



CITY OF PALO ALTO OFFICE OF THE CITY CLERK

June 27, 2016

The Honorable City Council
Attention: Finance Committee
Palo Alto, California

Approval of Action Minutes for the June 13, 2016 Council Meeting

Staff is requesting Council review and approve the attached Action Minutes.

ATTACHMENTS:

- **Attachment1.a:** Attachment A: 06-13-16 DRAFT Action Minutes (DOC)

Department Head: Beth Minor, City Clerk



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Regular Meeting
June 13, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:03 P.M.

Present: Burt, DuBois, Filseth, Holman, Kniss arrived at 6:30 P.M., Scharff, Schmid, Wolbach

Absent: Berman

Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS
City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Molly Stump, Suzanne Mason, Rumi Portillo, Dania Torres Wong, Allyson Hauk)
Employee Organizations: Palo Alto Fire Chiefs' Association (FCA); Management, Professional and Confidential Employees; Utilities Management and Professional Association of Palo Alto (UMPAPA)
Authority: Government Code Section 54957.6(a).

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

MOTION PASSED: 7-0 Berman, Kniss absent

Council went into Closed Session at 6:05 P.M.

Council returned from Closed Session at 7:17 P.M.

Mayor Burt announced no reportable action.

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Special Orders of the Day

2. Proclamation to Honor Paula Kirkeby for her Contributions to the Community.

Agenda Changes, Additions and Deletions

None.

Minutes Approval

3. Approval of Action Minutes for the May 23 and 31, 2016 Council Meetings.

MOTION: Council Member Kniss moved, seconded by Mayor Burt to approve the Action Minutes for the May 23 and 31, 2016 Council Meetings.

MOTION PASSED: 8-0 Berman absent

Consent Calendar

MOTION: Council Member Wolbach moved, seconded by Council Member Schmid, third by Vice Mayor Scharff to pull Agenda Item Number 7-Approval and Authorization for the City Manager to Sign... to be heard as Agenda Item Number 10a.

MOTION: Council Member Kniss moved, seconded by Vice Mayor Scharff to approve Agenda Item Numbers 4-6, and 8.

4. Authorize the City Manager to Execute an Agreement Between the City of Palo Alto and ENGEIO Incorporated, for a Hydrologic and Hydraulic Study of Buckeye Creek in an Amount Not-to-Exceed \$104,998.
5. Approve and Authorize the City Manager to Execute a Contract With Nova Partners, Inc., in an Amount Not-to-Exceed \$4,200,471 to Perform Program Management Services in Support of Nine Infrastructure Plan Projects Including the Public Safety Building.
6. Adoption of Fiscal Year 2017 Investment Policy.

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7. ~~Approval and Authorization for the City Manager to Sign a Letter Commenting on the City of East Palo Alto's General Plan Update and Draft Environmental Impact Report.~~
8. Authorize the City Manager or his Designee to Execute an Amended Indemnity Agreement With the Santa Clara Stadium Authority to Allow Provision of Requested Law Enforcement Services to Levi's Stadium.

MOTION PASSED: 8-0 Berman absent

Action Items

9. PUBLIC HEARING & PROPOSITION 218 HEARING: Ordinance 5386 Entitled, "Ordinance of the Council of the City of Palo Alto for Fiscal Year (FY) 2017, Including Adoption of Operating & Capital Budgets and Municipal Fee Schedule;" Resolution 9592 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Dark Fiber Rate Increase of 3.2 Percent and Amending Utility Rate Schedules EDF-1 & EDF-2;" Resolution 9593 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2017 Electric Financial Plan and Amending the Electric Utility Reserves Management Practices;" Resolution 9594 Entitled, "Resolution of the Council of the City of Palo Alto Adopting an Electric Rate Increase of 11 Percent 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-16 & Repealing Utility Rate Schedules E-18 & E-18-G;" Resolution 9595 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2017 Gas Utility Financial Plan;" Resolution 9596 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Gas Rate Increase of 8 Percent and Amending Utility Rate Schedules G-1, G-1-G, G-2, G-2-G, G-3, G-3-G, G-10, & G-10-G;" Resolution 9597 Entitled, "Resolution of the Council of the City of Palo Alto Adopting Refuse Rate Changes Including a 7 Percent Decrease and Up to a 9 Percent Increase and Amending Utility Rate Schedule R-1, and Consolidating Utility Rate Schedules R-2 & R-3 Into a new Utility Rate Schedule Designated R-C;" Resolution 9598 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedule D-1 to Increase Storm Drain Rates 3.2 Percent per Month per Equivalent Residential Unit for FY 2017;" Resolution 9599 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2017 Wastewater Collection Utility Financial Plan;" Resolution 9600 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Wastewater Collection Fee Increase of 9 Percent & Amending Utility Rate Schedules S-1, S-6, and S-7;" Resolution 9601 Entitled, "Resolution of the Council of the

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City of Palo Alto Approving the FY 2017 Water Utility Financial Plan;" Resolution 9602 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Water Rate Increase of 6 Percent and Amending Utility Rate Schedules W-1, W-2, W-3, W-4, & W-7;" Resolution 9603 Entitled, "Resolution of the Council of the City of Palo Alto Amending Salary Schedules for the Utilities Management Professional Association of Palo Alto (UMPAPA), the Service Employees International Union (SEIU), and the International Association of Fire Fighters (IAFF)."

Public Hearing opened at 8:02 P.M.

Public Hearing closed at 8:17 P.M.

Council Member DuBois advised he will not participate in this Agenda Item as it related to Stanford University because he has a source of income from the University.

Council Member DuBois left the meeting at 8:20 P.M.

MOTON: Vice Mayor Scharff moved, seconded by Council Member Kniss to approve the Police, Fire, Office of Emergency Services and CIP Budgets affecting Stanford University.

MOTION PASSED: 7-0 Berman absent, DuBois not participating

Council Member DuBois returned to the meeting at 8:29 P.M.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Wolbach to adopt an Ordinance approving the Operating and Capital Budgets and Municipal Fee Schedule; and each of the related rate increases, utility financial plans, and salary schedule Resolutions with the following changes:

- A. An additional \$50,000 for an Emerging Needs Fund for Human Services Resource Allocation Process (HSRAP); and
- B. An additional \$750,000 set aside towards the unfunded pension liability (establishment of a Section 115 Trust Fund).

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part A, "Human Services

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Resource Allocation Process (HSRAP)" with "Human Services including Human Services Resource Allocation Process (HSRAP) grantees."

AMENDMENT: Council Member Holman moved, seconded by Council Member XX to add to the Motion, "include a change to allow for a 7 year tree pruning cycle."

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

AMENDMENT: Council Member DuBois moved, seconded by Council Member XX to replace Part B of the Motion with, "to refer to the Finance Committee options for use of excess Budget Stabilization Reserve (BSR) funds above 18.5 percent towards the Capital Infrastructure Fund and Section 115 Trust Fund."

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

AMENDMENT: Council Member Holman moved, seconded by Mayor Burt to add to the Motion,

- C. Refer to the Policy and Services Committee, to identify options for increasing HSRAP funding in Fiscal Year 2018; and potentially increase HSRAP funding to the \$667,000 level which reflects a 2.5 percent cost of living increase annually from Fiscal Year 2002 levels; and
- D. Explore a low income fee program, specifically with regards to Community Services.

AMENDMENT PART C RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "refer to the Policy and Services Committee, whether or not to increase HSRAP funding in Fiscal Year 2018; and potentially increase HSRAP funding to the \$667,000 level which reflects a 2.5 percent cost of living increase annually from Fiscal Year 2002 levels." (New Part C)

AMENDMENT PART D RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "refer to the Policy and Services Committee to explore a low income fee program, specifically with regards to Community Services." (New Part D)

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "including actions included in the At Places Memorandum" after "Municipal Fee Schedule."

AMENDMENT: Council Member Filseth moved, seconded by Council Member Holman to add to the Motion, "move to 7 years for tree trimming and reduce the Office of Sustainability contingency to \$125,000."

AMENDMENT FAILED: 4-4 Burt, Kniss, Schmid, Wolbach no, Berman absent

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Council Member Wolbach to adopt the Operating and Capital Budgets and Municipal Fee Schedule including actions included in the At Places Memorandum; and each of the related rate increases, utility financial plans, and salary schedule Resolutions with the following changes:

- A. An additional \$50,000 for an Emerging Needs Funds for Human Services including Human Services Resource Allocation Process (HSRAP) grantees; and
- B. An additional \$750,000 set aside towards the unfunded pension liability (establishment of a Section 115 Trust Fund); and
- C. Refer to the Policy and Services Committee, whether or not to increase HSRAP funding in Fiscal Year 2018; and potentially increase HSRAP funding to the \$667,000 level which reflects a 2.5 percent cost of living increase annually from Fiscal Year 2002 levels; and
- D. Refer to the Policy and Services Committee to explore a low income fee program, specifically with regards to Community Services.

MOTION AS AMENDED PASSED: 8-0 Berman absent

- 10. Approval of Funding Agreement With the Palo Alto Transportation Management Association (PATMA) and Silicon Valley Community Foundation in the Amount of \$100,000 for Fiscal Year 2017 for Pilot Programs and Discussion of the PATMA Draft Strategic Plan.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Kniss to approve and authorize the City Manager or his designee to execute the

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funding agreement between the City of Palo Alto, the Silicon Valley Community Foundation, and the Palo Alto Transportation Management Association (PATMA).

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "establish a Council Liaison to PATMA to be appointed by the Mayor." (New Part A)

AMENDMENT: Council Member Wolbach moved, seconded by Council Member XX to add to the Motion, "direct Staff and PATMA to explore outsourcing the operation of the Palo Alto Free Shuttle to PATMA."

AMENDMENT WITHDRAWN BY THE MAKER

AMENDMENT: Council Member DuBois moved, seconded by Council Member XX to add to the Motion, "add to Agreement Item Number 6, 'including mode percent change in Single Occupancy Vehicle (SOV) use' after 'quantitative measures.'"

AMENDMENT RESTATED: Council Member DuBois moved, seconded by Council Member Schmid to add to the Motion, "direct Staff to include percent change in Single Occupancy Vehicle (SOV) use in future presentations to Council." (New Part B)

AMENDMENT AS AMENDED PASSED: 7-1 Wolbach no, Berman absent

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Council Member Kniss to approve and authorize the City Manager or his designee to execute the funding agreement between the City of Palo Alto, the Silicon Valley Community Foundation, and the Palo Alto Transportation Management Association (PATMA); and

- A. Establish a Council Liaison to PATMA to be appointed by the Mayor; and
- B. Direct Staff to include percent change in Single Occupancy Vehicle (SOV) use in future presentations to Council.

MOTION AS AMENDED PASSED: 8-0 Berman absent

Council Member Kniss left the meeting at 11:41 P.M.

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10a. (Former Agenda Item Number 7) Approval and Authorization for the City Manager to Sign a Letter Commenting on the City of East Palo Alto's General Plan Update and Draft Environmental Impact Report.

MOTION: Council Member Wolbach moved, seconded by Council Member XX to authorize the City Manager or his designee to sign a letter commenting on the City of East Palo Alto's General Plan Update and Draft Environmental Impact Report (DEIR) including the following changes:

- A. Remove Paragraph 3 on page 4; and
- B. Remove all references to displacement; and
- C. Add that Palo Alto does not oppose nor seek delay of consideration of additional housing supply; and
- D. Add that Palo Alto recognizes that colocation of housing near jobs can have a positive effect on traffic.

SUBSTITUTE MOTION: Mayor Burt moved, seconded by Vice Mayor Scharff to authorize the City Manager or his designee to sign a letter commenting on the City of East Palo Alto's General Plan Update and DEIR, including the following changes: modify the letter to focus more on evaluation of impacts and alternatives including those related to the Newell Bridge; and avoid specific advocacy on amount of housing development and instead focus on impacts.

MOTION FAILED DUE TO LACK OF SECOND

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add at the end of the Motion, "pro and con."

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add at the end of the Motion, "and limit or remove assumptions regarding displacement."

SUBSTITUTE MOTION RESTATED: Mayor Burt moved, seconded by Vice Mayor Scharff to authorize the City Manager or his designee to sign a letter including the following changes: request the City Manager to modify the letter to focus more on evaluation of impacts and alternatives including

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those related to the Newell Bridge; and avoid specific advocacy on amount of housing development and instead focus on impacts pro and con; and limit or remove assumptions regarding displacement.

SUBSTITUE MOTION AS AMENDED PASSED: 7-0 Berman, Kniss absent

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Vice Mayor Scharff reported that the Cities Association of Santa Clara County voted to support a regional minimum wage. He announced his appointment to the Santa Clara County Airport Land Use Commission.

Council Member Wolbach requested an update on the status of updates to the minimum wage in Palo Alto. He reported his attendance during a vigil at the Billy DeFrank LGBT Community Center in remembrance of those killed in Orlando Florida.

Council Member DuBois reported his attendance along with Vice Mayor Scharff and Council Member Filseth at the airport community meeting on airplane noise. Approximately 100 people attended, including several members of the Federal Aviation Administration Select Committee on South Bay Airplane Noise (Committee). He announced that the next meeting of the Committee is scheduled for June 15. He reported the participation of Council Members Filseth, Holman, and himself at the Stanford University Commencement this past Sunday.

Adjournment: The meeting was adjourned in support of the Orlando, Florida community at 12:10 A.M.