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(SUBJECT TO CHANGE)**

Agenda posted according to PAMC Section 2.04.070. A binder containing supporting materials is available in the Council Chambers on the Friday preceding the meeting.

Regular Meeting
Council Chambers
June 16, 2003 7:00 p.m.

ROLL CALL

ORAL COMMUNICATIONS

Members of the public may speak to any item not on the agenda; three minutes per speaker. Council reserves the right to limit the Oral Communications period to 30 minutes

SPECIAL ORDERS OF THE DAY

APPROVAL OF MINUTES

April 21, 2003

CONSENT CALENDAR

Items will be voted on in one motion unless removed from the calendar by a Council Member.

LEGISLATIVE

1. 2nd Reading - **Ordinance of the Council of the City of Palo Alto Amending Title 18 [Zoning] of the Palo Alto Municipal Code to Amend Chapters 18.10 [Residential Estate District Regulations], 18.12 [Single-Family Residence District Regulations], 18.30 [Neighborhood Preservation Combining District Regulations] and 18.71 [Open Space District Regulations] Pertaining to Second Dwelling Units**
2. 2nd Reading - **Ordinance of the Council of the City of Palo Alto Adding Chapter 9.73 to Title 9 [Public Peace, Morals and Safety] To Establish City Policy Against Arbitrary Discrimination**
3. (CMR:311:03) Adoption of a Park Improvement Ordinance for Construction of School Use Improvements of Tennis Courts, Paths and Driveway Areas, and Use of Terman Park Athletic Fields and Tennis Courts Associated with the Palo Alto Unified School District (PAUSD) School Re-Opening
(Item Continued from June 9, 2003)

COUNCIL MAKES EVERY EFFORT TO COMPLETE ALL AGENDA ITEMS BY 11:30 P.M. PRIOR TO TAKING A BREAK AT 9:30 P.M., COUNCIL WILL REVIEW THE REMAINING AGENDA ITEMS AND DETERMINE IF ANY ITEMS SHOULD BE POSTPONED TO A FUTURE DATE.

Ordinance of the Council of the City of Palo Alto Approving and Adopting a Plan for Improvements to Terman Park

ADMINISTRATIVE

4. (CMR:322:03) Annual Adoption of the City's Investment Policy
5. (CMR:323:03) Adoption of the Final Appropriation Limit Calculation Resolution for 2003-04

Resolution of the Council of the City of Palo Alto Determining the Calculation of the Appropriations Limit of the City of Palo Alto for Fiscal Year 2003-04

6. (CMR:314:03) Amendment No. 1 to Contract No. C3146047 Between the Palo Alto Housing Corporation and the City of Palo Alto for Fiscal Year 2002-03 for the Below Market Rate Program Administration in the Amount of \$30,000 Increasing the Total Agreement Amount from \$75,000 to \$105,000; and Agreement Between the Palo Alto Housing Corporation and the City of Palo Alto for Administration and Consulting Services for the Below Market Rate Program in the Amount of \$105,500 for each of Fiscal Years 2003-04 and 2004-05
7. Approval of Resolutions Amending SEIU Memorandum of Agreement and Compensation Plan to Add Side Letter Agreement on SEIU Furlough

Resolution of the Council of the City of Palo Alto Amending the Compensation Plan for Classified Personnel (SEIU) Adopted By Resolution No. 8056, and Amended by Resolution Nos. 8059, 8141, 8180, 8242 and 8251, to Add Furlough Provisions

Resolution of the Council of the City of Palo Alto Amending Section 1401 of the Merit System Rules and Regulations Regarding the Memorandum of Agreement Between the City of Palo Alto and Local 715A, SEIU, AFL-CIO, CLC, to Add Furlough Provisions

8. Amendment No. 3 to Existing Contract No. C8100757 Between the City of Palo Alto and Indus Utility Systems (INDUS) in the Amount of \$146,500 for Software Design Services for Utilities Customer Information System *(Item to be Removed at the Request of Staff)*
9. (CMR:307:03) 2002-03 Annual Report on City Sustainability Program

COUNCIL COMMITTEE RECOMMENDATION

10. (CMR:321:03) The Finance Committee recommends to the City Council on Fiscal Year 2003-05 Contract Scopes of Professional Services Agreements Greater than \$65,000 the following:
- ❖ The Council review the contract scopes of service of 2003-05 professional services agreements greater than \$65,000, for all Infrastructure Management Plan and non-Infrastructure Management Plan projects, and its proposed changes, and direct staff to proceed with the approved scopes of services.

AGENDA CHANGES, ADDITIONS, AND DELETIONS

HEARINGS REQUIRED BY LAW: Applicants and/or appellants may have up to ten minutes at the outset of the public discussion to make their remarks and up to three minutes for concluding remarks after other members of the public have spoken.

OTHER AGENDA ITEMS: Public comments or testimony on agenda items other than Oral Communications shall be limited to a maximum of five minutes per speaker unless additional time is granted by the presiding officer. The presiding officer may reduce the allowed time to less than five minutes if necessary to accommodate a larger number of speakers.

UNFINISHED BUSINESS

PUBLIC HEARINGS

11. (CMR:316:03) Public Hearing: Adoption of the 2003-04 Budget, Adoption in-concept of the 2004-05 Budget and Approval of a Budget Adoption Ordinance, including 1) Exhibit A - The City Manager's Proposed 2003-05 Budget; 2) Exhibit B - All changes detailed in the Amendments to the City Manager's Proposed 2003-05 Budget; 3) Exhibit C - Proposed 2003-04 Municipal Fee Schedule; 4) Exhibit D - Revised pages to the Table of Organization; 5) Exhibit E - Amendments to the Proposed 2003-04 Municipal Fee Schedule

Ordinance of the Council of the City of Palo Alto Adopting the Budget for the Fiscal Year 2003-04 and In-Concept Approving of the Budget for Fiscal Year 2004-05

Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules G-1, G-2, And G-6 of the City Of Palo Alto Utilities Rates and Charges Pertaining to Gas Rates

Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules S-1 and S-2 of the City of Palo Alto Utilities Rates and Charges Pertaining to Wastewater Rates

Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules W-1, W-4, and W-7 of the City of Palo Alto Utilities Rates and Charges Pertaining to Water Rates
Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules R-1, R-2, and R-3 of the City of Palo Alto Utilities Rates and Charges Pertaining to Refuse Collection

Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules E-14 and E-16 of the City of Palo Alto Utilities Rates and Charges Pertaining to Electric Rates

Resolution of the Council of the City of Palo Alto Amending the Compensation Plan for Classified Personnel (SEIU) Adopted by Resolution No. 8056, and Amended by Resolution Nos. 8059, 8141, 8180, 8242 and 8251, to Change Certain Employee Classifications and Salaries

Resolution of the Council of the City of Palo Alto Amending the Compensation Plan for Management and Confidential Personnel and Council Appointed Officers Adopted by Resolution No. 8194, and Amended by Resolution Nos. 8223, 8241 and 8250, to Change Certain Employee Classifications and Salaries

The Finance Committee recommends the City Council direct staff to report by the end of September 2003 with a plan to significantly reduce the unfunded liability in retiree health care costs.

The Finance Committee recommends the City Council direct staff to report by midyear 2003-04 on a citywide organizational structural review including all management/supervision positions of four (4) or fewer direct reports. The first phase of this review will focus on the General Fund and Internal Service Funds. Staff will include City Auditor input in this review, who will report directly to City Council on its findings.

The Finance Committee recommends the City Council direct staff to report by September 2003, with a plan to work with major cities within the City's labor market area for the objective of appropriate control of long-term growth of benefits and medical costs consistent with good labor practice.

The Finance Committee recommends the City Council direct staff incorporate the goal of funding the Infrastructure Reserve in future years as follows: \$1.0 million in 2004-05, \$2.0 million in 2005-06.

The Finance Committee recommends the City Council direct staff to report on the status of the External Services Fund at midyear 2003-04.

The Finance Committee recommends the City Council direct staff to report on the cost analysis of street maintenance and comparison of cost with neighboring cities (e.g. Santa Clara). Report to be presented to Council sometime in fall.

The Finance Committee recommends the City Council direct staff to report by 6/30/04 with a plan to enforce noise abatement.

The Finance Committee recommends the City Council direct staff to report by 12/31/03, on various funding options for the highest priority Storm Drain CIP projects and provide justification for classifying such projects as priority.

The Finance Committee recommends the City Council direct staff to report by late Fall with information on auditing the City fleet. Any budget adjustments resulting from this audit will be incorporated into the 2003-04 midyear report.

The Finance Committee recommends the City Council direct staff to report on the following: 1) the Community Services Department evaluate, and recommend how to increase the variance between resident and non resident fees in the Community Services Department prior to mid-year; 2) Determine how the hours available to Seniors who use discount golf cards can be extended and specify any fiscal impacts that may result; and 3) Report on the applicability of adding a non-resident junior golf fee. Any adjustment to fees should be incorporated into the 2003-04 midyear report.

The Finance Committee recommends the City Council approve one-time funding from the Council Contingency as follows: 1) *Reinstate College Terrace Library hours* – \$12,000 for the Community Services Department in both 2003-04 and 2004-05 to support reinstatement to the current five-day staffing level; 2) *Banners and Downtown Lights* - \$15,000 for the Public Works Department in 2003-04 to fund banners and downtown holiday light maintenance expense; 3) *Bus Shelter Revenue Removal* – \$50,000 for the elimination of Public Works Department revenue related to bus shelter revenue. This allocation may change due to pending Council action scheduled for 6/16/03; 4) *Bicycle Boulevards Implementation Project (PL04010)* – \$50,000 in support of a newly created capital project (PL04010) related to the Bicycle Master Plan implementation.

The Finance Committee recommends the City Council direct staff to eliminate catering expense for all boards & commissions, and council meetings - As a result of the motion, Staff is proposing an additional budget reduction of \$3,200 for council meeting meals, \$1,300 for the Reorganization meeting and \$2,600 for State of the City meeting. Total additional reduction is \$7,100.

The Finance Committee recommends the City Council direct staff to reinstate Community Service Department (CSD) programs that are expected to be cost neutral and that balance revenue against direct and marginal costs. As a result of this motion, the 2003-05 CSD budget has been amended as follows:

1. Children's Theatre

- Increase 0.67 hourly FTE for Children's Theatre in 2003-05: \$25,182
- Increase revenue to offset additional expense in Children's Theatre in 2003-05: \$25,182

2. Adult Arts Programs

- Reinstate adult arts program expense in 2004-05: \$19,720
- Reinstate adult arts program revenue in 2004-05: \$32,900

3. Art Center

- Reinstate 0.07 hourly FTE to retain Art Center hours in 2003-05: \$2,631
- Reinstate revenue associated with retaining Art Center hours in 2003-05: \$8,820

4. Recreation

- Reinstate contract expense for recreation instructors in 2004-05: \$40,000
- Reinstate revenue associated with recreation instructors in 2004-05: \$50,000

5. Cubberley Community Center

- Increase 2.00 hourly FTE to perform setups for increased room rentals at Cubberley: \$75,171 in 2003-04
- Increase revenue associated with additional Cubberley expense in 2003-04: \$90,000

The Finance Committee recommends the City Council direct staff to hire the Director of Libraries position by no later than December 2003 - As a result of this motion, the CSD budget will be increased by \$88,500 in 2003-04 and \$177,000 in 2004-05.

The Finance Committee recommends the City Council direct staff of the Human Services Division of CSD to decrease reliance on paper-based kiosks and increase web presence to secure cost savings - This motion does not result in a change to the CSD budget in 2003-05.

The Finance Committee recommends the City Council direct staff to revise the CSD impact measure on page 169 from: "Maintain a minimum of 4,000 volunteer hours in support of library programs and services (4,000 both years)", to: "Maintain a minimum number of volunteer hours in support of library programs and services (4,500 in 2003-04 and 5,000 in 2004-05)."

The Finance Committee recommends the City Council direct staff to revise the CSD Impact Measure 6 on page 169 from: "Have 15 percent of materials at Main Library and Mitchell Park Library checked out at the self check stations," to "Maintain 20 percent in 2003-04 and 30 percent in 2004-05 of materials at Main Library and Mitchell Park Library checked out at the self check stations."

The Finance Committee recommends the City Council direct staff to add a CSD keyplan related to Library Automation to page 168: "Towards the goal of implementing library technology to improve service and control staffing costs, develop by January 2004, a plan to restructure the circulation areas at Mitchell Park and Main Library to maximize the use of self-check equipment and decrease repetitive stress injuries by staff."

The Finance Committee recommends the City Council direct staff to accelerate the elimination of two police officer positions to 2003-04 from 2004-05 – As a result of the motion, Police Department salary and benefit budget will be reduced by \$0.2 million in 2003-04. There are no additional savings in 2004-05 as this savings was already included in that fiscal year.

The Finance Committee recommends the City Council direct staff to accelerate the elimination of two communication technician positions to 2003-04 from 2004-05 – As a result of this motion, the Police Department budget will be amended when an outside contract has been put in place and the staffing levels will be subsequently adjusted.

The Finance Committee recommends the City Council direct staff to add a Police Department keyplan related to profiling – As a result of this motion the following will be added to the Police Department budget text: "In 2003-04, continue to compile and report demographic data on police contacts to City Council on a quarterly basis"

The Finance Committee recommends the City Council direct staff to report on feasibility of a 2003-05 Athletic Fields CIP – As a result of this motion, staff proposes Athletic Field Artificial Turf and Lighting

Projects CIP (PG04010) for \$155,000 in 2003-04. This CIP seeks to determine which fields are most appropriate for the installation of artificial turf and lighting, and then implement over a five-year period. Staff will make an Athletic Fields presentation to Council on June 23, 2003.

The Finance Committee recommends the City Council direct staff to increase by \$50,000 funding for Local and Neighborhood Collector Street Traffic Calming CIP (PL00026) – The Finance Committee recommended increasing the funding of this project to \$150,000 for additional traffic calming project work. This additional funding is from the Street Improvement Fund.

The Finance Committee recommends the City Council direct staff to reduce the proposed 2003-04 Appeals fee increase from \$200 to \$120 – The Finance Committee felt the increase from \$100 to \$200 was excessive and recommended to fee to be \$120 in 2003-04. This motion does not change the CSD budget in 2003-04.

The Finance Committee recommends the City Council direct staff to reinstate the Picnic Area Reservation fee – The Finance Committee felt it was important to reinstate the picnic area reservation service and related fees, with signage describing the enforcement options available. This motion does not change the CSD budget in 2003-04.

The Finance Committee recommends the City Council direct staff to eliminate the proposed 2003-04 \$2 Baylands Parking Lot Day Use Fee. This motion reduces annual General Fund revenue by \$18,000 in 2003-04 and 2004-05.

The Finance Committee recommends the City Council adopt the 2003-04 budget and the 2004-05 in-concept budget as modified.

REPORTS OF COMMITTEES AND COMMISSIONS

ORDINANCES AND RESOLUTIONS

REPORTS OF OFFICIALS

12. (CMR:320:03) Approval of an Agreement with Santa Clara County Valley Transportation Authority for the Transit Shelter Maintenance and Advertising Program and Approval of an Amendment to the Sign Ordinance of the Palo Alto Municipal Code to Provide Bus Shelter Advertising (City Attorney Report)

**Ordinance of the Council of the City of Palo Alto Amending
Chapter 16.20 (Sign Ordinance) of the Palo Alto Municipal Code
to Provide for Bus Shelter Advertising**

COUNCIL MATTERS

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Members of the public may not speak to the item(s).

CLOSED SESSION

This item may occur during the recess or after the Regular Meeting.

Public Comments: Members of the public may speak to the Closed Session item(s); three minutes per speaker.

ADJOURNMENT

Persons with disabilities who require auxiliary aids or services in using City facilities, services, or programs or who would like information on the City's compliance with the Americans with Disabilities Act (ADA) of 1990, may contact 650-329-2550 (Voice) or 650-328-1199 (TDD)

NOT YET APPROVED

RESOLUTION NO. _____
RESOLUTION OF THE COUNCIL OF THE CITY OF PALO
ALTO AMENDING THE COMPENSATION PLAN FOR
CLASSIFIED PERSONNEL (SEIU) ADOPTED BY
RESOLUTION NO. 8056, AND AMENDED BY RESOLUTION
NOS. 8059, 8141, 8180, 8242 and 8251, TO ADD
FURLOUGH PROVISIONS

The Council of the City of Palo Alto does RESOLVE as follows:

SECTION 1. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Compensation Plan for Classified Personnel, adopted by Resolution No. 8056, and amended by Resolution Nos. 8059, 8141, 8180, 8242 and 8251, is hereby amended by adding the furlough provisions for fiscal year 2003-2004 set forth in Exhibit "A", attached hereto and incorporated herein by reference.

SECTION 2. The Director of Administrative Services is authorized to implement the amended compensation plan as set forth in Section 1.

SECTION 3. The Council finds that this is not a project under the California Environmental Quality Act and, therefore, no environmental impact assessment is necessary.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Senior Asst. City Attorney

City Manager

Director of Administrative
Services

Director of Human Resources