



CITY COUNCIL SUMMARY MINUTES

Special Meeting
February 7, 2022

The City Council of the City of Palo Alto met on this date in virtual teleconference at 5:00 P.M.

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

Absent: Dubois

Closed Session

1. CONFERENCE WITH CITY ATTORNEY Subject: Written Claim Against the City of Palo Alto By Strawn Construction Inc. regarding work performed on Palo Alto Fire Station No. 3 Authority: Government Code Section 54956.9 (e)(3).
2. CONFERENCE WITH LABOR NEGOTIATORS City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Kiely Nose, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Tori Anthony, Molly Stump, and Terence Howzell) Employee Organization: Service Employees International Union, (SEIU) Local 521, Utilities Management and Professional Association of Palo Alto (UMPAPA) Palo Alto Peace Officers' Association (PAPOA), Palo Alto Police Management Association (PMA), International Association of Fire Fighters (IAFF) local 1319, Palo Alto Fire Chiefs Association (FCA), Management and Professional Employees (MGMT); Authority: Government Code Section 54957.6 (a).

Rebecca Eisenberg remarked that the City should open up the Request for Proposal (RFP) process to diverse and women-owned companies. She recommended that the City pay the \$315,718.80 for the approved change orders and save on the litigation costs.

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

MOTION PASSED: 6-0, Dubois Absent

Council went into Closed Session at 5:06 P.M.

Council returned from Closed Session at 7:30 P.M.

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Mayor Burt announced there was no reportable action.

Agenda Changes, Additions and Deletions

None

Public Comment

Ken Horowitz remarked residents were asked to go onto a website and provide feedback before the 2022 priority setting meeting. He mentioned that there was never a summary of the data that was gathered from that form.

Nilufar Haqu, Board Members of the Palo Alto Art Center Foundation, shared the Palo Alto Art Center has reached almost full capacity for all indoor and outdoor classes. Due to budget cuts, the Art Center has been operating with significantly reduced Staff. She thanked the Council in advance for the restoration of the art programs.

Aram James remarked the Independent Police Auditor (IPA) review has highlighted that there have been no warnings for victims during police altercations. He questioned why the City cannot hire police officers who provide safe streets and that do not enforce abuse.

Mark Shull appreciated the City making health and safety a priority for the year 2022. He addressed the comment was made regarding aviation concerns. He clarified that the Ground-Based Augmentation System (GBAS) is a non-federal San Francisco International Airport (SFO) project and was not created by the Federal Aviation Administration (FAA). Also, FAA looked to airports to determine exactly where a procedure should be located. For these reasons, he urged Council and the City to take a stand against aviation pollution and noise over the City.

Rebecca Eisenberg repeated that there is a dispute of law of whether the City Manager has violated the Brown Act by having private meetings. She requested the matter be reevaluated by a non-bias third-party. She supported and echoed Mr. James's comments regarding the Palo Alto Police Department.

Sharon Lee-Nakayama thanked the Council Members who have contacted and visited the residents of Altaire Walk. She acknowledged the professionalism of the police officers who have worked with Altaire Walk. Residents of Altaire Walk urged Council to refund the police to provide Palo Alto with the resources and services for the community.

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Consent Calendar

Terry Holzemer supported the idea and the need for teacher housing in the community. He mentioned he is the lead organizer of the Mayfield Neighborhood where the 231 Grant Avenue project is proposed. Santa Clara County has failed to do public outreach, has failed to answer questions from the community through the Environmental Impact Report (EIR) process and has ignored requests to meet with community members. He recommended the City draft a letter to Santa Clara County expressing disappointment regarding community outreach.

Aram James believed Item Number Six should be an action item on the agenda every 6-months. He referenced an article from the Weekly that indicated that the City may be at fault for the utilities lineman that was killed during a work procedure.

Rebecca Eisenberg echoed Mr. James's concerns regarding Item Number Six on the Consent Calendar. She inquired if a jail will be in the new Public Safety building and why the environmental review was considered not relative. She expected more innovation from Council when it comes to environmental concerns.

Vice Mayor Kou registered a no vote on Agenda Item Number 9.

Council Member Tanaka registered a no vote on Agenda Item Number 4.

3. Approve Minutes from the January 24, 2022 City Council Meeting.
4. Authorize and Approve a Three Million Dollars (\$3,000,000) Loan From the Housing In Lieu and Impact Fee Funds for the Development of an Affordable Workforce Housing Project Located at 231 Grant Avenue; Approve the Budget Amendment in the Residential Housing In-Lieu Fund; Authorize the City Manager to Execute Associated Agreements.
5. Policy and Services Committee Recommends Approval of the Office of the City Auditor Construction Project Controls Report.
6. Policy and Services Committee Recommends Approval of the Office of the City Auditor's Initial Public Safety Building Monitoring Report.
7. Policy and Services Committee Recommends Approval of the Office of the City Auditor's Task Order to Perform a Wire Payment Process and Controls Review.
8. Adoption of **Resolution 10017** Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency.

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9. Policy and Services Committee Recommendation that City Council Approve the 2022 Legislative Guidelines; Utilities Advisory Commission Recommendation that City Council Approve the 2022 Utilities Legislative Guidelines.

MOTION: Council Member Filseth moved, seconded by Council Member Cormack to approve the Consent Agenda items 3-9.

Vice Mayor Kou wanted to see the City have a more vigilant review of the new state laws that are being proposed. She wanted to know if the new laws erode the City's foundational principles.

Council Member Tanaka noted that he supports teacher housing and affordable housing. He was concerned that the City will provide funding for the project proposed at 231 Grant Avenue but may not be given preferential treatment for Palo Alto teachers. He asked why neighboring cities were not providing funding for the project.

ITEM 4 OF MOTION PASSED: 5-1, Tanaka No, DuBois Absent

ITEM 9 OF MOTION PASSED: 5-1, Kou No, DuBois Absent

ITEMS 3, 5-8 OF MOTION PASSED: 6-0, DuBois Absent

City Manager Comments

Ed Shikada, City Manager announced that based on current conditions, City Council will return to hybrid meetings as of February 14, 2022. City Boards and Committees will begin hybrid meetings on March 1, 2022. City libraries that were affected by the Omicron Covid-19 surge, will begin regular hours on February 16, 2022. The City continued to have Covid-19 testing at Mitchell Park as well as City Hall. The Statewide Mask Mandate will expire on February 15, 2022, but masks will be required for specific individuals. Upcoming events included the Sibling City Relationship with the City of Bloomington to be held on February 15, 2022. On February 10, 2022, the Ad Hoc Committee for the Suitability and Climate Action Plan (S/CAP) will be meeting at 11:30 a.m. The Palo Alto Public Art Program had ten, \$4,000 grants available for artists and creatives to promote community connection. The deadline for applications was March 31, 2022. Lastly, there will be a community information session regarding fiber-to-the-home (FTTH) on February 24, 2022 at 5:30 p.m. On the February 14, 2022 City Council's agenda will include an update regarding Cubberley Community Center and Pets in Need animal shelter. He mentioned that the City Council Packet often includes informational reports and encouraged members of the public to review those.

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Action Items

10. Discuss the FY 2022 Mid-Year Budget Review and Approve the Following: 1) FY 2022 Budget Amendments in Various Funds, and 2) Amendments to the FY 2022 Table of Organization to Add 11.00 FTE Positions.

Administrative Services Director Kiely Nose reported there has been a gradual improvement in the economy, but it was unknown what the financial impacts will be from the Omicron variant. Staff proposed several key strategic investments which included 11.00 full-time (FTE) and 0.96 part-time positions for all funds and 3.66 full-time and 0.96 part-time positions for the General Fund (GF). Key high-level items from the prior fiscal report were that revenues were projected to exceed the revenues estimated in Fiscal Year (FY) 2022 Adopted Budget. The City was in a transition period and City departments were facing challenges due to Staff turnover, supply chain delays, and new projects. Council and Staff discussed adding 9.00 full-time positions and funding for administration and Council projects at a prior meeting. Prior adjustments to the FY 2022 Budget included Council high priority project resources of \$1 million and \$410,000 for administrative and strategic support. Staff has not been able to implement all of the proposed budget adjustments due to impacts to recruitment. Regarding Staff positions, the City currently had 120 full-time position vacancies due to the competitive labor market. The City continued to focus on retaining its existing workforce. The preliminary FY 2022 Quarter 2 (Q2) for the GF status was that the Budget Stabilization Reserve (BSR) was projected to be at \$39.7 million. That equated to \$1.0 million above the 18/5 percent target level. Staff recommended leaving the \$1 million surplus in the BSR for the time being. FY 2021 ended with a \$4.6 million surplus in the BSR, but Staff suggested using \$3.6 million for reinvestment and technical adjustment actions. Additionally, the BSR was predicted to have a surplus for FY 2022 of roughly \$8 million which will be used as part of the FY 2023 budget-balancing process. Major tax revenues continued to trend above the FY 2022 Budget. Staff recommended that \$2 million of that be used to help fund restorations. Property Tax, Sales Tax, and Transient Occupancy Tax (TOT) were tracking to exceed budgeted levels.

Manager Budget Paul Harper reported that Staff identified high priority areas that Staff believed can make an impact in FY 2022. For Neighborhood, Community and Library Services, Staff recommended adding \$0.1 million to the department and 0.73 FTE to facilitate Staffing at the Art Center, park maintenance services, a library community needs assessment study and library collections. For Public Safety, Staff recommended adding \$1.2 million and 1.00 FTE to facilitate a temporary fire training facility, fire equipment,

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paramedic training and a Deputy Director position in the Police Department to Manage the Technical Services Division. Regarding Planning and Transportation Services, Staff recommended an additional \$0.2 million and 1.00 FTE be added to the department to accommodate a mobile informational kiosk for Safe Routes to School, reclassification for a Traffic Engineering position to Senior Engineering, and code enforcement staff. Regarding infrastructure and environmental, Staff recommended a net cost of \$0.4 million and 5.25 FTE to facilitate brush clearing in the Foothills, Sustainability Climate Action Plan (S/CAP) administration for both Public Works and Utilities Enterprise Fund, and Electrification Program Phase I. Regarding Internal Services, Staff recommended a net cost of \$0.3 million and 1.96 FTE to facilitate reclassification of positions in the Attorney's Office, administrative and special project Staff, recruitment for Human Resources, security and network management Staffing as well as security and records management software for the Information Technology (IT) Department.

Ms. Nose mentioned the net costs are low because they were prorated for the remainder of the fiscal year.

Mr. Harper continued with the technical adjustment actions for the GF which equated to \$1.8 million in net cost and benefit. Adjustments to other funds included the adjustments to commodity purchases in the Electric and Gas Fund, general liability cost increases for Umbrella Excess Liability and Property Loss Insurance. Due to slower demand for parking permits, Staff did not recommend aligning revenue increases to previously approved permit prices. In the Airport Fund, management software and a tractor were proposed to be purchased. For the Electric Fund, Staff proposed 4.00 FTE for the S/CAP for electrification and funding for tree line clearing. The proposed 11.00 FTE will increase the FTE Staffing total in the GF to 519.46 FTE. This included the 9.00 FTE positions proposed in the Q1 financial report and the 5.000 for the Staffing for Adequate Fire and Emergency Response (SAFER) Grant. Next steps included reviewing the utility rates and financial forecast and community outreach in March/April of 2022. In May 2022, the Finance Committee will review the budget and in June 2022, Council will adopt the budget, Municipal Fees, and Utility rates.

Mayor Burt invited Council Members to ask questions of Staff.

Council Member Cormack understood that any motion would require a supermajority or five votes. She asked Staff to explain the process with having only six Council Members present.

City Attorney Molly Stump answered that she will confirm and provide an answer after Council has asked their questions.

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Mayor Burt assumed the City will not be able to hire right away for the proposed positions. He asked why Staff assumed that the cost would be spread out over 5-months.

Ms. Nose clarified it was done that way for simplicity and consistency.

Mayor Burt inquired how many Staff positions have been eliminated in the Police Department.

Police Chief Jonsen noted in 2018 there were 92 sworn positions and currently there are 59 sworn positions. The department has been successful in hiring several qualified candidates for vacant positions.

Mayor Burt assumed GF expenses remain within the FY 2022 Adjusted Budget meant that the City is at the adjusted budget level.

Ms. Nose confirmed the expenditures are not expected to exceed the FY 2022 Adjusted Budget.

Council Member Stone inquired if there are vacant investigation positions within the Police Department.

Mr. Jonsen reported historically there were 11 investigative positions. Currently, there are four occupied investigation positions. He noted vacant patrol positions have to be filled first. Two sworn officers were covering the Director Management Position as well as the Communications Director Manger. Those folks will be moved back over to patrol and will fill an additional two vacancies.

Council Member Stone appreciated the sworn officers will be moved back to patrol. He summarized once patrol vacancies are filled, then the department will begin to fill non-sworn positions.

Mr. Jonsen answered correct.

Council Member Stone inquired if there are any benefits to budgeting for additional positions when it comes to hiring officers.

Ms. Jonsen noted through various aspects the department was in a good position for recruitment.

Council Member Tanaka emphasized he was concerned about the recent increase in crime in the City. He inquired what adjustments could Council approve that would help the Police Department mitigate the up rise in crime.

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Mr. Jonsen suggested Council provide direction to allow him to consider what is needed moving forward. That work would be brought back for the budget discussions. He noted some of the shortfalls in the department will take years to build back up but there are short-term items that can be addressed now.

Council Member Tanaka wanted to see more collaboration with the City of Mountain View or other neighboring cities to decrease over time for the Police Department. He mentioned surveillance equipment and other technologies may help decrease crime in the City.

Mr. Jonsen stated that equipment implementation must be discussed with the community. Today's criminals have figured out ways around equipment and so the equipment must fit the community.

Ms. Stump informed that for an appropriation of new funds, that does require five votes irrespective of Council now having all Council Members present.

Vice Mayor Kou asked if there will still be a position in the Police Department that investigate auto thefts.

Mr. Jonsen clarified that the sworn personnel that was assigned to Santa Clara County's Auto Theft Task Force was removed from the task force due to budget cuts. That partnership will continue when the department is better Staffed.

Vice Mayor Kou pressed if other police officers are loaned out to other programs or agencies.

Mr. Jonsen answered not at this time.

Vice Mayor Kou inquired if the City will no longer be aligning and correcting traffic signal lights.

Transportation Director Philip Kamhi confirmed that traffic signal coordination and timing adjustments were not being abandoned.

Vice Mayor Kou understood that the City was receiving a federal grant for the airport improvements.

Public Works Director Brad Eggleston concurred that the federal grant will cover the procurement for the software and tractor.

Rebecca Sanders wanted to see Council restore more positions in the Police and Fire Department.

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650****116 concurred that more police officers are needed to combat the increase of crime in the City.

Roger Smith mentioned that the increase in crime has become very scary and having only 59 sworn officers was detrimental.

Rene Smith Maher echoed the previous commenters about the lack of police officers in the City. She urged Council to fully-fund the Police Department.

Liz Lee requested that the City hire another code enforcement officer to enforce the ban on gas-powered leaf blowers. She encouraged folks to focus on sustainable garden practices to protect topsoil and to discourage having perfect-looking, well-manicured gardens.

Rebecca Eisenberg wanted the City to invest more in code enforcement and not in the Police Department. Code enforcement used to be a revenue-positive division for the City. She remarked that the current Police Chief has failed to manage his Staff and the City should not give him more personnel.

Aram James agreed with Ms. Eisenberg's comments regarding the Police Department. He expressed strongly that the Police Chief has failed the City and should resign. He wanted to know more about the psychiatric personnel that was assigned to the Police Department. He recommended that the City hire peace officers to eliminate hiring abusive officers.

Helene Grossman commented she was impressed with Council's dedication to the City and to meet with residents and hear their concerns. She shared her excitement to see Council reinstating a position for code enforcement. She believed code enforcement should use education, proactive enforcement, and creative automation tactics to enforce the ban on gas-powered leaf blowers.

Megan Kawkab, a business owner in Downtown Palo Alto, requested that Council continue to fund the Police Department.

Charlie Weidanz emphasized now is the time to reverse the alarming trend of increased crime and violence. That can be accomplished by allowing the Police Department to train and hire more sworn officers.

John Shenk agreed with the previous speakers that the City must address crime and violence. He recommended the City fully fund the Police Department, allocate funds to Public Works to increase street and sidewalk cleaning, and hire more code enforcement. He concluded that it was the wrong time to focus on a Business Tax.

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Vice Mayor Kou asked were in the Staff report was the \$4 million allocated to the Police Department.

Ms. Nose remarked that \$0.4 million was allocated to public safety.

Council Member Cormack highlighted that Council has approved funding for increased Staffing but recruitment and hiring have taken longer than expected. She requested that Staff explain where the \$8 million surplus is coming from.

Ms. Nose shared for FY 2022, Staff estimates that there will be a surplus of \$8 million. The \$2 million surplus from Property Tax is an additional surplus.

Council Member Cormack stated that the proposed Council high priority projects outlined in the GF followed Council priorities for FY 2022. She recalled that during the large budget cuts, Council worked very hard not to lay off sworn personnel in the Police Department.

Mr. Jonsen confirmed that no sworn personnel were laid off.

Council Member Cormack inquired how many vacancies does the Police Department currently has.

Mr. Josen answered currently there are six sworn vacancies.

Mayor Burt circled back to his earlier question of what will the fiscal impacts be for the new hires that are authorized. He clarified that the Staff report indicated that any new hire authorization would impact the budget immediately.

Ms. Nose restated that Staff used a simple assumption across all restorations because each case is different.

Mayor Burt interjected that the Staff report is inconsistent with what Staff has been saying over the last 9-months. Staff has stated repeatedly that hiring takes time and the budget will not be affected by the new hires until they come online. He believed that approving the positions now, will increase the \$8 million surplus.

Ms. Nose clarified that the ongoing impact of what Council has done for Q1 and Q2 that have not been factored into the Long-Range Financial Forecast that predicted an \$8 million surplus.

Mayor Burt noticed that TOT was projected to come in at \$10.4 million instead of the estimated \$8.4 million. The report contained all the negative

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impacts that could occur and did not reflect the realistic projection. He predicted that TOT revenues were underestimated by \$2 million.

Ms. Nose clarified that Staff has estimated that TOT would be over \$11 million for FY 2022. She noted that \$5.7 million will be allocated to the Infrastructure Plan.

Mayor Burt mentioned that there were arguments that the Golf Course saw a spike in revenue in 2020 due to everyone being outside. Now Staff was saying that the Golf Course's revenues will dip because of Covid-19. He concluded that the revenue from the Golf Course will continue to increase regardless of Covid-19.

Council Member Stone asked what type of funding would the Police Department need to address concerns about crime.

Mr. Jonsen restated the department has been very successful in filling vacancies. While there are six sworn positions vacant, six candidates are already moving through the process to fill those positions. If Council allowed the department to continue to take applications, then as positions become vacant, they can quickly be filled.

Council Member Stone understood that if Council were to allocate additional funds now. The City would not see the results until the next fiscal year.

Ms. Nose restated that Mr. Jonsen was talking about continuing to hire even if the department does not have the Staff authorization in anticipation of attrition or changes.

City Manager Ed Shikada requested Ms. Nose to describe a way that the City can benchmark against maintaining the momentum.

Ms. Nose explained that Council can authorize the City Manager to hire up to up to 5.00 FTE over allowable positions.

Council Member Stone asked if that is a reasonable step for Council to take.

Mr. Jonsen supported the approach and stated it would allow the momentum to keep moving.

Vice Mayor Kou inquired if the Fire Inspection Program is the former Fire Prevention Bureau.

Ms. Nose noted that the City still has a Fire Prevention Bureau.

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Vice Mayor Kou understood that the inspection program was revenue-generating.

Fire Chief Geoffrey Blackshire noted that it depended on what type of inspection was taking place. Hazardous material inspections were high revenue-generating, but state mandate inspections had no revenue.

Vice Mayor Kou inquired about Staff concerns within the Fire Department.

Mr. Blackshire shared that currently, the department has two hazardous materials inspectors and two fire inspectors.

Vice Mayor Kou pressed where those positions were located.

Mr. Blackshire answered they work under Planning and Development Services.

Vice Mayor Kou asked if the department has considered removing them from Planning and Development Services.

Mr. Blackshire answered no. The department has recruited retired firefighters to do inspections to fill in the gaps.

Vice Mayor Kou wanted to know if there will be 4.00 new FTE for the S/CAP.

Ms. Nose specified that it is five new hires.

Vice Mayor Kou reminded Council that the tree canopy is within the S/CAP and wanted to see the Tree Ordinance and the tree canopy addressed in the S/CAP.

Council Member Tanaka appreciated several Council Members interest in crime prevention. He requested that the Police Department provide a bar chart showing Staffing levels over time, actual Staffing and total budget.

Mr. Jonsen confirmed that Staff can provide that.

Council Member Tanaka wanted if it would be helpful to allow the City Manager to hire 10 FTE instead of five FTE.

Mr. Jonsen did not want to overtask another department just so the police department can be over Staff. He recommended that Council use Ms. Nose's approach of having an additional five FTE.

Mr. Shikada mentioned that Council will be reviewing the Fiscal Year Budget recommendation in less than 4-months and that overlapped with recruitment

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times. One impact of having an additional 10 FTE was the ratio between sergeant and officers.

Council Member Tanaka clarified he was trying to understand the quickest way to provide relief to the community. Regarding Planning and Development Services, he recommended that the City explore a more streamlined process for permits. Regarding Property Tax, he mentioned interest rates have been very low over the past several years. He predicted that as interest rates rise, property prices will decrease and he cautioned that revenues may not continue to increase.

Mayor Burt mentioned that Council has not discussed the \$2 million surplus from FY 2021. Council had approved in a prior year to use half of any surplus towards additional payments to the 115 Trust to pay down Unfunded Liabilities. At this time, he stated he would not support that type of approach for any surplus that the City may have.

MOTION: Council Member Filseth moved, seconded by Council Member Cormack to:

- A. Approve a Budget Amendment Ordinance for Fiscal Year (FY) 2022 in various funds, as identified in Attachment A;
- B. Approve amendments to the FY 2022 Table of Organization in Attachment B consistent with the budget amendments in Attachment A;
- C. Review and accept this preliminary financial status report for the second quarter of FY 2022; and
- D. Authorize City Manager to hire up to 5 FTEs in the Police Department

Council Member Filseth acknowledged that the budget is not the limiting factor in re-staffing public safety.

Council Member Cormack inquired if there are other departments that Council should be authorizing to hire ahead in.

Ms. Nose specified that Staff already has the authorization to do special hiring through over strengths and that is sufficient for the next 4-months.

Council Member Cormack wanted to know if the City's Unfunded Liability increases as more employees are hired.

Council Member Filseth predicted if the normal cost is covered, then the Unfunded Liability would not increase.

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Ms. Nose confirmed Council Member Filseth was correct, but it also depended on what California Public Employees Retirement System (CalPERS) return will be.

Council Member Cormack acknowledged the work that comes with adding more Staff positions.

Vice Mayor Kou inquired if it would be helpful to hire ahead for the Office of Transportation.

Mr. Shikada mentioned the general theme across all departments was the challenge of filling existing vacancies and also retaining existing positions.

Mr. Kamhi agreed and added that filling the existing vacancies within the Office of Transportation will be a lot of work for existing Staff.

Vice Mayor Kou asked Staff how many positions is the Police Department looking to hire.

Ms. Nose restate that six positions are vacant and then five positions would be added to the six.

Mayor Burt wanted to know if the motion included the additional \$2 million payment to the 115 Trust.

Council Member Filseth answered yes.

Mayor Burt prosed that the \$2 million be used to restore additional services.

Council Member Filseth asked if Mayor Burt's amendment is adopted, how much will the City invest in the 115 Trust for FY 2022.

Ms. Nose answered twice a year the City contributes to the 115 Trust. One for the Normal Cost at 6.2 percent and then an extra payment with surpluses.

Council Member Filseth wanted to better understand the extra payment process.

Ms. Nose specified that on top of the \$5 million for all funds for the Normal Cost. Council authorized an additional \$2.9 million to be transferred to the 115 Trust and those funds primarily reflected savings from FY 2020. If approved as recommended by Staff, \$4.9 million would be transferred above the Discount Rate to the 115 Trust. She clarified that Council has discretion on when to withdraw funds from the 115 Trust to pay down pension

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obligations. Staff believed that investing funds into the 115 Trust was best practice because it earned a higher rate of return.

Council Member Filseth answered he would accept the amendment if it were \$1 million instead of \$2 million.

AMENDMENT: Mayor Burt moved, seconded by Vice Mayor Kou to remove from the proposed budget amendments an extra \$2 million allocated for the Section 115 Trust, from what was originally budgeted.

Mayor Burt acknowledged that many City departments have vacancies and the \$2 million can be used to make salaries competitive to help fill the vacancies.

Vice Mayor Kou mentioned public health and safety is a 2022 priority and \$2 million should be used to restore services for the community.

Council Member Cormack inquired how much does the City own for the Unfunded Crude Liability (UAL).

Council Member Filseth answered it is roughly \$500 million.

Council Member Cormack shared that the reinvestment proposal is \$1.8 million and that is equivalent to the \$2 million that is suggested to be saved against the \$500 million debt.

Ms. Nose confirmed that is correct.

Council Member Cormack was comfortable balancing new spending against paying down the UAL debit. With that said, she announced that she would not be supporting the amendment.

Council Member Tanaka stated it is important to be rigorous about setting money aside and committing to the City's employees. He supported Staff's recommendation.

Council Member Stone supported the amendment and echoed Vice Mayor Kou's comments.

AMENDMENT RESTATED

Mayor Burt announced that three Council Members have spoken in favor of the motion and three have spoken in opposition. With only six Council Members present, he accepted Council Member Filseth's compromise to reduce the Staff proposed Section 115 contribution from \$2 million to \$1 million.

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Council Member Cormack asked what will the \$1 million be used for.

Mayor Burt answered retention, recruitment and upcoming restorations of positions through the budget process.

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

- A. Approve a Budget Amendment Ordinance for Fiscal Year (FY) 2022 in various funds, as identified in Attachment A;
 - i. Amendment: Amend the contribution to the Supplemental Pension 115 Trust in the General Fund from \$2 Million to \$1 Million and adjust the transfer from the General Fund to the General Benefit Fund to align. Adjust the use of the General Fund BSR from \$3.6 Million to \$2.6 Million;
- B. Approve amendments to the FY 2022 Table of Organization in Attachment B consistent with the budget amendments in Attachment A;
- C. Review and accept this preliminary financial status report for the second quarter of FY 2022; and
- D. Authorize City Manager to hire up to 5 FTEs in the Police Department

Council Member Tanaka wanted to understand what the Planning and Development Services Department needs to streamline permit processes.

Planning and Development Services Director Jonathan Lait shared that Staff was working on a Fee Study to better understand the fees that support the department. Also, an assessment of the department to make sure that resources are aligned properly. The department does have an immediate need for the requested consulting dollars.

Council Member Tanaka mentioned the public has commented that the parklets are causing the street to become much dirtier than before the pandemic. He asked if Public Works needs additional funds to increase street cleaning.

Mr. Eggleston proclaimed the street sweepers cannot fit inside the parklet areas. Under the newly approved steam cleaning contract, additional cleanings will take place in the downtown area. Staff is also investigating putting provisions in the parklet permits that required the permittee to keep the spaces clean.

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Council Member Tanaka did not support spending money on the ballot measure or on City Hall lobby support.

Ms. Nose interjected that both actions have already been approved by Council and were not under consideration.

PART A OF MOTION PASSED: 5-1, Tanaka No, Dubois Absent

PARTS B-D OF MOTION PASSED: 6-0, DuBois Absent

11. California Avenue and Ramona Street Temporary and Permanent Closure: Direct Staff to Issue RFP for a Feasibility Study and Return for Contract Approval, and Provide Direction to Staff on Activities and Programming

Mayor Burt suggested that Council hear the Staff report, take public comment and then continue the item to a future meeting.

Assistant Planning Director Rachael Tanner reported that parklets continue to be allowed within the City and Staff has received applications for new parklets. Permanent parklet policies were being drafted and will be reviewed by the Architectural Review Board (ARB). One block of Ramona Street and several blocks of California Avenue were to remain closed to vehicle traffic until June 30th, 2022. University Avenue was opened to vehicular traffic in October of 2021 and property owners have supported continuing to have the street open to vehicular traffic. The overwhelming majority of the community supported having Ramona Street and California Avenue remain closed. Staff continued to focus on short-term policies for the Parklet Program and planned to present that to Council before their summer break. The City continued to provide business, economic and community support through art exhibits and events in the downtown area.

Transportation Director Philip Kamhi remarked that to make the parklets permanent, the City must evaluate which justification is appropriate and which legal statute is appropriate for the changes to traffic flow. The City of Mountain View has extended their street closure through the year 2023 with a Resolution of Intent to permanently close the street to be reviewed by their Council in spring of 2022. Staff proposed that a feasibility study be conducted to understand traffic, parking and economics of a permanent Parklet Program. Public outreach would also be conducted under the feasibility study along with stakeholder meetings.

Alfred Pace shared he has an office on California Avenue and the closure of the street has allowed California Avenue to take on a new vibrancy that it

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has not seen in decades. He urged Council to adopt Staff's recommendation and to permanently close California Avenue.

Todd Burke mentioned he is a resident of California Avenue. He shared that many residents on the street wish to see the City study what options are available for California Avenue.

Lisa, a retail owner on California Avenue, was nervous about what the impacts could be if California Avenue remains closed to vehicle traffic. She encouraged the City to explore the parking options behind the businesses on California Avenue.

John Shenk requested that Council not close Ramona Street. By closing Ramona Street, access has been restricted to the businesses in the area. The first step he proposed was to determine how the City will regulate a closed street. Then explore the legal and technical aspects.

Jessica Roth, a business owner on California Avenue, remarked the closure of California Avenue has negatively impacted her business. Many folks have not been using the dining spaces outside, the street was not functioning like a downtown street, and it did not look like a downtown street.

Nancy Coupal mentioned that the historical buildings on Ramona Street provide a unique experience for folks downtown. She requested that Council approve the proposal to allow Staff to explore permanently closing Ramona Street.

Mike Stone mentioned that thief is on the rise and the closure of the streets has benefited some but not most of the businesses. He recommended that a stakeholder meeting be held and include businesses, residents and landowners.

Zareen, the owner of Zareen's Restaurant on California Avenue, disclosed there has been more foot traffic on California Avenue since the street was closed. California Avenue is not viewed as a destination street or a downtown street like University Avenue. She requested that Council continue to keep the street closed.

Megan Kawkab, a downtown restaurant owner, greatly appreciated the City's rush to help restaurants when the pandemic began. She mentioned allowing the street to have a European feel is beautiful, but was not sustainable for businesses that are not restaurants.

SUMMARY MINUTES

Rebecca Eisenberg declared that many small businesses cannot provide their comments on the item due to the late hour. She encouraged Council to use the City of Mountain View study and keep the streets closed.

Public Comment was accepted, and the item was continued to the February 28, 2022 meeting.

Vice Mayor Kou inquired when the next community meeting will be held regarding the Objective Standards and height transitions. She requested that be posted to social media platforms.

Planning and Development Services Director Jonathan Lait confirmed Staff will distributed the notice of the meeting broadly.

Vice Mayor Kou requested that Staff follow through on their intent to bring back the Tree Ordinance to Council in April 2022. Also, to move forward on the two community meetings for the Tree Ordinance.

Adjournment: The meeting was adjourned at 11:20 P.M.