



CITY COUNCIL SUMMARY MINUTES

Special Meeting
May 3, 2021

The City Council of the City of Palo Alto met on this date in virtual teleconference at 5:01 P.M.

Participating Remotely: Burt, Cormack, DuBois, Filseth, Kou, Stone, Tanaka

Absent:

Special Orders of the Day

1. Resolution 9951 Entitled, "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Margaret Zittle Upon Her Retirement."

Brad Eggleston, Public Works Director, reported Ms. Zittle and Mr. Bobel began working for the City 32 years ago, and the two were partners in developing and implementing the City's Water Pollution Prevention Program. Mr. Bobel was also a leader in Zero Waste, recycled water, building deconstruction, pesticide reduction, plastics reduction, the Sustainability and Climate Action Plan (S/CAP), and many other areas. The retirements of Mr. Bobel and Ms. Zittle were a major loss for the watershed protection group, but both built a strong team that was going to continue the work. Mr. Bobel was going to rejoin the City as a retired annuitant for some key projects. He thanked Ms. Zittle and Mr. Bobel for their many contributions and wished them the best in new adventures.

Mayor DuBois read the Resolution into the record.

Margaret Zittle appreciated her long tenure with the City and learned many things from mentors and coworkers.

Mayor DuBois thanked Ms. Zittle for her important work on sustainability and pollution prevention. He wished her a long and happy retirement.

MOTION: Mayor DuBois moved, seconded by Council Member Cormack to adopt a Resolution Expressing Appreciation to Margaret Zittle Upon Her Retirement.

MOTION PASSED: 7-0

Council Member Cormack thanked Ms. Zittle for performing the unglamorous work of tracking permits, checking compliance, and enforcing regulations.

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Rebecca Eisenberg thanked Ms. Zittle for many years of service to the community and wished her all the best in the future. She hoped the City hired several people to replace Ms. Zittle because compliance and enforcement was an extremely important job.

Council Member Kou appreciated Ms. Zittle giving so many years to public service.

2. Resolution 9952 Entitled, "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Phil Bobel Upon His Retirement."

Vice Mayor Burt was honored to recognize Mr. Bobel's service, excellence, and innovation. The community owed Ms. Zittle and Mr. Bobel a great debt of gratitude for making the environment healthy and natural and preserving the environment for future generations. He read the Resolution into the record.

MOTION: Mayor DuBois moved, seconded by Council Member Filseth to adopt a Resolution Expressing Appreciation to Phil Bobel Upon His Retirement.

MOTION PASSED: 7-0

Council Member Cormack appreciated Mr. Bobel calmly and smoothly troubleshooting difficulties with the Mitchell Park Library.

Mayor DuBois indicated Mr. Bobel was great to work with and appreciated Mr. Bobel's positive attitude and great sense of humor.

Council Member Kou related that Mr. Bobel was an inspiration and a leader. She wished him well in retirement and appreciated his returning to work with the City.

Council Member Filseth stated Mr. Bobel made an impact on Palo Alto and wished him all the best.

Karen Holman noted Mr. Bobel's open mind and practical approach. Mr. Bobel's work defined public service. She thanked him for working many years on the City's Construction and Demolition Ordinance.

Bob Wenzlau appreciated Mr. Bobel's approach to environmental issues and the opportunity to collaborate with Mr. Bobel. The Stormwater Committee discussed asking the Council to consider renaming Embarcadero Way to Bobel Way because the Bobel way brought differing ideas together and moved them forward.

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Peter Drekmeier appreciated working with Mr. Bobel and his commitment to the environment. Mr. Bobel made things happen. Mr. Bobel was a once-in-a-generation employee, and the Wastewater Treatment Plant needed to be named for him.

Rita Vrhel concurred with prior comments. Mr. Bobel was always honest, open, and funny. His public service and personal commitment were spectacular and a joy. Working with Mr. Bobel was a real pleasure.

Esther Nigenda concurred with comments regarding Ms. Zittle and Mr. Bobel. She appreciated Mr. Bobel's leadership on sea level rise and groundwater issues. Mr. Bobel was always attentive and helpful and exemplified responsiveness to citizens' concerns.

Phil Bobel remarked that employees such as Ms. Zittle deserved the credit. He was thrilled to be recognized with Ms. Zittle as a great example of an employee who did her job. He appreciated the heart-warming comments.

Agenda Changes, Additions and Deletions

Mayor DuBois announced Agenda Item 1, "PUBLIC HEARING: Adoption of the Community Development Block Grant (CDBG) Funds..." was likely to begin at 7:30 P.M. rather than 8:30 P.M.

Oral Communications

Kim Thacker asked the Council to prioritize the Children's Theatre and not to reduce funding for it.

Mark Mollineaux referred to Mayor DuBois' tweet regarding redevelopment and affordable housing. Council Members needed to do something to build affordable housing.

Rebecca Eisenberg noted the State of California and the Federal Government were providing funding for affordable housing projects. The Sierra Club refuted the claim that housing increased traffic.

Rob Levitsky noted Mr. Passmore resigned his employment with the City, and Mr. Dockter retired a few years ago. The City needed a dedicated Urban Forester to review development projects.

Rebecca Ward advised that aircraft traffic was increasing and impacting Palo Alto, East Palo Alto, and Menlo Park. The City needed a seat on the San Francisco Roundtable.

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Minutes Approval

3. Approval of Action Minutes for the April 12, 2021 City Council Meeting.

MOTION: Mayor DuBois moved, seconded by Council Member Cormack to approve the Action Minutes for the April 12, 2021 City Council Meeting.

MOTION PASSED: 7-0

Consent Calendar

MOTION: Vice Mayor Burt moved, seconded by Council Member Stone, third by Council Member Tanaka to pull Agenda Item Number 8, "Review and Approve Fiscal Year 2021 Capital Project Budget Reductions..." to be heard at the end of the meeting.

MOTION: Council Member Kou moved, seconded by Mayor DuBois to approve Agenda Item Numbers 4-7, 9.

Council Member Tanaka registered no votes on Agenda Item Numbers 6 and 9.

Ed Shikada, City Manager, suggested moving Agenda Item Number 8 to the end of the meeting.

Rebecca Eisenberg, addressing Agenda Item Numbers 6 and 9, remarked that funding for the Police Department to withhold communications from the public and the press was not appropriate. The City was paying an attorney to fight a lawsuit that it lost and was not paying the people.

Evan Lurie, addressing Agenda Item Number 8, expressed concern that Staff concentrated budget cuts on only four of the sixteen projects. Targeting savings on a single, approved project merited transparent, public comment and explicit Council approval. Slashing funding for the Charleston/Arastradero project severely impacted the 2012 Bicycle and Pedestrian Transportation Plan.

Shree Sandilya, addressing Agenda Item Number 8, believed it was extremely important to fund the continuous bike lanes at El Camino and Charleston to improve the safety of bicyclists, especially student cyclists.

Kerry Wagner, addressing Agenda Item Number 8, asked the Council to prioritize completion of the Charleston/Arastradero project. The Middlefield-Charleston and El Camino-Charleston-Arastradero intersections were the trickiest for bicyclists and the reason people did not ride their bikes on those streets.

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4. Approval of Amendment Number 3 to Contract Number C16162262 With Biggs Cardosa Associates, Inc. to Extend the Term of the Contract Through December 31, 2021, at No Added Cost to the City, for Continued Construction Support Services for the Highway 101 Pedestrian/Bicycle Overpass Project (PE-11011).
5. Staff and the Utilities Advisory Commission Recommend the City Council Approve the City's 10 Year Energy Efficiency Goals for 2022-2031.
6. Approval of Contract Number C21180722 With Brad Horak Consulting in an Amount Not-to-Exceed \$250,000 to Provide Wireless Consulting Services in Support of Palo Alto Public Safety for a Five-year Term Through April 11, 2026.
7. Adoption of an Updated Salary Schedule for Water, Gas, and Wastewater Inspectors Represented by Service Employees International Union (SEIU) 521 in Compliance With the Arbitration Award.
- ~~8. Review and Approve Fiscal Year 2021 Capital Project Budget Reductions of \$2.5 Million; and Approve a Budget Amendment in the Capital Improvement Fund.~~
9. Request for Authorization to Amend the Existing Legal Service Agreement With the Law Firm of Colantuono, Highsmith & Whatley, PC (Contract S17167696) to Increase the Contract Amount by an Additional \$45,000, for a new Not-to-Exceed Amount of \$385,000.

MOTION PASSED FOR AGENDA ITEM NUMBERS 4-5, 7: 7-0

MOTION PASSED FOR AGENDA ITEM NUMBER 6: 6-1 Tanaka no

MOTION PASSED FOR AGENDA ITEM NUMBER 9: 6-1 Tanaka no

Council Member Tanaka felt the reasons for a contract increase in Agenda Item Number 6 were not compelling in light of significant budget issues. With respect to Agenda Item Number 9, attorneys fees should be minimized, and refunds paid to ratepayers as soon as possible.

City Manager Comments

Ed Shikada, City Manager, reported COVID-19 vaccines were available for anyone aged 16 and older. The City's website provided information about vaccination sites. COVID-19 testing continued on Tuesdays and Thursdays and May 7, 2021. A Budget Town Hall was scheduled for May 6, 2021.

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Children's Library reopened on April 13, 2021, and Mitchell Park Library and Rinconada Library were going to reopen on May 4 and 6, 2021, respectively. Events concerning race, equity, and Asian American and Pacific Islander Heritage Month were scheduled for May 2021, including a conversation about antiracism and *The Black Index* at Palo Alto Art Center. The public was invited to participate in a City Council and Planning and Transportation Commission (PTC) joint session regarding the Housing Element Update process on May 10, 2021, a Housing Element Update community workshop on May 15, 2021, the upcoming South Palo Alto Bikeways Project, and National River Cleanup Month on any Saturday in May 2021. Virtual appointments were available for building permit applications. A new parking area at the Pearson-Arastradero Preserve was open and provided access to the Foothills Park trailhead. Council Agendas prior to the summer recess were filled with Budget and other important items.

Mayor DuBois noted May Fete activities were continuing during the week.

Council Member Cormack indicated the Finance Committee meeting on May 4, 2021 was going to begin at 2:00 p.m.

Vice Mayor Burt requested the location of the Proposed Budget on the City website.

Mr. Shikada advised that a link to the Proposed Budget was located on the homepage and agreed to ensure the link was easy to find and access.

Council Member Kou asked if a prescreening of the project at 2239 Wellesley was scheduled for June.

Mr. Shikada answered May 18, 2021.

Council took a break at 6:07 P.M. and returned at 6:16 P.M.

Action Items

10. Planning and Transportation Commission Recommend Review of two Concept Plan Alternatives for Improvements to the Alma Street and Churchill Avenue Intersection; and Direct Staff to Complete Final Design Plans, Environmental Analysis, Specifications, and Estimates for Construction for Alternative 2.

Philip Kamhi, Chief Transportation Office, reported the project was federally funded and directed by the California Public Utilities Commission (CPUC) and Caltrans. The project was intended to improve safety hazards around the at-grade rail crossing located at the intersection of Alma and Churchill.

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Ruchika Aggarwal, Project Engineer, advised that the project was funded by Section 130, a federal program for the elimination of hazards at at-grade rail crossings within California. The scope of work for the project was limited, and possible design elements were traffic signal modifications, sidewalk realignment and widening, drainage improvements, signing, and striping. Stakeholders were Caltrans, Caltrain, the Caltrain Joint Powers Board (JPB), CPUC, Palo Alto High School, Palo Alto Unified School District (PAUSD), and adjacent homeowners. Technical constraints were the right-of-way, existing utilities, visibility, and intersection capacity.

Maureen Mai, Callandar Associates, indicated that during the morning commute period, traffic on westbound Churchill spilled into the northbound left turn-lane on Alma. At other times, particularly the hours after school and during the evening commute, traffic increased on Alma and Churchill. Pedestrians tended to be trapped between the rail tracks and Alma at the northwest corner of the intersection. Concept 1 improved pedestrian and bicycle visibility with high-visibility striping of crosswalks and bicycle crossings, enlarged the sidewalk on the northwest corner to allow more pedestrians to queue, widened the pedestrian gate access across the tracks, improved the connection to the Embarcadero Trail, added a pre-signal phase to discourage vehicle queuing within the crossing area, and modified signal timing to mitigate the effects of the pre-signal. Concept 2 included pedestrian and bicycle enhancements similar to those in Concept 1, replaced the right-turn-only lane with stormwater treatment at the northwest corner of the intersection, converted the through lane to a wider through and right-turn lane, widened the left turn-lane on Alma, and added a pre-signal phase. Concepts 1 and 2 were expected to reduce traffic congestion compared to existing conditions, but Concept 2 reduced congestion to a lesser degree than Concept 1. Compared to Concept 1, Concept 2 provided a shorter crossing distance across Alma and improved the visibility of pedestrians queuing at the northwest corner. The project was presented to the public in a community meeting, a Palo Alto Bicycle and Pedestrian Advisory Committee (PABAC) meeting, a City/School Transportation Safety Committee meeting, a PAUSD Board of Education meeting, and a Planning and Transportation Commission (PTC) meeting. The PAUSD Board of Education favored Concept 2. Next steps included concept refinement, a second community meeting, and preparation of construction drawings by the fall of 2021 with bidding and construction in 2022. The PTC and Staff recommended approval of Concept 2 as the preferred alternative.

Kathy Jordan related that eliminating the right turn-lane was going to be an enormous inconvenience for parents, students, and PAUSD Staff. Vehicles on Churchill were prohibited from traveling across Alma in the mornings. She urged the Council to consider Concept 1 only.

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Rebecca Eisenberg suggested the Council revisit the viaduct option because it solved all problems with no negative consequences. Residents' concerns about the train impacting their privacy were legally irrelevant. It was illegal for the Council to prioritize the irrelevant concerns over homeowners' rights to enjoy their properties.

Susan Newman supported prohibiting right turns on red for eastbound Churchill traffic. Increasing the length of the green signal for Churchill was going to reduce traffic efficiency on Alma. She proposed prohibiting right turns on red during peak morning, afternoon, and evening periods on weekdays and restricting on-street parking between Castilleja and the tracks to 8:00 p.m. to 6:00 a.m. on weekdays. She opposed the elimination of the right-turn-only lane on Alma.

Kerry Yarkin remarked that the project needed to relate to the Expanded Community Advisory Panel's (XCAP) recommendation for Churchill closure with mitigations. The project was not going to prevent suicides on the rail tracks. Allowing more pedestrians and bicyclists to queue on the northwest corner was a safety issue.

Steve Carlson expressed concern that proposed changes, such as prohibiting right turns on red for eastbound Churchill traffic and eliminating the right-turn-only lane on Alma, were going to worsen traffic congestion on both Churchill and Alma without increasing safety.

Michael Price favored Concept 1 but felt a tradeoff of traffic safety for an incremental increase in bicycle and pedestrian safety was worthwhile.

Council Member Cormack requested clarification of the pre-signal phase.

Ms. Aggarwal explained that the pre-signal phase was an additional traffic signal and allowed traffic eastbound on Churchill to clear the track and stop in the vicinity of the flashing lights for the train.

Rafael Rius, Lead Traffic Engineer, clarified that the existing traffic signal allowed eastbound Churchill traffic to queue between Alma Street and the rail tracks. The pre-signal phase was going to stop eastbound traffic before it crossed the tracks.

Council Member Cormack inquired whether trees or vegetation was going to be removed to construct stormwater infrastructure shown in Concept 2.

Ripon Bhatia, Senior Engineer, related that the area for stormwater management was currently pavement.

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Council Member Cormack asked if the curb along the southbound Alma travel lane was going to clearly delineate the travel lane.

Ms. Aggarwal responded yes.

Mr. Kamhi noted the existing travel lanes were extremely narrow, and both concepts were going to widen the lanes. Without the pre-signal phase, the CPUC was not going to reimburse the City for the cost of the project.

Council Member Cormack requested the length of construction for Concept 2.

Ms. Aggarwal stated four to six months was needed to obtain traffic signal equipment. Staff anticipated the bid process and construction taking six to eight months.

Council Member Cormack noted that the Staff Report indicated the right-turn-only lane for southbound Alma was frequently blocked and did not benefit traffic.

Council Member Stone asked if Staff time for the project was going to be reimbursed.

Mr. Kamhi replied yes.

Council Member Stone requested a comparison of the 30 collisions on Churchill between 2016 and 2020 to other Palo Alto crossings.

Ms. Aggarwal did not have specific data. However, the high number of incidents at the Alma-Churchill crossing was discussed during a meeting of the Federal Rail Administration (FRA).

Mr. Kamhi reported the Alma-Churchill intersection was one of the top five at-grade crossings for collisions in the state according to the FRA.

Council Member Stone inquired whether the traffic study found vehicles complying with the prohibition against eastbound traffic on Churchill traveling straight across Alma.

Trisha Dudala, Hexagon Transportation Consultants, advised that a few vehicles did not comply with the prohibition.

Council Member Stone asked if enforcement or modifications to the intersection were needed to increase compliance.

Ms. Aggarwal related that Staff worked with the Palo Alto Police Department to increase enforcement, which seemed to help.

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Council Member Stone noted proposed reductions in the Police Department's Budget was going to reduce enforcement across the City. He asked if the traffic study considered the projected decline in enrollment for Palo Alto High School.

Ms. Dudala responded no. The traffic study utilized 2017 data because it had the highest turn-movement volumes.

Council Member Filseth remarked that the right-turn-only lane on southbound Alma allowed 20-plus vehicles to turn before congestion blocked the turn. He inquired about the benefit of removing the lane.

Ms. Aggarwal related that the landing for bicyclists and pedestrians was going to be larger, and the southbound lane widths were going to be wider.

Council Member Filseth noted the right-turn-only lane was maybe 100 feet long, and the lane widening was going to be about the same length.

Mr. Kamhi added that wider lanes and a wider turning radius were going to accommodate PAUSD buses and emergency vehicles. Also, the pedestrian crossing distance was going to be shorter.

Council Member Filseth inquired whether the improvement in safety was measurable.

Mr. Kamhi shared Staff's belief that both concepts improved the safety of the existing conditions.

Council Member Filseth asked if a pre-signal phase included a ban on right turns from eastbound Churchill onto southbound Alma.

Ms. Dudala answered yes.

Council Member Filseth asked if it was possible to ban right turns during certain hours of the day.

Ms. Aggarwal explained that during the signal phase for turns from northbound Alma onto westbound Churchill, the pre-signal phase was going to be green for eastbound Churchill traffic turning right only onto southbound Alma.

Council Member Filseth inquired whether the signal at the intersection was going to provide a green right-turn arrow during the right-turn pre-signal phase.

Ms. Aggarwal replied yes.

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Council Member Filseth inquired whether both signals were going to be red for right turns for a majority of the day.

Mr. Kamhi advised that the signal was supposed to turn green if there was no traffic on Alma.

Mr. Rius clarified that, based on traffic volumes after construction, the signal could rest in green for traffic traveling southbound on Alma or turning left from northbound Alma onto westbound Churchill. A flashing red light impacted train speeds and was not advisable. Historical data showed volumes during off-peak hours were higher for southbound Alma than the left turn from northbound Alma.

Vice Mayor Burt asked if Staff thought the narrow travel lanes were a cause of traffic accidents.

Ms. Aggarwal did not have the collision analysis but agreed to provide it if the Council wished.

Mr. Kamhi added that the narrow width was likely the cause of some incidents because large vehicles were not able to remain in the lane while turning.

Vice Mayor Burt inquired regarding the problems with the intersection as demonstrated by collisions and collision patterns.

Mr. Kamhi understood collisions initiated the project.

Ms. Aggarwal added that the FRA's safety analysis and collision data triggered funding for the project.

Vice Mayor Burt inquired about a higher risk for vehicular accidents when drivers wanted to turn right from southbound Alma but had no right-turn-only lane.

Ms. Dudala reported the potential for conflicts was real, but regulatory signage was a way to manage risk. Based on the demand for the right-turn lane, the potential for conflict was probably not high.

Vice Mayor Burt questioned whether the 25-mile-per-hour speed zone needed to be extended to reduce the risk.

Mr. Bhatia advised that reduced speed zones were going to be implemented on Churchill but not Alma. Reducing the speed limit through signage did not affect vehicular behavior. Enforcement or modifications to the roadway reduced vehicular speeds.

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Vice Mayor Burt encouraged Staff to consider reducing the speed on Alma to mitigate the risk of accidents.

Ms. Aggarwal stated speed limits were set based on engineering and traffic speed surveys, and a current survey of Alma validated the posted speed limit. Once the project was constructed, a new engineering and traffic speed study was warranted.

Council Member Kou agreed that a speed study was warranted. Morning traffic to Palo Alto High School traveled southbound Alma to westbound Churchill or utilized Embarcadero, which was also congested.

Ms. Aggarwal clarified that the prohibition against traffic on Churchill crossing Alma was in effect for approximately 35 minutes rather than the entire morning peak period. The prohibition was implemented many years ago. The prohibition was going to remain in effect if the project was constructed.

Council Member Kou noted that the Level of Service (LOS) for the intersection was projected to improve from Level F to Level E during morning peak hours. The project did not appear to improve traffic circulation.

Mr. Kamhi indicated that the project was intended to provide near-term safety improvements. Grade separation of the crossing was likely to address LOS and safety. Funding depended on completion of the project in 2022.

Council Member Kou asked if the CPUC and FRA understood that the improvements were short term in light of grade-separation discussions.

Mr. Kamhi replied yes. Short-term safety improvements were valuable given the length of time needed to finalize discussions and construct a grade-separated crossing.

Council Member Tanaka requested the number of pedestrians crossing at the intersection.

Ms. Dudala responded 300 to 400 pedestrians during the morning peak hour and 200 to 300 during the school and afternoon peak hour.

Mr. Kamhi related that the Churchill Avenue Enhanced Bikeways Project was going to connect the intersection to the Stanford Perimeter Trail and provide enhanced bicycle and pedestrian connections.

Council Member Tanaka inquired about the project improving connections to the Embarcadero Trail.

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Mr. Kamhi advised that the project was going to improve pedestrians' and bicyclists' ability to cross Alma to the Embarcadero Trail.

Ms. Aggarwal clarified that maneuvering across the tracks from eastbound Churchill to the Embarcadero Trail was difficult according to comments made during the community meeting.

Council Member Tanaka inquired about the rationale for proposing unprotected bike lanes on Churchill when the adjacent Embarcadero Trail had protected bike lanes.

Mr. Shikada explained that bicyclists utilized the crossing even though alternate routes were preferable.

Ms. Aggarwal added that increasing the bike path width to accommodate the volume of bicyclists and a protected bike lane required additional right-of-way.

Mr. Kamhi clarified that the scope of the project was limited, and a protected bike lane was not within the scope of the project provided by the CPUC and Caltrans. The project accommodated bicyclists utilizing the roadway and turning left onto Alma.

Council Member Tanaka wanted to know the number of people the landing between the tracks and Alma accommodated currently.

Mr. Kamhi advised that the number was not quantified.

Council Member Tanaka proposed a pork chop island to increase pedestrian space without removing the right-turn-only lane.

Mr. Bhatia reported a pork chop island did not fit in the space.

Council Member Tanaka suggested extending the island north rather than east.

Ms. Aggarwal explained that access to the rail tracks prevented a northern extension of the sidewalk.

Mayor DuBois indicated either concept appeared to be reasonable. He inquired whether right turns on red from southbound Alma onto westbound Churchill were allowed if the right lane was a through and right-turn lane.

Ms. Aggarwal answered yes.

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Mayor DuBois noted vehicles queued from Palo Alto High School to Alma and asked if proposed changes allowed queuing to block through-traffic on Alma.

Ms. Aggarwal answered yes, possibly. The overlap signal phase was going to help prevent that by allowing right turns with a green arrow.

Mayor DuBois inquired whether signal improvements alone improved the intersection.

Ms. Aggarwal replied yes.

Mayor DuBois believed traffic on Alma was going to change lanes frequently from Downtown to past Churchill because of the narrow lane widths and vehicles turning right onto Churchill. Traffic volumes were considerably greater on Alma than on Churchill. Bicycle traffic was more concentrated in the mornings. The number of pedestrians was fairly small. The intersection was part of a truck route.

Council Member Cormack requested Ms. Templeton comment on the PTC's recommendation of Concept 2.

Cari Templeton, Planning and Transportation Commissioner, reported Commissioners asked many questions similar to the Council's questions. Concept 2 was safer than Concept 1. The existing right-turn-only lane accommodated only two or three cars, and removing the lane was going to have the same impact on traffic as the turn lane. The safety of bicyclists and pedestrians was prioritized over vehicles because the majority of bicyclists and pedestrians were students. Reducing the length of the northern crossing of Alma and increasing the northern landing between the tracks and Alma were important factors.

MOTION: Council Member Cormack moved, seconded by Vice Mayor Burt to approve Concept Plan Alternative 2 as the preferred alternative for the near-term safety improvements to the Alma Street and Churchill Avenue Railroad Crossing; and direct Staff to complete final design plans, environmental analysis, specifications, and estimates for construction.

Council Member Cormack appreciated Staff obtaining outside funding for the improvements and the PTC's review of the concepts. Both concepts improved safety, and implementing improvements quickly was possible.

Vice Mayor Burt noted the intersection was important for bicyclists' safety. Concept 2 seemed to balance tradeoffs. A perfect solution was not possible under the constrained circumstances.

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Council Member Tanaka expressed concerns regarding the few pedestrians and the potential for few bicyclists to utilize the northern landing and the removal of the traffic lane. He preferred Concept 1.

MOTION FAILED: 3-4 Burt, Cormack, Stone yes

MOTION: Mayor DuBois moved, seconded by Council Member Kou to approve Concept Plan Alternative 1 as the preferred alternative for the near-term safety improvements to the Alma Street and Churchill Avenue Railroad Crossing; and direct Staff to complete final design plans, environmental analysis, specifications, and estimates for construction.

Mayor DuBois believed Concept 1 was an improvement.

Council Member Kou indicated Concept 1 was better for circulation.

Council Member Cormack noted that Concept 1 was a missed opportunity to provide stormwater management.

Council Member Filseth indicated the project was an improvement until the tracks were grade separated. The question was the impact of removing the turn lane on safety.

Vice Mayor Burt commented that either concept provided a significant improvement in the current conditions.

Council Member Stone concurred with Council Member Cormack's and Vice Mayor Burt's comments.

MOTION PASSED: 7-0

11. PUBLIC HEARING: Adoption of the Community Development Block Grant (CDBG) Funds for the Fiscal Year (FY) 2021-22 Annual Action Plan; and Resolution 9953 Entitled, "Resolution of the Council of the City of Palo Alto Approving the use of CDBG Funds for FY 2021-22."

Jonathan Lait, Planning and Development Services Director, reported the City received federal funding to support agencies that advanced or improved the physical, economic, and social conditions in Palo Alto. Recipients of the funding provided services that benefited low- and very-low-income individuals. The proposed Annual Action Plan complied with and advanced the goals of the adopted five-year Consolidated Plan. The Community Development Block Grant (CDBG) funding totaled approximately \$740,000. In the public service category, approximately \$80,000 was available for allocation while funding requests totaled over \$200,000. The proposed allocations for the public service category aligned with the prior allocation.

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The Human Relations Commission (HRC) and Staff did not recommend funding the Downtown Streets request in the public service category. In the planning and administration category, the City of Palo Alto request supported part-time staff and a consultant to operate the CDBG program. The HRC recommended a greater allocation for the City because of additional expenses generated by CARES Act funding and ongoing programming. The Council had the discretion to reallocate funding as it deemed appropriate. In the economic development, housing, and public facility category, Rebuilding Together Peninsula provided the same services as Habitat for Humanity. Ravenswood Family Health Network requested funding to replace an accessible ramp. Requests were greater than the amount of funding, but the agencies had other funding resources to support their programs. The CDBG process required two public hearings, which were fulfilled with hearings before the HRC and Council.

Public Hearing opened at 7:56 P.M.

Rebecca Eisenberg objected to utilizing CDBG funding for administrative purposes and proposed allocating the funding to a City Office of Affordable Housing.

Public Hearing closed at 7:58 P.M.

Council Member Kou inquired about the Downtown Streets' Team Workforce Development Program and about Staff's response to a Colleagues' Memo.

Mr. Lait advised that the requested funding supported personnel and administrative costs associated with the Downtown Streets Program.

Ed Shikada, City Manager, indicated Staff needed to report to the Council the results of an administrative law judge action. Staff anticipated receiving an update from the Downtown Streets organization.

Council Member Kou inquired regarding the expiration date of the City's contract with Downtown Streets.

Mr. Shikada replied approximately December 2021.

Council Member Kou asked if the additional \$9,000 recommended by the HRC for the City was going to impact anything.

Mr. Lait explained that Coronavirus Aid, Relief, and Economic Security CARES Act funding generated additional work for part-time Staff and a consultant. The \$9,000 amount was going to help the City cover those

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costs. The requested \$90,000 covered the cost of a part-time employee and some consultant work.

Mayor DuBois expressed concern about unmet needs after a year of a pandemic. Hopefully in the Budget process, funding was going to be directed toward unmet needs.

MOTION: Mayor DuBois moved, seconded by Council Member Stone to:

- A. Adopt the draft Fiscal Year 2021-22 Annual Action Plan and the associated Resolution allocating Community Development Block Grant (CDBG) funding for Fiscal Year 2021-22;
- B. Authorize the City Manager to execute the Fiscal Year 2021-2022 CDBG application to fund the Fiscal Year 2021-2022 Annual Action Plan and any other necessary documents concerning the application, and to otherwise bind the City with respect to the applications and commitment of funds; and
- C. Authorize Staff to submit the Fiscal Year 2021-2022 Annual Action Plan to HUD by the May 15, 2021 deadline.

Mayor DuBois noted the constraints placed on funding allocations.

Council Member Stone believed the HRC did a great and thorough job of reviewing applications and making recommendations.

Council Member Tanaka requested the reasons for increased City costs.

Mr. Lait reiterated that the CARES Act generated additional work for Staff and a consultant. Alternatively, the Council was allowed to support the additional work with General Fund monies.

Council Member Tanaka noted that allocating additional funding to the City decreased the total funding amount and increased the administrative percentage.

Mr. Lait explained that Budget reductions for the Planning and Development Services Department prevented the use of department funding for consultants to complete work that a half-time person did not complete.

Council Member Tanaka inquired whether administrative costs were allowed to be scaled to the total amount of funding.

Mr. Lait replied no.

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Council Member Tanaka requested the location of the Ravenswood project.

Clare Campbell, Planning Manager, answered 270 Grant Avenue.

Council Member Cormack concurred with Council Member Stone's comments.

MOTION PASSED: 7-0

Council took a break at 8:11 P.M. and returned at 8:23 P.M.

Study Session

12. Fiscal Year 2022 Proposed Budget Overview.

Ed Shikada, City Manager, reported the formal transmittal of the Proposed Budget was required by the City Charter and began the public discussion of priorities and Budget allocations for the fiscal year (FY) beginning July 1, 2021. The Council was aware of Budget constraints and began wrestling with the fiscal impacts of the pandemic more than a year ago. At that time, the Council's actions to address the fiscal impacts were somewhat hidden from the community at large because of the Shelter-in-Place Order. Staff regretted having to propose discussions of program cuts, resource reductions, and their impacts on the community. The Proposed Budget was balanced. Staff identified some unallocated one-time resources. The Proposed Budget addressed immediate needs and recognized the need to restore services and adapt as recovery occurred. The Council directed Staff to utilize Long Range Financial Forecast (LRFF) Scenario B assumptions. Balancing strategies incorporated in the Proposed Budget were not sustainable over the long term. The Proposed Budget was the next phase in deciding the best method to continue service delivery and allocate constrained resources. A \$13.4 million gap was created by COVID-19 impacts on Sales Tax, Transient Occupancy Tax (TOT), and related revenue sources and the utilities transfer litigation. The Proposed Operating and Capital Budgets contained service reductions and Capital Improvement Program (CIP) reductions totaling \$7.7 million, transfers from reserve funds, labor concessions, American Rescue Plan Act (ARPA) funds totaling \$3.2 million, and Tier 2 service reductions totaling \$4 million. Finance Committee discussions of the Proposed Budget were going to begin on May 4, 2021. The Council was scheduled to receive a report of the Finance Committee discussions on May 17, 2021 in order to provide guidance for the Finance Committee's final deliberations on May 25, 2021. A Budget Townhall was scheduled for May 6, 2021. Adoption of the Proposed Budget was scheduled for June 21, 2021.

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Kiely Nose, Interim Assistant City Manager/Administrative Services Director, advised that that FY 2022 Proposed Budget contained revenues of \$205.6 million, which was a decrease of approximately 9 percent from pre-pandemic revenues. The three largest sources of revenue were typically Property Tax, Sales Tax, and TOT. The TOT was 67 percent below pre-pandemic levels, and Sales Tax was 23 percent below pre-pandemic levels. The utilities transfer to the General Fund was included in the "all other revenues" category and comprised about 33 percent of the category. The vast majority of revenues was allocated to Public Safety and Community and Library Services. Across the organization, Full-Time Equivalent (FTE) were below 1,000, 490 of which were allocated to the General Fund. The transfer to the Capital Fund decreased 67.7 percent from pre-pandemic levels. Without the TOT revenue dedicated to infrastructure projects, the transfer from the General Fund to the CIP totaled \$2.5-\$2.6 million. A hold for potential labor concessions totaled \$2.5 million Citywide. The Proposed Budget continued to fund both pension and Other Post-Employment Benefits (OPEB) trusts, freeze hiring, eliminate vacancies, and reduce services. ARPA funding totaled \$12.5 million over two years. The Proposed Budget identified \$6.25 million of ARPA funding and set aside \$3.2 million for the Council to allocate. Tier 2 service reductions were identified for implementation if the City faced a number of unknown variables. Proposed service reductions were in addition to those implemented in FY 2021. Service impacts included reduced operating hours at the Palo Alto Art Center, the Cubberley Artist Studio Program (CASP), and the Baylands Interpretive Center; reduced Staff support for Cubberley and the Children's Theatre; decreased funding to market the Enjoy! catalog and the Junior Museum and Zoo (JMZ); increased fees to offset existing teen services; restoration of a Foothills Supervising Ranger; closing the Downtown, Children's, and College Terrace Libraries; reduced Police patrol staffing; elimination of specialized Police units; reduced investigations; a brownout of the flexible staffing model at Fire Station Number 2; reduced crossing guard services; reduced and eliminated system maintenance for the railroad crossing intrusion detection system; delays in development review; reduced bicycle program; increased response times for 311 notifications; implementation of a license plate recognition (LPR) program for parking enforcement; reduced facilities and traffic control maintenance and repairs; continued minimal utility rate increases; reduced internal services; and maintenance of essential technology contracts, systems, and support equipment. Tier 2 reductions affected facilities, programs, public safety personnel, long-range planning staff, in-house sidewalk repair and maintenance, park and open space maintenance, human services contracts and grants, and Citywide administrative support and human resources. The Proposed Budget also contained modifications for non-General Fund funds.

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Mr. Shikada indicated that the General Fund was one source of funding for the five-year CIP. The FY 2021-2025 CIP of \$772 million decreased to \$727 million for the FY 2022-2026 CIP. The FY 2021 Capital Budget totaled \$300 million while the FY 2022 Capital Budget totaled \$153 million. Revenues for the FY 2022 Capital Fund totaled \$51.5 million.

Jonathan Erman supported funding for arts programs and libraries because people wanted both.

Lydia Callaghan highlighted achievements and benefits of the Children's Theatre and did not understand the rationale for including it in Tier 2 reductions.

Faye Weiss shared the benefits of theatre performances and urged the Council to fund them.

Rebecca Eisenberg noted that Palo Alto was the only city not taxing businesses and their chief executive officers. The City needed those tax revenues.

Kyle Brown related the positive effects of the Children's Theatre on his daughters. The Children's Theatre had to survive the proposed funding reductions.

Juliana St. Peter appreciated the opportunities to act and volunteer at the Children's Theatre and asked the Council not to reduce funding for the Children's Theatre.

Jeremy Erman commented that the Proposed Budget massacred funding for programs for children, teens, and families. Arts programs did not need additional funding reductions. Children's Library was unique in the Bay Area, and closing it made no sense.

Jim Pflasterer, Palo Alto Council of Parent Teachers Association (PTA) Traffic Safety Committee, supported the continuation of funding for Phase III of the Charleston/Arastradero Corridor Project. Roadway improvements were important for the safety of children commuting to schools.

Lisa Trovato concurred with prior comments regarding funding for the Children's Theatre. The Children's Theatre was important for building connections in the community and promoted empathy.

Rena Kim noted the many important programs offered at Children's Library and the inclusion of special needs children in programs. She requested the Council reconsider the decision to close Children's Library.

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Abby Lang opposed funding reductions for the Children's Theatre and shared the important benefits of providing arts programs.

Mora Oommen asked the Council to reconsider proposed funding reductions for children and youth programs, particularly teen services.

Katie Brown urged the Council to fund programs at the Children's Theatre so that future youth benefited from the programs.

Council Member Cormack encouraged community members to remember that reductions were needed to balance the lack of revenues. She inquired whether it was really necessary to reduce funding for one program or service in order to maintain funding for another program or service.

Mr. Shikada replied yes.

Council Member Cormack emphasized that community petitions to fund one program required reductions in another program. She inquired about Mountain View's mix of revenue sources that provided a surplus for FY 2022.

Mr. Shikada felt the City of Palo Alto was unique in its reliance on Sales Tax and TOT revenues. Leases and development agreements contributed significantly to Mountain View's revenues.

Council Member Cormack encouraged residents to participate in the Budget Town Hall to understand City revenues and expenses and to help the Council make difficult decisions in the coming weeks.

Council Member Stone related the deleterious effects of the pandemic on the community's youth. The City Council was responsible for protecting the health, safety, and wellbeing of youth in the community. Hopefully, the Finance Committee was going to restore some funding to youth programming and services and to human services programming.

Vice Mayor Burt did not agree with comments characterizing the Proposed Budget as a zero-sum game. Increasing ARPA funding in FY 2022, reducing the transfer from the General Fund to the Capital Fund, changing the assumption for the pace of recovery, borrowing funds, and using reserve funds were all possibilities. Increased funding was needed for cybersecurity, Foothills fire protection, and social services including youth wellbeing. The City also needed to invest in its utilities to increase reliability and sustainability.

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Council Member Kou agreed with comments to increase funding for youth services. She requested clarification of the community's immediate service needs.

Mr. Shikada indicated immediate service needs were reflected in the funding and reductions presented to the Council, but they were subject to further discussion.

Council Member Kou inquired regarding the growth scenario.

Mr. Shikada explained that the Council directed Staff to utilize Scenario B for the recovery of City revenues. Changes in the expectations for recovery in Year 2 and beyond were possible.

Council Member Kou requested Staff provide expenditures by each department and the cost of City services per resident.

Council Member Tanaka indicated that the return of workers to offices and business travel was unknown. Staff's approach for the Proposed Budget was prudent. He opposed reduced funding for the services and programs that the community cherished and needed and proposed delaying construction of the Public Safety Building (PSB), outsourcing more services, and reducing the ratio of managers to employees. He requested the page number of the detailed Organization Chart within the Proposed Budget.

Mr. Shikada advised that Staff was going to provide it to the Council in the next few days.

Mayor DuBois commented that the largest impact on the Proposed Budget was the \$8.4 million reserve for the utilities transfer litigation. Voters approved the transfer long ago, but it was currently under challenge. Residents needed to support continuation of the transfer or the City was going to have to find alternative funding sources or permanently eliminate some services or programs. A more rapid economic recovery needed to be considered in assumptions and utility rate increases. He asked about restrictions on the City expending ARPA funding in each fiscal year.

Ms. Nose explained that the Federal Government did not provide complete guidance on expenditure of ARPA funding.

Mayor DuBois suggested the Finance Committee consider increasing the amount of ARPA funding in FY 2022 to lower service reductions and expedite economic recovery. He recommended allocating ARPA funding for community services, human services, and economic development assistance.

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He hoped labor unions agreed to concessions. Deferring maintenance or additional capital projects was one way to maintain a full range of services.

NO ACTION TAKEN

13. (Former Agenda Item Number 8) Review and Approve Fiscal Year 2021 Capital Project Budget Reductions of \$2.5 Million; and Approve a Budget Amendment in the Capital Improvement Fund.

Ed Shikada, City Manager, reported capital improvement projects required long lead times, and the City was not able to control all aspects of projects, notably bids. Staff believed all of the proposed projects were important.

Brad Eggleston, Public Works Director, reviewed Council direction provided on March 1 and 22, 2021. Staff identified \$2.5 million in savings and projects deferred to FY 2022. Staff intended to advance the Charleston/Arastradero Corridor Project in FY 2021 and hoped bids provided additional savings that contributed to the \$2.5 million in savings. However, bids exceeded the anticipated budget, and an additional \$1 million was needed to advance the project. Staff deferred the project to FY 2022, divided Phase III work into two phases, and included \$4.6 million for the new Phase III work. Capital projects proposed to continue in FY 2021 were dependent on bids falling within budgets.

Evan Alexis opposed Staff's proposal to divide Phase III of the Charleston/Arastradero Corridor Project into two phases. Phase III was needed now to ensure the safety of students commuting to schools, to avoid cost increases, and to complete the project.

Jeremy Erman urged Staff to consider their personal biases when proposing funding reductions and to recognize that reductions were based on the community's priorities.

Penny Ellson asked the Council to approve funding for the Charleston/Arastradero Corridor Project as originally planned. Injury collisions in the Corridor continued to be a major issue. The Charleston/Arastradero Corridor Project was subjected to review in 17 public hearings over 20 years, was shovel ready, and supported Comprehensive Plan policies. Alternatively, the Council needed to prioritize completion of the new Phase III in FY 2021 and the new Phase IV in FY 2022.

Kirsten Daehler related the story of her daughter being struck by a vehicle. A decision to delay completion of the Charleston/Arastradero Corridor Project affected the safety of children.

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Rebecca Eisenberg recalled the death of a student in a traffic accident on El Camino. The Council needed to ensure the safety of students crossing streets.

Richard Ellson advised that twice he was struck by vehicles while cycling the Charleston/Arastradero Corridor. He urged the Council to fund the project to improve the safety of bicyclists and pedestrians.

Aram James proposed reducing the Police Department's K-9 unit and eliminating the use of Tasers.

Vice Mayor Burt noted that Staff proposed \$20 million in deferrals and reductions rather than \$2.5 million. He did not understand the proposal to modify the Charleston/Arastradero Corridor Project when it was focused on the safety of children, when multiple Councils committed to the project, and when injury accidents occurred every year. On March 22, 2021, Staff advised that phasing the project was going to increase costs and that the project was time sensitive because of safety concerns. Deferring the project was not necessary.

Council Member Stone remarked that the Charleston/Arastradero Corridor Project was a Complete Streets project that was going to make streets safer for bikes, vehicles, and pedestrians. The City needed to fulfill its promise and commitment to residents by proceeding with the project. The project helped the City meet its 80 by '30 goal and policies in the Comprehensive Plan and Sustainability and Climate Action Plan (S/CAP). He inquired whether Staff believed re-bidding the project was going to result in a cost savings.

Mr. Eggleston replied no.

Mr. Shikada clarified that Staff's proposal fulfilled Council's direction to identify savings.

Council Member Stone objected to 80 percent of the savings coming from the Charleston/Arastradero Corridor Project because it vital to health and safety concerns.

Mr. Shikada noted that bids for the project exceeded the estimate by \$900,000. Additional funds were not available to make up the difference unless the Council increased funding.

Mayor DuBois did not want to identify additional funding for the Charleston/Arastradero Corridor Project and reduce funding for another project that impacted even more people. Deferrals were not savings unless

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they were deferred so far into the future that a new planning effort was required. He wanted to find savings in each of the Rinconada Park and Charleston/Arastradero Corridor Projects as part of the Budget process.

Council Member Tanaka preferred to defer projects that the community did not utilize. The Public Safety Building (PSB) needed to be deferred because funding it affected so many other projects.

Council Member Cormack requested confirmation that funding for the PSB was not allocated in fiscal year (FY) 2022.

Kiely Nose, Administrative Services Director/Interim Assistant City Manager, indicated the FY 2022 Proposed Budget contained funding for some contractual expenses that were going to be reimbursed by the debt issuance. Debt service was scheduled to begin in later fiscal years.

Council Member Cormack requested the number of projects delayed by Council action in March 2021.

Mr. Eggleston stated essentially all the projects listed in the column labeled deferral to FY 2022 column. However, the projects may have been deferred for other reasons.

Mr. Shikada indicated a majority of the projects was delayed by multiple reviews.

Council Member Cormack did not recall a majority of Council Members supporting changes to the Rinconada Park Project and recalled only one Council Member advocating for a hard review of the Charleston/Arastradero Corridor Project. Staff complied with the Council's direction. The new Phase III for the Charleston/Arastradero Corridor Project contained the intersections largely responsible for concerns about safety. She inquired about the benefits of consolidating the new Phase IV with the project at Fabian Way.

Holly Boyd, Public Works Assistant Director, reported the two projects were going to overlap in some areas, but there was no need to consolidate the two projects.

Council Member Cormack asked if reallocation of funding for the parking guidance system was possible.

Ms. Nose indicated the parking guidance system was funded through the General Fund.

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Council Member Cormack inquired whether funding was available for projects listed in the FY 2021 column.

Mr. Eggleston answered yes.

MOTION: Council Member Filseth moved, seconded by Council Member Cormack to approve the proposed additional \$2.5 million reduction in Fiscal Year 2021 capital project budget, and amend the Fiscal Year 2021 Budget Appropriation for the Capital Improvement Fund (majority approval needed) by:

- A. Decreasing the Charleston/Arastradero Corridor Project (PE-13011) by \$2,000,000;
- B. Decreasing the Street Maintenance Project (PE-86070) by \$376,000;
- C. Decreasing the Thermoplastic Striping Project (PO-11011) by \$15,500;
- D. Decreasing the Downtown Automated Parking Guidance Systems, Access Controls & Revenue Collection Equip. Project (PL-15002) by \$150,000; and
- E. Increasing the Ending Fund Balance by \$2,541,500.

Council Member Filseth remarked that projects had to be prioritized because funding was going to end before the list of projects did. The new Phase III of the Charleston/Arastradero Corridor Project had a higher priority than Phase IV because the majority of safety issues were located in Phase III. Committing to Phase IV now meant reducing funding for another project, but the Council was not ready to do that. He concurred with the recommendation to release the new Phase III for bids as soon as possible and submit the rest to the Budget process.

Council Member Cormack was not interested in deferring decisions to the Budget process. The answers were not going to improve, but decisions were the Council's responsibility.

Vice Mayor Burt recalled the comment that the FY 2021 Capital Budget contained no additional funding to cover the additional \$900,000 cost for the Charleston/Arastradero Corridor Project. Staff proposed deferring projects worth \$12 million in the FY 2021 Capital Budget. Minus the \$2.5 million reduction sought by the Council, the Capital Budget was supposed to contain approximately \$10 million.

Mr. Shikada explained that the \$2.7 million reduction made a few months ago along with Staff rolling the FY 2021 Capital Budget into the FY 2022

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Proposed Capital Budget left the Council with the only option of reallocating funding from one project to the Charleston/Arastradero Corridor Project.

Vice Mayor Burt stated the \$20 million for the projects listed in the table was budgeted in the FY 2021 Capital Budget.

Mr. Shikada clarified that funding the additional \$900,000 for the Charleston/Arastradero Corridor Project required an appropriation action.

Vice Mayor Burt reiterated that \$20 million listed in the table was contained in the FY 2021 Capital Budget. Less the \$2.5 million reduction directed by the Council, \$17.5 million remained in the Capital Budget.

SUBSTITUTE MOTION: Vice Mayor Burt moved, seconded by Council Member Stone to accept the Staff recommendation, except the Charleston/Arastradero Corridor Project, which should proceed this year with the bid accepted by Staff.

Vice Mayor Burt inquired whether the City was allowed to bond a construction project after construction began.

Mr. Shikada advised that bonding a project typically incurred transaction costs of approximately \$1 million.

Vice Mayor Burt related that he inquired earlier and learned that the cost was \$250,000 rather than \$1 million.

Mr. Shikada was not aware of the question and response. Typically, the City did not bond a project of the magnitude of the Charleston/Arastradero Corridor Project.

Vice Mayor Burt indicated he discussed costs with a bond expert and Ms. Nose. The only way to advance the project at the current time was to utilize the original scope of work.

Council Member Stone concurred with Vice Mayor Burt's comments.

Council Member Tanaka inquired regarding restrictions on the City's use of funding from the bond for the PSB.

Ms. Nose reported funding was restricted to the PSB.

Council Member Tanaka asked about modifying the bond.

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Mr. Shikada stated issuance of a new bond with pertinent documentation was required. He requested the proposed funding source for the gap in funding for the project.

Mayor DuBois inquired whether the bid pertained to the entire Charleston/Arastradero Corridor Project or only Phase III of the project.

Mr. Eggleston clarified that bids were received for the remainder of the entire project. Staff proposed splitting Phase III into new Phases III and IV, which contained two-thirds and one-third respectively of the original Phase III scope of work.

Vice Mayor Burt explained that the funding gap was going to be filled with allocated funds in the FY 2021 Capital Budget that were not going to be expended in FY 2021.

Mayor DuBois reiterated that the funding was going to be reallocated from a project that was being deferred to FY 2022.

Vice Mayor Burt indicated funding for the deferred projects was going to be discussed in the upcoming Budget process. The funding did not need to be reallocated from a specific project.

Mr. Shikada understood the source of an appropriation was always identified.

Mayor DuBois suggested the source was any of the deferred projects except the Magical Bridge Project.

Council Member Cormack interpreted Vice Mayor Burt's comments as spending money now and identifying the cuts later. She did not support the Substitute Motion because of the lack of a funding source.

Vice Mayor Burt related that the funding source was the Municipal Service Center (MSC) Lighting, Mechanical, and Electrical Improvement Project.

Council Member Cormack inquired whether some portion of the MSC Project was funded from Enterprise Funds and, therefore, not available for reallocation.

Mr. Shikada responded yes.

Mr. Eggleston reported Enterprise and Internal Service Funds provided approximately 50 percent of the funding for the MSC Project. The scope of work was replacement of systems installed in 1966, increasing capacity to

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facilitate replacing natural gas fixtures with electrical fixtures, and electrification of the fleet.

Mr. Shikada added that mechanical improvements were air quality improvements for the indoor workspace.

Council Member Kou inquired whether the project was being eliminated or deferred.

Mr. Shikada clarified that \$900,000 was going to be reallocated from the MSC Project, which required reducing the scope of work or identifying additional funds from another source.

Council Member Kou asked if the MSC Project was going to be included in the FY 2022 Proposed Capital Budget.

Mr. Shikada explained that the FY 2022 Budget needed to be rebalanced and capital projects re-prioritized to cover the \$900,000 removed from the MSC Project.

Ms. Nose concurred. Unless the Substitute Motion identified a specific project for a funding adjustment, the Substitute Motion needed to direct Staff to present the Finance Committee with a rebalancing action as part of the Budget process.

SUBSTITUTE MOTION FAILED: 3-4 Burt, Stone, Tanaka yes

MOTION PASSED: 4-3 Burt, Stone, Tanaka no

Council Member Questions, Comments and Announcements

Council Member Tanaka reported Council Member Kou and he distributed all yellow whistles at the Stop Asian Hate rally.

Mayor DuBois advised that he participated in the event launching Asian American Heritage Month. He met with Mayors of Indiana and Ohio cities and was going to provide a report to Council Members.

Council Member Kou announced events celebrating Asian American and Pacific Islander Heritage Month were available on the City website at cityofpaloalto.org/aapi.

Adjournment: The meeting was adjourned at 11:14 P.M.