



CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting
June 27, 2017

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:12 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Absent:

Agenda Changes, Additions and Deletions

None.

Minutes Approval

1. Approval of Action Minutes for the June 12, 2017 Council Meeting.

MOTION: Vice Mayor Kniss moved, seconded by Council Member Wolbach to approve the Action Minutes for the June 12, 2017 Council Meeting.

MOTION PASSED: 9-0

Consent Calendar

Agenda Item Number 17- QUASI-JUDICIAL: 305 N. California Avenue [17PLN-00015]... removed from the Agenda due to the withdrawal of the Conditional Use Permit Application.

Council Member Holman registered a no vote on Agenda Item Number 6- Approval of Contract Number C17161815 With Granite Construction Company...

MOTION: Vice Mayor Kniss moved, seconded by Council Member Wolbach to approve Agenda Item Numbers 2-16, 18.

2. Approval of Seven On-call Consulting Services Contracts Totaling \$1.9 Million Over a Three-year Term (Approximately \$630,000 per Year) to Provide Continued Support for Application Processing,

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Environmental Review, Historic Evaluations, and Long Range Planning Projects in the Department of Planning & Community Environment.

3. Approval of a Contract With Graham Contractors, Inc. in the Amount of \$1,386,065 for the FY 2018 Preventive Street Maintenance CIP Project PE-86070, Thermoplastic Lane Marking and Striping CIP Project PO-11001, and University Avenue Parking Improvements CIP Project PF-14003, and Authorization for the City Manager to Negotiate and Execute Related Change Orders Not-to-Exceed \$138,606 in Total Value.
4. Approval of a Purchase Order With Folsom Lake Ford in the Amount of \$304,651 for the Purchase of Eight 2017 Ford Explorer Police Patrol Vehicles.
5. Approval of a Contract With JJR Construction, Inc. in the Amount of \$655,651 for the FY 2017 University Circle Concrete Repair, Capital Improvements Program Project PE-86070, and Authorization for the City Manager to Negotiate and Execute Related Change Orders Not-to-Exceed \$65,565 in Total Value.
6. Approval of Contract Number C17161815 With Granite Construction Company in the Amount of \$8,649,191 for the Construction of Neighborhood Traffic Safety and Bicycle Boulevard Improvements Along; Amarillo Avenue, Bryant Street, East Meadow Drive, Montrose Avenue, Moreno Avenue, Louis Road, Palo Alto Avenue, and Ross Road, Consistent With Approved Concept Plans and the City's Adopted Bicycle + Pedestrian Transportation Plan and Approval of an Appropriation Budget Amendment in the Fiscal Year 2018 Capital Improvement Fund.
7. Approval of Contract Number C18167839 With Anderson Pacific Engineering Construction, Inc. in the Total Amount of \$1,129,700 to Construct the Secondary Clarifiers No. 3 and No. 5 Mechanisms Replacement Project at the Regional Water Quality Control Plant - Capital Improvement Program Project WQ-80021, and Authorization for the City Manager to Negotiate and Execute Change Orders Not-to-Exceed \$102,700 in Total Value.
8. Approval of a Contract With SimplexGrinnell, Inc. in an Amount Not-to-Exceed \$250,185 for the Repair of the City Hall Fire Sprinkler System, and Authorization for the City Manager to Negotiate and Execute Change Orders in an Amount Not-to-Exceed \$17,235 in Total Value.

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9. Authorize the City Manager to Execute an Agreement Between the City of Palo Alto and Intermedix, for Ambulance Service Billing, for a One-year Period Through September 30, 2018, With the Option to Renew for Four Additional One-year Periods Through September 30, 2022 for the Amount of \$160,000 per Year, Not-to-Exceed \$800,000.
10. Approval of Contract Number C17168057 With Carbon Activated Corporation in the Total Amount of \$105,809 for the Installation and Supply of Anthracite and Sand for the Dual Media Filter Project at the Regional Water Quality Control Plant, and Authorization for the City Manager to Negotiate and Execute Related Change Orders Not-to-Exceed \$9,619 in Total Value.
11. Approval of Agreement No. C17168334 Between the City of Palo Alto and the Midpeninsula Community Media Center, Inc. for Cablecasting and Web Streaming Services From July 1, 2017 Through June 30, 2018, in the Amount of \$135,000, With two One-year Options to Extend (for a Potential Three-year Total Not-to-Exceed Amount of \$405,000).
12. Approval of a Purchase Order With Owen Equipment in the Amount of \$477,330 for the Purchase of a 2017 Freightliner Combination Single Engine Sewer Cleaner and Approval of Budget Amendments in the Storm Drain Fund and Vehicle Replacement and Maintenance Fund.
13. Resolution 9690 Entitled, "Resolution of the Council of the City of Palo Alto Summarily Vacating Public Utility Easement at 144 Kellogg Avenue."
14. Resolution 9691 Entitled, "Resolution of the Council of the City of Palo Alto Determining the Proposed Calculation of the Appropriations Limit for Fiscal Year 2018."
15. Adoption of Fiscal Year 2018 Investment Policy.
16. Ordinance 5415 Entitled, "Ordinance of the Council of the City of Palo Alto Requiring Expedited Permitting Procedures for Electric Vehicle Charging Stations (AB 1236) (FIRST READING: June 12, 2017 PASSED 9-0)."
17. ~~QUASI-JUDICIAL: 305 N. California Avenue [17PLN-00015]: Request for a Hearing on the Director's Tentative Denial of a Conditional Use Permit for Operation of the new Mozart School of Music at an Existing Church Facility. Environmental Assessment: in Accordance With the California Environmental Quality Act (CEQA) Guidelines Section 15270~~

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~~CEQA Does not Apply to Projects Which a Public Agency Disapproves.
Zoning District: R-1 (10,000).~~

18. Approval of a Contract With Canopy for \$395,130 for a Three-year Term to Support Palo Alto's Urban Forestry Programs, Assist With Implementation of Programs Within the Urban Forest Master Plan, Improve the Canopy in South Palo Alto, and Educate the Public About Trees.

MOTION FOR AGENDA ITEM NUMBERS 2-5, 7-16, 18 PASSED: 9-0

MOTION FOR AGENDA ITEM NUMBER 6 PASSED: 8-1 Holman no

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19. PUBLIC HEARING: Adoption of Budget Ordinance 5414 Entitled, "Ordinance of the Council of the City of Palo Alto for Fiscal Year (FY) 2018, Including Adoption of Operating and Capital Budgets and Municipal Fee Schedule;" 7 Resolutions: 1) Resolution 9692 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2018 Electric Financial Plan;" 2) Resolution 9693 Entitled, "Resolution of the Council of the City of Palo Alto Adopting an Electric Rate Increase and Amending Electric 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, and E-14;" 3) Resolution 9694 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2018 Gas Utility Financial Plan;" 4) Resolution 9695 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2018 Wastewater Collection Utility Financial Plan;" 5) Resolution 9696 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Dark Fiber Rate Increase and Amending Dark Fiber Rate Schedules EDF-1 and EDF-2;" 6) Resolution 9697 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2018 Water Utility Financial Plan;" and 7) Resolution 9698 Entitled, "Resolution of the Council of the City of Palo Alto Amending Resolution 9671 to Modify Permit Fees for the Downtown Residential Preferential Parking (RPP) Program and Finding the Action Exempt From the California Environmental Quality Act; and Amending Salary Schedules for the Management and Professional Group, the Services Employees International Union, and the Limited Hourly Group."

Public Hearing opened at 6:38 P.M.

Public Hearing closed at 6:54 P.M.

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MOTION: Council Member Filseth moved, seconded by Mayor Scharff to:

- A. Adopt a Budget Appropriation Ordinance, which includes:
 - i. City Manager's Fiscal Year 2018 (FY 2018) Proposed Operating and Capital budgets; and
 - ii. Amendments to the City Manager's Fiscal Year 2018 Proposed Operating and Capital Budgets including:
 - a. The transfer of \$348,000 from the General Fund to the Cubberley Infrastructure Fund and increase the contribution to the Infrastructure Reserve by the commensurate amount; and
 - b. Amend Staff Report, Attachment A, Exhibit 2, Page 12, "Below Market Rate Housing Contract" for \$137,000 was erroneously appropriated in the Below Market Rate Fund (Fund 230) and these funds be corrected to be appropriated in the Housing In-Lieu/Residential Fund (Fund 233); and
 - iii. FY 2018 City Table of Organization; and
 - iv. FY 2018 Proposed Municipal Fee Changes; and
- B. Adopt a Resolution approving the FY 2018 Electric Financial Plan and proposing several transfers for FY 2018; and
- C. Adopt a Resolution amending Rate Schedules E-1 (Residential Electric Service), E-2 (Small Non-Residential Electric Service), E-2-G (Small Non-Residential Green Power Electric Service), E-4 (Medium Non-Residential Electric Service), E-4-G (Medium Non-Residential Green Power Electric Service), E-4 TOU (Medium Non-Residential Time of Use Electric Service), E-7 (Large Non-Residential Electric Service), E-7-G (Large Non-Residential Green Power Electric Service), E-7 TOU (Large Non-Residential Time of Use Electric Service), and E-14 (Street Lights); and
- D. Adopt a Resolution approving the FY 2018 Gas Utility Financial Plan; and
- E. Adopt a Resolution approving the FY 2018 Wastewater Collection Utility Financial Plan; and

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- F. Adopt a Resolution increasing Dark Fiber Rates by 3.5 percent effective July 1, 2017 by Amending Rate Schedules EDF-1 and EDF-2; and
- G. Adopt a Resolution approving the FY 2018 Water Utility Financial Plan and a transfer of \$1.877 million from the Water Rate Stabilization Reserve to the Water Operations Reserve; and
- H. Adopt a Resolution amending Resolution 9671 to modify Permit Fees for the Downtown Residential Preferential Parking (RPP) Program and finding the action exempt from the California Environmental Quality Act (CEQA); and
- I. Approve Amending Salary Schedules for:
 - i. Management and Professional Group (MGMT) as amended on March 27, 2017 to add one new classification and change titles of three classifications; and
 - ii. Service Employees International Union, Local 521 (SEIU) 2015-2018 Memorandum of Agreement (MOA) as amended on February 6, 2017 to reclassify four classifications and change the salary rates of two classifications; and
 - iii. Limited Hourly Group as amended on February 6, 2017 to update the salary rates of one classification; and
- J. Direct Staff to return to the Finance Committee in August to review the citywide implications of:
 - i. Structural revenue and expense growth ensuring expense growth remains at or below that of revenues; and
 - ii. Unfunded pension liability:
 - a. Look first at current public safety growth rate of 10 to 12 percent in relation to citywide growth rate of 6 percent; include a review of staffing levels and alternate models; and
 - b. Review of the financial reporting of the unfunded pension liability.

AMENDMENT: Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "direct Staff to return to Council to clarify transportation funding needs and revenue forecasts from paid parking."

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AMENDMENT FAILED: 4-5 DuBois, Holman, Kou, Tanaka yes

AMENDMENT: Council Member Dubois moved, seconded by Council Member Holman to modify the Motion Part A.i. to allocate an additional \$150,000 to Human Services Resource Allocation Process (HSRAP) and \$198,000 to the Cubberley Infrastructure Reserve.

AMENDMENT RESTATED: Council Member Dubois moved, seconded Council Member Holman to modify the Motion Part Modify Part A.i. to allocate an additional \$94,000 to Human Services Resource Allocation Process (HSRAP) and \$254,000 to the Cubberley Infrastructure Reserve.

SUBSTITUTE AMENDMENT: Mayor Scharff moved, seconded by Council Member Filseth to modify the Motion Part A.i. to allocate an additional \$44,000 to Human Services Resource Allocation Process (HSRAP) and \$304,000 to the Cubberley Infrastructure Reserve.

SUBSTITUTE AMENDMENT PASSED: 5-4 DuBois, Holman, Kou, Tanaka, no

AMENDMENT: Council Member Tanaka moved, seconded by Vice Mayor Kniss to add to the Motion, "direct Staff to include an approximate market pension debt for the City in the Budget."

SECOND WITHDRAWN BY THE SECONDER

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

AMENDMENT: Council Member Holman moved, seconded by Vice Mayor Kniss to add to the Motion, "refer to the Finance Committee discussion and consideration of cost sharing with the Palo Alto Unified School District (PAUSD) relating to budget costs." (New Part K)

AMENDMENT PASSED: 6-3 DuBois, Scharff, Tanaka no

AMENDMENT: Council Member Holman moved, seconded by Council Member Tanaka to add to the Motion, "remove the proposed 0.96 FTE from the Office of Sustainability."

AMENDMENT FAILED: 3-6 Holman, Kou, Tanaka yes

MOTION AS AMENDED: Council Member Filseth moved, seconded by Mayor Scharff to:

A. Adopt a Budget Appropriation Ordinance, which includes:

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- i. City Manager's Fiscal Year 2018 (FY 2018) Proposed Operating and Capital budgets; and
 - ii. Amendments to the City Manager's Fiscal Year 2018 Proposed Operating and Capital Budgets including:
 - a. The transfer of \$348,000 from the General Fund to the Cubberley Infrastructure Fund and increase the contribution to the Infrastructure Reserve by \$304,000 and Human Services Resource Allocation Process (HSRAP) by \$44,000; and
 - b. Amend Staff Report, Attachment A, Exhibit 2, Page 12, "Below Market Rate Housing Contract" for \$137,000 was erroneously appropriated in the Below Market Rate Fund (Fund 230) and these funds be corrected to be appropriated in the Housing In-Lieu/Residential Fund (Fund 233); and
 - iii. FY 2018 City Table of Organization; and
 - iv. FY 2018 Proposed Municipal Fee Changes; and
- B. Adopt a Resolution approving the FY 2018 Electric Financial Plan and proposing several transfers for FY 2018; and
 - C. Adopt a Resolution amending Rate Schedules E-1 (Residential Electric Service), E-2 (Small Non-Residential Electric Service), E-2-G (Small Non-Residential Green Power Electric Service), E-4 (Medium Non-Residential Electric Service), E-4-G (Medium Non-Residential Green Power Electric Service), E-4 TOU (Medium Non-Residential Time of Use Electric Service), E-7 (Large Non-Residential Electric Service), E-7-G (Large Non-Residential Green Power Electric Service), E-7 TOU (Large Non-Residential Time of Use Electric Service), and E-14 (Street Lights); and
 - D. Adopt a Resolution approving the FY 2018 Gas Utility Financial Plan; and
 - E. Adopt a Resolution approving the FY 2018 Wastewater Collection Utility Financial Plan; and
 - F. Adopt a Resolution increasing Dark Fiber Rates by 3.5 percent effective July 1, 2017 by Amending Rate Schedules EDF-1 and EDF-2; and

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- G. Adopt a Resolution approving the FY 2018 Water Utility Financial Plan and a transfer of \$1.877 million from the Water Rate Stabilization Reserve to the Water Operations Reserve; and
- H. Adopt a Resolution amending Resolution 9671 to modify Permit Fees for the Downtown Residential Preferential Parking (RPP) Program and finding the action exempt from the California Environmental Quality Act (CEQA); and
- I. Approve Amending Salary Schedules for:
 - i. Management and Professional Group (MGMT) as amended on March 27, 2017 to add one new classification and change titles of three classifications; and
 - ii. Service Employees International Union, Local 521 (SEIU) 2015-2018 MOA as amended on February 6, 2017 to reclassify four classifications and change the salary rates of two classifications; and
 - iii. Limited Hourly Group as amended on February 6, 2017 to update the salary rates of one classification; and
- J. Direct Staff to return to the Finance Committee in August to review the citywide implications of:
 - i. Structural revenue and expense growth ensuring expense growth remains at or below that of revenues; and
 - ii. Unfunded pension liability:
 - a. Look first at current public safety growth rate of 10 to 12 percent in relation to citywide growth rate of 6 percent; include a review of staffing levels and alternate models; and
 - b. Review of the financial reporting of the unfunded pension liability; and
- K. Refer to the Finance Committee discussion and consideration of cost sharing with Palo Alto Unified School District (PAUSD) relating to budget costs.

MOTION AS AMENDED PASSED: 8-1 Tanaka no

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Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Council Member DuBois noted several members of the public addressed affordable housing during Oral Communications. He announced the submittal by Council Members Holman, Kou, and himself of a Colleagues Memorandum addressing enhancements to the Renter's Protection Ordinance. He shared that other cities are taking action on this front and requested this be agendized promptly.

Vice Mayor Kniss discussed the Bay Area Air Quality Management District's (BAAQMD) publication "Leading the Way." The publication lists the sources of greenhouse gas emissions in the Bay Area. At a May BAAQMD meeting, the Board voted to cap the amount of greenhouse gas emissions generated by oil refineries. A second vote on this limit has been postponed. She hopes the District will implement this limit prior to the implementation of a statewide limit.

Council Member Holman shared her participation and the participation of Vice Mayor Kniss on the Healthy City, Healthy Community Committee. She reported the Committee has been successful and is looking to identify a way to quantify this success. She suggested Staff provide an update on the Committee including metrics and successes to the Council.

Vice Mayor Kniss noted the Committee has many members, 35 or so attended the last meeting.

Council Member Holman added the Committee membership includes numerous Staff and members of the public.

James Keene, City Manager shared his appreciation for the Council's approval of the budget.

Adjournment: The meeting was adjourned at 9:49 P.M.