



CITY OF PALO ALTO OFFICE OF THE CITY CLERK

November 19, 2018

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

Approval of Action Minutes for the October 29 and November 5, 2018 Council Meetings

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

ATTACHMENTS:

- Attachment A: 10-29-18 DRAFT Action Minutes (DOCX)
- Attachment B: 11-05-18 DRAFT Action Minutes (DOCX)

Department Head: Beth Minor, City Clerk



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
October 29, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:05 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss; Kou arrived at 5:06 P.M., Scharff, Tanaka, Wolbach

Absent:

Closed Session

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(2) and (e)(1)
Five Potential Cases.

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

MOTION PASSED: 8-0 Kou absent

Council went into Closed Session at 5:05 P.M.

Council returned from Closed Session at 7:08 P.M.

Mayor Kniss announced no reportable action.

Minutes Approval

2. Approval of Action Minutes for the October 1 and 15, 2018 Council Meetings.

MOTION: Vice Mayor Filseth moved, seconded by Council Member Scharff to approve the Action Minutes for the October 1 and 15, 2018 Council Meetings.

MOTION PASSED: 9-0

Consent Calendar

MOTION: Council Member DuBois moved, seconded by Council Member Holman, third by Council Member Wolbach to pull Agenda Item Number 6-QUASI-JUDICIAL: 3743 Redwood Circle [17PLN-00272]: Consideration of an

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Appeal of the Director's Individual Review Approval of a new Two-story, Single Family Home to be heard at a date uncertain.

MOTION: Vice Mayor Filseth moved, seconded by Council Member Scharff to approve Items 3-5.

3. Approval of the Sale of Transferable Development Rights From City Owned Avenidas and College Terrace Buildings to Selected Qualified Buyers; Disbursement of the Sale Proceeds; and Approval of a Budget Amendment in the Community Center Impact Fund.
4. Approval of the Fiscal Year 2018 Re-appropriation Requests to be Carried Forward Into Fiscal Year 2019 and Approve Budget Amendments in Various Funds.
5. Ordinance 5452 Entitled "Ordinance of the Council of the City of Palo Alto Amending Chapter 4.62 (Citywide Minimum Wage) of the Palo Alto Municipal Code to Correct and Clarify That the First Consumer Price Index (CPI) Adjustment to the Minimum Wage Will Occur in 2020 (FIRST READING: October 15, 2018 PASSED: 8-0 Kniss Absent)."
6. ~~QUASI-JUDICIAL: 3743 Redwood Circle [17PLN 00272]: Consideration of an Appeal of the Director's Individual Review Approval of a new Two-story, Single Family Home. Environmental Assessment: Exempt From the Provisions of the California Environmental Quality Act (CEQA) in Accordance With Guideline Section 15303 (New Construction). Zoning District: R-1 (Single Family Residential).~~
7. Approval of the Acceptance and Appropriation of State of California Citizens Options for Public Safety (COPS) Funds and Approval of a Budget Amendment in the Supplemental Law Enforcement Services Fund. **STAFF REQUESTS THIS ITEM BE PULLED.**
8. Approval of the Agreement Between the City of Palo Alto and Racing Hearts, a Nonprofit Corporation, for the Purchase of Automatic External Defibrillators (AEDs) for the Palo Alto Police Department. **STAFF REQUESTS THIS ITEM BE PULLED.**

MOTION PASSED: 9-0

Action Items

9. TEFRA HEARING: Resolution 9797 Entitled "Resolution of the Council of the City of Palo Alto Regarding Conduit Financing for the Lytton Gardens Apartments Project Located at 656 Lytton Avenue, Palo Alto, and

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Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority for the Purpose of the Acquisition, Rehabilitation, Improvement, and Equipping of Lytton Gardens Apartments.”

Public Hearing opened and closed without public comment at 8:14 P.M.

MOTION: Council Member Fine moved, seconded by Council Member Scharff to adopt a Resolution approving the issuance of the bonds by the California Municipal Finance Authority (CMFA) for the benefit of Lytton Gardens 1 LP (Borrower).

MOTION PASSED: 9-0

10. Direct Staff to Amend Budget Assumptions for Pension Benefit Costs and Complete the Workplans to Address the City Council Fiscal Year (FY) 2019 Adopted Budget Referral to Identify \$4 Million in General Fund Savings.

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

- A. Direct Staff, when they develop the next budget, to include the full normal cost for pension benefits in the budget assuming an equivalent of 6.2 percent discount rate, and transfer additional funding beyond CalPERS actuarial determined contribution levels to the 115 Trust Fund;
- B. Direct Staff to begin work and return with a strategic action plan according to Staff’s recommended Strategic Action workplan; and
- C. Direct Staff to return to the Finance Committee in November or December 2018 with short term suggestions on reductions in the amount of \$4 million that are not detrimental to the organization, CIP, or infrastructure plan and including what it would look like if the remaining gap was funded by the Budget Stabilization Reserve rather than an across the board cut to close the gap.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDED to add to the Motion Part C, “...from the 2019 Fiscal Year Budget in the amount of...”

AMENDMENT: Council Member Tanaka moved, seconded by Council Member Holman to remove from the Motion, Part C, “and including what it would look like if the remaining gap was funded by the Budget Stabilization Reserve rather than an across the board cut to close the gap.”

AMENDMENT FAILED: 4-5 DuBois, Holman, Kou, Tanaka yes

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AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to produce a net reduction of \$4 million, which would include approved increases.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion a new Part D, "Direct Staff to send to the Finance Committee the exploration of the concept of when Staff proposes something above the budget plan, offsets would also be suggested."

AMENDMENT: Council Member Holman moved, seconded by Council Member Tanaka to direct Staff to return to the Finance Committee with options for prioritization of infrastructure projects related to the budget savings.

AMENDMENT FAILED: 3-6 Holman, Kou, Tanaka yes

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

- A. Direct Staff, when they develop the next budget, to include the full normal cost for pension benefits in the budget assuming an equivalent of 6.2 percent discount rate and transfer additional funding beyond CalPERS actuarial determined contribution levels to the 115 Trust Fund;
- B. Direct Staff to begin work and return with a strategic action plan according to staff's recommended Strategic Action workplan;
- C. Direct Staff to return to Finance Committee in November or December 2018 with short term suggestions on reductions from the 2019 Fiscal Year Budget in the amount of \$4 million that are not detrimental to the organization, or our CIP or infrastructure plan, and including what it would look like if the remaining gap was funded by the Budget Stabilization Reserve rather than an across the board cut to close the gap; and
- D. Direct Staff to send to the Finance Committee the exploration of the concept of when Staff proposes something above the budget plan, offsets would also be suggested.

MOTION AS AMENDED PASSED: 8-1 Tanaka no

11. Adoption of an Ordinance Amending the Municipal Code and Adoption of Amendments to Council Procedures and Protocols to Conform to a Seven-member Council; Discussion and Direction to Staff or Referral to

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the Policy and Services Committee of Additional Discretionary Changes to the Code and/or Council Procedures and Protocols.

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

- A. Amend the Municipal Code and Council Procedures and Protocols to conform to a seven-member Council:
 - i. Adopt on first reading an Ordinance amending Municipal Code section 2.04.190 to reduce number of Council Members on Finance and Policy and Services from four to three and Section 12.10.060 to change the votes required to resolve a certain type of appeal from five to a majority;
 - ii. Amend the Council Procedures and Protocols to reduce four to three the number of Council Members who may sign a Colleagues' Memo and who may serve on an Ad Hoc Committee; and
- B. Refer to Policy and Services additional discretionary changes to the Municipal Code and/or Procedures and Protocols.

AMENDMENT: Council Member Holman moved, seconded by Council Member Kou to require two City Council members to remove an item from the Consent Calendar.

AMENDMENT FAILED: 4-4-1 Dubois, Holman, Kou, Tanaka yes, Fine abstain

MOTION PASSED: 9-0

Adjournment: The meeting was adjourned in remembrance of those who lost their lives and the families left behind in the senseless shooting at Tree of Life Synagogue in Pittsburgh, Pennsylvania on October 27, 2018 at 10:54 P.M.



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
November 5, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:09 P.M.

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

Absent:

Special Orders of the Day

1. Recognition of the Palo Alto Firefighters who Responded to the Wildland Fires.

Study Session

2. Study Session With Senator Hill.

Closed Session

3. CONFERENCE WITH CITY ATTORNEY- EXISTING LITIGATION
Subject: A R Automotive LLC dba Anderson Honda v. City of Palo Alto
Santa Clara County Superior Court Case No. 17CV320173
Authority: Government Code Section 54956.9(d) (1).

Subject: James Judge Luckey v. City of Palo Alto
Santa Clara County Superior Court Case No. 16CV303728
Authority: Government Code Section 54956.9(d) (1).
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(2) and (e)(1) Four Potential Cases.
4. CONFERENCE WITH LABOR NEGOTIATORS
~~City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Ed Shikada, Kiely Nose, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Tori Anthony, Molly Stump, Terence Howzell, and Michelle Flaherty)~~
~~Employee Organizations: 1) Service Employees International Union, (SEIU), Local 521; 2) Hourly Unit Service Employees International~~

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~~Union (SEIU-H), Local 521; 3) Palo Alto Fire Chiefs' Association (FCA); 4) International Association of Fire Fighters (IAFF), Local 1319; 5) Palo Alto Peace Officers' Association (PAPOA); 6) Palo Alto Police Management Association (PAPMA); and 7) Utility Management Professional Association of Palo Alto (UMPAPA)
Authority: Government Code Section 54957.6(a).~~

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

MOTION PASSED: 9-0

Council went into Closed Session at 6:35 P.M.

Council returned from Closed Session at 8:57 P.M.

Mayor Kniss announced no reportable action.

James Keene, City Manager advised that Agenda Item Number 4-CONFERENCE WITH LABOR NEGOTIATORS... was not heard and will be heard on November 19, 2018.

Consent Calendar

Council Member Tanaka registered a no vote on Agenda Item Number 6-Adoption of a Resolution Authorizing the City Manager to Purchase a Portion of the City's Verified Emission Reductions...

MOTION: Council Member Scharff moved, seconded by Council Member Wolbach to approve Agenda Item Numbers 5-15.

5. Selection of Applicants to Interview on November 27, 2018 for the Architectural Review Board, the Parks & Recreation Commission, and the Planning & Transportation Commission.
6. Resolution 9798 Entitled, "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Purchase a Portion of the City's Verified Emission Reductions (VER) Requirements From ACT Commodities, Inc. Under Specified Terms and Conditions During Calendar Years 2018-2027, Inclusive."
7. Approval of Amendment Number 3 to Contract Number C15155378 With Carollo Engineers for Engineering Services During Construction of the Plant Repair, Retrofit, and Equipment Replacement Project (WQ-19002) at the Regional Water Quality Control Plant to Increase

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Compensation by \$67,000 for a Total Not-to-Exceed Amount of \$358,335 and to Extend the Contract Term Through March 31, 2019.

8. Ordinance 5453 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Title 18 (Zoning) of the Palo Alto Municipal Code to Amend Requirements Relating to Accessory Dwelling Units and Junior Accessory Dwelling Units (FIRST READING: October 1, 2018 PASSED: 8-1 Kou no)."
9. Approval of new Three-year Operating Agreements With TheatreWorks, Palo Alto Players, and West Bay Opera; and authorize the City to Hold new Revenues Paid by the City's Resident Theatre Companies in Reserve to Help Fund Facility Improvements at the Lucie Stern Community Theatre.
10. Approval of Amendment Number 1 to Contract Number C18170810C Between the City of Palo Alto and Grassroots Ecology for Habitat Restoration at Foothills Park, Which Approves Assignment of Contract and use of Volunteers.
11. Approval of Amendment Number 1 to the Amended and Restated Stewardship Agreement Between the City of Palo Alto and Grassroots Ecology for the Preservation, Protection, and Enhancement of the Enid W. Pearson Arastradero Nature Preserve Through June 30, 2022.
12. Resolution 9799 Entitled, "Resolution of the Council of the City of Palo Alto Summarily Vacating a Public Utility Easement at 3001 El Camino Real."
13. Adoption of the Fiscal Year 2019 Investment Policy.
14. Approval of a Joint Use Agreement With Santa Clara Valley Water District Regarding the Highway 101 Pedestrian/Bicycle Overpass Capital Improvement Project (CIP PE-11011).
15. Approval of Contract Amendment Number 2 With Verizon Wireless Through June 30, 2019, Utilizing the Western State Contracting Alliance (WSCA) Contract, California Participating Addendum, for Wireless, Voice and Broadband Services, Accessories and Equipment.

MOTION FOR AGENDA ITEM NUMBERS 5, 7-15 PASSED: 9-0

MOTION FOR AGENDA ITEM NUMBER 6 PASSED: 8-1 Tanaka no

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Action Items

16. PUBLIC HEARING: QUASI-JUDICIAL: 250 Sherman Avenue, Public Safety Building [17PLN-00256]: Approval of an Application for Architectural Review for a new Public Safety Building, Three Stories Above Grade With 45,400 to 48,000 Square Feet of Floor Area Above Grade, two Basement Levels With Usable Floor Area Within the First Basement Level, Five Surface Parking Spaces Within a Fenced Area and 143 Below Grade Parking Spaces (Including 12 Stalls in Tandem Arrangement), two Operational Site Buildings Accessory to the Public Safety Building, and Site Improvements, With Approval of Adjusted Setbacks and Height per Ordinance Number 5445, and Adoption of a Record of Land Use Action. City Council Certified the Environmental Impact Report and Adopted the Public Facilities Amendment Ordinance on June 11, 2018. Zone District: PF (Public Facilities).

Public Hearing opened at 9:42 P.M.

Public Hearing closed at 9:46 P.M.

MOTION: Council Member Fine moved, seconded by Vice Mayor Filseth to approve the Architectural Review application for a new public safety building and related facilities that includes modifications to development standards related to setbacks and height and adopt an associated Record of Land Use Action.

MOTION PASSED: 9-0

State/Federal Legislation Update/Action

None.

Adjournment: The meeting was adjourned at 10:45 P.M.