



CITY COUNCIL ACTION MINUTES

Special Meeting
June 21, 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. Presentation by the Palo Alto Art Foundation.

NO ACTION TAKEN

2. Resolution 9967 Entitled, "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Beth Minor Upon her Retirement."

Mayor DuBois read the resolution into the record.

MOTION: Mayor DuBois moved, seconded by Vice Mayor Burt to adopt a Resolution Expressing Appreciation to Beth Minor Upon her Retirement.

MOTION PASSED: 7-0

Agenda Changes, Additions and Deletions

None.

Minutes Approval

3. Approval of Action Minutes for the June 7, 2021 City Council Meeting.

MOTION: Council Member Cormack moved, seconded Mayor DuBois to approve the Action Minutes for the June 7, 2021 City Council Meeting.

MOTION PASSED: 7-0

Council took a break at 5:48 P.M. and returned at 6:00 P.M.

AT THIS TIME THE COUNCIL WILL CONVENE TO A REGULAR MEETING

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Consent Calendar

Council Member Cormack registered a no vote on Agenda Item Number 18.

Council Member Kou registered a no vote on Agenda Item Number 19.

Council Member Tanaka registered a no vote on Agenda Item Number 16.

MOTION: Mayor DuBois moved, seconded by Council Member Stone to approve Agenda Item Numbers 4-21.

4. Adoption of the Fiscal Year 2022 Investment Policy.
5. Approval to Utilize California Department of Technology CALNET Cellular Voice and Data Services Contract (C4-CVD-19-001-03) With Cellco Partnership D/B/A Verizon Wireless Through May 22, 2023 and Including Possible Extension Through May 22, 2027, With an Anticipated Cost of \$350,000 Annually; CALNET Data Networks and Communications Services Contract (C4-DNCS-19-001-40) With AT&T Corporation Through June 30, 2025 and Including Possible Extension Through June 30, 2028; CALNET Legacy Telecommunications Voice and Data Services Contract (C4-LEG-12-10-TS-01) With AT&T Corporation Through January 2, 2026 and Including Possible Extension Through January 2, 2029; and CALNET Cellular Voice and Data Services Contract (C4-CVD-19-001-04) With AT&T Mobility Through June 30, 2023 and Including Possible Extension Through June 30, 2027, With an Anticipated Cost of \$300,000 Annually.
6. Approval of Contract Amendment Number 3 to Contract Number C15159248 With Geodesy, to Extend the Term for Three-years Ending June 30, 2024, and add \$535,000 for a new Not-to-Exceed Amount of \$1,930,000, for Geographic Information Systems (GIS) Maintenance, Support, Consulting and Department-specific GIS Data Support Services.
7. Approval of Contract Amendment Number 1 to Contract Number C19174715 With Swatt Miers Architects, Inc in the Amount of \$89,000 for the Animal Shelter Renovation, Capital Improvement Program Project, PE-19002.
8. Approve and Authorize the City Manager or Designee to Execute Amendment Number 9 With McCandless Limited LLC for a Three-year Lease Renewal at 1005 and 1007 Elwell Court Ending August 2024.

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9. Approval of Amendment Number 1 to Contract Number C19173980 With Rincon Consultants, Inc. in the Amount of \$27,045 for a Total Not-to-Exceed Amount of \$170,497 and Extend the Term to January 31, 2022, for Preparation of an Initial Study of the Mitigated Negative Declaration for the Cubberley Concept Plan.
10. Approval of two Blanket Purchase Orders With Bound Tree Medical, LLC and Life-Assist for the Purchase of Medical Supplies and Services Not-to-Exceed \$132,000 per Year, for a Total Not-to-Exceed Amount of \$660,000 for up to Five years.
11. Resolution 9968 Entitled, "Resolution of the Council of the City of Palo Alto Making Required Findings to Continue Palo Alto's Participation in the Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) Program for a Fourth 10-year Term and Continue Collection of a \$1 Fee to Fund the Authority."
12. Approval of Amendment Number 2 to Contract Number C20176363 With Magellan Advisors, LLC, for: 1) a Detailed Engineering Design of the new Fiber Backbone Expansion and Fiber-to-the-Home; 2) to Increase Compensation for a Total Not-to-Exceed Amount of \$2,914,331; and 3) Approval of a Budget Amendment in Fiscal Year 2021 for the Fiber Optics Fund.
13. Approval of Contract Number C21181223A With Integrated Design 360, LLC and Approval of Contract Number C21181223B With Integral Group Holdings, LLC for a Shared Not-to-Exceed Amount of \$750,000, to Provide Sustainability Services for Green Building, Energy Reach Code, and the Sustainability Climate Action Plan for a Term of Three-years Through June 2024.
14. Approval of Construction Contract Number C21181691 With Best Contracting Services, Inc in the Amount of \$1,710,000; and Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$171,000 for the Municipal Service Center A, B, & C Roof Replacement Project, Capital Improvement Program Project PF-17000.
15. Approval of a Lease Amendment Between 285 Hamilton LLC and the City of Palo Alto for the Premises Located at 285 Hamilton Avenue for a 48-month Term at a Starting Base Rent of \$43,890 per Month and Increasing 3 Percent Annually.
16. Approval of Contract Amendment Number 1 to Contract Number C18169712 With OB Sports Golf Management (Baylands) LLC for a

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Period of Three-years for a Not-to-Exceed Increase Amount of \$8,878,721 for the Management of Golf Course Operations at the Baylands Golf Links; and Approval of Contract Amendment Number 1 to Contract Number C18171872 With OB Sports Golf Management (Baylands), LLC for a Period of Three-years for Restaurant Licensing to Provide Food and Beverage Services.

17. Staff Recommends the City Council Approve the Board and Commission 2021-2022 Work Plans.
18. Adoption of an Ordinance Establishing Board and Commission Term Limits, Consolidating Appointments to March of Each Year, and Codifying the Human Relations Commission's Existing Role of Recommending Grant Funding; and Resolution 9969 Entitled, "Resolution of the Council of the City of Palo Alto Establishing Term Limits for the Storm Water Management Oversight Committee."
19. Interim Ordinance 5526 Entitled, "Ordinance of the Council of the City of Palo Alto Temporarily Continuing the Expansion of Outdoor Dining, Retail and Other Activities on Public and Private Property and Relaxing Regulations Regarding Onsite Parking, On-site Sale of Alcohol, Design/Architectural Review, Permit Fees, and Alcohol Consumption in Public Places, All to Facilitate Such Outdoor use (FIRST READING: June 7, 2021 PASSED: 5-2 DuBois, Kou no)."
20. Resolution 9970 Entitled, "Resolution of the Council of the City of Palo Alto Determining the City's Proposition 4 Appropriations Limit (GANN Limit) for Fiscal Year 2022."
21. Approval of Five 5.5 Year Contracts, Number C21179265A-E for Regional Water Quality Control Plant (RWQCP) On-call Construction Management and Inspection Services With: 1) MNS Engineers, Inc.; 2) CDM Smith; 3) Carollo Engineers; 4) Tanner Pacific, Inc.; and 5) MCK Americas Inc. for a Total Not-to-Exceed Amount of \$1 per Contract; Approval and Authorization of the City Manager or Their Designees to Select one Consultant for Construction Management Services for the Primary Sedimentation Tanks Rehabilitation and Equipment Room Electrical Upgrade Project (WQ-14003) at the Regional Water Quality Control Plant.

MOTION PASSED FOR AGENDA ITEMS 4-15, 17, AND 20-21: 7-0

MOTION PASSED FOR AGENDA ITEM 16: 6-1 Tanaka no

MOTION PASSED FOR AGENDA ITEM 18: 6-1 Cormack no

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MOTION PASSED FOR AGENDA ITEM 19: 6-1 Kou no

Action Items

21A. Approval of an Employment Agreement and Appointment of Lesley Milton to the Position of City Clerk at an Annual Salary of \$175,000.

MOTION: Vice Mayor Burt moved, seconded by Council Member Kou to approve the Employment Agreement and Appointment of Lesley Milton to the Position of City Clerk at an Annual Salary of \$175,000.

MOTION PASSED: 7-0

Mayor DuBois announced Agenda Items 22 and 23 will be heard together.

22. PUBLIC HEARING: Ordinance 5528 Entitled, "Ordinance of the Council of the City of Palo Alto for Fiscal Year 2022, Including Operating and Capital Budgets and Municipal Fee Schedule;" and Adoption of a Revised Compensation Plan for Management and Professional Employees.

23. Adoption of six Resolutions: 1) Resolution 9971 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Fiscal Year (FY) 2022 Electric Utility Financial Plan, Including Proposed Reserve Transfers, and Amending Utility Rate Schedules E-EEC-1, E-NSE-1, E-2-G, E-4-G and E-7-G;" 2) Resolution 9972 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedule E-HRA;" 3) Resolution 9973 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2022 Gas Utility Financial Plan, Including Proposed Transfers, Amending the Gas Utility Reserve Management Practices, and Adopting a Gas Rate Increase by Amending Utility Rate Schedules G-1, G-2, G-3 and G-10;" 4) Resolution 9974 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2022 Water Utility Financial Plan and Reserve Transfer;" 5) Resolution 9975 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedule D-1 Increasing the Storm Water Management Fee by 2.0 Percent per Month per Equivalent Residential Unit for FY 2022;" and 6) Resolution 9976 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules EDF-1 and EDF-2 to Increase Dark Fiber Rates 2.0 Percent."

Public Hearing opened at 6:46 P.M.

Public Hearing closed at 6:53 P.M.

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MOTION: Vice Mayor Burt moved, seconded by Mayor DuBois to:

- A. Adopt the Fiscal Year (FY) 2022 Budget Ordinance, which includes:
 - a. City Manager's FY 2022 Proposed Operating and Capital Budgets, previously released on April 30, 2021 and presented at the May 3rd City Council Meeting;
 - b. Amendments to the City Manager's FY 2022 Proposed Operating Budget;
 - c. Amendments to the City Manager's FY 2022 Proposed Capital Budget;
 - d. Allocated Charge Amendments to the City Manager's FY 2022 Proposed Operating and Capital;
 - e. FY 2022 City Table of Organization;
 - f. FY 2022 Municipal Fee Changes;
 - g. In the General Fund budget, amend as follows:
 - i. Increase the appropriation for the Community Services Department expenses by \$25,000 for the Know Your Neighbors Grant Program;
 - ii. Decrease the appropriation for the Non-Departmental section expenses City Council Recovery Reserve by \$25,000; and
- B. Accept the FY 2022 – 2026 Capital Improvement Plan; and
- C. Adopt the attached cover letter altering the Management and Professional Personnel and Council Appointees Compensation Plan for one Fiscal Year (FY 2022) and extending it to June 30, 2022; and
- D. Approve the tentative funding plan for the ROTH building rehabilitation project and direct Staff to return to Council with refined level of impact fee fund eligibility based on actual construction cost & facility usage in consultation with the Palo Alto Museum; and
- E. Approve and adopt the following Utility Financial Plans and Rate Resolutions:

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- a. Approving the FY 2022 Electric Utility Financial Plan, including reserve transfers, and amending Utility Rate Schedules E-EEC-1, E-NSE-1, E-2-G, E-4-G and E-7-G;
 - b. Amending Utility Rate Schedule E-HRA;
 - c. Approving the FY 2022 Gas Utility Financial Plan, including reserve transfers, amending the Gas Utility Reserve Management Practices, and adopting a Gas Rate Increase by Amending Utility Rate Schedules G-1, G-2, G-3 and G-10;
 - d. Approving the FY 2022 Water Utility Financial Plan, and reserve transfer;
 - e. Amending Utility Rate Schedules EDF-1 and EDF-2 to increase Dark Fiber Rates 2.0 percent;
 - f. Amending Utility Rate Schedule D-1 increasing the Storm Water Management Fee by 2.0 percent per month per Equivalent Residential Unit for FY 2022; and
- F. Direct Staff to return after the summer recess with:
- a. A systematic communication plan to provide customers with rate histories, trends, and competitive standing compared to other jurisdictions and forward to the Utilities Advisory Commission for review and recommendation;
 - b. The evaluation of the Electric Bill Utility reliability history and comparative performance to other jurisdictions to the extent that is available and forward to the Utilities Advisory Commission for review and recommendation; and
- G. Direct Staff to evaluate debt financing for Fire Station 4 and moving forward the construction date.

MOTION PASSED: 4-3 Cormack, Filseth, Tanaka no

24. Approve and Authorize the City Manager or Their Designee to Execute a Seven-year License Agreement With two Five-year Renewal Options and Monthly Rent Payments of \$2,100 Between the City and Tesla, Inc. for a 19-stall Tesla Supercharging Station in the Bryant/Lytton Garage at 445 Bryant Street; Review and Provide Direction on a Draft Administrative Policy on Unsolicited Proposals.

MOTION: Vice Mayor Burt moved, seconded by Council Member Stone to:

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- A. Approve and authorize the City Manager, or their designee, to sign a license agreement, with Tesla, Inc. to install and operate a 19-stall Tesla Supercharging Station within a portion of the city-owned Bryant/Lytton Garage located at 445 Bryant Street for an initial term of seven years, with two options to extend for five years each, and a monthly rent of \$2,100;
- B. Delegate authority to the City Manager, or their designee, to execute on behalf of the City, any documents necessary to administer the agreement; and
- C. Review the attached framework regarding Unsolicited Proposals for Use of City Property and provide direction to Staff:
 - a. Direct Staff to add to Procedure 5 in the Unsolicited Proposals Attachment, "...or if the proposal raises a policy issue".

MOTION PASSED: 7-0

Council took a break at 8:39 P.M and returned at 8:50 P.M.

- 25. Colleagues Memo Regarding the Palo Alto Museum (Roth Building) From Council Members Kou and Stone, and Vice Mayor Burt.

MOTION: Council Member Kou moved, seconded by Vice Mayor Burt to:

- A. Direct Staff to issue a lease between the City and the Palo Alto Museum (PAM) which would allow for donor and restricted funds for the rehabilitation pursuant to the Secretary of the Interior's Standards and County grants to be released for construction of Phase 1 (Phase 1 is the rehabilitation and build out of the facility to make it suitable for occupancy also known as a "warm shell" estimated at \$10.5 million);
- B. Release the amended Lease Agreement to the PAM for timely review and finalization; and
- C. Commit to a partnership with the PAM for the rehabilitation of the Roth Building and for mutual long-term success of the project.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change Motion, Part A, "Direct Staff to negotiate a lease" and "for the Roth Building".

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion, Part A, "...pursuant to the Secretary of the Interior's Standards and County grants to be released

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for construction of Phase 1 (Phase 1 is the rehabilitation and build out of the facility to make it suitable for occupancy also known as a “warm shell” estimated at \$10.5 million)”.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to Motion, Part A, “...long-term lease”.

MOTION AS AMENDED: Council Member Kou moved, seconded by Vice Mayor Burt to:

- A. Direct Staff to negotiate a long-term lease between the City and the Palo Alto Museum (PAM) for the Roth Building, which would allow for donor and restricted funds for the rehabilitation;
- B. Release the amended Lease Agreement to the PAM for timely review and finalization; and
- C. Commit to a partnership with the PAM for the rehabilitation of the Roth Building and for mutual long-term success of the project.

MOTION AS AMENDED SPLIT FOR THE PURPOSE OF VOTING

MOTION AS AMENDED FOR PARTS A AND B PASSED: 6-1 Tanaka no

MOTION AS AMENDED FOR PART C PASSED: 4-3 Cormack, Filseth, Tanaka no


- 26. Colleagues Memo on Affordable Housing Commercial Impact Fees From Council Members Filseth and Kou.

MOTION: Council Member Filseth moved, seconded by Council Member Kou to direct Staff to conduct a feasibility study and target returning to Council in early October.

MOTION PASSED: 6-1 Tanaka no


Adjournment: The meeting was adjourned at 10:19 P.M.

ATTEST:

DocuSigned by:

 E56491CF3DB34FA...

City Clerk

APPROVED:

DocuSigned by:

 DD53585CA6CB4E9...

Mayor

NOTE: Action minutes are prepared in accordance with Palo Alto Municipal Code (PAMC) 2.04.160(a) and (b). Summary minutes (sense) are prepared

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in accordance with PAMC Section 2.04.160(c). Beginning in January 2018, in accordance with [Ordinance No. 5423](#), the City Council found action minutes and the video/audio recordings of Council proceedings to be the official records of both Council and committee proceedings. These recordings are available on the City's website.