



CITY OF PALO ALTO OFFICE OF THE CITY CLERK

2

June 25, 2018

The Honorable City Council
Attention: Finance Committee
Palo Alto, California

Approval of Action Minutes for the June 11, 12, 18 and 19, 2018 Council Meetings

Staff is requesting Council review and approve the attached Action Minutes.

ATTACHMENTS:

- Attachment A: 06-11-18 DRAFT Action Minutes (DOCX)
- Attachment B: 06-12-18 DRAFT Action Minutes (DOCX)
- Attachment C: 06-18-18 DRAFT Action Minutes (DOCX)
- Attachment D: 06-19-18 DRAFT Action Minutes (DOCX)

Department Head: Beth Minor, City Clerk



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
June 11, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:02 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Absent:

Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS
City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Ed Shikada, Michelle Flaherty, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Molly Stump, Terence Howzell, Charles Sakai, Lalo Perez, and Kiely Nose)
Employee Organizations: 1) Utilities Management and Professional Association of Palo Alto (UMPAPA); 2) Service Employees International Union, (SEIU) Local 521; 3) Service Employees International Union, (SEIU) Local 521, Hourly Unit; 4) Palo Alto Police Officers' Association (PAPOA); 5) Palo Alto Fire Chiefs' Association (FCA) and Employee Organization; 6) International Association of Fire Fighters (IAFF), Local 1319; and 7) Palo Alto Police Managers' Association (PAPMA)
Authority: Government Code Section 54957.6(a).
2. CONFERENCE WITH CITY ATTORNEY- POTENTIAL LITIGATION
Significant Exposure to Litigation (One Potential Case, as Petitioner) – Initiative Measure *Palo Alto Accountable and Affordable Health Care Initiative*
Authority: Government Code Section 54956.9(d)(2).
- 2A. PUBLIC EMPLOYMENT
Title: City Manager
Authority: Government Code Section 54957(b).

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

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MOTION PASSED: 8-0 Tanaka not participating

Council went into Closed Session at 5:03 P.M.

Council returned from Closed Session at 7:25 P.M.

Mayor Kniss announced no reportable action.

Agenda Changes, Additions and Deletions

Staff requests Agenda Item Number 7- Approval of a 1.5 Year Contract With the Empowerment Institute... be continued to August 13, 2018.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Filseth to continue Agenda Item Number 7- Approval of a 1.5 Year Contract With the Empowerment Institute... to August 13, 2018.

MOTION PASSED: 9-0

MOTION: Council Member Scharff moved, seconded by Council Member Fine to hear Agenda Item Number 13- Accept the City Clerk's Report Certifying the Sufficiency of an Initiative Petition to Limit Health Care Costs... before Agenda Item Number 12- Accept the City Clerk's Report Certifying the Sufficiency of the Initiative Petition to Amend the Comprehensive Plan and Zoning Code...

MOTION PASSED: 7-2 Holman, Kou no

Minutes Approval

3. Approval of Action Minutes for the May 29, 2018 Council Meeting.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Filseth to approve the Action Minutes for the May 29, 2018 Council Meeting with the addition of, "pending receipt of an opinion from the Fair Political Practices Commission" to Page 5 after "Council Member DuBois advised he will not participate in this Agenda Item."

MOTION PASSED: 9-0

Consent Calendar

Council Member Tanaka registered a no vote on Agenda Item Number 8- PUBLIC HEARING: Approval of a Finding That the California Avenue Parking Garage Project (CIP PE-18000)...

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MOTION: Council Member DuBois moved, seconded by Council Member Wolbach to approve Agenda Item Numbers 4-6, 8-9.

4. Accept the Stanford University Medical Center (SUMC) Annual Report for Fiscal Year 2016-2017 and Find the SUMC Parties in Compliance With the Development Agreement.
5. Approval of Amendment Number One to Contract Number S16163447 With Brad Horak Consulting to Provide Public Safety Communications Services, Extending the Period of Performance by Two-years, and Increasing the Total Contract Amount by \$40,000 to a Not-to-Exceed Amount of \$100,000.
6. Approval of Contract Number C18171028A With SCS Field Services for a Not-to-Exceed Amount of \$373,362 for Landfill Gas and Leachate Control Systems Monitoring and Reporting Services at the Palo Alto Landfill for a Term of Three Years.
7. ~~Approval of a 1.5 Year Contract With the Empowerment Institute for \$25,000 for Community Engagement Block Program (Continued From April 2, 2018).~~
8. PUBLIC HEARING: Approval of a Finding That the California Avenue Parking Garage Project (CIP PE-18000) is "Substantially Complex" Under Public Contract Code Section 7201 and Direction to Increase the Contractor Retention Amount From Five Percent to Ten Percent.

MOTION FOR AGENDA ITEM NUMBERS 4-6 PASSED: 9-0

MOTION FOR AGENDA ITEM NUMBER 8 PASSED: 8-1 Tanaka no

Action Items

9. PUBLIC HEARING: to Hear Objections to the Levy of Proposed Assessments on the Palo Alto Downtown Business Improvement District; and Resolution 9761 Entitled, "Resolution of the Council of the City of Palo Alto Confirming the Report of the Advisory Board and Levying Assessments for Fiscal Year 2019 on the Downtown Palo Alto Business Improvement District."

Public Hearing opened at 8:05 P.M.

Public Hearing closed at 8:10 P.M.

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MOTION: Council Member DuBois moved, seconded by Council Member Holman to adopt a Resolution confirming the report of the Advisory Board and levying an assessment for Fiscal Year 2019 on the Downtown Palo Alto Business Improvement District (BID) and request the Advisory Board conduct a survey of BID membership regarding their satisfaction with the BID.

SECOND REMOVED BY THE SECONDER

MOTION: Council Member DuBois moved, seconded by Council Member Scharff to adopt a Resolution confirming the report of the Advisory Board and levying an assessment for Fiscal Year 2019 on the Downtown Palo Alto Business Improvement District (BID) and request the Advisory Board conduct a survey of BID membership regarding their satisfaction with the BID.

MOTION PASSED: 8-1 Holman no

10. PUBLIC HEARING and PROPOSITION 218 HEARING: Ten Resolutions: Resolution 9762 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Fiscal Year (FY) 2019 Electric Financial Plan;" Resolution 9763 Entitled, "Resolution of the Council of the City of Palo Alto Adopting an Electric Rate Increase of 6 Percent and Amending Utility Rate Schedules E-1, E-2, E-2-G, E-4, E-4-G, E-4 TOU, E-7, E-7-G, E-7 TOU, and E-14;" Resolution 9764 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2019 Gas Utility Financial Plan;" Resolution 9765 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Gas Rate Increase of 4 Percent and Amending Utility Rate Schedules G-1, G-2, G-3, and G10;" Resolution 9766 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2019 Wastewater Collection Utility Financial Plan;" Resolution 9767 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Wastewater Collection Rate Increase of 11 Percent and Amending Utility Rate Schedules S-1, S-2, S-6, and S-7;" Resolution 9768 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2019 Water Utility Financial Plan;" Resolution 9769 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Water Rate Increase of 3 Percent and Amending Utility Rate Schedules W-1, W-2, W-3, W-4, and W-7;" Resolution 9770 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedule D-1 to Increase Storm Drain Rates 2.9 Percent per Month per Equivalent Residential Unit for FY 2019;" and Resolution 9771 Entitled, "Resolution of the Council of the City of Palo Alto Adopting a Dark Fiber

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Rate Increase of 2.9 Percent and Amending Utility Rate Schedules EDF-1 and EDF-2.”

Public Hearing opened at 8:33 P.M.

Public Hearing closed at 8:39 P.M.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Filseth to adopt Resolutions:

- A. Approving the FY 2019 Electric Financial Plan;
- B. Adopting an Electric Rate Increase of 6 Percent and Amending Utility Rate Schedules E-1, E-2, E-2-G, E-4, E-4-G, E-4 TOU, E-7, E-7-G, E-7 TOU, and E-14;
- C. Approving the FY 2019 Gas Utility Financial Plan;
- D. Adopting a Gas Rate Increase of 4 Percent and Amending Utility Rate Schedules G-1, G-2, G-3, and G10;
- E. Approving the FY 2019 Wastewater Collection Utility Financial Plan;
- F. Adopting a Wastewater Collection Rate Increase of 11 percent and Amending Utility Rate Schedules S-1, S-2, S-6, and S-7;
- G. Approving the FY 2019 Water Utility Financial Plan;
- H. Adopting a Water Rate Increase of 3 Percent and Amending Utility Rate Schedules W-1, W-2, W-3, W-4, and W-7;
- I. Amending Utility Rate Schedule D-1 to Increase Storm Drain Rates 2.9 Percent per Month per Equivalent Residential Unit for FY 2019; and
- J. Adopting a Dark Fiber Rate Increase of 2.9 Percent and Amending Utility Rate Schedules EDF-1 and EDF-2.

MOTION PASSED: 8-1 Tanaka no

- 11. PUBLIC HEARING LEGISLATIVE AND QUASI-JUDICIAL 250 and 350 Sherman Avenue, Public Safety Building Project: Adoption of: 1) Resolution 9772 Entitled, “Resolution of the Council of the City of Palo Alto Certifying the Final Environmental Impact Report and Adopting Findings and a Mitigation Monitoring and Reporting Program Pursuant to the California Environmental Quality Act for the Project Comprised of a new Public Safety Building at 250 Sherman Avenue

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and a new Four-story Parking Structure at 350 Sherman Avenue;”
2) an Ordinance Amending the Public Facilities (PF) Zone Development Standards in Chapter 18.28 of Title 18 of the Palo Alto Municipal Code; and 3) a Record of Land Use Action Approving Architectural Review Application [File 17PLN-00257] for a new Four-story Parking Structure at 350 Sherman Avenue to Provide 636 Public Parking Spaces Above and Below Grade. Planning and Transportation Commission Review Recommended Modification to PF Zoning Development Standards on January 31, 2018 (Continued From June 4, 2018).

Public Hearing opened at 9:08 P.M.

Public Hearing closed at 9:20 P.M.

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

- A. Adopt a Resolution certifying the Public Safety Building Project Final Environmental Impact Report (FEIR) and making required findings under the California Environmental Quality Act (CEQA), including findings related to environmental impacts, mitigation measures and alternatives, and adopting a Mitigation Monitoring and Reporting Program (MMRP);
- B. Adopt an Ordinance modifying the Public Facilities (PF) Zone Development Standards in Chapter 18.28 of Title 18 of the Palo Alto Municipal Code, as recommended by the Planning and Transportation Commission (PTC); and
- C. Approve a Record of Land Use Action approving Architectural Review Application [File 17PLN-00257] for a new four-story parking structure at 350 Sherman Avenue to provide 636 public parking spaces above and below grade, as recommended by the Architectural Review Board (ARB).

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, “direct Staff to have a goal of minimizing zoning exceptions for future projects.” (New Part D)

AMENDMENT: Council Member DuBois moved, seconded by Council Member XX to add to the Motion Part D, “excluding the Public Safety Building.”

AMENDMENT WITHDRAWN BY THE MAKER

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AMENDMENT: Council Member Wolbach moved, seconded by Council Member XX to add to the Motion, "direct Staff to return with an additional exemption to Municipal Code Section 18.28.060(e) for Below Market Rate housing."

AMENDMENT RESTATED: Council Member Wolbach moved, seconded by Council Member XX to add to the Motion, "direct Staff to work with the PTC to study an additional exemption to Municipal Code Section 18.28.060(e) for Below Market Rate housing."

AMENDMENT RESTATED: Council Member Wolbach moved, seconded by Mayor Kniss to add to the Motion, "direct Staff to work with the PTC to study an additional exemption to Municipal Code Section 18.28.060(e) for Below Market Rate housing, in conjunction with other Zoning amendments." (New Part E)

AMENDMENT AS AMENDED PASSED: 5-4 Filseth, Holman, Scharff, Tanaka no

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part D, "and consider car lifts and parking that can be repurposed."

AMENDMENT: Council Member Fine moved, seconded by Council Member XX to add to the Motion, "direct Staff to implement dynamic pricing for the parking garage."

AMENDMENT RESTATED: Council Member Fine moved, seconded by Council Member Wolbach to add to the Motion, "direct Staff to consider pricing for the parking garage." (New Part F)

AMENDMENT PASSED: 5-4 DuBois, Filseth, Kou, Scharff no

MOTION AS AMENDED RESTATED: Council Member Scharff moved, seconded by Council Member DuBois to:

- A. Adopt a Resolution certifying the Public Safety Building Project Final Environmental Impact Report (FEIR) and making required findings under the California Environmental Quality Act (CEQA), including findings related to environmental impacts, mitigation measures and alternatives, and adopting a Mitigation Monitoring and Reporting Program (MMRP);
- B. Adopt an Ordinance modifying the Public Facilities (PF) Zone Development Standards in Chapter 18.28 of Title 18 of the Palo Alto

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Municipal Code, as recommended by the Planning and Transportation Commission (PTC);

- C. Approve a Record of Land Use Action approving Architectural Review Application [File 17PLN-00257] for a new four-story parking structure at 350 Sherman Avenue to provide 636 public parking spaces above and below grade, as recommended by the Architectural Review Board (ARB);
- D. Direct Staff to have a goal of minimizing zoning exceptions for future projects and consider car lifts and parking that can be repurposed;
- E. Direct Staff to work with the PTC to study an additional exemption to Municipal Code Section 18.28.060(e) for Below Market Rate housing, in conjunction with other Zoning amendments; and
- F. Direct Staff to consider pricing for the parking garage

MOTION AS AMENDED PASSED: 8-0 Tanaka not participating

Council took a break from 10:26 P.M. to 10:36 P.M.

- 13. Accept the City Clerk's Report Certifying the Sufficiency of an Initiative Petition to Limit Health Care Costs that Hospitals and Medical Clinics May Charge; and Adopt a Resolution Placing the Initiative Petition on the November 2018 Ballot, or Adopt the Petition as an Ordinance Without Alteration, or Provide Other Direction to Staff.

MOTION: Mayor Kniss moved, seconded by Council Member Fine to:

- A. Accept the City Clerk's Certificate of Sufficiency of the Initiative Petition to Impose Limits on Costs that Hospitals and Clinics May Charge in Palo Alto ("Initiative Measure");
- B. Direct Staff to return at a later meeting in June with a Resolution calling for an election to submit the Initiative Measure to the voters at the next General Municipal Election to be held on November 6, 2018; and
- C. Direct Staff to prepare an objective and fact based analysis of the effects of the Initiative Measure on Palo Alto residents after the City Council Summer Recess.

AMENDMENT: Council Member Holman moved, seconded by Council Member XX to remove Part C from the Motion.

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AMENDMENT FAILED DUE TO THE LACK OF A SECOND

MOTION PART C SEPARATED FOR THE PURPOSE OF VOTING

MOTION: Mayor Kniss moved, seconded by Council Member Fine to:

- A. Accept the City Clerk's Certificate of Sufficiency of the Initiative Petition to Impose Limits on Costs that Hospitals and Clinics May Charge in Palo Alto ("Initiative Measure"); and
- B. Direct Staff to return at a later meeting in June with a Resolution calling for an election to submit the Initiative Measure to the voters at the next General Municipal Election to be held on November 6, 2018.

MOTION: Mayor Kniss moved, seconded by Council Member Fine to:

- C. Direct Staff to prepare an objective and fact based analysis of the effects of the Initiative Measure on Palo Alto residents after the City Council Summer Recess.

SUBSTITUTE MOTION: Council Member Wolbach moved, seconded by Council Member XX to continue this Agenda Item to June 18, 2018.

SUBSTITUTE MOTION WITHDRAWN BY THE MAKER

AMENDMENT: Council Member Wolbach moved, seconded by Council Member XX to replace in the Motion Part B, "direct Staff to return at a later meeting in June" with "direct Staff to poll for a Special Council meeting in July."

AMENDMENT WITHDRAWN BY THE MAKER

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER add to the Motion Part C, "businesses, and City Staff" after "Palo Alto residents."

MOTION AS AMENDED RESTATED: Mayor Kniss moved, seconded by Council Member Fine to:

- A. Accept the City Clerk's Certificate of Sufficiency of the Initiative Petition to Impose Limits on Costs that Hospitals and Clinics May Charge in Palo Alto ("Initiative Measure"); and
- B. Direct Staff to return on June 18, 2018 with a Resolution calling for an election to submit the Initiative Measure to the voters at the next General Municipal Election to be held on November 6, 2018.

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MOTION: Mayor Kniss moved, seconded by Council Member Fine to:

- C. Direct Staff to prepare an objective and fact based analysis of the effects of the Initiative Measure on Palo Alto residents, businesses, and City Staff after the City Council Summer Recess.

MOTION PARTS A AND B PASSED: 9-0

MOTION PART C PASSED: 6-3 DuBois, Holman, Kou no

- 12. Accept the City Clerk's Report Certifying the Sufficiency of the Initiative Petition to Amend the Comprehensive Plan and Zoning Code to Reduce the Maximum Allowable New Office and R&D Development from 1.7 Million Square Feet to 850,000 Square Feet, Subject to Specified Exemptions; and Adopt a Resolution Placing the Initiative Petition on the November 2018 Ballot, or Adopt the Petition as an Ordinance Without Alteration, or Provide Other Direction to Staff.

MOTION: Council Member Scharff moved, seconded by Council Member Fine to:

- A. Accept the City Clerk's Certificate of Sufficiency of the Initiative Petition to Reduce the Office/R&D Development Cap ("Initiative Measure");
- B. Direct Staff to return on July 30, 2018 with a Resolution calling for an election to submit the Initiative Measure to the voters at the next General Municipal Election to be held on November 6, 2018;
- C. Direct the Mayor to create an ad hoc committee of two or three Council Members to develop a possible measure to amend;
- D. Direct Staff to hire a consultant to conduct an economic and fiscal impact analysis to the City and the Palo Alto Unified School District including:
 - i. Its effect on the internal consistency of the City's Comprehensive Plan and coordinated area plans, including the Housing Element, the consistency between planning and zoning, and the limitations on City actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division of Title 7 of the Government Code;
 - ii. Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open

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space. The report may also discuss whether the Initiative Measure would be likely to result in increased infrastructure costs or savings, including costs of infrastructure maintenance, to current residents and businesses;

- iii. Its impact on the community's ability to attract and retain business and employment;
- iv. Its impact on traffic congestion;
- v. Its impact on Below Market Rate housing; and
- vi. Its impact on the Stanford Research Park.

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

- A. Accept the City Clerk's Certificate of Sufficiency of the Initiative Petition to Reduce the Office/R&D Development Cap ("Initiative Measure"); and
- B. Direct Staff to return on June 18, 2018 with a Resolution calling for an election to submit the Initiative Measure to the voters at the next General Municipal Election to be held on November 6, 2018.

SUBSTITUTE MOTION FAILED: 4-5 DuBois, Filseth, Holman, Kou yes

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part D, "but not limited to" after "School District including."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff to consider input from Stanford University, non-profits, and the business community." (New Part D.vii.)

AMENDMENT: Council Member DuBois moved, seconded by Council Member Wolbach to replace Part D of the Motion with, "direct Staff to prepare an objective and fact based analysis of the effects of the Initiative Measure on Palo Alto residents, businesses, City Staff after the City Council Summer Recess."

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Amendment, "and the Palo Alto Unified School District" after "City Staff."

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SECOND TO THE AMENDMENT WITHDRAWN BY THE SECONDER

AMENDMENT AS AMENDED RESTATED: Council Member DuBois moved, seconded by Council Member Holman to replace Part D of the Motion with, "direct Staff to prepare an objective and fact based analysis of the effects of the Initiative Measure on Palo Alto residents, businesses, and City Staff, and the Palo Alto Unified School District after the City Council Summer Recess."

AMENDMENT AS AMENDED FAILED: 4-5 DuBois, Filseth, Holman, Kou yes

MOTION AS AMENDED RESTATED: Council Member Scharff moved, seconded by Council Member Fine to:

- A. Accept the City Clerk's Certificate of Sufficiency of the Initiative Petition to Reduce the Office/R&D Development Cap ("Initiative Measure");
- B. Direct Staff to return on July 30, 2018 with a Resolution calling for an election to submit the Initiative Measure to the voters at the next General Municipal Election to be held on November 6, 2018;
- C. Direct the Mayor to create an ad hoc committee of two or three Council Members to develop a possible measure to amend;
- D. Direct Staff to hire a consultant to conduct an economic and fiscal impact analysis to the City and the Palo Alto Unified School District including but not limited to:
 - i. Its effect on the internal consistency of the City's Comprehensive Plan and coordinated area plans, including the Housing Element, the consistency between planning and zoning, and the limitations on City actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division of Title 7 of the Government Code;
 - ii. Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the Initiative Measure would be likely to result in increased infrastructure costs or savings, including costs of infrastructure maintenance, to current residents and businesses;

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- iii. Its impact on the community's ability to attract and retain business and employment;
- iv. Its impact on traffic congestion;
- v. Its impact on Below Market Rate housing;
- vi. Its impact on the Stanford Research Park; and
- vii. Direct Staff to consider input from Stanford University, non-profits, and the business community.

MOTION AS AMENDED PASSED: 5-4 DuBois, Filseth, Holman, Kou no
State/Federal Legislation Update/Action

None.

Adjournment: The meeting was adjourned at 1:05 A.M.



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
June 12, 2018

The City Council of the City of Palo Alto met on this date in the El Palo Alto Room at the Mitchell Park Community Center, 3700 Middlefield Road, Palo Alto, CA at 6:08 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Absent:

Study Session

1. Update on the Ongoing Implementation of the Bicycle + Pedestrian Transportation Plan and the Neighborhood Traffic Safety and Bicycle Boulevards – Phase 1 Project Along Amarillo Avenue, Bryant Street, East Meadow Drive, Montrose Avenue, Moreno Avenue, Louis Road, Palo Alto Avenue, and Ross Road.

Action Items

2. THIS ITEM HAS BEEN REMOVED AND WILL BE HEARD AFTER COUNCIL'S BREAK.
3. THIS ITEM HAS BEEN REMOVED AND WILL BE HEARD AFTER COUNCIL'S BREAK.

Adjournment: The meeting was adjourned at 10:06 P.M.



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
June 18, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:03 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss; Kou arrived at 5:05 P.M., Scharff; Tanaka arrived at 5:05 P.M., Wolbach

Absent:

Closed Session

1. PUBLIC EMPLOYMENT
Title: City Manager
Authority: Government Code Section 54957(b).

MOTION: Council Member Wolbach moved, seconded by Council Member Holman to go into Closed Session.

MOTION PASSED: 7-0 Kou, Tanaka absent

Council went into Closed Session at 5:03 P.M.

Council returned from Closed Session at 6:55 P.M.

Mayor Kniss announced no reportable action.

Agenda Changes, Additions and Deletions

None.

Minutes Approval

2. Approval of Action Minutes for the June 4, 2018 Council Meeting.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Filseth to approve the Action Minutes for the June 4, 2018 Council Meeting.

MOTION PASSED: 9-0

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Consent Calendar

Council Member Tanaka registered a no vote on Agenda Item Number 11-Adoption of an Updated Salary Schedule and Revised Compensation Plan...

MOTION: Council Member DuBois moved, seconded by Council Member Wolbach to approve Agenda Item Numbers 3-13A.

3. Recommendation That the City Council Accept Audit Status Updates on Contract Oversight of Trenching Installation and Electric Substructure, Inventory Management, and Utility Metering.
4. Recommendation That the City Council Accept the Status Updates of the Cash Handling, Travel Expense Audit, the Cable Franchise and PEG Fees Audit and the Payments Audit.
5. Resolution 9773 Entitled, "Resolution of the Council of the City of Palo Alto Summarily Vacating Public Utility Easements at 333 West Charleston Road and 4202 Ruthelma Avenue."
6. Resolution 9774 Entitled, "Resolution of the Council of the City of Palo Alto Summarily Vacating Public Utility Easement at 405 Curtner Avenue."
7. Resolution 9775 Entitled, "Resolution of the Council of the City of Palo Alto Vacating Public Utility Easement at 4301-4329 El Camino Real."
8. Approval of Contract Amendment Number 4 With Cypress Security, Inc. Increasing the Amount by \$330,000 for a Total Not-to-Exceed Amount of \$3,662,216, and Extend the Term of the Agreement to September 30, 2018 for Guard Monitoring Services at Palo Alto Caltrain Locations.
9. Approval of Three General Services Contracts for Approximately \$2.0 Million per Year in Annual Expenses in the Wastewater Treatment Enterprise Fund: 1) Contract With Denali Water Solutions, LLC for Sludge Hauling Services in an Amount Not-to-Exceed \$2,181,000 for a 3-Year Term; 2) Contract With Lystek International Limited in an Amount Not-to-Exceed \$3,649,000; and 3) Contract With Synagro-WWT, Inc. in an Amount Not-to-Exceed \$3,415,000, Both for Offsite Sludge Treatment Services for a 5-Year Term.
10. Approval of Amendment Number 5 With C&S Engineers, Inc. to Contract Number C15155208A in the Amount of \$119,227 for

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Construction Administration Services on the Airport Apron Reconstruction, Capital Improvement Program Project AP-16000.

11. Adoption of an Updated Salary Schedule and Revised Compensation Plan for Unrepresented Limited Hourly Employees Effective July 1, 2017 - June 30, 2021.
12. Approval of an Agreement With Concordia LLC for 18 Months in the Amount Not-to-Exceed \$565,972 for Cubberley Community Center Master Plan and Visioning; Approval of a Cost Share Agreement With the Palo Alto Unified School District for up to \$332,986; and Approval of Budget Amendments to Fund the Master Plan.
13. Approval of Contract C18172547 With Integrated Design 360 for Development and Support of the Sustainability Implementation Plan, the Green Building Program, the Deconstruction and Source Separation Program, the Dewatering Monitoring Program and Utilities On-call Services Through June 30, 2019 for a Total Not-to-Exceed Amount of \$606,291.
- 13A. Resolution 9776 Entitled, "Resolution of the Council of the City of Palo Alto Calling a General Municipal Election for Tuesday, November 6, 2018, for Three Council Member Seats."

MOTION FOR AGENDA ITEM NUMBERS 3-10, 12-13A PASSED: 9-0

MOTION FOR AGENDA ITEM NUMBER 11 PASSED: 8-1 Tanaka no

Action Items

14. PUBLIC HEARING: Adoption of Budget Ordinance for Fiscal Year 2019, Including Adoption of Operating and Capital Budgets and Municipal Fee Schedule.

Council Member Tanaka left the meeting at 8:30 P.M.

Public Hearing opened at 9:02 P.M.

Public Hearing closed at 9:12 P.M.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Filseth to:

- A. Adopt the Fiscal Year 2019 Budget Appropriation Ordinance, which includes:

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- i. The City Manager's Fiscal Year 2019 Proposed Operating and Capital Budgets, previously distributed at the April 30, 2018 City Council meeting;
 - ii. Amendments to the City Manager's Fiscal Year 2019 Proposed Operating Budget (as described in Staff Report, Attachment A, Exhibit 2);
 - iii. Amendments to the City Manager's Fiscal Year 2019 Proposed Capital Budget (as described in Staff Report, Attachment A, Exhibit 3);
 - iv. Fiscal Year 2019 Proposed Municipal Fee Changes (as described in Staff Report, Attachment A, Exhibit 4);
 - v. Fiscal Year 2019 City Table of Organization (as described in Staff Report, Attachment A, Exhibit 5);
- B. Accept the June 30, 2017 actuarial valuation of Palo Alto's Retiree Healthcare Plan and approve full funding of the annual Actuarially Determined Contributions (ADC) for Fiscal Years 2019 and 2020;
- C. Approve amending Salary Schedules for:
- i. Management and Professional Group (MGMT); and
 - ii. Service Employees International Union – Hourly (SEHL).

MOTION PASSED: 7-1 Kou no, Tanaka absent

Council Member DuBois left the meeting at 10:22 P.M.

Council took a break from 10:22 P.M. to 10:27 P.M.

15. Resolution 9777 Entitled, "Resolution of the Council of the City of Palo Alto Placing an Initiative Measure on the November 6, 2018 Ballot to Amend Title 5 of the Palo Alto Municipal Code to Limit Health Care Costs That Hospitals, Medical Clinics and Other Health Care Providers may Charge Patients and Other Payers."

MOTION: Council Member Scharff moved, seconded by Mayor Kniss to adopt a Resolution calling an election to submit the Initiative to the voters at the next general municipal election on November 6, 2018 on the Palo Alto Accountable and Affordable Health Care Initiative including the following Ballot Question: "Shall the Palo Alto Municipal Code be amended to regulate and limit the amount that hospitals, medical clinics and other health care

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providers in Palo Alto may charge patients or other individuals, primary insurers, secondary insurers, and other payers, excluding government payers.”

MOTION PASSED: 7-0 DuBois, Tanaka absent

16. Resolution 9778 Entitled, “Resolution of the Council of the City of Palo Alto Placing a Measure on the November 6, 2018 General Election Ballot to Increase the City’s Transient Occupancy Tax (TOT) by Two Percentage Points.”

MOTION: Council Member Fine moved, seconded by Council Member Scharff to:

- A. Adopt a Resolution to submit a measure to the voters at the general municipal election on November 6, 2018, to increase the City’s Transient Occupancy Tax (TOT) by two (2) percentage points; and
- B. Direct Staff to use ballot language conforming to constitutional requirements that would become effective if a statewide measure to amend the California Constitution and impose new procedures on local tax measures is adopted by California voters at the November 6, 2018 election.

AMENDMENT: Mayor Kniss moved, seconded by Council Member Holman to replace in the Motion Part A, “two (2) percentage points” with “one and a half (1.5) percentage points.”

AMENDMENT PASSED: 5-2 Fine, Kou no, DuBois, Tanaka absent

MOTION AS AMENDED RESTATED: Council Member Fine moved, seconded by Council Member Scharff to:

- A. Adopt a Resolution to submit a measure to the voters at the general municipal election on November 6, 2018, to increase the City’s Transient Occupancy Tax (TOT) by one and a half (1.5) percentage points; and
- B. Direct Staff to use ballot language conforming to constitutional requirements that would become effective if a statewide measure to amend the California Constitution and impose new procedures on local tax measures is adopted by California voters at the November 6, 2018 election.

MOTION AS AMENDED PASSED: 6-1 Kou no, DuBois, Tanaka absent

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State/Federal Legislation Update/Action

None.

Adjournment: The meeting was adjourned at 11:55 P.M.



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
June 19, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:10 P.M.

Present: DuBois, Filseth, Fine, Holman, Kou, Scharff; Tanaka arrived at 8:00 P.M., Wolbach

Absent: Filseth, Kniss

Participating remotely: Tanaka participating from 51 Brentwood Street, Boston, MA 02134

Action Items

1. Council Rail Committee Recommends the City Council Move Forward With the Community Engagement Plan as Developed by Staff and AECOM Including the Creation of a Community Advisory Panel.

MOTION: Council Member Wolbach moved, seconded by Council Member Scharff to move forward with the Community Engagement Plan as developed by Staff and AECOM including the creation of a Community Advisory Panel.

MOTION PASSED: 6-0 Filseth, Kniss, Tanaka absent

2. Discussion and Potential Action to Further Narrow Possible Grade Separation Alternatives Including Rail Committee Recommendation to the City Council to Further Define the Grade Separations for Further Study in the Following Ways:
 - a. Eliminate Churchill Avenue Hybrid (CAH) idea from consideration;
 - b. Eliminate Churchill Avenue Reverse Hybrid (CAR) idea from consideration;
 - c. Break out Churchill Avenue closure option into full closure and partial closure;
 - d. Remove the language regarding widening Embarcadero Road underpass from description of Churchill Avenue crossing closed (CAX) idea; and

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- e. Add to Churchill Avenue crossing closed (CAX) idea, “study additional options for addressing traffic in the Embarcadero Road underpass area.

MOTION: Council Member Scharff moved, seconded by Council Member Wolbach to:

- A. Eliminate Churchill Avenue Hybrid (CAH) idea from consideration;
- B. Eliminate Churchill Avenue Reverse Hybrid (CAR) idea from consideration;
- C. Break out Churchill Avenue closure option into full closure and partial closure;
- D. Remove the language regarding widening Embarcadero Road underpass from the description of the Churchill Avenue crossing closed (CAX) idea; and
- E. Add to Churchill Avenue crossing closed (CAX) idea, “study additional options for addressing traffic in the Embarcadero Road underpass area.”

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

- A. Eliminate all hybrid ideas from consideration;
- B. Break out Churchill Avenue closure option into full closure and partial closure;
- C. Study additional options for addressing traffic on Embarcadero Road and University Avenue, particularly at the intersections with Alma Street; and
- D. Consider a short trench at Churchill Avenue at a 2 percent grade.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Substitute Motion Part A, “that require full eminent domain” after “all hybrid.”

AMENDMENT TO THE SUBSTITUTE MOTION: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion, “direct Staff to study value capture or other options to finance a tunnel.”

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AMENDMENT TO THE SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND

AMENDMENT TO THE SUBSTITUTE MOTION: Council Member Holman moved, seconded by Council Member XX to replace in the Motion Part A, "full eminent domain" with "a complete eminent domain action on a residential property."

AMENDMENT TO THE SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND

SUBSTITUTE MOTION WITHDRAWN BY THE MAKER

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff to analyze and return to Council in August with a report on the impacts to properties at Charleston Road and Meadow Drive." (New Part F)

AMENDMENT: Council Member DuBois moved, seconded by Council Member XX to replace in the Motion Part E, "underpass area" with "and University Avenue, particularly at the intersections with Alma Street."

AMENDMENT WITHDRAWN BY THE MAKER

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part F, "at Charleston Road and Meadow Drive" with "for hybrid options for Charleston Road and Meadow Drive."

AMENDMENT: Council Member Holman moved, seconded by Council Member XX to add to the Motion Part E, "and implement appropriate actions to minimize redirected traffic onto residential streets in adjacent neighborhoods and commit to adopting appropriate mitigations to address the impacts."

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part E, "including actions to minimize redirected traffic onto residential streets in adjacent neighborhoods and commit to adopting appropriate mitigations to address the impacts."

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion Part F, "that minimize eminent domain" after "hybrid options."

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

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AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion Part E, "and safety" after "addressing traffic."

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

MOTION AS AMENDED RESTATED: Council Member Scharff moved, seconded by Council Member Wolbach to:

- A. Eliminate Churchill Avenue Hybrid (CAH) idea from consideration;
- B. Eliminate Churchill Avenue Reverse Hybrid (CAR) idea from consideration;
- C. Break out Churchill Avenue closure option into full closure and partial closure;
- D. Remove the language regarding widening Embarcadero Road underpass from the description of the Churchill Avenue crossing closed (CAX) idea;
- E. Add to Churchill Avenue crossing closed (CAX) idea, "study additional options for addressing traffic in the Embarcadero Road underpass area including actions to minimize redirected traffic onto residential streets in adjacent neighborhoods and commit to adopting appropriate mitigations to address the impacts; and
- F. Direct Staff to analyze and return to Council in August or earlier with a report on the impacts to properties for hybrid options for Charleston Road and Meadow Drive.

MOTION AS AMENDED PASSED: 6-1 Tanaka no, Filseth, Kniss absent

- 3. Verbal Update on Interagency Activities.

NO ACTION TAKEN

Adjournment: The meeting was adjourned at 9:51 P.M.