



CITY COUNCIL ACTION MINUTES

Special Meeting
June 20, 2022

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 3:00 P.M.

Present In-person: Burt, Cormack, DuBois, Filseth, Kou, Stone, Tanaka

Present Virtually: None

Absent: None

Closed Session

1. CONFERENCE WITH CITY ATTORNEY-POTENTIAL LITIGATION Subject: Threatened litigation regarding interpretation and application of non-conforming use provisions for 340 Portage and associated addresses, as set forth in September 10, 2021 letter from Sobrato Organization Authority: Potential Exposure to Litigation Under Government Code Section 54956.9(d)(2) One Case, as Defendant

MOTION: Council Member DuBois moved, seconded by Council Member Stone to go into Closed Session.

MOTION PASSED: 7-0

Agenda Changes, Additions and Deletions

Oral Communications

Consent Calendar

Council Member Kou registered a no vote on Agenda Item Number 24, 26.

Council Member Cormack registered a no vote on Agenda Item Number 24, 27

Council Member Tanaka registered a no vote on Agenda Item Number 6, 07, 10, 23, 27

ACTION MINUTES

MOTION: Council Member DuBois moved, seconded by Mayor Burt to approve Agenda Item Numbers 2-27.

2. Approve Minutes from the June 6, 2022 City Council Meeting
3. Approval of Contract Number C23181853A With Accurate Structural Incorporated for a Total Not-to-Exceed Amount of \$2,405,369 for the Installation of 9 Electric Station Perimeter Security Lighting/Camera Additions
4. Approval of a Professional Services Agreement With Carollo Engineers, Inc. for Development of a One Water Plan for the City of Palo Alto Contract Number C23183089 in the Total Amount Not-to-Exceed \$559,000
5. Approval of the Fiscal Year 2023 Investment Policy
6. Approval of a Contract with EPI-USE Labs, LLC to Host Online the City's SAP ERP System and Provide Related Services in an Amount Not to Exceed \$2,214,140 (including of \$2,014,140 for Basic Services and a Contingency of \$200,000 for Additional Services Approved by City via Task Order) over a Three-and-a-Half-Year Term
7. Approval of contract number C231833249 with Digitech Computer LLC to provide Ambulance Billing Services in the amount of \$140,000 a year not to exceed \$700,000.
8. Approval of Amendment No. 2 to Contract No. C18168154 with SWA Services Group, Inc. for Janitorial Cleaning and Maintenance Services in Order to Extend the Term by Six Months through February 28, 2023 and Increase the Compensation by \$1,242,777 for a New Total Not-to-Exceed Amount of \$12,272,542.
9. Approval of a New Dark Optical Fiber License Agreement With the Palo Alto Unified School District as a Customer, From December 17, 2022 Through June 30, 2027
10. Approval of Early Renewal of Contract Number C20176092 With Equinix LLC for Addition of \$53,384 for New Service Connections and Maintenance, Approval of Past Charges of \$16,628 for Increased Services, and Approval of Addition of \$50,000 for City Manager Authority to Add Fiber Services, for a Total Not-to-Exceed Amount of \$745,476 from \$625,465
11. Approval of Amendment Number 1 to Contract Number C21178372C with C&S Engineers, Inc. for the Airport Apron Reconstruction Project (AP-16000) in the Amount of \$215,023 for a New Total Not-to-Exceed Amount of \$1,715,023, and approval of a Budget Amendment in the Airport Fund in Fiscal Year 2022

ACTION MINUTES

12. Adoption of **Resolution 10054** Implementing the Water Use Restrictions in Stage II of Palo Alto's Amended 2020 Water Shortage Contingency Plan in Compliance With the State Water Resources Control Board's May 24, 2022 Emergency Water Conservation Regulations, and Restricting Potable Irrigation to No More Than Two Days a Week, with Exceptions for Tree Health, Health and Safety, and Certain Non-Residential Zone Irrigation
13. Approval and Authorization for the City Manager to Execute Purchase Orders for Electric Distribution Transformers With Prequalified Vendors in an Amount up to \$2,000,000 Annually Between FY 2022 - FY 2026 in a Total Not-to-Exceed Amount of \$10,000,000
14. Policy and Services, Office of the City Auditor and Staff recommends that City Council Approve the Building and Permit Review Report
15. Consent of the Macias Gini & O'Connell's Single Audit Report for the Year Ended June 30, 2021
16. Approval of an Agreement Between Santa Clara Valley Water District and the City of Palo Alto for Administration and Funding of Water Conservation and Stormwater Rebate Programs for a Total-Not-to-Exceed Amount of \$675,000 Over a Three Year Term Ending June 30, 2025
17. Approval of Professional Services Contract Number C22184801 with Construction Testing Services for On-Call Construction Dewatering and Deconstruction Services in an Amount Not to Exceed \$339,480 Over a 3-year Term.
18. Approval of Contract No. C22184848 with Salas O'Brien Engineers, Inc., for a Total Amount Not to Exceed \$110,212, for Engineering Design Services for the Municipal Service Center Lighting, Mechanical, and Electrical Improvements Project Capital Improvement Program Project (PF-16006)
19. Approve Contract C22184489 with Martina Entriken Not to Exceed \$330,000 for a Term of Three Years to Provide a Preschool/Toddler Program
20. Adoption of **Resolution 10055** Proposing the Appropriations Limit for Fiscal Year 2023
21. Approval of Lease Agreement between Palo Alto Unified School District (Landlord) and City of Palo Alto (Tenant) for Extended Day Care Sites for 12 months, Rent Not to Exceed \$707,676 per Year
22. Policy and Services Committee Recommendations that the City Council Support a Pending State Bill Regarding Orderly Meeting Conduct (Senate Bill 1100) and Support with Amendments a Bill Regarding Children's Camp Regulations (Assembly Bill 1737)

ACTION MINUTES

23. SECOND READING: Adoption of **Ordinance 5552** Amending Palo Alto Municipal Code Section 18.52.070 (Parking Regulations for CD Assessment District) to Continue a Temporary Ban on Eligibility of Commercial Office Uses Above the Ground Floor to Participate in the Downtown Parking In-Lieu Program and Making Clerical Amendments to PAMC Section 16.57.010 (Applicability) in Chapter 16.57 (In-Lieu Parking Fee for New Nonresidential Development in the Commercial Downtown (CD) Zoning District) (FIRST READING: June 6, 2022: PASSED: 6-1, Tanaka No)
24. SECOND READING: Adoption of **Ordinance 5553 and Ordinance 5554** Implementing the Objective Standards Project, Including: 1) New Chapter 18.24, Contextual Design Criteria and Objective Design Standards; 2) Modifications to Affordable Housing (AH) Overlay District to Eliminate the Legislative Process; 3) Changes to Remove Inconsistencies and Redundancies, and Streamline Project Review Throughout Title 18 (FIRST READING: June 1, 2022: PASSED: 5-1, Cormack No, DuBois absent)
25. SECOND READING: Adoption of **Ordinance 5555** Amending the City's Surveillance and Privacy Protection Ordinance to Exempt the Foothills Fire Early Warning System (PAMC 2.30.680). (FIRST READING: June 6, 2022: PASSED: 7-0)
26. SECOND READING: Adoption of **Ordinance 5556** Exempting Some Below-Grade Parking Facilities from Gross Floor Area. Zone District: R-1(10,000). Environmental Review: Final Environmental Impact Report (EIR) for the Castilleja School Project certified on June 6, 2022. (FIRST READING: June 6, 2022 PASSED: 6-1, Kou no)
27. SECOND READING: Adoption of **Ordinance 5557** Amending Title 8 of the PAMC to Expand Tree Protection to Include Additional Protected Tree Species, Revise Grounds for Tree Removal, and Make Clarifying Changes and Amending Titles 2, 9, and 18 to make Clerical Updates (FIRST READING: June 6, 2022 PASSED: 5-2, Cormack, Tanaka no)

MOTION SPILT FOR PURPOSE OF VOTING

PASSED ITEMS 2-5, 8, 9, 11-23, 25: 7-0

PASSED ITEMS 6, 7, 10, 23: 6-1 Tanaka no

PASSED ITEMS 24: 5-2 Cormack, Kou no

PASSED ITEMS 26: 6-1 Kou no

PASSED ITEMS 27: 5-2 Cormack, Tanaka no

City Manager Comments

ACTION MINUTES

Action Items

28. PUBLIC HEARING: Adoption of the Budget Ordinance for Fiscal Year 2023, Including the Operating and Capital Budgets, Table of Organization, and Municipal Fee Schedule; Acceptance of Updates to the Capital Improvement Plan and Sustainability/Climate Action Plan, and the Retiree Healthcare Actuarial Report; and Approval of Contributions for Retiree Healthcare Benefits

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

- A. Adopt the Fiscal Year 2023 Budget **Ordinance 5558** which includes the Operating and Capital Budgets, Table of Organization, and Municipal Fee Schedule, as amended by the actions outlined in this report, with the following additional adjustments in the general fund:
 - I. Increasing contractual expenditures in the Community Services Department by \$50,000 for additional family events;
 - II. Increasing contractual expenditures in the Community Services Department by \$50,000 for the Human Services Resource Allocation Process (HSRAP);
 - III. Increasing the Reserve: FY 2023 Service Reinvestments (Year 2) in Non-Departmental by \$100,000;
 - IV. Decreasing the Budget Stabilization Reserve by \$200,000
 - V. Amend the recommended funding for the Youth Connectedness Initiative (YCI) to fund \$50,000 annually for a three-year period, ending in FY 2025.
- B. Accept final FY 2023-2027 Capital Improvement Plan as amended by the actions outlined in this report;
- C. Accept an Update on the Sustainability Climate Action Plan (Attachment B); and
- D. Refer items on pension funding policy update and a recommended process for funding non-profit requests to the Finance committee
- E. Accept the June 30, 2021 actuarial valuation of the City's Other Post Employment Benefit (OPEB) Plan and recommended funding levels

MOTION SPLIT FOR THE PURPOSE OF VOTING:

PASSED FOR ITEMS A, B: 6-1, Tanaka no

PASSED FOR ITEMS C, D, E: 7-0

ACTION MINUTES

29. PUBLIC HEARING: Adoption of the Community Development Block Grant Funds (CDBG) Fiscal Year 2022-23 Annual Action Plan and Adoption of a Resolution Approving Use of CDBG Funds for FY 2022-23; Approval of a Substantial Amendment to the CDBG Fiscal Year 2020-21 Annual Action Plan and Adoption of an Associated Resolution; and Budget Amendment in the FY 2023 Operating Budget in the CDBG Fund.

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

- A. The Human Relations Commission (HRC) and staff recommend City Council take the following actions:
 1. Adopt the draft Fiscal Year 2022-23 Annual Action Plan (Attachment A) and the associated Resolution **10056** (Attachment B) allocating Community Development Block Grant (CDBG) funding for Fiscal Year 2022-23; *with the following amendment:*
 - a. *Reallocate CGDG funding shown in Attachment A from Downtown Streets Team to Mitchell Park 525 East Charleston Housing Project*
 2. Authorize the City Manager to execute the Fiscal Year 2022-23 CDBG application to fund the Fiscal Year 2022-23 Annual Action Plan and any other necessary documents concerning the application, and to otherwise bind the City with respect to the applications and commitment of funds; and
 3. Authorize staff to submit the Fiscal Year 2022-23 Annual Action Plan (Attachment A) to U.S. Department of Housing and Urban Development (HUD) by the July 12, 2022 deadline.
 4. *Approve an amendment to the Fiscal Year 2023 Operating Budget Appropriation for the General Fund (requires 2/3 approval) by:*
 - a. *Increasing the expense appropriation in the Planning and Development Services Department by \$167,477; and*
 - b. *Decreasing the Budget Stabilization Reserve by \$167,477.*
- B. Staff recommend City Council take the following actions:
 1. Approve CDBG Substantial Amendment to the Fiscal Year 2020-21 Annual Action Plan to reallocate \$194,501 of CDBG-CV funding to two new projects;
 2. Adopt **Resolution 10057** (Attachment C) reallocating CDBG-CV funding as recommended in the above action and as described in this report; and
 3. Authorize staff to submit CDBG Substantial Amendment to the Fiscal Year 2020-2021 Annual Action Plan to HUD.
 4. Approve and authorize the City Manager to accept \$653,168 in grant funding from the U.S. Department of Housing and Urban Development (HUD)

ACTION MINUTES

5. Approve an amendment to the Fiscal Year 2023 Operating Budget Appropriation for the Community Development Block Grant Fund (requires 2/3 approval) by: a. Increasing the revenue estimate by \$847,669; and b. Increase expense appropriations by \$761,307; and c. Increase estimated ending fund balance by \$86,362.

MOTION PASSED: 7-0

30. PUBLIC HEARING / QUASI-JUDICIAL. 2850 West Bayshore [21PLN-00177]: Approval for a Major Architectural Review, Conditional Use Permit, and Vesting Tentative Map to Allow for the Demolition of an Existing Office Building and Construction of 48 Townhomes with Associated Private Streets, Utilities, Landscaping, and Amenities. Environmental Assessment: Exempt per CEQA Guidelines Section 15332. Zoning District: ROLM (Research Office and Limited Manufacturing).

MOTION: Council Member Tanaka moved, seconded by Council Member Dubois to:

- A. Approve the Conditional Use Permit to enable multiple-family residential use of the ROLM-zoned property.
- B. Approve the Major Architectural Review [21PLN-00177] application based on findings and subject to conditions of approval.
- C. Approve the Vesting Tentative Map [21PLN-00178] application with proposed street names based on findings and subject to conditions of approval.
- D. Agree not to be part of any future Residential Permit Parking program on Colorado west of Simkin's court
- E. Incorporate the street names recommended by Palo Alto Historical Association

MOTION PASSED: 7-0

31. Adoption of Resolutions: (1) Placing a Measure Affirming the Gas Utility Transfer on the November 2022 Ballot; (2) Placing a Business Tax on the November 2022 Ballot; and (3) Adopting a Spending Plan for Business Tax Proceeds

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

- A. Defer adoption of a resolution to submit a measure to the voters at the general municipal election on November 8, 2022 to affirm the natural gas utility transfer until August 1, 2022;

ACTION MINUTES

- B. Return with a resolution on August 1, 2022 to submit a measure to the voters at the general municipal election on November 8, 2022 to adopt a business tax; and
 - I. Change the tax rate to exempt the first 5,000 square feet, to tax from 5,000 – 20,000 at \$.06 per square feet and 20,000 +.12 per square feet per month. The initial rate would be effective January 1, 2023 at 50% of the above rate for the first 24 months.
 - II. Add in a 35-year sunset
 - III. Remove the CPI roll over
- C. Adopt **Resolution 10058** to inform the public of Council’s spending plan for business tax proceeds.

MOTION PASSED: 5-2, Cormack, Tanaka no

Council Member Questions, Comments and Announcements

Adjournment: The meeting was adjourned at 11:16 P.M.

ATTEST:
DocuSigned by:
Lesley Milton
E56491CF3DB34FA...

City Clerk

APPROVED:
DocuSigned by:
Patrick Burt
ED9E9CFB88E64FF...

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 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.

Certificate Of Completion

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Source Envelope:	
Document Pages: 24	Signatures: 8
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Time Zone: (UTC-08:00) Pacific Time (US & Canada)	250 Hamilton Ave
	Palo Alto , CA 94301
	Mahealani.AhYun@CityofPaloAlto.org
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Patrick Burt
 pat@patburt.org
 Mr
 Security Level: Email, Account Authentication (None)

Signature


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Lesley Milton
 Lesley.Milton@CityofPaloAlto.org
 City Clerk
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DocuSigned by:

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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Envelope Summary Events	Status	Timestamps
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Payment Events	Status	Timestamps
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