



# CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting  
June 17, 2019

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:00 P.M.

Present: Cormack, DuBois, Filseth, Fine, Kniss, Kou, Tanaka

Absent:

## Closed Session

1. CONFERENCE WITH CITY ATTORNEY- EXISTING LITIGATION  
Subject: Gustavo Alvarez v. City of Palo Alto, et al.  
United States District Court, Northern District of California,  
Case No. 5:19-cv-02328-NC  
Authority: Government Code Section 54956.9(d)(1).
2. CONFERENCE WITH LABOR NEGOTIATORS  
City Representatives: City Manager and his Designees  
Pursuant to Merit System Rules and Regulations (Ed Shikada,  
Molly Stump, Kiely Nose, Rumi Portillo)  
Unrepresented Employee Group: Management, Professional and  
Confidential Employees  
Authority: Government Code Section 54957.6.

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

**MOTION PASSED:** 7-0

Council went into Closed Session at 5:02 P.M.

Council returned from Closed Session at 6:52 P.M.

Mayor Filseth announced no reportable action.

## Agenda Changes, Additions and Deletions

None.

# ACTION MINUTES

## Minutes Approval

3. Approval of Action Minutes for the May 20, 2019 Council Meeting.

**MOTION:** Mayor Filseth moved, seconded by Council Member Kniss to approve the Action Minutes for the May 20, 2019 Council Meeting.

**MOTION PASSED:** 7-0

## Consent Calendar

**MOTION:** Vice Mayor Fine moved, seconded by Council Member Kniss to approve Agenda Item Numbers 4-9.

4. Approval of Contract Number C19174797 With Palo Alto Housing Corporation for the Provision of Below Market Rate (BMR) Administration Services for \$290,000 Over a Two-year Period.
5. Approval of a Side Letter With the Palo Alto Peace Officers' Association (PAPOA) Regarding Trainee pay Rates-administrative Cleanup.
6. Approval of an Exemption From Competitive Solicitation and Approval of Contract Number C19175498 With Integrated Design 360 for Development and Support of: 1) Sustainability Implementation Plan, 2) Green Building Program, 3) Deconstruction and Source Separation Program, 4) Dewatering Monitoring Program, and 5) Utilities On-call Services Through June 30, 2020 for a Total Not-to-Exceed Amount of \$576,000.
7. Request for Authorization to Increase the Existing Legal Services Agreement With the Law Firm of Jarvis, Fay & Gibson for Litigation Defense Services by an Additional \$200,000 for a Total Not-to-Exceed Amount of \$695,000, and to Extend the Term of the Agreement to June 30, 2021.
8. Ordinance 5469 Entitled "Ordinance of the Council of the City of Palo Alto for Pickleball Courts at Mitchell Park (FIRST READING: June 3, 2019, PASSED: 7-0)."
9. Ordinance 5470 Entitled "Ordinance of the Council of the City of Palo Alto Amending the Zoning Map of the City of Palo Alto for 2321 Wellesley Street to Change the Zoning From R-1 (Single Family Residential) to RMD (NP) (Two Unit Multiple-family Residential District With Neighborhood Preservation Overlay) Zoning District (FIRST READING: June 3, 2019, PASSED 7-0)."

# ACTION MINUTES

**MOTION PASSED:** 7-0

## Action Items

10. Ordinance 5471 Entitled "Ordinance of the Council of the City of Palo Alto for Fiscal Year 2020, Including Adoption of the Operating and Capital Budgets and the Municipal Fee Schedule."

**MOTION:** Council Member DuBois moved, seconded by Council Member Kniss to:

- A. Adopt the Fiscal Year 2020 Budget Ordinance, which includes:
- i. City Manager's Fiscal Year 2020 Proposed Operating and Capital Budgets, previously distributed at the April 22nd City Council meeting;
  - ii. Amendments to the City Manager's Fiscal Year 2020 Proposed Operating Budget;
  - iii. Amendments to the City Manager's Fiscal Year 2020 Proposed Capital Budget;
  - iv. Fiscal Year 2020 City Table of Organization;
  - v. Fiscal Year 2020 Municipal Fee Changes;
- B. Amend the Municipal Fee Cost Recovery Policy 1-57/ASD to include language clarifying that certain types of fees are not subject to state laws limiting fees to cost recovery; and
- C. Accept the 2020-2024 Capital Improvement Plan including: the addition of the Automated Parking Guidance System to the 2014 Council approved Infrastructure Plan, allocation of new hotel Transient Occupancy Tax (TOT) revenues, and the November 2018 voter approved increase in TOT revenues towards ensuring sufficient funding for this plan; and
- D. Return to the Finance committee to strategize the use of uncommitted fund from the Stanford University Medical Center (SUMC) Development Agreement.

Public Hearing opened at 8:08 P.M.

Public Hearing closed at 8:13 P.M.

# ACTION MINUTES

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to continue with \$660,000 budgeted for the TMA but increase the funding by \$90,000 for a total amount of \$750,000 for a period of one year.

**AMENDMENT:** Council Member Kou moved, seconded by Council Member XX to allocate \$50,000 from the Council Contingency Fund to engage someone who can assist the City with development of programs for persons with disabilities.

## **AMENDMENT WITHDRAWN BY THE MAKER**

**AMENDMENT:** Council Member Tanaka moved, seconded by Council Member XX to allocate \$50,000 from the Council Contingency Fund toward surveying residents.

## **AMENDMENT FAILED DUE TO THE LACK OF A SECOND**

**AMENDMENT:** Council Member Tanaka moved, seconded by Council Member XX to reduce budget expenditures by \$18.4 million.

## **AMENDMENT FAILED DUE TO THE LACK OF A SECOND**

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to allocate \$72,000 from the Council Contingency Fund toward business development and engagement.

**MOTION AS AMENDED:** Council Member DuBois moved, seconded by Council Member Kniss to:

- A. Adopt the Fiscal Year 2020 Budget Ordinance, which includes:
  - i. City Manager's Fiscal Year 2020 Proposed Operating and Capital Budgets, previously distributed at the April 22nd City Council meeting;
  - ii. Amendments to the City Manager's Fiscal Year 2020 Proposed Operating Budget;
  - iii. Amendments to the City Manager's Fiscal Year 2020 Proposed Capital Budget;
  - iv. Fiscal Year 2020 City Table of Organization;
  - v. Fiscal Year 2020 Municipal Fee Changes;

# ACTION MINUTES

- B. Amend the Municipal Fee Cost Recovery Policy 1-57/ASD to include language clarifying that certain types of fees are not subject to state laws limiting fees to cost recovery;
- C. Accept the 2020-2024 Capital Improvement Plan including: the addition of the Automated Parking Guidance System to the 2014 Council approved Infrastructure Plan, allocation of new hotel Transient Occupancy Tax (TOT) revenues, and the November 2018 voter approved increase in TOT revenues towards ensuring sufficient funding for this plan;
- D. Return to the Finance Committee to strategize the use of uncommitted funds from the Stanford University Medical Center (SUMC) development agreement;
- E. Continue with \$660,000 budgeted for the TMA, but increase the funding by \$90,000 from the University Avenue Parking Permit Fund for a total amount of \$750,000 for a period of one year; and
- F. Allocate \$72,000 from the Council Contingency toward business development and engagement services.

**MOTION AS AMENDED PASSED:** 6-1 Tanaka no

Council took a break at 9:35 P.M. and returned at 9:46 P.M.

11. PUBLIC HEARING & PROPOSITION 218 HEARING: Staff Recommendation That the City Council Adopt the Following Resolutions: Resolution 9837 Entitled "Resolution of the Council of the City of Palo Alto Approving the Fiscal Year (FY) 2020 Electric Utility Financial Plan;" Resolution 9838 Entitled "Resolution of the Council of the City of Palo Alto Adopting an Electric Rate Increase and Amending Utility Rate Schedules E-1, E-2, E-2-G, E-4, E-4-G, E-4 TOU, E-7, E-7-G, E-7 TOU, E-14, E-EEC and E-NSE;" Resolution 9839 Entitled "Resolution of the Council of the City of Palo Alto Approving the FY 2020 Gas Utility Financial Plan;" Resolution 9840 Entitled "Resolution of the Council of the City of Palo Alto Adopting a Gas Rate Increase and Amending Utility Rate Schedules G-1, G-2, G-3 and G-10;" Resolution 9841 Entitled "Resolution of the Council of the City of Palo Alto Approving the FY 2020 Wastewater Collection Utility Financial Plan;" Resolution 9842 Entitled "Resolution of the Council of the City of Palo Alto Adopting a Wastewater Collection Rate Increase and Amending Utility Rate Schedules S-1, S-2, S-6 and S-7;" Resolution 9843 Entitled "Resolution of the Council of the City of Palo alto Approving the FY 2020 Water Utility Financial Plan;" Resolution 9844

# ACTION MINUTES

Entitled "Resolution of the Council of the City of Palo Alto Adopting a Water Rate Increase and Amending Utility Rate Schedules W-1, W-2, W-3, W-4 and W-7;" Resolution 9845 Entitled "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedule D-1 to Increase Storm Drain Rates 4.5 Percent per Month per Equivalent Residential Unit for FY 2020;" Resolution 9846 Entitled "Resolution of the Council of the City of Palo Alto Adopting a Dark Fiber Rate Increase of 4.5 Percent;" and Amending Utility Rate Schedules EDF-1 and EDF-2.

Public Hearing opened and closed without public comment at 9:51P.M.

**MOTION:** Mayor Filseth moved, seconded by Council Member DuBois to approve and adopt the following Resolutions:

- A. Approving the Fiscal Year 2020 Electric Financial Plan and proposed transfers;
- B. Adopting an Electric Rate Increase and Amending Utility Rate Schedules E-1, E-2, E-2-G, E-4, E-4-G, E-4 TOU, E-7, E-7-G, E-7 TOU, E-14, E-EEC and E-NSE;
- C. Approving the Fiscal Year 2020 Gas Utility Financial Plan and proposed transfers;
- D. Adopting a Gas Rate Increase and Amending Utility Rate Schedules G-1, G-2, G-3 and G-10;
- E. Approving the Fiscal Year 2020 Wastewater Collection Utility Financial Plan and proposed transfers;
- F. Adopting a Wastewater Collection Rate Increase and Amending Utility Rate Schedules S-1, S-2, S-6 and S-7;
- G. Approving the Fiscal Year 2020 Water Utility Financial Plan and proposed transfers;
- H. Adopting a Water Rate Increase and Amending Utility Rate Schedules W-1, W-2, W-3, W-4 and W-7;
- I. Amending Utility Rate Schedule D-1 to Increase Storm Water Management Fee Rates by 4.5 Percent per Month per Equivalent Residential Unit for Fiscal Year 2020; and
- J. Adopting a Dark Fiber Rate Increase of 4.5 Percent and Amending Utility Rate Schedules EDF-1 and EDF-2.

# ACTION MINUTES

## MOTION SPLIT FOR THE PURPOSE OF VOTING

**MOTION:** Mayor Filseth moved, seconded by Council Member DuBois to approve and adopt the following Resolutions:

- E. Approving the Fiscal Year 2020 Wastewater Collection Utility Financial Plan and proposed transfers; and
- F. Adopting a Wastewater Collection Rate Increase and Amending Utility Rate Schedules S-1, S-2, S-6 and S-7.

**MOTION PASSED:** 7-0

**MOTION RESTATED:** Mayor Filseth moved, seconded by Council Member DuBois to approve and adopt the following Resolutions:

- A. Approving the Fiscal Year 2020 Electric Financial Plan and proposed transfers;
- B. Adopting an Electric Rate Increase and Amending Utility Rate Schedules E-1, E-2, E-2-G, E-4, E-4-G, E-4 TOU, E-7, E-7-G, E-7 TOU, E-14, E-EEC and E-NSE;
- C. Approving the Fiscal Year 2020 Gas Utility Financial Plan and proposed transfers;
- D. Adopting a Gas Rate Increase and Amending Utility Rate Schedules G-1, G-2, G-3 and G-10;
- G. Approving the Fiscal Year 2020 Water Utility Financial Plan and proposed transfers;
- H. Adopting a Water Rate Increase and Amending Utility Rate Schedules W-1, W-2, W-3, W-4 and W-7;
- I. Amending Utility Rate Schedule D-1 to Increase Storm Water Management Fee Rates by 4.5 Percent per Month per Equivalent Residential Unit for Fiscal Year 2020; and
- J. Adopting a Dark Fiber Rate Increase of 4.5 Percent and Amending Utility Rate Schedules EDF-1 and EDF-2.

**MOTION PASSED:** 5-2 Kou, Tanaka no

# ACTION MINUTES

12. Resolution 9847 Entitled "Resolution of the Council of the City of Palo Alto Amending Objective Standards for Wireless Communications Facilities in the Public Rights of Way (Continued From June 3, 2019) to Delete Inadvertently Added Language, Clarify Existing Standards, and Adopt an Interim Setback from Schools."

**MOTION:** Council Member Kou moved, seconded by Council Member XX to adopt the Resolution with the following changes:

- A. Take no Action on Standard 22;
- B. WCF nodes shall not be placed 1000 feet from any parcel containing a Grade K-12 school; and
- C. WCF shall not be placed within 300 feet of a residence.

## **MOTION FAILED DUE TO THE LACK OF A SECOND**

**MOTION:** Council Member DuBois moved, seconded by Council Member Cormack to adopt a Resolution amending the recently adopted objective standards for Wireless Communications Facilities (WCFs) attached to wood utility poles in the public rights of way to delete a standard inadvertently included through an administrative error.

**MOTION PASSED:** 6-1 Kou no

Adjournment: The meeting was adjourned at 10:50 P.M.