



CITY COUNCIL SUMMARY MINUTES

Special Meeting
June 1, 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 arrived at 6:21 P.M.

Absent:

Special Orders of the Day

1. Proclamation Honoring Gunn High School Football Coach Jason Miller.

Council Member Kou read the Proclamation into the record.

NO ACTION TAKEN.

2. Proclamation Honoring Gunn High School Titans Football Team.

Mayor DuBois read the Proclamation into the record.

Council Member Stone congratulated the team and Coach Miller. Coach Miller's ability to encourage students to be global citizens and contributing members of the community was impressive.

Council Member Cormack found Coach Miller's approach to teamwork to be clever. Hopefully, the community was going to be able to watch games in the fall.

Vice Mayor Burt noted the incredible accomplishment of turning around the football program. The players were going to carry the lessons learned over the past year into their lives beyond football.

Don Austin, Palo Alto Unified School District (PAUSD) Superintendent, thanked the Council for recognizing Coach Miller and the football team. The players were prepared and played with class. Creating future great citizens was a win better than a 5-0 season.

Jason Miller, Gunn High School Football Coach, appreciated the Council recognizing the team. Because of the pandemic, opportunities for recognition were rare. He appreciated the support of Dr. Austin and

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Principals Lawrence and Stratton. His players understood that the opportunity to play football after high school came with the expectation of academic success.

Wendy Stratton, Gunn High School Principal, acknowledged Coach Miller's leadership and caring manner with his players and peers.

NO ACTION TAKEN.

Study Session

3. Discussion of the Format for Meetings of the City Council and Other Public Bodies Potentially Beginning August 2021.

Ed Shikada, City Manager, noted multiple departments were involved with the planning and production of Council, Board, Commission, and Committee meetings.

Darren Numoto, Interim Director Information Technology, reported the Governor may revoke emergency orders on June 15, 2021, which was going to reinstitute Brown Act requirements for public meetings. Council procedures discouraged Council Members from participating via teleconference and limited their use of teleconferencing to three occasions per year. However, the public and Staff were allowed to participate remotely in meetings. Three potential formats for future meetings were Council, Staff, and public participating in person only; Council, Staff, and others participating in person only with the public participating in person or remotely; and the majority of Council participating in person, a minority participating remotely, and Staff, the public, and others participating in person or remotely. If the Council wished, it was possible to replace the existing monitors with large freestanding monitors on each side of the dais.

Rebecca Eisenberg remarked that the Council's decision was going to reflect the importance it placed on transparency and democracy. She appreciated Staff's recommendation for Option 3.

Council Member Cormack requested clarification of Option 3, the hybrid model.

Mr. Numoto advised that Zoom was going to be the primary platform for Option 3 with Council Members present in Chambers. The dais laptops were going to provide the Zoom video similar to Council Members' current view.

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Council Member Cormack suggested the video show in-person Council Members interacting instead of Council Members looking off-screen while talking.

Mr. Numoto indicated screens were going to show the dais as well as close-ups of Council Members. Council Members were allowed to look into the camera or at each other when speaking.

Council Member Cormack noted mask requirements for in-person attendees were not mentioned in the Staff Report. Options 2 and 3 allowed greater public participation. She inquired regarding the procedure for in-person and remote public speakers.

Beth Minor, City Clerk, related that in-person public speakers were probably going to speak one after another as were remote public speakers.

Council Member Cormack asked if Council Members or the City was going to provide laptops and if there were guidelines for use of laptops during meetings.

Mr. Numoto stated the laptop screen was going to provide a view similar to the current Zoom experience.

Council Member Cormack inquired whether it was possible for Council Members to utilize the laptops for email and internet searches during meetings.

Mr. Numoto advised that the functionality of laptops was going to be limited to minimize support issues during meetings.

Council Member Cormack understood the City was going to provide the laptops.

Council Member Stone appreciated Council Member Cormack's concerns regarding connectivity to the public and Staff during meetings. Zoom worked very well when everyone used the same format. Connecting with two audiences, one in person and one in Zoom, was difficult. He supported allowing the public to engage remotely and in person. He inquired regarding the "others" mentioned in the Staff Report.

Mr. Numoto stated consultants and vendors.

Council Member Stone noted the benefits of Staff participating in meetings remotely and asked if it was possible for Staff and the public to participate either remotely or in person.

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Mr. Numoto indicated Option 3 allowed Council Members, Staff, and the public to choose between remote and in-person attendance at meetings. The goal was to integrate Zoom into the usual Chambers recording so that one person was not continuously on camera.

Council Member Stone inquired whether it was possible to display everyone but Council Members on the dais laptops.

Mr. Numoto indicated that was a possibility.

Council Member Stone requested the additional cost of Option 3, including equipment and staff time.

Mr. Numoto explained that the current audiovisual (AV) equipment located in the Chambers was very old; therefore, the cost was primarily for new equipment that accommodated a hybrid environment.

Council Member Filseth inquired whether new AV equipment was less costly than the previous proposal for new equipment.

Mr. Numoto clarified that the current proposal was an interim phase to a full redesign of equipment in the Council Chamber. This proposal was going to reduce the overall cost of the redesign, and new technology was going to be leveraged in the redesign.

Council Member Filseth asked if the two large monitors were going to replace the monitor located behind the dais.

Mr. Numoto answered yes, in the interim phase. Staff planned to present a new proposal for a redesign of Chamber equipment.

Council Member Kou inquired regarding the differences between Zoom and other software, such as Skype.

Mr. Numoto explained that Zoom enabled streaming of meetings on YouTube and Midpen Media Center. Zoom's meeting format allowed video feeds of public speakers, but meeting management was more difficult in meeting format. Other brands of software were targeted to person-to-person communications.

Council Member Kou requested the rationale for the limit on the number of meetings during which Council Members were allowed to participate remotely.

Molly Stump, City Attorney, advised that prior to instituting a limit, the Council procedures required Council Members to have an emergency to

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participate remotely. In changing the procedure, the Council recognized that emergencies occurred at the last minute, and it was not possible to fulfill noticing requirements. Previously, remote attendance meant Council Members participated via telephone, and they were often difficult to hear.

Vice Mayor Burt concurred with Staff's recommendation of Option 3. There were tradeoffs to allowing remote participation, but overall remote participation was a benefit. He asked if Staff planned trial runs of the new equipment and software.

Mr. Numoto answered yes.

Vice Mayor Burt inquired whether Zoom's meeting format allowed a view of the full dais.

Mr. Numoto reported the equipment's function determined the view, not the software. The equipment did allow a view of the dais and individual Council Members.

Vice Mayor Burt remarked that some of the Brown Act's requirements needed to be changed. Remote participation was going to expand public access. The City and the League of California Cities needed to advocate for legislation that helped local governments function with remote participation.

Mayor DuBois asked if fully remote meetings were an option.

Ms. Stump replied yes. However, once the Governor's emergency suspension of Brown Act provisions ended, Council Members were required to publish the physical locations from which they participated and to allow members of the public to participate from the remote locations.

Mayor DuBois inquired about the possibility of utilizing Zoom's "raised hand" feature for Council Member votes rather than roll call votes.

Ms. Stump reported the emergency order required roll call votes probably to provide a clear record and transparency.

Mayor DuBois asked if Staff planned to utilize the laptop microphone or a separate microphone for Council Members.

Mr. Numoto related that tests with the existing dais microphones were promising.

Mayor DuBois expressed concern that the proposed monitors were not going to be legible from the rear of the Council Chamber. He inquired whether the

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proposal was a temporary solution to redesigning AV equipment in the Chamber.

Mr. Numoto responded yes. A redesign was necessary to upgrade equipment and to comply with the Americans With Disabilities Act (ADA).

Mayor DuBois asked if it was possible to utilize the existing monitor with the two proposed monitors.

Mr. Numoto answered yes.

Mayor DuBois commented that he referred to Staff Reports and his meeting notes during meetings. Therefore, he did not support limiting the functionality of dais laptops unless Council Members were allowed to utilize a personal laptop.

Mr. Numoto explained that the laptop was presented to depict the monitor in front of each Council Member. Staff was exploring the use of a monitor with a small computer behind it or an all-in-one monitor.

Mayor DuBois favored a hybrid of Options 2 and 3 wherein only Council Members were required to be present in the Chambers. Eliminating travel time for consultants was going to be a cost savings for the City. He proposed reducing the number of Staff needed to manage meetings by utilizing the Vice Mayor. He asked Council Members to consider allowing members of the public to be visible and to share presentations when participating remotely and requesting remote members of the public to provide their names, addresses, and email addresses.

Ms. Stump advised that requesting information was possible, but requiring information was not possible.

Mayor DuBois indicated rules were needed for members of the public. He preferred Council Members attend meetings in person. He inquired regarding special requirements for Council Members participating remotely from outside Palo Alto versus from Palo Alto.

Ms. Stump related that she needed to review the rules.

Mayor DuBois noted meeting management was challenging through Zoom.

Council Member Cormack asked if hybrid meetings were going to be possible for the Council's final two meetings in June 2021.

Mr. Shikada reported Staff did not believe the state of emergency was going to be lifted on June 15, 2021 when the tier system ended.

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Council Member Cormack suggested Staff place multiple devices around the monitor during trial runs in order to consider whether the monitor was a distraction. The monitor diminished her ability to focus on the person speaking.

NO ACTION TAKEN.

Agenda Changes, Additions and Deletions

Mayor DuBois reported Staff requested continuation of Agenda Item Number 9 to June 7, 2021.

Council took a break at 6:03 P.M. and returned at 6:16 P.M.

Oral Communications

None.

Minutes Approval

4. Approval of Action Minutes for the May 17 and May 18, 2021 City Council Meetings.

MOTION: Council Member Kou moved, seconded by Council Member Filseth to approve the Action Minutes for the May 17 and May 18, 2021 City Council Meetings.

MOTION PASSED: 6-0 Tanaka absent

Consent Calendar

Council Member Kou registered a no vote on Agenda Item Number 5.

MOTION: Council Member Cormack moved, seconded by Council Member Stone to approve Agenda Item Number 5.

5. Ordinance 5523 and Ordinance 5524 Responding to State Housing Bills Regarding Density Bonus and Affordable Housing, Environmental Assessment: Exempt Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) (FIRST READING: May 18, 2021 PASSED: 7-0).

MOTION PASSED: 6-1 Kou no, Tanaka absent

Council Member Kou remarked that it was going to cause even more overall jobs/housing imbalance without providing more affordable housing.

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City Manager Comments

Ed Shikada, City Manager, reported the June 7 and 22, 2021 Council Agendas contained items related to reopening. Staff anticipated Cal/OSHA releasing its reopening requirements on June 3, 2021. The golf shop and Baylands Café at the Baylands Golf Links were open. One-way trails in open space preserves were returning to two-way travel on June 2, 2021. Magical Bridge was open with no capacity limits. Mitchell Park, Rinconada, and Children's Libraries were open, and computer use was available. US-101 was going to be closed overnight June 5-6, 2021 for installation of the Bike Bridge. An invitation-only ground-breaking ceremony for the Public Safety Building was planned for June 2, 2021. Members of the public were invited to watch the ceremony on YouTube. Fireworks were illegal in Palo Alto and surrounding communities, and the community was encouraged to report sounds of fireworks or suspected gunfire. Fire stations were secure drop-off locations for fireworks. Changes were being made to permit and inspection procedures for solar installations. The City was hosting a community meeting on June 9, 2021 regarding San Francisco International Airport's (SFO) proposal to install Ground-Based Augmentation System (GBAS). The Council's June 14, 2021 Agenda included items regarding an Independent Police Auditor contract, the Fry's site, and the preferred alternative for the North Ventura Coordinated Area Plan (NVCAP). The Council's June 21, 2021 Agenda included approval of the fiscal year (FY) 2022 Budget. Over the weekend, a Police Dispatcher provided cardiopulmonary resuscitation (CPR) instructions over the phone to an individual who successfully resuscitated a person suffering a cardiac event.

Action Items

6. Approval of the Tri-party Fire Agreement for Foothills Reserve Fire Station Staffing During Fire Season.

Kevin McNally, Deputy Fire Chief, reported the contract term was one year with an option to renew it for four years. Also, the contract called for staffing Station 8 with three personnel from 8:00 A.M. to 8:00 P.M. beginning June 15, 2021 through October 2021 or as needed for fire season. There were not going to be any personnel costs for the City. Palo Alto was going to provide personnel in June 2021, Santa Clara County Fire District in July 2021 with agencies alternating monthly thereafter. Prior to 2015, Station 8 was staffed with three personnel working 12 hours per day from July 1 through October 31. Station 8 was staffed on red flag days and high fire danger days, which totaled 17 days in 2020. Full staffing during fire season also provided visitors and nearby residents with access to emergency medical services (EMS).

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Ken Dueker, Chief, Office of Emergency Services, advised that the Foothills Fire Management Plan detailed fuel reduction and mitigation. The Palo Alto Fire Department and partners were inspecting properties in the wildland urban interface. Community fire safety presentations were scheduled after June 15, 2021.

Brian Glass, Acting Fire Chief, Santa Clara County Fire District, indicated this was an opportunity for three jurisdictions to collaborate and serve residents.

Council Member Kou felt the partnership was logical and efficient. She inquired whether Staff considered utilizing Emergency Service Volunteers (ESV) for safety watches in addition to the July 4 safety watch.

Mr. Dueker explained that ESVs participated in safety watches on red flag days and high fire risk days.

Vice Mayor Burt believed the contract was important in light of the ongoing threat of mega fires. He was interested in learning about immediate and urgent actions and expressed concern that actions were not aggressive enough given drought conditions.

Council Member Cormack inquired whether Los Altos Hills County Fire District was paying for the staffing of Station 8.

Mr. McNally related that Los Altos Hills County Fire District was going to fund overtime pay to staff Station 8.

Council Member Cormack appreciated the ability to increase EMS with more people visiting open space.

Council Member Stone supported the tri-party contract due to the number of fires in 2020 and the current favorable conditions for wildfires. He asked about the potential for additional public safety partnerships.

Mr. McNally reported agencies within Santa Clara County partnered to provide a fire academy for new recruits, and public safety employees of the County of Santa Clara (County) staffed COVID-19 vaccination clinics for employees of jurisdictions.

Council Member Tanaka requested the amount of service provided by each agency.

Mr. McNally indicated the three agencies discussed call volumes, but an estimation of calls in 2021 was not analyzed. Historically, calls for service to Station 8 were relatively low, probably less than 100 over the four-month fire season.

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Mr. Glass agreed that the anticipated call volume for Station 8 was unknown. Staffing Station 8 was the first step in gathering data. The Station 8 engine often responded to calls near its coverage area.

Council Member Tanaka inquired regarding the calculation of costs and dividing costs among the three agencies.

Mr. Glass advised that Palo Alto provided the station, staff, and one engine, and the County provided staff and one engine. Los Altos Hills funded overtime costs for staffing. Mixing personnel from Palo Alto and the County was not safe due to the inability to train personnel in the short timeframe.

Council Member Tanaka remarked that splitting costs equitably was difficult without knowing the workload for each agency.

Mr. McNally explained that the City had not staffed Station 8 in quite some time. CalFire, County Fire, and Palo Alto Station 2 also responded to calls for service in the Station 8 coverage area. It was impossible to know which agency was going to respond to calls. The City did not have personnel to staff Station 8 at regular pay, and Los Altos Hills was going to reimburse the City's overtime costs to staff Station 8. The City's costs were going to be fuel and maintenance of the station and engine.

Mayor DuBois inquired whether Los Altos Hills was going to pay the full overtime amount or the difference between regular and overtime pay.

Mr. Glass indicated the full amount.

MOTION: Mayor DuBois moved, seconded by Council Member Cormack to approve entering into a memorandum of understanding with the Los Altos Hills County Fire District and the Santa Clara County Fire Department to staff Palo Alto Fire Station 8 (Foothills) during wildland fire seasons.

Council Member Cormack noted that the contract fulfilled a need.

MOTION PASSED: 7-0

7. Discussion on the Scope of Economic Development and Resources Needed for Implementation; and Direction to Staff on the Desired Scope and Goals of Future Investment.

Kiely Nose, Director, Administrative Services/Interim City Manager, reported the Council approved the Community and Economic Recovery Workplan in March 2021. There was no funding allocated for economic recovery, but the \$500,000 Council Reserve Fund, the \$100,000 Council Contingency Fund,

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possibly other unallocated funds, and the Budget Stabilization Reserve Fund (BSR) were available.

Leslie Parks, Good City Company, advised that there was no universally accepted definition of economic development. The definition and goals of economic development were influenced by economic changes, an urban or rural community, the type of businesses or industries located in a community, community assets and location advantages, a pandemic, and community demographics. Certain businesses had a greater multiplier effect on the economy compared to service businesses. Small businesses relied on employees from larger companies as well as residents as customers. Small businesses with less than 500 employees comprised 99 percent of U.S. businesses and employed 47.1 percent of the private workforce. Firms with 20 to 99 employees had the largest share of employment and created the most jobs. Small businesses were typically locally serving and primarily service businesses. Palo Alto retail businesses with one to 20 employees comprised 83 percent of all Palo Alto retail businesses. It was extremely difficult to find new businesses that generated Sales Tax at the level of Costco or Walmart. One approach to economic development depended on the community's goals and focused on what a city did best. Most cities in the Bay Area employed an Economic Development Manager and no other staff, and the salary range was \$125,000 to \$204,000. In the Bay Area, cities typically did not budget for economic development. Palo Alto's economic development strengths included a high quality of life, proximity to Stanford University and Stanford Research Park, availability of professional services, walkability and bike-ability, and access to Caltrain. Palo Alto's economic development weaknesses included a perceived lack of available parking in Downtown, quick access to major freeways, high cost of housing, and limited office space growth. Options and costs for the Council to consider were a permanent Staff position with a salary of \$145,000 to \$150,000, part-time or full-time consultant contract position with an annual cost of \$100,000 to \$200,000, and additional funding for special studies and other work.

Aaron Akin, Good City Company, noted that economic development was intended to provide a high quality of life for residents.

Tiffany Griego, Stanford Research Park Managing Director, advised that Stanford Research Park businesses produced approximately 15 percent of Palo Alto's Sales Tax revenue. An economic development program was essential to keep businesses stable and operational and continuously attract businesses. She encouraged the Council to hire dedicated Economic Development Staff.

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Karen Holman noted that Palo Alto had not employed Economic Development Staff in many years. Economic Development Staff were essential to keeping a healthy variety of businesses in Palo Alto. Economic development was an investment in the economy and the future.

Charlie Weidanz, Palo Alto Chamber of Commerce, asked the Council to explore an economic development plan that attracted, retained, and supported existing and potential businesses. The Chamber of Commerce was interested in participating in the collaboration.

Rebecca Eisenberg concurred with other public comments. The City needed to tax its largest employers.

Council took a break at 7:51 P.M. and returned at 8:00 P.M.

Vice Mayor Burt remarked that the Council never received an analysis of commuters' impact on local businesses. City revenues suffered from a diminishment of hotel travelers. The hybrid model for working from home was likely going to benefit hotels. Promoting Palo Alto as an attraction for visitors was an opportunity to help local businesses and generate City revenue.

Council Member Stone noted the complexity of a commercial ecosystem and highlighted the need for Economic Development Staff and to pursue economic strategies. He inquired about the role of previous Economic Development Staff.

Ed Shikada, City Manager, related that he was not working with the City during that time, but he understood the role was primarily addressing issues for businesses interested in locating in Palo Alto and leaving the City.

Mr. Aknin recalled Economic Development Staff working with departments to help resolve issues. An economic development strategy had two components: policy and outreach to businesses.

Council Member Stone preferred to hire an experienced person to focus on both policy and outreach.

Council Member Cormack noted the role of an economic development manager varied with each city. Consultants had the expertise to help the Council determine which sectors on which to focus. An economic development manager was probably the best person to conduct outreach with businesses and surveys. The Staff person needed to have a connection with Stanford University because so much travel to Palo Alto was connected to Stanford University. She requested comment regarding the Council's

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consideration of healthcare businesses or Stanford University in making decisions.

Mr. Aknin agreed that a Staff person needed to have ongoing communications with Stanford University, Stanford Research Park, and healthcare personnel to understand their role in economic development.

Ms. Parks reported Stanford Hospital supported generation of tax revenue other than Sales Tax revenue in communities where facilities were located. An economic development manager needed to understand the various opportunities for generating revenue. If the Council chose to budget for economic development, the budget typically paid for the manager's membership in organizations that provided information and expertise for business sectors.

Council Member Filseth commented that the classical goal of economic development was to increase jobs and/or to attract revenue-generating businesses. Local-serving retail was probably the top priority for Palo Alto rather than increasing jobs. He questioned whether the Staff person needed to have bandwidth or specialized expertise and whether the City needed to hire someone for public safety, for example, or an economic development manager.

Council Member Kou believed a Staff person was more invested in the community than a consultant and needed to make the Business Registry more robust. She requested the rent per square foot of commercial space in other cities.

Mr. Aknin advised that commercial rent was higher, if not the highest, in Palo Alto.

Council Member Kou remarked that parking limited the type of business that wanted to locate in Palo Alto. A Staff person needed to make existing assets and the City's landscape attractive to new businesses. The City was missing businesses that served youth.

Mr. Aknin related that a person with policy or strategy experience was able to help develop policies that attracted specific types of businesses.

Ms. Parks added that the need for youth and family entertainment businesses was paramount in every community. In another city, a developer was willing to accommodate a family entertainment use in a mixed-use development in hopes of obtaining approval of a large amount of office space.

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Council Member Tanaka requested the commercial vacancy rate in Palo Alto.

Kara Apple, Police Lieutenant, indicated 23 of 144 addresses along California Avenue and 45 of 300 addresses in Downtown were vacant. Town & Country Shopping Center reported a 20 percent vacancy rate for 70 spaces; however, tenants for some of those vacant spaces were awaiting permits. Stanford Shopping Center reported 17 of 150 spaces were vacant. The vacancies applied to office and retail spaces.

Council Member Tanaka asked if Staff considered the vacancy rates normal, higher than normal, or lower than normal.

Ms. Apple did not have the expertise to offer an opinion. Anecdotally, the vacancy rate appeared slightly higher than normal. Some vacant spaces needed a significant amount of improvement to be suitable for opening a business.

Council Member Tanaka felt the vacancy rates were high. Palo Alto was no longer the epicenter for start-ups. An important goal for the City was to reverse the trend of businesses leaving the City, which helped achieve other goals. Outsourcing an economic development function provided flexibility, expertise, access to other cities, and the ability to base compensation on performance.

Mr. Aknin clarified that the City was going to need consultants and their expertise if the City hired a Staff person, but the Staff person needed to be a good communicator to relay information from consultants to the Council and community.

Ms. Parks reported most economic development consultants provided independent contractors who worked on a project-by-project basis. Only three consulting firms contracted their employees to cities for economic development. Two firms employed one economic development person each, and the third firm employed only a few economic development people.

Mayor DuBois requested the amount of business-to-business Sales Tax revenue. The City wanted to adapt nimbly to a potential long-term change in businesses caused by the pandemic in order to continue to generate City revenue and to provide City services. Cities important for comparison to Palo Alto were Los Gatos, Burlingame, and Walnut Creek and possibly Beverly Hills and Newport Beach. If the number of commuters did not return to pre-pandemic levels, areas filled with restaurants that served commuters may need to change to a mix of restaurants and retail. The community may not want big box stores. Ordinances encouraging hotel development may need to be revised or eliminated. Marketing Palo Alto as a

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destination was appropriate. Outsourcing the economic development role was acceptable if the consultant had strategy experience and knowledge of Palo Alto.

Mr. Aknin noted themes in the Council's comments of an economic development person with knowledge of strategy, policy, outreach to businesses and residents, and the potential post-pandemic transition.

Vice Mayor Burt believed the economic development person needed to provide the Council with strategic approaches. In Palo Alto, property owners did not lower their rents to attract tenants during economic downturns. The Business Registry was underutilized. Engaging businesses and nonprofits in civic life strengthened the community and leveraged resources. Initially, consultants were likely the best choice for economic development, but ultimately, economic development needed to be a role within the City. Economic growth needed to result in place making.

Council Member Filseth agreed that economic development functions needed to be split at the current time. Retaining community-serving retail businesses was difficult due to Palo Alto's high cost of living. Obtaining domain expertise and strategic experience was the initial objective.

Council Member Stone inquired regarding the frequency or annual cost of Staff outsourcing economic development issues to consultants.

Ms. Nose reported no economic development issues were outsourced during her tenure with the City. However, economic analysis of land use matters was outsourced on an ad hoc basis.

Council Member Stone asked if utilizing a consultant for economic development was common.

Mr. Aknin explained that an economic development manager or coordinator was typically an in-house role. Consulting firms were utilized to prepare strategies.

Ms. Parks related that she no longer prepared strategic documents for cities because they were not implemented. Now, she prepared action plans for Staff to implement.

Council Member Stone supported creating and recruiting for an internal economic development position.

Council Member Cormack inquired regarding appropriate business sectors for Palo Alto based on demographics.

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Ms. Parks indicated the typical approach for economic strategies involved analyzing the dominant industry sectors. Communities then determined which sectors provided the most benefits. In Silicon Valley, the dominant sectors were high tech, information technology and services, and healthcare.

Council Member Cormack noted education was the City's major sector.

Mr. Akin advised that the economic development manager or the consultant was the appropriate party to explore a strategy for education.

Council Member Cormack stated the Council was not ready to fill an in-house position because the Council had not defined the position's responsibilities. She preferred to engage a consultant to help the Council determine the next phase of business opportunities given the City's strengths and the community's desires. The Council and community may want to explore allowing big box stores in Palo Alto.

Mayor DuBois suggested the scope of work for a Staff member or a consultant include cleaning up and analyzing Business Registry data.

MOTION: Mayor DuBois moved, seconded by Council Member Filseth to direct Staff to come back with a proposal for an RFP for an economic development strategy consultant and internal staffing plan to support a connection to the business community with a focus on:

- A. Analysis of shifts in Palo Alto business mix, including clean up and analysis of business registry data;
- B. Strategies to deal with shifts caused by the pandemic;
- C. Strategies to bolster Palo Alto hotels; and
- D. Additional opportunities to bolster revenue and service local residents.

Mayor DuBois did not believe the Council had sufficient information to hire an internal Staff member.

Council Member Filseth wanted to understand Staff's ability to take on this work. Domain knowledge was needed for the strategic piece.

Mr. Shikada felt the Motion was logical as a next step and consistent with a one-time allocation of funds. Staff responded well to the crisis of business loss during the pandemic, and the next phase was a strategic focus on attracting desirable businesses.

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Ms. Apple reported businesses indicated communications and relationship building were vital during the pandemic. A strategy for the new normal was a good focus.

SUBSTITUTE MOTION: Council Member Kou moved, seconded by Council Member Stone to:

- A. Hire an Economic Development Staff member to develop an internal staffing plan to support a connection to the business community with a focus on:
 - i. Analysis of shifts in Palo Alto business mix including clean up and analysis of business registry data;
 - ii. Strategies to deal with shifts caused by the pandemic;
 - iii. Strategies to bolster Palo Alto hotels;
 - iv. Additional opportunities to bolster revenue and service local residents; and
- B. Refer to the Finance Committee discussion of the funding source for this position.

Council Member Tanaka commented that the cost of an employee was more than salary alone, and the total cost of an employee was probably higher than the cost of a consultant. According to his research, landlords were more than willing to reduce rents and/or pay for tenant improvements to obtain tenants. However, businesses faced challenges of a lack of customers and a lack of employees. In his experience, Palo Alto families wanted big box stores. A consultant was able to provide more experience and expertise than a Staff member.

Mr. Aknin indicated that the Economic Development Staff member's job description was going to cover a variety of topics. However, a consultant was going to be needed for the first year or two to provide advice for strategies.

Vice Mayor Burt commented that the Council needed to weigh the cost and value of a full-time Staff member versus a consultant. The value of an employee who provided some strategic thinking, built networks, and engaged businesses and the community led him to support the Substitute Motion.

Council Member Cormack did not support the Substitute Motion because a plan developed by a consultant was going to help the Council determine the

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level of the Economic Development Staff member. The Finance Committee more than likely was not going to be able to find funding for a Staff position.

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

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

MOTION PASSED: 6-1 Stone no

8. Adoption of an Ordinance Establishing Board and Commission Term Limits, Consolidating Recruitment to May of Each Year, and Codifying the Human Relations Commission's Existing Role of Recommending Grant Funding.

Molly Stump, City Attorney, reported the Council began updating the Boards, Commissions, and Committees Program (BCC) some time ago. The Ordinance contained several elements in which the Council and/or the Council Ad Hoc Committee were interested. There were many policy questions for the Council. The proposed Ordinance limited members of the Planning and Transportation Commission (PTC), Human Relations Commission (HRC), Parks and Recreation Commission (PARC), Public Art Commission (PAC), and Utilities Advisory Commission (UAC) to two terms and members of the Architectural Review Board (ARB) and Historic Resources Board (HRB) to three terms. The second provision moved BCC recruitments scheduled for December to May, which affected the PTC, PARC, HRB, and ARB. The third proposal was to codify the HRC's responsibility to make recommendations to the Council regarding nonprofit social services grants. The Council needed to decide whether serving a partial term counted toward the term limit for a BCC member; for members who previously served on BCCs or were currently serving on BCCs, what counted toward the term limit; whether there was a time limit for current members to hold over until a new member was appointed; and the length of time a member must sit out before serving on a BCC after terming off the same BCC. Policy issues regarding recruitment schedules were how and when the transition occurred and how to handle mid-term vacancies.

Fred Balin supported the strong discouragement of ex parte communications, quality Staff Reports, adequate time for BCCs and the public to prepare for meetings, site visits as needed, and adequate time for Applicants and Appellants to describe matters before the PTC.

Jeff Greenfield, speaking as an individual, commented that BCC recruitments during May were challenging for the Council due to Budget hearings. BCC terms needed to end no later than March 31 so that new members

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participated in developing work plans, which were concurrent with the fiscal year. The Storm Water Management Oversight Committee (SWMOC) was omitted from the recommendation. All BCC members needed to be limited to three terms.

Rebecca Eisenberg believed allowing a member to serve on the same BCC after terming off it defeated the purpose of a term limit. Moving all recruitments to the same time decreased the applicant pool by half.

Vice Mayor Burt agreed with the recommendations for a partial term, the look-back period, the hold-over period, and the break after terming off a BCC. He proposed limiting members to three terms. Scheduling recruitments at the same time was problematic on a number of levels, and scheduling half of recruitments for January and the remaining half in August was reasonable. The effective date needed to be the beginning of 2022.

Council Member Cormack noted previous Council disagreement regarding BCC appointments during election season. She supported the recommendation for term limits. She requested the rationale for counting a seated member's service, whether one year or 20 years, as one term.

Ms. Stump clarified that the Council previously indicated its preference to provide seated members with the opportunity to serve an additional term. The Council was allowed to revise the recommendation.

Council Member Cormack preferred not to allow seated members to serve another term if they served two or more terms prior to the transition. She concurred with the recommendations for extending terms and mid-term vacancies. She requested the reason for omitting SWMOC.

Ms. Stump advised that SWMOC was created by the bond measure that voters approved.

Council Member Cormack recalled the Council's intention to provide more residents with the opportunity to serve on BCCs by limiting terms.

Council Member Stone concurred with Vice Mayor Burt's comments. He requested the consequences of the Council not appointing a BCC member within the six-month hold-over period.

Ms. Stump explained that the existing member remained in the seat for six months after his term expired, and after six months the seat was vacant until the Council appointed a member. The Council did not have to provide a hold-over period.

SUMMARY MINUTES

Council Member Stone requested the reason for providing two different term limits based on the BCC.

Ms. Stump advised that Staff and the City Clerk previously noted the difficulty of obtaining qualified applicants for the ARB and HRB. Consequently, the Council proposed a limit of three terms for members of the ARB and HRB. BCC members served three-year terms, except PTC members served four-year terms.

Council Member Stone requested Staff comment regarding scheduling recruitments for May.

Beth Minor, City Clerk, believed it was problematic. The Council needed to interview select applicants rather than all applicants.

Council Member Filseth inquired whether recruiting in January, interviewing in February, and appointing in March was feasible.

Ms. Minor suggested newly seated Council Members may not be familiar with BCC members in January. In addition, the UAC usually provided input to the Utilities Department Budget. Recruiting in early February and appointing in March with appointments beginning April 1 was probably a better schedule.

Council Member Filseth requested the time period for applicants to submit applications.

Ms. Minor reported the Municipal Code allowed 15 days, but recruitments were often extended to four to six weeks to obtain sufficient applications for vacant seats.

Council Member Filseth asked if scheduling recruitments to end in early February and interviews over three or four weeks and appointing members in mid-March was reasonable.

Ms. Minor replied yes.

Council Member Filseth felt three terms were reasonable for BCC members, except for the PTC. He proposed a limit of two terms for PTC members. He requested the potential number of interviews if the Council moved all recruitments to January/February.

Jessica Brettle, Assistant City Clerk, answered 40 to 50.

Mayor DuBois asked if the Council needed to include SWMOC.

Ms. Stump seemed to recall that the Council was allowed to do that.

SUMMARY MINUTES

Mayor DuBois supported the proposal for a three-term limit for three-year BCC members and a two-term limit for PTC members. He preferred scheduling all recruitments in the spring. He asked if there was a difference in setting the effective date at 2022 and making the Ordinance applicable to BCC members whose terms ended after January 2022.

Ms. Stump responded that the two were essentially the same.

Vice Mayor Burt indicated a limit of three terms was going to result in members with varying degrees of experience serving on BCCs. The PTC and SWMOC, with four-year terms, needed a limit of two terms.

MOTION: Vice Mayor Burt moved, seconded by Council Member Stone to approve an Ordinance, with adjustments on policy issues as desired, to amend various sections of the Palo Alto Municipal Code in order to:

- A. Create term limits for board and commission members as follows:
 - a. Three 3-year terms for the Architectural Review Board (ARB), Historic Resources Board (HRB), Human Relations Commission (HRC), Parks and Recreation Commission (PRC), Public Art Commission (PAC), and the Utilities Advisory Commission (UAC);
 - i. Cannot serve more than 9 years consecutively;
 - b. Two 4-year terms for the Planning and Transportation Commission (PTC) and the Storm Water Management Oversight Committee (SWMOC);
 - i. Cannot serve more than 8 years consecutively;
- B. Approve the suggested policy issues regarding term limits, including
 - a. Two recruitment periods with one commencing in January for PTC, HRB, HRC, and ARB with terms beginning in March; and one commencing in August for all other BCCs with terms beginning October;
- C. Effective date of Ordinance would be January 1, 2022
- D. Codify existing duties of the Human Relations Commission.

Council Member Cormack did not support the Motion because a currently serving member was allowed to serve two additional terms.

SUMMARY MINUTES

Vice Mayor Burt clarified that the Motion prohibited a currently serving member from serving more than eight consecutive years on a four-year BCC and more than nine consecutive years on a three-year BCC.

Council Member Cormack was not comfortable with a limit of three terms for members of three-year BCCs.

Ms. Stump noted the Motion proposed to move the HRC recruitment from May to January, the PAC and UAC recruitments from May to August, and the PRC and HRB recruitments from December to August.

Vice Mayor Burt clarified that the PTC recruitment needed to commence in January.

Ms. Stump stated the Motion moved PTC, ARB, HRB, and PARC recruitments to January.

AMENDMENT: Mayor DuBois moved, seconded by Council Member Cormack to amend the Motion Part B. i. to commence the recruitment for all Boards and Commissions in January with terms beginning in March.

Mayor DuBois reiterated that the Council was not required to interview all applicants but was going to schedule multiple nights for interviews. Scheduling recruitments altogether increased efficiency.

Council Member Cormack wanted to try holding all recruitments at one time.

AMENDMENT PASSED: 5-2 Burt, Stone no

Ms. Stump reported Staff was going to return with an Ordinance that required the Council to make BCC appointments in December 2021. Beginning January 2022, all BCC terms were going to expire in March such that terms expiring in May and December 2022 were going to extend to March 2023. Staff needed to revise the proposed Ordinance and return to Council for a first reading.

Council Member Kou asked if the Council was going to interview BCC applicants in the fall of 2021.

Ms. Stump indicated the Motion proposed that, but it was not required. The January recruitment and March appointment process was going to begin in 2023.

Council Member Cormack asked if it was possible to implement the new timeframe in September 2021.

SUMMARY MINUTES

Ms. Stump answered yes.

Mayor DuBois did not want to change the effective date because terms expiring in 2021 needed to be extended.

Vice Mayor Burt preferred delaying the effective date to the beginning of the year.

MOTION AS AMENDED: Vice Mayor Burt moved, seconded by Council Member Stone to approve an Ordinance, with adjustments on policy issues as desired, to amend various sections of the Palo Alto Municipal Code in order to:

- A. Create term limits for board and commission members as follows:
 - i. Three 3-year terms for the Architectural Review Board (ARB), Historic Resources Board (HRB), Human Relations Commission (HRC), Parks and Recreation Commission (PRC), Public Art Commission (PAC), and the Utilities Advisory Commission (UAC);
 - a) Cannot serve more than 9 years consecutively;
 - ii. Two 4-year terms for the Planning and Transportation Commission (PTC) and the Storm Water Management Oversight Committee (SWMOC);
 - a) Cannot serve more than 8 years consecutively;
- B. Approve the suggested policy issues regarding term limits, including:
 - i. Commence the recruitment for all Boards and Commissions in January, with terms beginning in March;
- C. Effective date of Ordinance would be January 1, 2022; and
- D. Codify existing duties of the Human Relations Commission.

MOTION AS AMENDED PASSED: 6-1 Cormack no

Ms. Stump indicated a first reading of the revised Ordinance was going to be placed on a June 2021 Consent Calendar.

~~9. PUBLIC HEARING: Adoption of a Resolution to Suspend Assessments for Fiscal Year 2022 for Downtown Business Improvement District (BID) (STAFF REQUESTS THIS ITEM BE CONTINUED TO JUNE 7, 2021).~~

SUMMARY MINUTES

Council Member Questions, Comments and Announcements

Council Member Kou noted approximately 30 events were held in May 2021 for Asian American Pacific Islander Month. She appreciated Staff's support.

Council Member Stone reported in-person graduation ceremonies for both Palo Alto High School and Gunn High School were scheduled for June 2, 2021.

Vice Mayor Burt advised that the San Francisquito Creek Joint Powers Authority (JPA) discussed a funding gap for the Pope-Chaucer Bridge segment and decided to delay action until the exact amount of the gap, if any, was known. Santa Clara Valley Transportation Authority (VTA) employees were traumatized by the recent shooting at the VTA facility in San Jose. As a crime scene, the facility remained closed, which resulted in an indefinite cessation of light rail service.

Council Member Tanaka suggested the Council return to scheduling meetings for 6:00 P.M. in an effort to increase community participation.

Mayor DuBois announced World Music month was scheduled for June 2021.

Adjournment: The meeting was adjourned in memory of the VTA shooting victims, their co-workers, and families at 10:40 P.M.