That's seconded by Council Member Fine. Do you wish to speak to your—now that you've seconded it, do you wish to speak to your Motion?

Council Member Wolbach: Sure, I'll speak to the two major components—actually all three of them. I'll start actually with "C" and just say I think this is a great set of legislative priorities with these couple of tweaks. I think it's important that we do pass this tonight so that we can send a clear message, whether it's the City Staff, the Mayor representing us, or to our lobbyist. It's clear what we want the foci to be in Sacramento and Washington, D.C. when advocating on behalf of Palo Alto's interests. I do want to make sure we pass this tonight. In going up the list here, so "B." I think this again reflects the language and the intent of the Resolution that we passed last

TRANSCRIPT

month, that was discussed by the Mayor earlier this evening. I hope that this is a noncontroversial Item among my Colleagues. As far as Item A, that's probably the more controversial one, so I'll just speak to it a bit more. I'm not sure that this is exactly the language that the Council or even the Policy and Services Committee really intended to be included. There are a few ways that the question, the complex, important and nuanced question of tipped employees and how that relates to the minimum wage could be addressed. It could be addressed through an exemption as described here. It could be addressed through a change in the law whereby, say, employers could require tip sharing, for instance, among waiters and back-of-the-house or staff such as dishwashers. It could also be done with total compensation where somebody would have to make the minimum wage but the tips could be counted towards that. There are a number of options here. My sense was that that variety of options didn't get as deep a discussion as it required at Policy and Services. Moving forward with this, I think, is just premature. As Chair of Policy and Services, I'd be happy to make sure it gets a fair discussion, a full discussion.

Mayor Scharff: Council Member Fine, will you speak to your second?

Council Member Fine: Thank you. I also believe it's important to get this out the gate so that our lobbyists and Staff know what our priorities are this year. As for Item B, I agree with Council Member Wolbach and I commend this Council for making sure and reaffirming that Palo Alto is an inclusive community. I think this really hits that home. For Item A, I'm not sure this is the priority that we want to send given the complex issue of minimum wage. This seems like we're trying to influence State policy for a single local decision. I think that needs to be rethought at the Policy and Services level here in the City.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: As Former Chair of Policy and Services, we had this discussion. I just wanted to speak to this a little bit. First of all, I have a concern with process. We empower our Council Committees to make decisions on the part of Council. We had a unanimous vote on this generally. We take that guidance. I'm a little concerned that things that have been unanimously approved and are on Consent, and then we get here and the Council is going to add things on the fly, vote on them that night. I would just ask my Colleagues to consider the process and the precedent we're setting here tonight. In terms of the specifics on this one, we had packed chambers when this came up. We heard a lot from our business community. I think the exploring—again, this is what we're asking our lobbyists to explore and discuss. It's not a statement that we support this

TRANSCRIPT

position. It would come back to Council for any decision. I think this Item was added by our Vice Mayor Kniss, who really heard a lot and took to heart, I guess, what we were hearing from a lot of the business owners. Basically, for those two reasons, I think on process grounds I'm not going to support doing this right now in this way.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: I think Part B makes a lot of sense. I want to applaud that for being highlighted. I think for "A" I definitely would want to make sure that the business community, especially restaurant owners, also had a say in this as well when it's revisited. I think that's my only ask about Point A. I do know that a lot of especially restaurant owners would be very concerned about this one.

Mayor Scharff: Council Member Kou.

Council Member Kou: I don't have anything to say on these particular ones, but I have something else I want to pull. Is this appropriate time or is it later on?

Mayor Scharff: It's now. You've had your light on.

Council Member Kou: On the Active Advocacy Items, Item A, on a pilot basis authorize Palo Alto and potentially the surrounding area as a place for autonomous vehicle testing, I'd like to have that one removed.

Council Member DuBois: You need to make a Motion.

Council Member Kou: I'd like to move to have that removed from the Active Advocacy Items for the 2017 legislative priorities.

Council Member Wolbach: I'm not going to accept that as a friendly Amendment, but I'm open to persuasion on it.

AMENDMENT: Council Member Kou moved, seconded by Council Member XX to add to the Motion, "remove from Active Advocacy Items, 'on a pilot basis, authorize Palo Alto and potentially the surrounding area as a place for autonomous vehicle testing.'"

Mayor Scharff: You need a second.

Council Member Kou: I wasn't making an Amendment to yours.

Mayor Scharff: What you're doing is making an Amendment to his Motion, because we only have one Motion on the floor at a time. If that's what you

TRANSCRIPT

want to do, you need a second. Seeing no second, we'll move on. Vice Mayor Kniss.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Vice Mayor Kniss: Council Member DuBois is absolutely right. I felt pretty adamantly about this. I think I carried on at some length at that meeting. What I would suggest on this, Council Member Wolbach, is if you're willing to split this into "A" and "B" and "C" so we could vote on "A" separately from "B" and "C," I would be comfortable doing that. Could you informally let me know if you'd be comfortable with that?

Council Member Wolbach: I would be okay with splitting it and would like to speak to "A" before we do vote on it.

Mayor Scharff: All right.

MOTION SEPARATED FOR PURPOSE OF VOTING

Vice Mayor Kniss: My request is to bifurcate the Motion. I think I've said pretty clearly before—if we had any real Minutes, of course, it would be in the real Minutes what I had said that evening. I do intend to come—Tom and I have promised this for some time. We will get back with the real Minutes. I think I've indicated where I would be on "A". I'm fine with "B" and "C."

Mayor Scharff: Council Member Filseth.

Council Member Filseth: Actually I have a question, and it's on Number A. I think we want to get this done tonight. I think Council Member Wolbach's comments on the language of "A" are valid. I have a question. We're giving direction to our legislative partner here. The language that's in there right now, is that sufficiently constraining that that prevents them from advocating for other solutions in this area, in terms of tip sharing and stuff like that? Does that allow them to entertain other kinds of approaches to the same problem or is it very specifically tipped employees don't get minimum wage?

James Keene, City Manager: Council Member Filseth, members of the Council, my reading of this is it's limited to the language that is there. Even with that, we could be in a situation where we would come back from our legislative lobbyists, and we may need to report back to the Council. If this were removed or if it was still in there, we could very well be in a situation where we would come back, and our lobbyists would say, "Our sense is this isn't going to fly," or "There isn't the right sponsor," or whatever it is. Even

TRANSCRIPT

if there were some alternate suggestions, I think those would be things that we would have to come back to the Council on before we would pursue anything. I would always point out, as you notice—I think the Mayor knows this as well—we always have a standing Item on our Agenda for legislative matters, if we did on any given Council meeting need to put an Item before you so that you could take action on it. We always anticipate that possibility.

Council Member Filseth: The simplest thing is probably to withdraw it, strike it as suggested. I wonder if it's possible that maybe there's some alternate language. The issue is we're trying to address this issue of some employees make many times the minimum wage because of tips; whereas, other ones don't. How much sense does it make to have one-size-fits all? If we could have some more flexible language that goes to that problem, that allows us to move forward on this tonight, maybe Council Member Wolbach could suggest some.

Mr. Keene: Mr. Mayor, may I just add something? The City Attorney pointed out something to me. I think we did not word this correctly. Remembering the Committee's discussion, the direction as it is right now says, "at the State level, exempt tipped employees from minimum wage." That's not really what we intended. It was at the State level to allow cities to exempt tipped employees from the minimum wage. It's a difference there, but we're not saying we're directing the State as to what it is to do Statewide. We're trying to say to the State, "Give us the opportunity." Practically, it may not have a difference.

Council Member Filseth: That makes more sense.

Mr. Keene: I would say that would be appropriate clarification for whether it stays in or not.

Council Member Filseth: What if it said something like "at the State level, allow cities to pursue policies that"—I can't think of anything offhand—"deviate from the minimum wage requirements in order to more equitably distribute restaurant receipts to employees."

Council Member Wolbach: I would accept that as a friendly Amendment.

Vice Mayor Kniss: It's really friendly rewording, which is fine. I think that's fine.

Council Member Filseth: Now we've got to remember what I just said. At the State level, allow cities to deviate from—what did you just say?

TRANSCRIPT

Council Member Wolbach: She actually (inaudible).

Council Member Filseth: She got it?

Vice Mayor Kniss: Yes, I think she wrote it down. Thank goodness.

Council Member Wolbach: (Inaudible).

Council Member Filseth: I'm okay with just "tips."

Council Member Wolbach: Give me just one second to read this and consider it. I think I will accept this as friendly and hope that the seconder will as well.

Vice Mayor Kniss: If I might jump in, Cory. I think rather than "equitably distribute tips," you need to be a little clearer on who the tips are for.

Council Member Wolbach: Yeah. Can we actually change this to "among employees," "to more equitably distribute tips among employees"? I would accept this as a friendly Amendment.

Mayor Scharff: Council Member Fine.

Council Member Fine: I'll accept it as well. Thanks for the compromise.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace Motion Part A with, "replace Active Advocacy Item A with, 'at the State level, allow cities to pursue policies to deviate from minimum wage requirements in order to more equitably distribute tips among employees.'"

Vice Mayor Kniss: I think that gets what you wanted, right?

Council Member Wolbach: Yeah. That's much better.

Vice Mayor Kniss: In that case I would—if I might Mr. Mayor, I'll retract my request to have this divided.

Mayor Scharff: Got it. Council Member Holman.

Council Member Holman: (Inaudible) have a second here. I want to read where we are here. Is the goal here to more equitably distribute tips among employees? It sort of goes to what you were saying to begin with, Council Member Filseth. Are we putting this in a bucket that we aren't really intending? We still would be required to pay even the tipped employees the minimum wage if this is what passes. I thought what we were looking for

TRANSCRIPT

ways to deviate from the minimum wage requirements. I look to Staff. If we just stopped there, deviate from minimum wage requirements, that wouldn't—the tipping and sharing the tips is a separate issue. It's not a minimum wage requirement. Right?

Molly Stump, City Attorney: Perhaps I can help. The barrier at the State level is a State statute that does not allow you to make a different rule for tipped employees. I think the instruction to the legislative advocate would be to remove that in order to allow cities full flexibility to adopt a different minimum wage or to allow tip sharing, etc. The language is here, but the City Manager's Office also continuously advises and works with the legislative lobbyists. I think we would not be looking for the State to actually provide a rule that would be appropriate in our community or in any others, but just to remove the barrier on local experimentation.

Council Member Holman: Did you have something to say?

Mr. Keene: No (inaudible).

Council Member Holman: Just to be really clear with what you said, Molly. I agree with what you're saying. I just want to make sure, though, that the tip sharing is also part of the minimum wage rule. Are they linked? I didn't think so. I don't think this Amendment or this part of the Motion, "A," is correct. I think what we're looking for is "allow cities to pursue policies to deviate from minimum wage requirements" period. If we want to allow something different where we could distribute tips among employees, that would be a separate piece.

Mr. Keene: Just one thought. I know this could probably come as a surprise. I doubt that anybody in Sacramento is going to put forward legislation word for word the way we craft it here. I think we're identifying the concept that you want to pursue. In working with our advocate and in talking with members of the Legislature, we'll get a sense of what folks would think is possible. At that point, we would be coming back to the Council, telling you what could fly.

Council Member Holman: I don't disagree with you on that, Jim. I just want to make sure we're giving clear guidance to the Staff what our intention is. From other Colleagues, what we're looking for is we want to be able to deviate from the minimum wage requirements and we want to be able to allow restaurants to share tips. It's two things.

Vice Mayor Kniss: Sorry to interrupt. The word missing in here is just "restaurants." This way it would look as though we're just deviating from

TRANSCRIPT

minimum wage requirements, and that's not what we want to do. We're talking about only in the ...

Council Member Holman: Restaurant industry.

Vice Mayor Kniss: ... subject of restaurants do we want to have this issue taken up.

Council Member Holman: I agree with that, but also we are talking, I think, about two different things and not one. Jim, if you want to assure us that you got the concept, then ...

Mr. Keene: I think we completely understand the concept. This more general language sounds like it provides a slightly larger tent that could give us direction, if the Council passes it, to see what is possible. I think one of the issues we have always faced is whether or not anything would be viable at the State level legislatively. This is a statement of potential interest that the Council could have.

Council Member Holman: One last thing as a piece of this. Is the Staff communicating with those who have come and spoken at the minimum wage hearings, in other words the restaurant industry and restaurateurs who have spoken? Is the Staff letting those folks know that we are pursuing this? They might like to also participate at the State level.

Mr. Keene: We would certainly be—once the Council has actually taken action as a body in whatever direction you want to go, we would be sharing it with interested parties.

Council Member Holman: Thank you very much.

Mayor Scharff: Everyone has spoken, and the board has lit up with three more Council Members, if we could keep it brief. If you're unhappy with the language, I would suggest that we change the language if it's not capturing ...

Council Member Filseth: You can take me off that. What he said is what I meant.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: I think we're getting way off base. I don't think we ever talked about redistributing tips. If somebody's a great server and they're making a lot of money from their tips, it's their money. It really was if you're making more money than the minimum wage including your tips, you would be exempt from minimum wage. This new language, to me, is

TRANSCRIPT

worse than what we had before. I don't want to tell restaurants how to run their business and redistribute tips. That wasn't really the intent. I think Council Member Holman is correct. We're conflating different ideas here now. This was really for a tipped worker, restaurant or other kinds of tips. If you're making \$100 an hour including your tips, we're not really raising the minimum wage for those people. It was for the people that are making less than \$15 an hour. I think the original intent was that. Maybe the wording wasn't perfect. I think there was some idea that there could be tipped workers who are making less than minimum wage. I think our lobbyists were clear about what we were intending. I can attempt maybe some more language, if there's support for what I'm saying among my Colleagues.

Mayor Scharff: Why don't you throw it out there and see if you get a second.

Council Member DuBois: I would say "allow cities to deviate from minimum wage requirements when income including tips exceeds minimum wage."

Vice Mayor Kniss: (Inaudible).

Mayor Scharff: No. The question is do you want to second it or not. Let's wait. I'm just waiting. If anyone wants to second it, you can say it now or we can wait until the Clerk finishes typing it. If there is no second—there could be no second.

Vice Mayor Kniss: I think I'll second it. I think it actually has more clarity as I read it. You're just saying deviate from minimum wage requirements when the income including the tips exceeds the minimum wage. You do mean that the minimum wage then—that they would not have to be paid the minimum wage. Correct?

AMENDMENT: Council Member DuBois moved, seconded by Vice Mayor Kniss to replace the Motion Part A with, "allow cities to deviate from minimum wage requirements when income including tips exceeds minimum wage."

Council Member DuBois: Yeah. I'm trying to make this broad enough that our lobbyists can explore options.

Vice Mayor Kniss: The whole goal is that they wouldn't have to pay minimum wage to their front staff that makes far more money than the back-of-the-house.

Council Member DuBois: Right.

TRANSCRIPT

Vice Mayor Kniss: I've seconded it.

Mayor Scharff: Now, I'm going to clear the board, and we're going to only speak to the Amendment. Go ahead and put your lights on. Council Member Wolbach.

Council Member Wolbach: I'm not going to support this Amendment. I would ask actually that we—especially if it passes, but I think regardless it does sound like we should separate the components into separate votes.

Mayor Scharff: Got it. I see no other lights. Council Member Holman.

Council Member Holman: Sorry, it was on. To go back to Vice Mayor Kniss' comment earlier, there's nothing here referencing restaurants if you want to add that.

Council Member DuBois: I think it applies to hairstylists; it's not just restaurants.

Mayor Scharff: Council Member Filseth.

Council Member Filseth: I think from a practical perspective, the City Manager has indicated that there's enough give and take and block and tackle involved in moving this forward that, as long as we're reasonably clear on what our intent here is, the City Staff was going to work with the legislative group to do it. Personally, I'm okay with both languages. I think they both get in the sweet spot. I'll support whichever one the maker and the seconder to the Motion support.

Mayor Scharff: With that, let's vote on the board.

Vice Mayor Kniss: On the Amendment?

Mayor Scharff: On the Amendment, yes, just voting on the Amendment. That passes on a 5-4 vote with Council Members Wolbach, Scharff—is that Filseth?

Council Member Filseth: Yeah.

Mayor Scharff: Filseth and Fine voting no.

AMENDMENT PASSED: 5-4 Filseth, Fine, Scharff, Wolbach no

Mayor Scharff: Back to the main Motion. I'm going to split them. We'll first vote on—how did you want to split it, Cory? You wanted to just vote without ...

TRANSCRIPT

Council Member Wolbach: Let's just do "A" (inaudible).

Council Member DuBois: Are we just voting on the Amendment over again?

Mayor Scharff: We basically are.

Council Member DuBois: Why would we do that? We just passed it.

Mayor Scharff: The Amendment stays in. Yes, you're right the Amendment stays in. I guess the only question is do we need to vote separately, Cory, on "A." Would there be anybody who's not going to vote for "A" or would you feel you couldn't vote for this at all?

Council Member Wolbach: With the new "A," I'm not voting—I can't vote for "A." I'm the maker of the Motion, so I'd like to vote for the other parts.

Council Member Holman: Mr. Mayor?

Mayor Scharff: Yes.

Council Member Holman: The Amendment that just passed replaced "A."

Mayor Scharff: That's correct.

Council Member Holman: It's in there now.

Mayor Scharff: Why don't we just vote on "B" and "C," and then I'll come back and vote on "A"? I'm doing this for Council Member Wolbach.

Council Member Wolbach: Appreciate it.

Mayor Scharff: Let's vote on "B" and "C." That's what I said, right?

Vice Mayor Kniss: Mm hmm.

Mayor Scharff: That passes unanimously.

MOTION PARTS B AND C PASSED: 9-0

Mayor Scharff: Now, we'll just vote on "A." It doesn't really make sense what I'm doing. It makes no sense.

Vice Mayor Kniss: I think you've already replaced (crosstalk) ...

Mayor Scharff: We voted on "A" already. It makes no sense.

Vice Mayor Kniss: ... substitute "A."

TRANSCRIPT

Mayor Scharff: Yes. We need to vote on the whole Motion. I actually couldn't figure out how to split it off the top of my head. Now, we just passed it.

Mr. Keene: I think you've passed both "A" and "B" and "C."

Mayor Scharff: I think we've passed it. We've just passed it. We split it; we passed it; we're all good.

19. Appointment of Three Candidates to the Historic Resources Board and Four Candidates to the Parks and Recreation Commission (PARC) for Terms Ending December 15, 2019; and Discussion and Potential Appointment of one Candidate to the PARC for an Unexpired Term Ending December 15, 2018.

Mayor Scharff: Now, we're moving onto Item Number 19, which is appointment of three candidates to the Historic Resources Board and four candidates to the Park and Recreation Commission for terms ending December 15th and discussion and potential appointment of one candidate. I see Vice Mayor Kniss' light on.

Vice Mayor Kniss: I am the Vice Mayor.

Mayor Scharff: Vice Mayor, sorry. You are the Vice Mayor, yes.

Vice Mayor Kniss: Not to be overly sensitive about it.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: I would like to make the following suggestion in the form of a Motion. We continue with the Historic Resources Board appointments tonight, but we take the Parks and Rec Commission after we re-advertise and vote on that at some point in the future.

Mayor Scharff: Is there a second to that Motion? Yes, clarification.

MOTION: Vice Mayor Kniss moved, seconded by Council Member XX to continue the appointments for the Parks and Recreation Commission (PARC) to a date uncertain and reopen recruitment for the PARC.

Council Member Holman: Just to be clear. You want to not vote on anybody on Parks and Rec tonight. You want to reopen that because of the new vacancy.

Vice Mayor Kniss: I want to reopen Parks and Rec but vote tonight on the HRB.

TRANSCRIPT

Council Member Holman: You don't want to vote on anybody tonight.

Vice Mayor Kniss: I want to vote on Historic Resources Board.

Council Member Holman: I hear you.

Vice Mayor Kniss: But not Parks and Rec.

Mayor Scharff: I see no second. Now, I have Council Member Tanaka.

MOTION FAILED DUE TO THE LACK OF A SECOND

Council Member Tanaka: I partially support that, but I guess we're not postponing both.

Mayor Scharff: You need to make the Motion. That's the way it works. Is that the Motion you're making?

Council Member Tanaka: I'd like to make a Motion, yes.

Mayor Scharff: Go ahead.

Council Member Tanaka: I'd like to make the Motion to postpone both Parks and Rec and Historic Resources Board.

Mayor Scharff: And to go out to a date uncertain and open the recruitment of the PRC.

Council Member Tanaka: Exactly.

Mayor Scharff: And open the recruitment of both of them.

Council Member Tanaka: Exactly.

Mayor Scharff: Do we have a second for Council Member Tanaka's ...

Council Member Fine: I'll second that.

MOTION: Council Member Tanaka moved, seconded by Council Member Fine to continue this Agenda Item to a date uncertain and reopen recruitment for both the Parks and Recreation Commission and the Historic Resources Board.

Mayor Scharff: Seconded by Council Member Fine. I'm going to clear the board because everyone has lights on. I want to make sure you're speaking to that. I'll give it a second.

TRANSCRIPT

Vice Mayor Kniss: Mine is dead because I didn't get a second.

Mayor Scharff: That's correct. Council Member Tanaka, do you want to speak to your Motion first?

Council Member Tanaka: We have three new members of Council who didn't get a chance to actually interview a lot of these candidates. We have a very active community. I think it's important to give (inaudible) a chance. To me it makes sense to have equal opportunity for both Commission and Board.

Mayor Scharff: Council Member Fine, would you like to speak to your second?

Council Member Fine: Yes, quickly. Mostly the same reasons. Also on the HRB, while I'm very thankful that we do have a number of citizens interested in continuing their service, I'm a little surprised that there are three incumbents for three seats. I would be pleased if there was a greater range of applicants.

Mayor Scharff: Council Member Holman.

Council Member Holman: I'll decline.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I just wanted to add my voice in saying that I actually think we should go out for both of them. I'm not sure why there were so few applications. In the end, we might still vote to appoint from those who have already applied. Whether it's because of the holidays or the election or what, I was a little disappointed that we didn't get some of the enthusiasm from the community on these issues expressed in applications. I think if we open it up again, there might be an opportunity to get more people to apply. I'd like to give them that opportunity.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: I would support holding open interviews for the newly opened position on Parks and Rec. We have an ordinance; we have a schedule for doing interviews and for doing appointments. Again, that has not changed, and it's always with these fall interviews. We interviewed these candidates in November; it was unfortunate we didn't appoint them sooner. I think it's a real slap in the face. They filed their applications; they came in for interviews, and we're going to reject all of them and do it all over. I think a more proper process, if we don't like the timing—we did this last year; we changed the spring recruiting and interview time period—would

TRANSCRIPT

be to actually change the fall period if there's a concern about new Council Members. I wouldn't just reject it because of that. We did have four applicants for three slots on HRB. That's not necessarily a Board where we get 20 people applying every time. For the old openings that we interviewed for already, I personally think we should go ahead and appoint those tonight. For the new openings that happened after those interviews, I think we should go ahead and open up and do a new recruiting period. I'm not really hearing a good reason why we would reject the effort of the citizens who applied and came in already.

Council Member Holman: If that's a Motion, I'll second it.

Council Member DuBois: Yes, I'd propose a substitute Motion that we appoint three candidates to the Historic Resources Board and four candidates to Park and Rec, and we would reopen applications for the new position on Parks and Rec for the unexpired term ending December 15, 2018.

Council Member Holman: Again, I second.

SUBSTITUTE MOTION: Council Member DuBois moved, seconded by Council Member Holman to appoint three candidates to the Historic Resources Board and four candidates to the Parks and Recreation Commission for terms ending December 15, 2019 and direct Staff to reopen recruitment for the unscheduled vacant term on the Parks and Recreation Commission.

Mayor Scharff: Would you like to speak to your Motion?

Council Member DuBois: Just real quickly. There's two things going on here. We interviewed people, and we went through a process. We told them what the process and timing was. I think we should stick to that. If we want to change the timing in the calendar year, we should discuss that separately. I do think we had some good candidates. Certainly, we had some really strong candidates for Parks and Rec. I don't want to send a signal that we weren't happy with those applications. We had four applicants for three seats on the Historic Resources Board. I think we're in good shape on both of those.

Mayor Scharff: Council Member Holman, would you like to speak to your second?

Council Member Holman: I think Council Member DuBois has spoken well to it.

TRANSCRIPT

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: Tom, usually you have very good arguments for a number of things, but tonight I disagree. I think we have a newly constituted Council, and that's what's different. I don't think each of the new members, of the three really new members have probably either had the chance to be involved in the interviews nor have they had a chance to—I doubt you sat down and watched all the interviews. That would surprise me. When I get the opportunity, I would suggest that not only should we go out for again the HRB, I'm willing to support both of those and the Parks and Rec. Also when I get that opportunity, I will weave in Planning and Transportation reopening at the same time.

Mayor Scharff: Council Member Filseth.

Council Member Filseth: I think there's merit to both sides of this discussion. It's been pointed out that if we vote tonight on these folks on these Commissions, a third of the Council won't have been involved. That's a significant issue. On the other hand, we had these people; they volunteered their time to come do this. We interviewed them. I wish we'd gotten this done in the previous Council session, but we didn't. I just think it's grossly unfair to these people to say, "Come in here and interview with us and do this," and then come back and say, "You've got to do it again." These folks are going to volunteer their time for this kind of stuff. I think it's really about them; it's not about us. It's not their fault that we had a Council change in the middle of the process or that we couldn't get this done in time for a coherent Council to do it. I see merit to both sides of this, but I think we ought to proceed with the people. I think the suggestion over here that there will be another spot open on Park, to do it concurrently with the PTC, I think that makes some sense. Given the weighting on both sides, I think I would favor proceeding with both HRB and Parks this evening.

Mayor Scharff: Council Member Holman, your light's on, right or not? I wasn't sure. Council Member Tanaka.

Council Member Tanaka: I have to agree with the Vice Chair in regards to PTC as well. I'm not sure if we're talking about that right now.

Mayor Scharff: We're not talking about PTC.

Vice Mayor Kniss: I was just giving you a clue as to what might lie ahead.

Mayor Scharff: Council Member Fine.

TRANSCRIPT

Council Member Fine: Thank you, Mayor. I'm not going to support the substitute Motion and may make a Motion of my own in a few minutes. I think I've a compromise, though, where if we do go out on both of these Boards and Commissions again, we re-advertise them but we would be able and willing to retain the current applicants and their interviews. I don't see the need to re-interview these people. The current and former Council Members did a good job interviewing them. I would just like to see a wider range of applicants for the new Council to make a decision on.

Mayor Scharff: Council Member Kou.

Council Member Kou: Actually I did attend the interviews for everybody that's listed over here. Also, I would support the substitute Motion that Council Member DuBois has put forth. Mainly I agree with what he said. People did come out. People made the effort. This is since November—when was it? It was since last year. They are again what Council Member Filseth said. It's about them, not about us. There's also video that is available for us to watch and to see the interviews. I would really like to see this move forward and that vacant position to be put out for applicants.

Mayor Scharff: I just wanted to say that I do think this is a difficult call. If we do go out again, I do think it's important that we give people the opportunity, frankly, if they've been interviewed, to not re-interview. If they want to be re-interviewed, they should have the opportunity to be re-interviewed. We have two more lights. You've both spoken at least twice. That's Tanaka and Filseth.

Council Member Filseth: I was just going to comment that if we do go out again, the process that Council Member Fine and the Mayor have suggested are probably the right one to do. Yet, it still doesn't completely solve the problem that some of the Council didn't participate in the interviews.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: Same thing.

Mayor Scharff: Let's vote on the substitute Motion. That fails on a 5-4 vote.

SUBSTITUTE MOTION FAILED: 4-5 DuBois, Fine, Kou, Tanaka yes

Mayor Scharff: Let's vote on the main Motion.

Council Member Filseth: What's the main Motion again?

Mayor Scharff: The main Motion is ...

TRANSCRIPT

Vice Mayor Kniss: That one.

Mayor Scharff: ... the first one. I see a bunch of lights. My bad. I didn't realize we suddenly had all these lights. Back to the main Motion. Council Member Holman, did you put your light on?

Council Member Holman: I did. I want to steal whoever said it, maybe Council Member Filseth. Persons who have already applied would be included in the pool of candidates, and they'd be given the option of whether they would like to be interviewed again or not.

Mayor Scharff: I would second that. We'll just put that in there.

Vice Mayor Kniss: I think that was Fine's suggestion or Tanaka, one of those two.

Mayor Scharff: You can put it in there.

Council Member Holman: If Tanaka would accept that as an Amendment?

Council Member Tanaka: I accept it.

Council Member Fine: I'd also accept that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "and retain current pool of applicants and permit current applicants to interview with Council again, if they so choose."

Mayor Scharff: We have that. That was Council Member Holman. Council Member Fine.

Council Member Holman: Just a second.

Mayor Scharff: You have more.

Council Member Holman: This is only capturing so far part of it. It's permit current applicants to (inaudible) we want to keep the current pool of candidates. We want to retain the current pool of candidates and permit current applicants to interview with Council again if they so choose. That gets it.

Mayor Scharff: You're good, Council Member Holman? Council Member Fine. You're good. Council Member Tanaka. You're good. Council Member Filseth. Going on this side, Council Member DuBois.

TRANSCRIPT

Council Member DuBois: I do think the City Clerk is going to have to contact all these past candidates to see if they're still interested. I think the same issue we have with Item 20, we get 3 or 4 months away from an interview, you don't even know if people are available. I just feel like we're adopting some very bad process tonight. I just want to say again we have in our Ordinances a time specified for applications and for appointments. We're basically just shifting it to the new year because we feel like it. I'm not going to support this Motion.

MOTION AS AMENDED RESTATED: Council Member Tanaka moved, seconded by Council Member Fine to continue this Agenda Item to a date uncertain and reopen recruitment for both the Parks and Recreation Commission and the Historic Resources Board and retain current pool of applicants and permit current applicants to interview with Council again, if they so choose.

Mayor Scharff: Seeing no lights, if we could vote on the board. That passes on a 7-2 vote with Council Members DuBois and Kou voting no.

MOTION AS AMENDED PASSED: 7-2 DuBois, Kou no

20. Discussion and Direction Regarding Unscheduled Vacancy on the Planning and Transportation Commission; and Potential Appointment of one Candidate to the Planning and Transportation Commission for an Unexpired Term Ending December 15, 2018.

Mayor Scharff: Now, we move onto Item Number 20.

Vice Mayor Kniss: Can I make my Motion?

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: Having previously tipped my hand, I would like to suggest the same solution that we just suggested. Let me try to reword it as well as I can. We advertise again for Planning and Transportation; we allow those who have already applied to either leave their names on the list or be interviewed again; and we attempt to move this along as quickly as possible.

Council Member DuBois: Second that.

MOTION: Vice Mayor Kniss moved, seconded by Council Member DuBois to recruit for the Planning and Transportation (PTC) and direct Staff to contact the most recent pool of applicants to see if they are still interested in serving on the PTC and if they would like to interview again with the Council.

TRANSCRIPT

Mayor Scharff: That was seconded by Council Member DuBois. Vice Mayor Kniss, would you like to speak to your Motion?

Vice Mayor Kniss: No. I think we're beating this to death tonight. I think we can move this on pretty quickly.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: This is a completely different situation actually. This is a new opening. The proper thing we would normally do is put it open for applications. Again, I think there's a very big difference between Items 19 and 20. I agree with the Motion.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: Having served on the PTC for a couple of terms, I actually believe that the PTC could do a lot more for Council. I support the current Motion on the floor. I think it's actually a really good thing, but I wanted to float the idea of rather than just the one open seat that Council Member Fine used to have, if we get say two strong candidates or three really strong candidates, would we not want to consider appointing them in the place of some of the current members? I wanted to float this idea out to my members.

Vice Mayor Kniss: I'm not sure that's legit. Is it?

Mayor Scharff: You can put your lights on and address the comments, if we want to. Council Member Holman.

Council Member Holman: Is what you're suggesting that the Council would replace sitting Planning Commissioners?

Council Member Tanaka: Yes.

Council Member Holman: I would never support that, not in a process like this. I'm not sure that we even have a process that would allow for that. I think that's a little off the wall.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I'm just going to address the Motion that's actually in front of us. We actually might want to tweak this a little bit because we don't really have a current pool. We have the most recent pool. We should probably change "current" to "most recent" pool of applicants. This is a very different situation where we haven't recruited for this particular one. With that change, it looks like the maker and seconder are

TRANSCRIPT

okay with that. I'll be supporting this. This is different from our usual process because we're including those who most recently applied. I think there were some strong candidates in that pool, and I'd like to see them included in consideration. If they would like to come interview again, that'd be great. Although it was mentioned in the previous Agenda Item, I would just say that the concept of maybe—something to think about in the future—amending our timing of interview, to move it to the new year, actually might be a good thing to explore. When Council Member DuBois made that point, it is well taken. Maybe we should actually explore that.

Mayor Scharff: I'll just make a brief comment. I am obviously going to support this Motion. I did want to point out to my Colleagues that, at least since I've been on the Council starting in 2010 with Council Member Holman, there have actually been several times when we have interviewed candidates, we have decided to actually go out again. That's not an unusual process to do. I just wanted to let everyone remember that. With that, I don't see any other lights. Let's vote on the board. That passes unanimously.

MOTION PASSED: 9-0

21. Resolution 9660 Entitled, "Resolution of the Council of the City of Palo Alto Scheduling the City Council Summer Break and Winter Closure for 2017."

Mayor Scharff: Now, for the most important Item of the evening. When are we going to schedule our Council break? We don't have any cards or anything. Vice Mayor Kniss.

Vice Mayor Kniss: Just to get something out on the table, I think what we did last year worked pretty well. For the six of us who are still here, I'd be interested in your comments on it. I would make a suggestion in the form of a Motion that we consider our summer break starting on July 1st and ending on—I think, Beth, we said August 12th or 11th. We would meet on August 12th, so I don't know when—do you have us ending on the 15th?

Council Member Wolbach: The 14th is Monday.

Vice Mayor Kniss: No, I've (crosstalk) I'm looking at August right now.

Beth Minor, City Clerk: We could end it on the 11th, and then you would have the next meeting the 12th. The other suggestion is that we start the break on the 3rd of July, rather than the 1st, because it's a Monday.

Vice Mayor Kniss: Either of those would be okay.

TRANSCRIPT

Mayor Scharff: I'm confused. Isn't the Monday the 12th—I mean, Monday the 11th of August?

Vice Mayor Kniss: It starts on Monday.

Mayor Scharff: That's right, so it's the 11th. What's your Motion?

Vice Mayor Kniss: It ends on the 11th. My Motion is to start with Beth's suggestion on July 3rd ...

Mayor Scharff: And end on the 10th.

Vice Mayor Kniss: Yeah. You would not be meeting on Monday obviously. You would return for a Council meeting on the 11th of August.

Mayor Scharff: The 11th is a Monday.

Council Member Holman: My calendar is the 11th of August is a Friday.

Vice Mayor Kniss: Are you looking at the 2017 August calendar?

Council Member Holman: Yes, I am. On my Google calendar.

Mayor Scharff: We're looking at the one here. Is this one wrong?

Council Member Holman: The 14th is Monday.

Vice Mayor Kniss: Then the 14th is perfect.

Mayor Scharff: Beth gave us the wrong calendar.

Ms. Minor: August 14th is a Monday, and that is when we would return.

Mayor Scharff: We'd end on the 13th. When would we start? When would the break start?

Ms. Minor: July 3rd.

Mayor Scharff: July 3rd, so we'd have a meeting on the 3rd?

Ms. Minor: No. No meeting on the 3rd.

Vice Mayor Kniss: Therefore, doesn't it make more sense to talk about the summer break being from July 2nd instead of July 3rd?

Mayor Scharff: Or July 1st.

TRANSCRIPT

Ms. Minor: We could, yeah.

Mayor Scharff: July 1st is a Saturday, right?

Ms. Minor: Right.

Vice Mayor Kniss: Whatever works best for stating it in the calendar and for meetings would be to break that weekend and then to come back after the weekend of the 12th. To return to Council on the 12th. That gives us five weeks.

Ms. Minor: It's totally up to you. We could list it as July 1st, which is the Saturday, so that we have no meetings on that weekend, and then come back on August 14th with the ending of August 13th as your break.

Vice Mayor Kniss: Good. Thank you, Beth. That then becomes my Motion.

Mayor Scharff: We need a second for that Motion if that's the Motion.

Council Member DuBois: Do we want to include winter and just do it all at once?

Mayor Scharff: Let's add in the winter. I agree. We didn't get to the winter yet. Liz, what's the winter?

Ms. Minor: Traditionally, winter break is the last two weeks in December. The suggestion in the Staff Report is December 18th through January 2nd of 2018.

Vice Mayor Kniss: That does put us in a somewhat unusual situation of it ending in the middle of the week. The 2nd will be a holiday, is that correct? The 1st and the 2nd will be holidays, meaning that if it ends on the 3rd, we would probably not have a meeting until the 8th. Is that correct? I can't imagine us having a meeting on Wednesday, the 3rd. Let me incorporate that into the Motion. If somebody wants to change it, then I would suggest the winter closure be from December 18th until January 7th.

Council Member DuBois: I would second that if (inaudible).

Vice Mayor Kniss: We've got a second.

MOTION: Vice Mayor Kniss moved, seconded by Council Member Wolbach to adopt a Resolution scheduling the Council's Summer Break from July 1, 2017 to August 13, 2017 and the Winter Closure from December 18, 2017 to January 7, 2018.

TRANSCRIPT

Mayor Scharff: Would you like to speak to your Motion? Don't feel like you have to.

Vice Mayor Kniss: Actually I've got a good strong second, so I'm not going to speak to it. I think it just speaks for itself.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: I did.

Mayor Scharff: I see no lights. Can we vote on the board? That passes unanimously.

MOTION PASSED: 9-0

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Scharff: Anyone have any Council Comments they would like to share? Seeing none, we will go back to the ...

Vice Mayor Kniss: Why don't add I something? If you remember last year, I was President of the Peninsula Division of the League of California Cities. Among other aspects of what they do, there are a number of Committees which meet. If any of you are interested in joining those Committees, they will be meeting, I think—Beth, am I correct—on the 17th and 18th of this month. That would be Thursday and Friday, of January.

Ms. Minor, City Clerk: That's correct. In Sacramento.

Vice Mayor Kniss: They will be held in Sacramento. They're at the same time of the Mayors and the new Council Members meetings. If any of you are going to those, you might be interested in finding out about the Committees. They include employee relations, taxation and revenue. I've forgotten some of them. Molly, you might remember some. Public safety which Cory's on. I'm on tax and revenue. Are any of you on any of the Committees? If you're interested in getting involved at the State level, it's really a very good way to do it. It's interesting to be on the Committees. As I said, I'm on tax and revenue. Mayor Kirsten Keith is going to chair that Committee this year. One other date. The Peninsula Division will have their first dinner meeting in Mountain View at Don Giovanni's on February 2nd. You'll be delighted to know it's going to deal with social justice, inclusivity

TRANSCRIPT

and so forth. Very much what you've been interested in before, Cory. Thank you.

Closed Session

22. CONFERENCE WITH CITY ATTORNEY—EXISTING LITIGATION
Subject: Buena Vista MHP Residents Association v. City of Palo Alto
Santa Clara County Superior Court, Case No. 115-CV-284763
Authority: Government Code Section 54956.9(d)(1).

Mayor Scharff: The next Item on the Agenda is a Closed Session, a conference with the City ...

Vice Mayor Kniss: Could I add one thing to that? I think that means our reorg will not come next year until the 8th of January. We may want to actually include that in the comments.

Ms. Minor: That's correct. It would not come until the 8th.

Mayor Scharff: The next thing we have is a conference with the City Attorney on existing litigation, which is Buena Vista Mobile Home Park Residents Association versus the City of Palo Alto, Santa Clara County Superior Court, Case Number 115-CV284763.

Vice Mayor Kniss: Council Comments.

Mayor Scharff: I skipped Council Comments. I did skip Council Comments; that's right. We'll go back and do Council Comments. [After taking up Council Member Announcements, the Council returned to this Item.] I need a Motion to go into Closed Session.

Vice Mayor Kniss: So moved.

Council Member DuBois: Second.

MOTION: Vice Mayor Kniss moved, seconded by Council Member DuBois to go into Closed Session.

Mayor Scharff: If you could vote on the board. That passes unanimously.

MOTION PASSED: 9-0

Council went into Closed Session at 9:24 P.M.

Council returned from Closed Session at 10:22 P.M.

TRANSCRIPT

Mayor Scharff announced the Council voted 9-0 to authorize an appeal of the Superior Court's decision in Buena Vista MHP Residents Association v. City of Palo Alto, Santa Clara County Superior Court, Case No. 115-CV-284763.

Adjournment: The meeting was adjourned at 10:25 P.M.