

Special Meeting
December 13, 2004

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The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:05 p.m.

PRESENT: Beecham, Burch, Freeman, Kishimoto, Kleinberg, (Morton arrived at 6:10 p.m.), Mossar

ABSENT: Cordell, Ojakian

STUDY SESSION

1. Emergency Preparedness Issues: Emergency Water Supply and Unreinforced Masonry Buildings

Chief Building Official Fred Herman provided a status report to Council on the City's Seismic Hazard Identification Program (PAMC 16.42). Primary focus was directed at Unreinforced Masonry (URM) Buildings. Changes to existing State law regarding posting of placards on URM bearing wall buildings warning occupants of the potential hazard of these buildings was also discussed.

No action required.

ADJOURNMENT: The meeting adjourned at 6:45 p.m.

The City Council of the City of Palo Alto met on this date in the Council Chambers, at 7:02 p.m.

PRESENT: Beecham, Burch, Cordell, Freeman, Kishimoto, Kleinberg, Morton, Mossar, Ojakian

Mayor Beecham announced that Special Orders of the Day would be heard prior to Oral Communications.

SPECIAL ORDERS OF THE DAY

1. Resolution 8485 entitled "Resolution Expressing Appreciation to Larry Buck Upon His Retirement"
2. Resolution 8486 entitled "Resolution Expressing Appreciation to Bruce Hollenbeck Upon His Retirement"
3. Resolution 8487 entitled "Resolution Expressing Appreciation to Barbara Geibel Upon Her Retirement"
4. Resolution 8488 entitled "Resolution Expressing Appreciation to Police K-9 Clay Upon His Retirement"

MOTION: Council Member Morton moved, seconded by Cordell, to adopt the Resolutions for Item Nos. 1-4.

MOTION PASSED 9-0.

Police Chief Lynne Johnson said the City was recognizing two police agents who were also Palo Alto natives. Agent Larry Buck's 22-year career epitomized what it meant to be a Palo Alto Police Officer. He had both saved and touched the lives of many people in the community. He had been a School Resource Officer (SRO), a member of the Criminal Apprehension Team (CAT), and a Field Training Officer (FTO). Most recently, he became one of the department's first K-9 Police Officers. Agent Bruce Hollenbeck began his career in Palo Alto in 1973 as a bike tech. He then moved on to become a 9-1-1 Dispatcher, and finally a K-9 Police Officer, which was a position he held for the past 17 years. He also had been an incredible mentor to newer officers. The wisdom and experience of both agents would leave a void in the department that could not soon be filled. She wished them both a very long and healthy retirement.

Agent Bruce Hollenbeck expressed his thanks to the City Council, the community, and the Police Department. He said he would continue to keep the men and women in blue in his prayers.

Director of Library Paula Simpson expressed her appreciation to Ms. Giebel for all she had given to the community and the library staff during her many years with the City of Palo Alto.

Ms. Geibel said part of why she stayed so long was due to the wonderful staff. Palo Alto was an interesting place to work.

5. Proclamation Honoring the 2004 Palo Alto Black and White Ball "Moonlit Cinema Paradiso" for the Palo Alto Schools and Recreation Programs.

Sunny Dykwel expressed her thanks to the community for their support, and acknowledged the hard-working committee members. The 2004 Black and White Ball was an unprecedented collaboration of volunteers from the school, the community, City staff, and local civil leaders. Together they produced a fabulous event that Palo Alto could call its own, and raised approximately \$178,550.

Council Member Morton said, as one of the founding members of the Palo Alto Recreation Foundation (PARF), he was proud of the tremendous success of the Black and White Ball.

Council Member Kleinberg said the Black and White Ball was a smashing event, which was orchestrated by Dan and Sunny Dykwel. She expressed congratulations to the team and the teamwork.

Vice Mayor Burch said having attended the Black and White Ball at a number of different venues, he felt it found its home at Lucie Stern and hoped it would continue at that location.

Council Member Freeman said she enjoyed dancing with wanton abandon.

Mayor Beecham said he appreciated the efforts, as well as the service and funding provided to the community. He expressed thanks to the entire committee.

Mayor Beecham announced an agreement on the Mayfield site. He said there would be a public announcement on Tuesday, December 14, 2004, at 5 p.m.

ORAL COMMUNICATIONS

Wayne Swan, 240 Kellogg Avenue, spoke regarding the sound system.

Aram James spoke regarding police practices.

Mike Liveright, 260 Byron Street, spoke regarding e-mail addresses.

Richard Swent, 2950 Clara Drive, spoke regarding the Homer Avenue underpass.

Norman Carroll, Emerson and University, spoke regarding Palo Alto process.

Emily Renzel, 1056 Forest Avenue, spoke regarding parking.

Stephanie Munoz, 101 Alma Street, spoke regarding Palo Alto stating that it should be a nice livable City that people can live in and should not have to be the biggest and the best.

APPROVAL OF MINUTES

MOTION: Council Member Mossar moved, seconded by Ojakian, to approve the minutes of November 15, 2004, as submitted.

MOTION PASSED 9-0.

CONSENT CALENDAR

Mayor Beecham noted that Item No. 13 would be removed from the Consent Calendar due to a request from staff.

Council Member Freeman registered a no vote on Item No. 6.

MOTION: Council Member Kishimoto moved, seconded by Morton, to approve Consent Calendar Item Nos. 6 - 12.

LEGISLATIVE



6. Approval of a Budget Amendment Ordinance (BAO) in the Amount of \$61,000 for Installation of Irrigation System and Maxicom Irrigation Controller; Approval of Award of Contract to B&B Landscape Contractors, Inc. in the Amount of \$179,000 for the Installation of an Irrigation System and Maxicom Controllers at the Baylands Athletic Center (PG-00010-606)

Ordinance 4856 entitled "Ordinance of the Council of the City of Palo Alto Amending the Budget for the Fiscal Year 2004-05 to Provide an Additional Appropriation of \$61,000 from the Infrastructure Reserve into Capital Improvement Program (CIP) Project Number PG-00010, Park Facilities Improvements"

Contract Between the City of Palo Alto and B&B Landscape Contractors, Inc. in the Amount of \$179,000 for the Installation of an Irrigation System and Maxicom Controllers at the Baylands Athletic Center

7. Recommendation to the City Council to Adopt a Resolution Declaring Weeds to be a Nuisance and set January 18, 2005 for a Public Hearing

Resolution 8489 entitled "Resolution of the Council of the City of Palo Alto Declaring Weeds to be a Nuisance and Setting a Hearing for Objections to their Proposed Destruction or Removal"

8. The Finance Committee recommends to the City Council to Adopt the Resolution Approving a 20 Percent Gas Supply Rate Increase to be Effective January 1, 2005, Representing a 14 to 19 Percent Average Retail Rate Increase on Customer Bills, and a Projected \$2 million Increase in Revenues

Resolution 8490 entitled "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"

9. The Finance Committee recommends to the City Council Approval of a Budget Amendment Ordinance (BAO) in the Amount of \$35,881,000 for a Transfer of Infrastructure Reserve Funds from the General Fund to the Capital Fund from Finance Committee Meeting of November 16, 2004

Ordinance 4857 entitled "Ordinance of the Council of the City of Palo Alto Amending the Budget for the Fiscal Year 2004-05 to Transfer the Infrastructure Reserve in the Amount of \$35,881,000 from the General Fund to the Capital Fund"

10. Adoption of a Palo Alto Citizen Corps Council

Resolution 8491 entitled "Resolution of the Council of the City of Palo Alto Designating the Existing Community Disaster Preparedness Group as the Palo Alto Citizen Corps Council"

ADMINISTRATIVE

11. The Finance Committee Recommends to the City Council to Accept the Auditor's Office Quarterly Report

12. Approval of an Agreement with WPI Packaging and Maintenance, Inc. to End Operating the Landfill Gas Electrical Generation Facility
- ~~13. Approval of a Memorandum of Understanding with Santa Clara Valley Water District (SCVWD) to Implement A Water Conservation Program Partnership in the Amount of \$96,405~~

MOTION PASSED 9-0 for Item Nos. 7-12.

MOTION PASSED 8-1 for Item No. 6, Freeman no.

Council Member Freeman expressed support for Item No. 6, but could not find anywhere in the staff report (CMR:495:04) where the CIP matched the documents she had regarding the budget.

REPORTS OF OFFICIALS

14. Approval of Long and Short Range Plans to Consolidate and Strengthen Library Services

City Manager Frank Benest said the item before the Council was a continuation of the November 8, 2004, study session by Library Director Paula Simpson on the status of the library system. He looked for Council's policy guidance as he began to develop the City's next two-year budget for 2005-07. The current Long-Range Financial Plan revealed a \$1.5 million deficit at midyear for the present fiscal year. It also anticipated a continuing structural deficit of \$5.2 million. If that deficit were not erased soon, the growth would continue over the next ten years. The continued structural deficit of \$5.2 million remained even after the elimination of 40 staff positions and restructuring, the raising of fees, and cuts in other expenses over the past four years. The Library Director had documented that Palo Alto, compared to similar cities, did not under-spend on libraries. Comparable amounts were spent on staffing, operations, and collections. However, the service model of three resource libraries and two branches did not work, and would not be sustainable over time. Staff's recommendation would enhance library services for the community-at-large, and provide a basis for moving forward on a larger vision.

Director of Library Paula Simpson said she came to Palo Alto with the strong belief she would discover untapped deficiencies, strip away the marginal services and programs no longer consistent with the library's mission, and find a clever way to not only maintain the existing five library service models, but cause them to grow. Upon closer examination, she realized the libraries provided a narrow range of services and programs, but it had not kept up with the different ways public libraries were being valued in their

communities; special services to meet local needs, reaching out to all populations, and building partnerships. Due to the steady erosion caused by the increased costs of staffing and, thus, the increased costs of maintaining five service points, what the library did 10 or 20 years ago in terms of cultural and literary programs, collaboration with the schools, and a collection renowned throughout the region, had fallen by the wayside in favor of just keeping the maximum number of service hours. Beyond the basics, Palo Alto's libraries struggled to provide a fraction of the library services and programs commonplace in other communities. Palo Altans did not want to just settle for the basics, nor did they want the College Terrace and Downtown branches to close, but she did not hear ideas on how to turn the library's steady decline around. In terms of using more volunteers, the library has done all it could do. There was a reason the subject kept coming up, and a reason why a parade of library professionals, like herself, had stood before the Council and recommended reducing the number of service points and service hours. The irony was that by reducing service points and redundancy, Palo Alto could have a better stronger library without additional cost. The question was whether the City was ready to make the tough choices to change course and start the library on an upward path. The long term recommendations included: 1) adoption of a long range plan to establish a single full service library for all of Palo Alto at an existing or to be determined site; and 2) to appoint a blue ribbon commission with a charter to develop a work program, timeline and funding plan for the long range vision. The short term recommendations included: 1) to authorize the conversion of the College Terrace and Downtown libraries to other community uses to be completed by June 30, 2007; and 2) to shift all staffing and other resources from those branches to enhance services at Main, Mitchell Park, and Children's Library.

Mr. Benest said staff had proposed to develop a plan for Council's consideration on utilizing the branches for other community uses to include a library service element, which would be put in place in the next two years.

Library Advisory Commission Chair Lenore Jones said the Library Advisory Commission (LAC) worked closely with the Library Director in reviewing how to address the future of the Palo Alto library. While both agreed Palo Alto needed to create a full service library, the LAC also weighed the desires of the community to not lose the benefit to those walkable neighborhoods. At the LAC meeting of November 18, 2004, the Commission unanimously recommended: 1) the City Council adopt a long term vision for the library that involved a full service library on an existing or to be determined site; 2) support a distributed branch library system that included the current branches; and 3) the library be recognized as a Top 5 priority for the 2005-07 budget cycle. While the LAC supported staff's recommendation for the creation of a full service library and the formation of a Blue Ribbon

Commission to develop an implementation plan, they did not support the short-term proposal to close the branch libraries. Study after study had shown the City's library services at all existing branches was highly utilized and valued by residents.

Mayor Beecham declared the Public Hearing open.

Edward R. Holland, 1111 Parkinson Avenue, said the cost of building a new central library in Palo Alto had to compete against the needs of the Palo Alto Unified School District (PAUSD) and the City's storm drain system to name a few.

Winter Dellenbach, 859 LaPara, said the City Auditor's Office should conduct an audit in order to get a fresh view of the economics involved. The branch libraries should not be closed until a plan was in place that included funding and reconfiguration.

Eleanor Perkins, Thain Way, said three of the City's main priorities and challenges were the police building, the sewers, and the libraries. With some imagination and time, the privilege to make them happen was one reason people chose to live in Palo Alto.

Joan Holland, 1111 Parkinson Avenue, expressed concern about kids' safety in traveling to and from one centrally located library.

Gail Price, 4082 Orme Street, expressed support for staff's recommendation. The consolidation and enhancement of services simply made sense.

Shelby Valentine, 3116 Stelling Drive, expressed support for keeping the branch libraries open.

Sara Benson, 245 Emerson Street, expressed support for keeping the branch libraries open. She did not understand how closing the Downtown Library would translate to only three additional hours at the Main or Mitchell Park Library.

Janice Sedriks, 325 Waverley Street, expressed support for keeping the Downtown Library open. She said it was a much-used resource in walking distance to those who lived and worked in the Downtown area.

Wayne Swan, 240 Kellogg Avenue, expressed support for staff's recommendation. He would like to see a new main library in Palo Alto.

Betsy Allyn, Willmar Drive, said she considered libraries as important as schools. It was a slight to the citizens of Palo Alto to once again make them

come before the Council and beg for the libraries they had supported as a Top 5 Priority for the past century.

Julia Mayberry, 425 Grant, #35, said it was disconcerting that Palo Alto could afford to put an elaborate soccer complex at El Camino Real and Page Mill Road, but could not afford to keep the branch libraries open.

Mike Liveright, 260 Byron Street, said the Council should decide whether they want to spend \$1 million per year extra and have a real library system with distributed libraries, expanded resources, and approximately \$50 million to build a new facility, or recognize that Palo Alto had libraries in neighboring cities, such as Stanford and Mountain View. He did not believe it was productive to try and keep an inadequate system open.

Gretchen Emmons, 169 Walter Hays Drive, said there were a number of cost-saving methods in the library system that should be studied.

James Schmidt, 244 Forest Avenue, said the City had 30 parks, three swimming pools, eight fire stations, 12 elementary schools, and three middle schools. He asked why five library outlets were too many.

Norman Carroll, Emerson Street, expressed support for keeping the branch libraries open.

Colin Mick, 2130 Hanover Street, proposed the libraries continue as they were, and that staff put together a Blue Ribbon Commission to look at what services were lacking.

Paula Sandas, 2140 Columbia Street, expressed support for improving the libraries, but was opposed to closing the College Terrace and Downtown branches. She did not believe closing the branches would bring Palo Alto closer to a full service library or improvements; however, a successful bond measure or parcel tax would.

Robert Moss, 4010 Orme Street, said the Barron Park Association took a survey of libraries some years ago and favored retention of the libraries in southwest Palo Alto, which included College Terrace. They also favored Internet access, expanding the collections, public transit, and increased facility sizes. He expressed support for keeping the branch libraries open. The Library Plan called for distributed library services and improving the facilities and operations already in place.

Ellie Gioumousis, 992 Loma Verde Avenue, agreed with a statement by Council Member Freeman that the City's budget should be transparent, arguable, and understandable by citizens and the Council. She believed that

was part of the problem with questions about the libraries as well as other things. She had heard from a number of people who wanted to keep the libraries as they were. They did not feel the need for a shiny new library. As a model, she referred to the library in Los Altos, which was not a state-of-the-art library. It was just old-fashioned service, collection, and friendly librarians.

Ellen Wyman, 546 Washington Avenue, urged the Council to keep the branch libraries open. It was significant to note the library previously received 5.4 percent of the City's budget annually. It had recently been as low as 3.8 percent, and was currently at 4.2 percent, which was well over \$1 million short per annum. She urged the Council to reexamine their funding priorities. More than 80 percent of the survey respondents said a state-of-the-art library was not important to them, but they loved their branches.

Martin Bernstein said he visited the National Central Library in Paris, France. It was an educational experience and inspired him to learn more about the world. He expressed concern about the cost of closing the two branch libraries. Libraries were a part of the City's historic fabric. As early as 1903, Anna Shorkey solved the problem that faced Palo Alto today. She came up with a Carnegie Grant, whereby citizens provided some monies and the balance was provided by the Council's budgeting.

Karen White, 146 Walter Hays Drive, offered the following cost effective enhancements to improve library services to meet the present needs and accommodate new residents across Palo Alto: 1) reorganize the Main Library to make more efficient use of existing floor and basement areas; 2) fill the gap between Mitchell Park Library and the Community Center with flex space that could be used as needed for library or community center patrons; 3) increase the availability of computers for online research; 4) elevate and train volunteers to paraprofessional status as a way to extend the capacity of the library staff; and 5) keep the cost-effective satellite facilities open until the community reached a working consensus on the best way to move forward.

Maureen Devorak, 727 Seneca Street, said she had been an extensive library user for more than 60 years in different communities. For the past several years, she has had to utilize the Mountain View Library, which did not seem right since she lived in Palo Alto.

Ellen Smith, 1469 Dana Avenue, said she no longer believed it was realistic to keep open five libraries in Palo Alto. She did not see it being economically feasible to restore them, let alone improve them to meet the future needs. She expressed support for the consolidation of the City's resources.

Yoram Gat, 2083 Princeton Street, expressed concern about the possible closure of the branch libraries. The College Terrace Library was an important resource for him and his family. His children utilized the library at least once a week. He said there seemed to be a debate over closing the branch libraries in favor of a full service library; however, the City Manager had already stated there was no additional funding available for the libraries.

Elaine Meyer, 609 Kingsley Avenue, spoke on behalf of the Board of University South Neighborhood Association, and said she did not believe what was being discussed had to do with libraries, but rather real estate. The City Manager needed office space and had wanted to turn the Downtown Library into an office building for many years. She wondered whether the deficit provided a new way to solve that problem.

Herb Borock, P.O. Box 632, said the time for Council to make policy decisions about spending money was during the annual budget cycle. The Library Plan was balanced. It created better resource libraries and cut back on neighborhood libraries. Unfortunately, City staff had consistently done only one part of that.

Paul Lomio, 1467 College Avenue, said the library on Wellesley Street was not the College Terrace Library. It was a City library in College Terrace. It served Evergreen Park, Southgate, Barron Park via a very nice bike pathway, Escondido Village, and future housing in the Stanford Research Park. The staffing and collection size, though not trivial, was a small amount of the budget for the value to him and many others.

William Spangler, 471 Carolina Lane, expressed opposition to the short-term shut down of the branch libraries as part of the vague long-term plan. He favored Palo Alto having excellent libraries focused on books.

Stephanie Munoz, 101 Alma Street, said the community valued the neighborhood libraries enormously. It was equivalent to a teen or community center.

Kathy Miller, 849 Lincoln Avenue, President, Palo Alto Library Foundation (PALF), said all of the library groups supported a long-term vision that included a full service branch as an important feature. They also supported distributed library services. Little could be gained by speaking of branch closures at a time when there was no plan for what would replace them.

Kathy Durham, 2039 Dartmouth Street, said deciding to close the College Terrace and Downtown branch libraries were permanent decisions. She did not believe the Council had the data it needed to make a good decision. The

benefits had been exaggerated and undefined, the true costs ignored, and alternatives had not been seriously considered.

Emily Renzel, 1056 Forest Avenue, expressed support for keeping the branch libraries open. The branch libraries provided important services for children and the walkable City.

Doug Moran, 790 Matadero Avenue, said the Council needed to decide whether staff's recommendations advanced Palo Alto in producing quality libraries. He did not believe people in the community saw the vision flushed out, nor how it would move forward. He encouraged the Council to defer the matter until more information was obtained.

Eugene O'Sullivan, 1547 Dana Avenue, said the decision before them was a difficult and challenging one to make. Palo Altans not only loved libraries, they loved them with a passion.

Joy Ogawa, Yale Street, expressed support for keeping the branch libraries open. She believed the present library budget was sufficient to keep the five libraries open, and the cost savings from closing the two branches would be much less than \$850,000.

Jeff Levinsky, 1682 Hamilton Avenue, President of Friends of the Palo Alto Library, said 81 percent of Palo Altans rated the current library system as good or excellent. The libraries were extremely popular places, which put them at the top of the rankings for California cities of equal size. He urged the Council to ask questions of library staff and then vote to support keeping all the branches open.

Eileen Hart expressed support for staff's recommendation and urged the Council to take action. The status quo was unsustainable, and inaction would be intolerable. She said change was hard but did not need to be bad, especially if the community came together and worked to do what was right.

Jerry Arnold, Cornell Street, said his children grew up in the branch library. They played puzzles, read books, went through story time, and had a personal relationship with the librarian. It was worth more than just saving money when a City closed a distributed library that reached out to children, seniors, and the community.

Paula Skokowski, 1319 Tasso Street, said the Palo Alto community had one library success in its recent history, which was the collaboration of the PALF and the City in raising funds needed to expand Children's Library. If the PALF could raise substantial funds to share the cost of building a full service

library, they believed the community-at-large would be more likely to pass a bond measure to pay for the rest.

Chris Kenrick, 528 Tennyson, concurred with the comments of Kathy Miller.

Sanford Forte, 280 College Avenue, said the City should not hold the branch libraries hostage any longer, and believed branch library hours should be restored.

Mayor Beecham declared the Public Hearing closed at 8:30 p.m.

RECESS: 8:30 p.m. to 8:40 p.m.

Council Member Freeman agreed with the Library Director that a change to the library system was needed; however, she disagreed with the proposed approach. She reviewed the Service Efforts and Accomplishments (SEA) Report created by the City Auditor and looked at the library staffing section. She noted in the past five years staffing had increased by 10 percent, yet the number of residents per full time equivalent (FTE) library staff had decreased. The number of volunteer hours had decreased by 322 or approximately 7 percent, the total number of hours opened annually had decreased by 2 percent, and the hours of operation per FTE had decreased 12 percent. Between 1993 and 2003, library visits were up by 5,000, items circulated were up by 301,000, the average item circulated during a three-year period was up by 60,000, and the reference questions had decreased by 32,000. The number of branches went from six to five, the number of hours opened per week was down by 46 hours, while program attendance rose 12,000, and the collection size increased by 12,000. By closing the two branches, 63 hours would be available; however, the staff report (CMR:513:04) indicated the City would only get three hours in return. She said the data did not support the notion that Palo Alto would not be able to keep the branch libraries open. In the 2004-05 adopted capital budget, there was approximately \$4 million already earmarked for capital upgrades in the libraries. She was not aware of any long-term financing to increase the shuttle services to accommodate a full service library, or financing solutions for a brand new library.

MOTION: Council Member Freeman moved, seconded by Kishimoto, for staff, with the Library Advisory Commission (LAC) input, to return to Council with a plan to: 1) amend the Library Master Plan to support one resource library instead of two; 2) return with a recommendation for location of the resource library at either Mitchell Park Library or Main Library, with the location not chosen to remain as a branch library; 3) define the uses of branches; 4) maintain all current branch libraries; 5) evaluate with the PAUSD, the use of Gunn High School as a shared library facility in southwest

Palo Alto; 6) develop a long-term CIP plan and operating budget for the library system; and 7) recommend and cost out alternate models to increase the book collection such as Link, which could improve the collection from 250,000 to 18 million books without construction.

Council Member Freeman said she did not believe quality should have to suffer for the sake of access. The branch library system was a core value of the Palo Alto community. Each of the branch libraries served multiple neighborhoods, and she did not want to see any of the City assets removed.

Council Member Kishimoto asked two questions: 1) what was the nature of the problem that staff's solution would address; and 2) was it the current budget deficit that drove the recommendation for the closing of the two branch libraries. She pointed out the City was faced with a \$5.2 million shortfall for the coming year, which was the result of flat revenues combined with a \$5 million increase in salaries and benefits. As member of the LAC stated earlier, the library budget was 5.5 percent of the General Fund in 1993, while in 2004 it was less than 4.4 percent. She had read recently the rising cost of benefits was steadily crowding out important but arguably discretionary spending, such as libraries. She agreed the service model was not sustainable, but disagreed with the proposed solution.

Council Member Mossar said she was caught off guard by the goal of staff's proposal, which was to reverse a downward spiral. She thought the goal was much more aligned with the deficit problems the community faced. Outside of budget conversations, it would be imprudent for the Council to take any action, which would preclude them from making across the board cuts in the next two years. She was supportive of distributed services, expressed a willingness to have those services looked at differently, and welcomed a report from the LAC on how to improve them. She felt unprepared to say exactly what she would like to see; however, she was uncomfortable with staff's recommendation. She also expressed opposition to the appointment of a Blue Ribbon Commission.

SUBSTITUTE MOTION: Council Member Morton moved, seconded by Cordell, to deny the following staff recommendation:

1. Adopt a long-range plan to establish a single full-service library for all of Palo Alto at an existing or to be determined site;
2. Appoint a diverse Blue Ribbon Committee representing all stakeholders, with members to be recommended by the City Manager and the Library Director, and a charter to develop a work program, timeline, and funding plan for the long-range vision. The Committee

will submit its report to the Council by January 31, 2007, in time for the Council to incorporate it into the next budget cycle.

In line with the long-range vision of enhancing library services, staff further recommends the Council:

3. Authorize the conversion of the College Terrace and Downtown Branch Libraries to other community uses, to be completed by June 30, 2007;
4. Shift all staffing and other resources from the College Terrace and Downtown branches by June 30, 2007, to enhance services at the Main, Mitchell Park and Children's Libraries.

Council Member Kishimoto asked for a point of order.

Mayor Beecham said a main motion was on the floor by Council Members Freeman and Kishimoto, and Council Members Morton and Cordell were proposing a substitute motion.

Council Member Morton said his intent was to clear the table of staff's recommendations.

Mr. Benest asked to clarify Council Member Mossar's concern about how the item related to the budget. He said it was clear the Library Director was more concerned about the unsustainable service model, which did not work given the available resources. It was also clear the City Manager had a much bigger problem, which was the \$5.2 million deficit after tens of millions of dollars had already been cut. When it came time to present recommendations to the City Council he had the option of: 1) recommending library services be evaluated in terms of all the other services or; 2) given the recommendations of the Library Director, be willing to keep the library's whole and create a sustainable cost-effective service model over time, even if that required some other cuts elsewhere. When the Council made its budget decisions in May 2005, there would be some dramatic layoffs and service cuts.

Council Member Morton said those who had served on the Finance Committee or would in the coming year, were equally aware of the hard choices ahead. However, none of staff's recommendations made it clear to him the City would get any closer to having a full service state-of-the-art library by closing the Downtown and College Terrace branches. He would be willing to work passionately to rebuild the Mitchell Park Library and believed the City would approve a bond measure for the site.

Council Member Cordell concurred with her colleagues about the concern there might not be the financial gain or benefit that staff spoke of if the two neighborhood libraries were closed. She said given everything she had heard she did not believe transforming the City's library from a neighborhood model to one centrally located was in the best interest of everyone in the community. She noted there had not been a huge outcry by Palo Altans bemoaning the fate of the libraries. She would like to see the libraries become a top priority and hoped the Council would make a decision and move forward in determining a new vision for the City's libraries. She expressed support for the substitute motion.

Vice Mayor Burch asked whether the list of items read by Council Member Freeman corresponded with the Library Director's figures.

Ms. Simpson said she could not verify the numbers. She believed there was a question of interpretation and offered to review them and give Council an informed answer.

Vice Mayor Burch said he agreed the current situation was not sustainable, and could not continue as it was. He believed staff had missed the mark when they did not say whether Palo Alto could be creative in having one full service library and provide several branch libraries to the neighborhoods. He expressed support for the Blue Ribbon Committee.

Council Member Ojakian asked whether the \$5.2 million for library services was all-inclusive, and included Information Technology (IT) and janitorial services.

Ms. Simpson said there were certainly other costs associated with operating the library not included in the Library's Departmental Budget.

Council Member Ojakian asked what those items were and did she have an estimated cost.

Ms. Simpson said she did not have that information readily available.

Council Member Ojakian said in the past IT services were not reflected in the library's operating budget, but was one of the major added costs. In his opinion, library services in Palo Alto could be better; however, the community could not agree. Former City Manager June Fleming had extensive library experience. She proposed a plan to keep three libraries in Palo Alto. The present Library Director believed the library system did not function the way it could. In the short term, staff should rely on the LAC. He expressed support for a full service library but did not believe it should be done at the expense of the branch library system. He concurred with Vice

Mayor Burch regarding the Mitchell Park Library. He suggested taking a look at having someone "adopt" the Downtown Library. It could become a specialized library that had a section of the collection devoted to business books or other similar ideas to help the funding come from elsewhere.

Council Member Kleinberg said she was unclear whether the recommendations by the Library Director were what needed to be done. She had a number of unanswered questions: 1) what were the real savings from the closures since it was suggested they would be used as another facility or service; 2) what would be the budget savings if money was being reallocated to different places; 3) what were the backfill strategies, if any; and 4) what would be the cost of the City's shuttle service, mobile library, and mailbox drops. She expressed concern about the demand for more library resources due to plans for increased housing in Palo Alto.

SUBSTITUTE MOTION PASSED 9-0.

MOTION: Council Member Freeman moved to maintain all the current branch libraries.

MOTION DIED FOR LACK OF A SECOND

MOTION: Council Member Kleinberg moved, seconded by Freeman, to direct the Library Advisory Committee (LAC) to recommend a strategy for creating a full service library at the existing or another site; a strategy to include maintaining neighborhood facilities and distributive services; to maintain collection services; and to direct the LAC to recommend a redefinition of branch services ~~and to make libraries a Top Five Priority in the 2005/07 budget.~~

Council Member Kleinberg said, as an example, a full service library in combination with distributed services was the hardest task to undertake. However, she would welcome the LAC taking on the challenge in conjunction with the Library Director.

Council Member Freeman said the LAC was looking for some direction in which to put their time and effort.

Council Member Ojakian said he was supportive of having a full service library, but expressed opposition to the motion. He did not want to tie the Library Director's hands.

Council Member Morton expressed support for the motion.

Council Member Mossar said the motion was silent on budget direction and, therefore, he would not support it.

Vice Mayor Burch expressed support for the motion.

Mr. Benest said should the motion be approved, it would not be completed by budget time. He anticipated preparing a balanced budget for the Council to evaluate, which included layoffs in a variety of areas.

Council Member Kleinberg clarified should the Council adopt the motion, which stated they did not want the branch libraries closed, that would not be included in the budget.

Mr. Benest said that was correct. If the Council indicated they did not want to close branches, that would not be included in the proposed budget. However, staff would not be able to come up with a doable, practical and funded program by budget time.

Mayor Beecham said what he heard that evening was the same thing every time the issue arose: 1) a full service library; 2) distributed libraries; and 3) make the library a priority for the budget. He wondered what had changed that caused the libraries to now become a priority for the budget. He did not believe the project was any closer to working, nor would it work by sending it back to the LAC. He expressed disappointment with the LAC. He acknowledged they poured their heart into the libraries; however, the Council had heard them over the years shifting between keeping the distributed libraries and letting them go. He did not believe the Council had the information they needed to proceed further. There were no sacred cows in the City. Every department would be considered in resolving the City's budget in the coming years.

Council Member Morton said he did not believe any of his colleagues intended to make a motion which would in any way exempt the library from budgetary cuts. He expressed support for the motion.

Council Member Kishimoto expressed support for the motion with the Top 5 Priority clause removed.

MAKER OF MOTION agreed to remove the Top 5 Priority clause from the motion.

Council Member Kishimoto agreed the Council should learn from the past mistake of giving a big task to the LAC without discussing the budget. She said during the temporary closure of Children's Library, approximately 15 FTE personnel would be shifted to other sites. She hoped senior staff would

take that opportunity to invest in productivity changes previously discussed. She disagreed with Mayor Beecham regarding the lack of progress. There was a proposed model of one resource library and four satellite branches.

Council Member Freeman said from her perspective the Top 5 issue would have been a valid way to ensure appropriate funding as the budget was being developed.

MOTION PASSED 7-2, Mossar, Ojakian no.

PUBLIC HEARINGS

15. Public Hearing: Acceptance of Citizens Options for Public Safety (COPS) Funds in the Amount of \$100,000 for the Purchase of a Bar Coding System, Evidence Collection and Detection Equipment, Upgrade of Hostage Negotiation Equipment, Laptop for Sexual Assault Investigations, and Upgrades of the Police Motorcycle Program

Mayor Beecham declared the Public hearing open at 10:55 p.m.

Aram B. James said Police Chief Lynne Johnson stated at the Human Relations Commission (HRC) of December 9, 2004, one reason she could not continue collecting the quantity and quality data on racial profiling was the lack of staffing and/or funding. He suggested having money put toward the continued collection of racial profiling data, as well as having review by an independent expert.

Mayor Beecham declared the Public Hearing closed at 11:00 p.m.

MOTION: Council Member Mossar moved, seconded by Kleinberg, to approve the staff recommendation to accept Citizens Options for Public Safety (COPS) funds in the amount of \$100,000 for the purchase of bar coding system, evidence collection and detection equipment, upgrade of hostage negotiation equipment, laptop for sexual assault investigations, and upgrade of police motorcycles.

MOTION PASSED 9-0.

16. Public Hearing: The City Council will Consider a Proposed Exchange of Land Between the City of Palo Alto and the Palo Alto Unified School District Adjusting the Boundary Between Walter Hays School and Rinconada Park, a Dedicated Public Park, without Increasing or Decreasing the Area of Either Property

Council Member Freeman stated she would not participate in the item due to a conflict of interest because of Government Code Section 1090, as she was employed as a substitute teacher with the Palo Alto Unified School District (PAUSD).

Council Member Kleinberg asked whether there was a deadline for Council's consideration of the matter.

Assistant City Manager Emily Harrison said she did not believe there was, however, the encroachment had been extended for quite some time.

Council Member Kleinberg said there were a number of people in the audience who had been waiting a long time to speak to the issue, and wondered if public comment could be taken first.

Ms. Harrison said staff did not need to make a presentation, and Council had already reviewed the issue at length.

Mayor Beecham clarified it was the consensus of the Council to take public comment that evening and then discuss the item.

Mayor Beecham declared the Public Hearing open at 11:04 p.m.

Gail Price, Vice President Palo Alto School Board, 25 Churchill Avenue, encouraged the Council to vote in favor of staff's recommendation. The resolution met the needs of all the parties.

Wayne Swan, 240 Kellogg Avenue, said several years prior the Palo Alto Unified School District (PAUSD) mistakenly placed two portable classrooms and constructed playground structures within the boundaries of Rinconada Park. The portable classrooms were placed on the Walter Hays School site with a low fence between the parcels. The PAUSD had promised to relocate its facilities and remove the encroachment. He wondered how many dollars had been spent by the City to resolve the problem. If the classrooms could be relocated, why had the City not asked the PAUSD to move them off dedicated parkland.

Norman Carroll, Emerson and University, said the issue had been floating around for the past The City could possibly open itself up for a lawsuit if they did not follow the procedure recommended by the Policy and Services Committee.

William Spangler, 471 Carolina Lane, said he understood the PAUSD, as another governmental agency, did not have to get approval from Palo Alto,

have designs reviewed, or conduct inspections. He believed they should fix the problem and pay for the error.

Herb Borock, P.O. Box 632, said the Council should reject staff's recommendation, place the land exchanges on the ballot, as required by the City Charter, and subject the PAUSD to pay for the land swap. The Charter Amendments of 1965 and 1969 required a vote of the people to remove land from dedicated parkland.

Tom Jordan, 474 Churchill Avenue, urged the Council to vote against staff's recommendation. He did not believe the Council had the power to do such an exchange based on the following: 1) there was nothing in the City Charter that incorporated what staff had relied upon for the exchange; 2) Enid Pearson, one of the authors of Article VIII of the City Charter previously stated to Council that minor exchanges were not permitted under the Charter; 3) the Charter Review Committee minutes indicated not even a square foot of land could be given without a vote of the people; and 4) former City Attorney Ariel Calonne advised the Council in 1990, 1991, and via email in November 2003, the provision staff had relied upon did not permit minor exchanges. He said the Council had three alternatives: 1) vote in favor of staff's recommendation which, in his mind, was illegal; 2) pay for an election; or 3) require the PAUSD to remove the portable classrooms by giving them a deadline to either remove the buildings or pay for the election in full. He believed the PAUSD's figure of \$300,000 to remove the buildings was highly inflated.

Mayor Beecham declared the Public Hearing closed at 11:15 p.m.

MOTION: Vice Mayor Burch moved, seconded by Ojakian, to approve the staff recommendation to: 1) pass a Resolution overruling any protests and authorizing the exchange of land between the City of Palo Alto and the Palo Alto Unified School District for the purpose of adjusting the boundary between Rinconada Park and Walter Hays School without increasing or decreasing the area of either property; 2) introduce an Ordinance adjusting the boundary of Rinconada Park; and 3) approve the Agreement for Exchange of real property pursuant to Government Code sections 38440 et seq. The purpose of the exchange is to abate the Walter Hays School encroachment into Rinconada Park.

Ordinance 1st Reading entitled "Ordinance of the Council of the City Of Palo Alto Amending Exhibit A-17 to Section 22.08.210 of Chapter 22.08 of Title 2 of the Palo Alto Municipal Code to Adjust the Boundary of Rinconada Park"

Resolution 8492 entitled "Resolution of the Council of the City of Palo Alto Authorizing the Exchange of Land Between the City of Palo Alto and the Palo Alto Unified School District for the Purpose of Adjusting the Boundary Between Walter Hays School and Rinconada Park, a Dedicated Public Park, Without Increasing or Decreasing the Area of Either Property"

Vice Mayor Burch said the idea that the residents of Palo Alto would want either the City to pay the cost of an election or the PAUSD to pay the cost of relocating the portable classrooms simply did not make sense. He did not see any reason to punish the PAUSD for an honest mistake, nor was there any reason to punish the City for whatever the Council decided to do.

Council Member Ojakian asked whether the City Attorney believed the exchange of land was legally defensible.

City Attorney Gary Baum said both he and the Senior Assistant City Attorney Wynne Furth discussed the matter at length and believed it was a perfectly legal and acceptable solution to the problem. In response to Mr. Jordan's comments, the City Charter did refer to the General Law, which had an exemption under which the City had proceeded. The General Law provision found in California Government Code §38441 was directly referenced within the Charter. He said testimony by the draftsman of a Charter was not relevant. What was relevant was the language in the Charter and the Government Code. A boundary adjustment from 1965 or 1968 was illustrative of something, but was not disposition of the present incident. The Charter Review Committee minutes were not relevant to the current proceedings. Ariel Calonne's comments of 1990 were interesting for 1990, but might not reflect on the current situation. While he and the Council had a great deal of respect for Mr. Calonne, his comments via email, while he was in Boulder, Colorado, applied to Boulder and not the City of Palo Alto. He expressed no legal difficulties in advising the Council they could proceed.

Council Member Kleinberg asked for an explanation of the exemption.

Mr. Baum said the City Charter had a provision that stated how the City dealt with land in City parks. The provision referred to the General Law and attached Government Code §38441, which had a specific exemption. The exemption said without a special election, the legislative body might convey a minor portion of such a park in exchange for an equal or greater area. It further stated the methodology used: 1) a notice and public hearing; 2) a determination that it was in the public interest; 3) the adoption of a resolution; and 4) the adoption of an ordinance.

Council Member Cordell said she understood the language in the Charter and the explanation given by the City Attorney; however, she respectfully disagreed. It came down to what "minor" was and its definition. She would not vote in support of the motion.

Council Member Kishimoto agreed the action taken by the PAUSD was a small and honest mistake, and a fair exchange had been proposed. She said she would stick with her previous position and not vote in support of the motion.

MOTION PASSED 5-3, Cordell, Kishimoto, Kleinberg, no, Freeman not participating.

COUNCIL MATTERS

17. Compensation Recommendations for City Manager Frank Benest, City Auditor Sharon Erickson and City Clerk Donna Rogers

Council Member Mossar said the Memorandum before the Council was unanimously supported by the Council-Appointed Officers (CAO) Committee, reflected the outcome of the process, which involved the CAO Facilitator, John Shannon, and input from the Council Members, both individually and as a group. The CAO Committee felt the process valuable and effective.

Herb Borock, P.O. Box 632, said the motion by Council Member Mossar related to compensation of the CAO's; however, the Committee recommendation contained one additional item, which was to update the Employment Agreement with the City Manager. He believed the language should be deleted because the Charter stated the first duty of the City Manager was to devote his entire time to the discharge of the duties of his office. In addition, there was already an existing Employment Agreement with the City Manager. If there was a recommendation to change the Employment Agreement, both the previous and revised Employment Agreements should have been attached to the staff report and made available to the Council and the public.

Council Member Mossar thanked Mr. Borock for noting that the motion failed to mention the fifth provision to update the City Manager's employment agreement, but it was a part of her motion.

MOTION: Council Member Mossar moved, seconded by Burch, to approve the CAO Committee recommendations for compensation as follows: 1) each officer will receive a 10 percent salary increase; 2) each officer will continue to enjoy the same benefits for retirement, medical, dental and vision coverage, and deferred compensation; 3) the City Auditor and City Clerk

shall continue to receive a \$3,900 Transportation Allowance (formerly referred to as "Auto Allowance"). Council Appointed Officers are encouraged to take advantage of transportation alternatives as feasible; 4) the City Manager will continue to have use of a City-owned fleet vehicle, with the understanding he is also encouraged to take advantage of transportation alternatives as feasible; and 5) the City Council agrees to update the contract for City Manager Benest to confirm the existing policy that he may be involved in outside employment as long as it does not conflict or interfere with his job as City Manager.

City Attorney Gary Baum said, as a point of clarification in response to the public comment, the Council would not actually make any change to the contract that evening, but rather direct staff to come back with it.

Mayor Beecham asked if there was anything the Council could do in order to take action that evening.

Mr. Baum said he did not believe so.

Council Member Mossar said it should return on the Consent Calendar.

Mr. Baum said the change to the contract was minor.

MOTION PASSED 8-0, Freeman absent.

Council Member Mossar expressed thanks to Mr. Shannon for all his work in helping the Council through the process.

Council Member Kishimoto concurred with the comments of Council Member Mossar. She also thanked the CAO Chair Council Member Mossar for doing a wonderful job in leading the Committee.

The City Council adjourned to a Special Meeting at 11:30 p.m. as the Palo Alto Redevelopment Agency and reconvened as the City Council.

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Council Member Ojakian thanked Mayor Beecham for his wonderful job as Mayor this year.

CLOSED SESSION

The meeting adjourned at 11:38 p.m. to a Closed Session.

Council Member Ojakian stated he would not participate in Item No. 20 due to a conflict of interest because Hewlett Packard employed him.

City Attorney Gary Baum stated he could not participate in Item No. 20 due to a conflict of interest because of his spouse's employment.

18. CONFERENCE WITH CITY ATTORNEY -- EXISTING LITIGATION
Subject: In re Enron Corp., Debtor, U.S. Bankruptcy Court, Southern District of New York; Case No.: 01-16034(AJG)
Authority: Government Code section 54956.9(a)
19. CONFERENCE WITH CITY ATTORNEY -- EXISTING LITIGATION
Subject: Ina Jekel and Lance Jekel v. City of Palo Alto, et al.; SCC #1-03-CV-010476
Authority: Government Code section 54956.9(a)
20. CONFERENCE WITH CITY ATTORNEY -- EXISTING LITIGATION
Subject: Telik, Inc., et al. v. City of Palo Alto, et al., Santa Clara Superior 1-04-CV-027100
Authority: Government Code section 54956.9(a)

The City Council met in Closed Session to discuss matters regarding existing litigation, as described in Agenda Item No. 18, 19 and 20.

Mayor Beecham announced there was no reportable action taken.

FINAL ADJOURNMENT: The meeting adjourned at 11:55 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

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