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Special Municipal Election to be Held on November 4, 2008; and Resolution 8849 stating "Resolution of the Council of the City of Palo Alto Determining that the Public Interest and Necessity Demand the Construction and Completion of a New Mitchell Park Library and Community Center, Renovation and Expansion of Main Library, and Renovations to Downtown Library and Their Financing Through the Issuance of General Obligation Bonds".....	326
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ADJOURNMENT: The meeting adjourned at 10:40 P.M.....	340

The City Council of the City of Palo Alto met on this date in the Council Conference Room at 6:05 p.m.

Present: Barton, Burt, Drekmeier, Espinosa, Kishimoto, Klein, Morton

Absent: Schmid, Yeh

#### CLOSED SESSION

1. Conference with Labor Negotiator  
Agency Designated Representative: Sherry Lund  
Unrepresented Employees: City Manager  
Authority: Government Code section 54957.6
2. Conference with Labor Negotiator  
Agency Designated Representative: Sherry Lund  
Unrepresented Employees: City Clerk  
Authority: Government Code section 54957.6
3. Conference with Labor Negotiator  
Agency Designated Representative: Sherry Lund  
Unrepresented Employees: City Attorney  
Authority: Government Code section 54957.6

Council reconvened from Closed Session at 7:00 p.m.

Mayor Klein advised no reportable action taken

#### SPECIAL ORDERS OF THE DAY

4. Proclamation Commending the Outstanding Contributions by Artist Fletcher Benton.

Council Member Barton read the Proclamation and Mayor Klein presented it to Fletcher Benton.

Fletcher Benton thanked the Council for the proclamation.

5. Introduction of 2008 Palo Alto Management Fellows

No action taken

#### ORAL COMMUNICATIONS

Lynn Chiapella, 631 Colorado Avenue, spoke on library resources availability.

Rick Saal, Bryant Street, spoke on Children's Theatre staff, Pat and Rich.

### CONSENT CALENDAR

Lynn Chiapella, 631 Colorado Avenue, spoke regarding Agenda Item No. 9, spot zoning issues, special setbacks, seismic bonus calculations, height limits and the design enhancement expectations.

Herb Borock, P.O. Box 632, spoke on Agenda Item No. 9, processing of planning applications, consent calendars and appeals.

Emily Renzel, 1056 Forest Avenue, spoke regarding Agenda Item No. 10, preservation of wetlands and open space.

Kieran Woods, 2625 Judah Street #2, spoke regarding Agenda Item No. 12, his company's lower sewer bids and subsequent losses of same.

Council Member Kishimoto asked whether she could pose a question regarding Agenda Item No. 10.

Mayor Klein stated it was discussion only; however, he allowed a short question.

Council Member Kishimoto asked for clarification on Area B wetlands.

Director of Public Works, Glenn Roberts said this was not the question before Council, with open space and wetlands issued Tabled for later date.

Council Member Kishimoto asked if dewatering would occur at this stage.

Mr. Roberts said these were recommendations only, not physical action.

**MOTION:** Council Member Burt moved, seconded by Vice Mayor Drekmeier to remove Agenda Item No. 12 from Consent Calendar to become Agenda Item No. 13A.

**MOTION:** Council Member Morton moved, seconded by Council Member Espinosa to approve Consent Calendar Item Numbers 6-11, and 13.

6. Approval of a Final Map to Create Six Residential Condominium Units on a .57 Acre Lot at 433 W. Meadow Drive [08PLN-00149].  
*(Item continued by Staff recommendation to a date uncertain)*

7. Resolution 8847 stating "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Execute the Second Amended and Restated Northern California Power Agency Metered Subsystem Aggregator Agreement and to Execute Subsequent Amendments to the Agreement as Needed to Conform to Changes in Regulatory Requirements."
8. Policy and Services Committee Recommendations to Council in Support of City's Position on Southbound Highway 101 Ramp Metering Project.
9. Appeal of Director's Approval of an Architectural Review Application for a Four Story Commercial Mixed Use Retail/Office Building, Including Design Enhancement Exceptions to Exceed the Maximum Height and Floor Area, and a Variance Application for an Encroachment Into the Bryant Street Special Setback at 278 University Avenue.
10. Approval of a Contract with Geosyntec Consultants in the Total Amount of 198,000 dollars for Environmental Risk Assessment and Remediation Plan Development Services for the Former Los Altos Treatment Plant Site Located at 1237 North San Antonio Road - LATP Site Development Preparation, Capital Improvement Program Project RF-09004.
11. Resolution 8848 stating "Resolution of the Council of the City of Palo Alto Amending the 2006-2009 Compensation Plan for Classified Personnel (SEIU) Adopted by Resolution No. 8658 to Reassign Fifteen Job Classifications from the Management and Professional Personnel Group to the SEIU Unit and Change the Compensation for Two Existing SEIU Classifications".
- ~~12. Approval of a Utilities Enterprise Fund Contract With D'Arcy & Harty Construction, Inc. in an Amount Not to Exceed 1,177,695 dollars for Wastewater Collection System Rehabilitation Capital Improvement Program Project WC-06003 Project 19B.~~
13. Approval of Amendment No. One to Refuse Enterprise Fund Contract No. C07119835 With HF&H Consultants in the Additional Amount of 20,323 dollars for Services Relating to the Best and Final Offer Process for the New Solid Waste, Recycling, and Organics Services Agreement.

**MOTION PASSED:** 7-0 Schmid, Yeh absent

13A (Former No. 12.) Approval of a Utilities Enterprise Fund Contract With D'Arcy & Harty Construction, Inc. in an Amount Not to Exceed 1,177,695 dollars for Wastewater Collection System Rehabilitation Capital Improvement Program Project WC-06003 Project 19B

Council Member Burt asked if staff had any response to bidders who were currently questioning the bidding process.

Assistant Director of Administrative Services, David Ramberg stated a bid protest hearing was held, with the technicality being a form and information missing for a bidder. However, once this information was received, the original bid award was upheld and the protest denied.

Council Member Burt asked for further word on this from the City Attorney.

City Attorney, Gary Baum stated extensive review was done, with the City's position being legally defensible, with the appropriate actions taken.

Vice Mayor Drekmeier asked why four out of the six applicants did not meet bidding requirements.

Mr. Ramberg stated they did not look back at the other applicants, since there was only one protest. They would be double-checking their bid packages to ensure clear language.

Vice Mayor Drekmeier asked if there was a problem, would there be a new Request for Proposal.

Mr. Ramberg stated if there was a problem found, the process would essentially have to restart.

Council Member Burt moved to approve item No. 12.

**MOTION:** Council Member Burt moved, seconded by Vice Mayor Drekmeier to approve Staff recommendations to authorize the City Manager or his designee to execute the contract with D'Arcy & Harty Construction, Inc. in an amount not to exceed 1,77,695 dollars for Wastewater Collection System Rehabilitation Capital Improvement Program WC-06003 (WWC Project 19B).

**MOTION PASSED:** 7-0 Schmid, Yeh absent

## REPORTS OF OFFICIALS

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14. Confirmation of Approval of a Mitigated Negative Declaration for the Mitchell Park Library and Community Center and an Addendum to the Final Environmental Impact Report for the Main Library; Introduction of an Ordinance Calling a Special Election and Ordering the Submission of a Proposition Incurring Bonded Debt for the Purpose of Construction and Completion of a New Mitchell Park Library and Community Center, Renovation and Expansion of Main Library, and Renovations to Downtown Library to the Qualified Voters of the City of Palo Alto at the Special Municipal Election to be Held on November 4, 2008; and Resolution 8849 stating "Resolution of the Council of the City of Palo Alto Determining that the Public Interest and Necessity Demand the Construction and Completion of a New Mitchell Park Library and Community Center, Renovation and Expansion of Main Library, and Renovations to Downtown Library and Their Financing Through the Issuance of General Obligation Bonds".

Interim Deputy City Manager, Kelly Morariu provided additional information on the actions needed from Council with updates on the outreach activities.

Council Member Barton stated he was ready to get this on the ballot.

Susie Thom, 753 Maplewood Place, spoke on the renovations plan for the libraries.

Mayor Klein cited the last time the city constructed a building was 1972.

Valerie Stinger, 721 Christine Drive, spoke in support of the election.

**MOTION:** Council Member Barton moved, seconded by Council Member Morton to accept Staff recommendations that Council; 1) Confirm approval of the Mitigated Negative Declaration for improvements to the Mitchell Park Library and Community Center and an addendum to the Final Environmental Impact Report (EIR) for improvements to the Main Library; 2) Introduce an Ordinance calling for a special municipal election on November 4, 2008 for the purposes of ordering the submission of a propositions incurring bonded debt to construct and complete a new Mitchell Park Library and Community Center, renovate and expand Main Library and renovate Downtown Library. The Ordinance also includes direction to the City Attorney to prepare an impartial analysis of the measure; 3) Adopt a Resolution determining that the public interest and necessity demand these improvements to Palo Alto's library system; and 4) Mayor to designate up to four Council Members to author the argument in favor of the measure.



Mayor Klein stated his appointments to author the argument in favor of the Measure would be Council Members Morton, Yeh, Vice Mayor Drekmeier and himself.

Council Member Barton stated it was time to move on and start the work.

Council Member Morton stated it was time to correct the library situation and stressed the need for 70 percent community approval.

Council Member Kishimoto stated Palo Alto needed this bond measure.

Council Member Burt added the measure will continue Palo Alto's status as a city that can create outstanding community facilities.

**MOTION PASSED:** 7-0 Schmid, Yeh absent

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15. Review of Results of Cost-Benefit Analysis of Climate Protection Plan and Direction to Staff on Recommended Follow-Up Actions.

Interim Deputy City Manager Steve Emslie introduced the Sustainability staff.

Senior Financial Analyst, Nancy Nagel presented a brief synopsis of the plan, cost benefits, work divisions, guidelines and recommendations, implementation periods, annualized costs and summarized the results and savings to the City. She recommended the City move ahead with planning and implementations of the following priorities: 1) Items that save the City money. 2) Items that cost less than 50 dollars per ton. 3) Items that save the community more than they cost the City. She said the report and recommendations do not address items the Sustainability staff has not analyzed. She stated the next steps would be to sit down with staff to implement measures on cash flow, and budget analyses of the measures, with results by the end of the year.

Council Member Barton asked what the metric ton savings referred to on page 212 of the City Manager's Report.

Ms. Nagel stated it was saved CO2.

Council Member Barton asked how they derived at 569 dollars per metric ton.

Ms. Nagel stated the City had costs with staff implementation but the benefits pertain to the members of the community. She directed him to the URS Corporation (USR) report, where there are total cost benefits and a list of stakeholders whose costs and benefits are included in the calculation.

Council Member Barton asked was it fair to subtract these amounts for the total savings.

Ms. Nagel stated this is not the case, the community includes the City.

Council Member Barton asked about the discrepancy between the slide recommendations and recommendations in the City Manager's Report, and if a cash flow needs assessment would be done before implementation.

Ms. Nagel stated the implementation should be started and the first step would be the cash flow needs assessment.

Council Member Barton noted the steps were in the appropriate order.

Vice Mayor Drekmeier asked whether the Calaveras Fund could be used for LED lighting on this project.

Ms. Nagel stated they would be brainstorming with the Administrative Services Department.

Director of Utilities, Valerie Fong stated they would have to be careful between the General Fund and Enterprise Funds.

Vice Mayor Drekmeier asked what the 30-40 dollars per ton costs entailed.

Ms. Nagel stated it is either for marketing or costs of power.

City Manager, Frank Benest asked if they were talking about the City purchasing more of its own electricity.

Vice Mayor Drekmeier stated he was asking for the community's needs.

Mr. Benest asked if they meant subsidizing the community's use of Palo Alto Green.

Vice Mayor Drekmeier stated he thought it was probably 30-40 dollars per ton to market the project to get more people to buy in. He asked if it would be legal to have an opt-out program for Palo Alto Green to cut marketing costs.

City Attorney, Gary Baum stated this would be a rate increase, and if passed as such, it would be acceptable. He stated there was not much green power available, and carbon offsets would have to be purchased, but that the Utilities Department could further explain this.

Ms. Fong stated the market for green power was tough, and there would be legal concerns in doing this.

Mr. Benest stated they would look at the issue when firming up the program.

Mr. Baum stated a memo would be forthcoming from his office and the Utilities Department.

Vice Mayor Drekmeier asked would it be an opt-out program, or an across-the-board rate increase.

Mr. Baum stated it would be an opt-out, but it needed further research.

Vice Mayor Drekmeier asked what the savings were to bike rack users.

Ms. Nagel said this was the reduced cost in per mile travel of bicycles versus other vehicles.

Vice Mayor Drekmeier asked for clarification on the 78 dollars per ton on green building, and if that was permitting or validating the buildings, and why was the cost borne by the City and not the builder.

Interim Director of Planning and Community Environment, Curtis Williams stated the current report did not take into account the potential fees to cover costs, which would be the next step in the process with anticipation on recovering the costs in permit fees.

Council Member Kishimoto asked if they would be coming back with an analysis on the community costs and benefits per ton.

Ms. Nagel stated no.

Council Member Kishimoto asked if this is something that would be done by the end of the year.

Ms. Nagel stated that this was not part of staff's recommendation.

Council Member Kishimoto asked if staff was returning with a budget for implementation of items showing community cost.

Ms. Nagel stated those were the items already showing community benefit.

Council Member Kishimoto clarified this as the ones which had already been analyzed, but asked where energy efficiency measures were found.

Ms. Nagel stated in category 3, items with strong policy benefit.

Council Member Kishimoto asked why it stated it was not analyzed.

Ms. Nagel stated category 3 is items with high community benefit, as well as measures with strong policy benefit.

Council Member Kishimoto stated high cost to the City was not at issue if the community benefits were higher than the City's loss.

Ms. Nagel stated it was not quantified, which lends to the limited information, but they will go back to departments regarding policy benefits.

Council Member Kishimoto asked if key organizational groups or departments have looked at some of the assumptions in detail.

Ms. Nagel deferred to Mr. Emslie.

Mr. Emslie stated there is room for refinement, with rapidly changing data in commute patterns, and the Transportation Division is collecting this data, driven by the Environmental Review, the Stanford projects and the use of the Go Pass. He stated they were open to input from potential users in making assumptions, and making sure cost benefits, reflect the full usage of programs, with reports back on this before year's end.

Council Member Kishimoto asked if items would be eliminated at that point.

Mr. Emslie stated the Sustainability team wanted to get moving on no/low cost alternatives, and then proceed with working out budget concerns. He stated there were also items with serious policy implications which needed more analysis and were not off the list.

Council Member Kishimoto stated there were factual issues as well, with assumptions made on the Eco Pass use and other items.

Ms. Nagel stated these items are not irrelevant just because they are not listed at the top of the tables. She stated URS developed models and spreadsheets on the assumptions to be used in the future for best results.

Council Member Kishimoto asked what the next steps would be and when would they come back to Council for implementation.

Ms. Nagel stated, beyond the upcoming cash flow and budget analysis, this was beyond her tenure.

Mr. Emslie stated the next step was working on the short list of no/low cost items with various budget work, and then coming back at year's end with midyear budget proposals on implementation and allocation of resources. He stated any items, not fully analyzed in the course of the discussions, would be brought back if they were to be implemented later. He saw each budget having a sustainability component.

Council Member Burt asked if transportation items assumed fair market value for parking spaces as part of the cost savings.

Ms. Nagel stated they assumed that the City Hall spaces, vacated by employees, could be sold at a rate-per-year offset. They also assumed the benefit would have to be offered to all employees, even those not working at City Hall, in the interest of fairness.

Council Member Burt stated if the value of a parking space was attributed to the long-term parking permit price versus the market value of the space, these were radically different dollar assumptions. He encouraged looking at the possibilities available in capturing market value. On the Stanford project and land use implications (page 6/d), he asked for clarification on how a Pedestrian Transient Oriented Development (PTOD) District downtown tied into the Stanford project.

Mr. Emslie stated this refers to increasing pedestrian connectivity with housing in or near downtown with related village activities being considered as one of the alternatives in the proposal.

Council Member Burt asked for clarification on the 10 percent increase in community-wide CO2 emissions.

Mr. Emslie stated the number is on the order of magnitude and worse case scenarios. The number is high, since mitigations and community benefits packages have not been factored into the number.

Council Member Burt asked how this can be 10 percent of the entire City and community-wide generation of CO2, if it is not even 10 percent of the City's commercial property.

Mr. Emslie stated primary CO2 generators were single passenger vehicles and they are scheduled to come back with traffic modeling data in the fall at a Study Session.

Council Member Burt asked for clarification on terminology, such as savings, which has multiple connotations. On alternative energy, and solar technologies. He stated there were a wide range of possibilities and there is no one-size-fits-all analysis. A linear analysis is needed.

Council Member Morton stressed moving forward and as the global environment was the main concern over cost implications.

Council Member Espinosa asked if they were considering rescinding the toner cartridge mandates.

Environmental Specialist, Julie Weiss stated they have good specifications for the cartridge program and no problems existed if they are followed.

Council Member Espinosa asked whether this meant not mandating the recycling of any cartridge, but those with the recommended specifications.

Ms. Weiss stated the terminology is confusing and re-manufactured is a better way of explaining it, as opposed to recycled.

Mayor Klein agreed with Council Member Burt in that the methodology needed clarification so the community understands everything that is being done with regard to the dollars and CO2 savings. He asked why an authorization for a cash flow analysis and needs assessment, etc. was needed. He asked why staff did not just have a Budget Amendment Ordinance during the first meeting in September.

Ms. Nagel stated this could be done but they were also recommending taking the plan as a whole integrated financial plan.

Mayor Klein stated things would be staged in any event, and asked why some of it could not be done in August or September.

Ms. Nagel stated Council has the option of amending the approach. She stated the current cost benefit analysis was not producing a set of specific recommendations in a certain order, because they had not looked at year-by-year funding requirements. She stated research was pending, but if Council requested, they would come back sooner.

Mayor Klein stated they are asking Council to authorize a cash flow and needs assessment with a proposed budget for implementation, but that it seemed this had already been done.

Mr. Emslie stated it has been done internally but has not been coordinated with the Administrative Services Department (ASD).

Mayor Klein asked if they could have this at the first meeting in September.

Mr. Emslie stated they would find out and report back.

Mayor Klein stated they should get back to Council in August if they cannot return in September, because he does not see the problem in proceeding. He voiced concern over the LED technology not quite being ready for deployment and asked where they were on this.

Ms. Weiss stated they are seeing the costs come down, with positives to waiting on things as the costs continue to decrease. She stated there are pilot LED spots in the City and they are looking on expanding locations.

Mayor Klein asked if this meant full implementation throughout the City would stretch over a long time period.

Ms. Weiss stated the recommendation includes bringing the lights down and working them into the LED replacement schedule.

Mayor Klein asked if there were problems with staff, in any department, on technical grounds of the program.

Ms. Weiss stated there are concerns, but she felt the pilot projects have boosted confidence in LED replacement and its benefits.

Mayor Klein asked if there were other cities they could look to for models.

Ms. Weiss stated staff would review San Jose, San Mateo City and County, and Austin, Texas.

Mayor Klein asked if segways were being considered in vehicle replacement.

Ms. Nagel stated this was not considered.

Mayor Klein stated other communities use them, why not Palo Alto.

Ms. Nagel stated it had not come up in talks with the Fleet Manager.

Mr. Roberts stated they did not think they were necessary for employees to do their jobs since there were electric meter carts, for example, and segways had no place for tools and equipment.

Mayor Klein cited a pizza chain that uses segways with adaptations to carry pizzas and stated a number of communities are using them.

Emily Renzel, 1056 Forest Avenue, spoke on carbon impacts, LED lighting, cost savings, and a possible error in the report on page 10 item 2a and b.

Walt Hays, 355 Parkside Drive, spoke on the four-person Sustainability team versus the use of a one-person Environmental Coordinator. He felt the community benefit analysis numbers were helpful.

Bruce Hodge, 3481 Janice Way, spoke on carbon reductions and neutrality.

David Coale, 766 Josina Avenue, spoke about the Sierra Club, the Green Ribbon Task Force, electric cars, solar panels, carbon neutrality, conservation and efficiency measures, renewable energy certificates and the year 2020 goals.

Arthur Keller, 3881 Corina Way, spoke regarding energy costs, renewable and non-renewable, employee match on carpooling, Green Power, bicycles, greenhouse gas reduction and LED lights.

**MOTION:** Council Member Kishimoto moved, seconded by Council Member Morton to direct Staff to return with a Budget Amendment Ordinance to implement; 1(a) the negative cost-per-ton items, (b) the low (less than 50 dollars) cost per ton items by September of 2008; 2(a) direct Staff to work with Community Environmental Action Partnership (CEAP) and relevant Commissions to return by October 2008 with refined recommendations for the next implementation steps for the Climate Protection Plan (CPP), (b) the cost benefit analysis will consider other benefits including but not limited to costs improving public health and community vitality as well as climate and environmental protection.

Council Member Kishimoto clarified staff would return by October 2008 on the number of other policy goals the City has, which would be considered.

Council Member Morton stressed survival as the primary intent of the plan and the difficulty in presenting this as dollars amounts.

Mayor Klein wanted clarification on the first part of the Motion and the Budget Amendment Ordinance applying to everything of cash profit to the City, or less than 50 dollars per ton.



Council Member Kishimoto stated that was correct, with this being the staff's estimate of a net economic cost of 1.3 million dollars and an estimated saving of 1.8 million dollars.

Mayor Klein asked if Attachment A referred to the first 13 items.

Ms. Nagel clarified Attachment A included items 1 through 13, but the backside (page 2) also included increasing Palo Alto's green subscription of 5 percent or 10 percent.

Mr. Benest stated there needed to be detailed budget discussions because the City cannot afford one million dollars from the General Fund. He stated there are still further questions which they would report on in September. He stressed the razor-thin surplus in the General Fund which made further budget talks necessary.

Council Member Kishimoto spoke on carbon offsets for employee business travel in that it could be overcome by asking staff for continued research.

Mayor Klein stated he thought buying offsets was an easy way out.

Council Member Kishimoto stated parking cash-outs were controversial but crucial.

**AMENDMENT:** Council Member Burt moved, seconded by Council Member Barton that Staff return in early September 2008 with proposal of items to be implemented in the short term and a plan for additional analysis for items in sub-grouping tentatively listed as net city cost of under 50 dollars per ton.

Council Member Burt stressed moving both aggressively and effectively.

Council Member Barton concurred with Council Member Burt and hesitated to commit to 1.3 million dollars from the General Fund without further discussion.

Vice Mayor Drekmeier stated support of the Amendment, though he expressed concerns about CEAP. He did not support carbon offsets and parking cash-outs, but supported looking at the Calaveras Fund for funding.

Council Member Morton asked for clarification on what the difference was between the original Motion and the Amendment.

Mayor Klein stated his intent to support the Amendment and stated there needed to be clarification on which funds would come from the General Fund and/or Calaveras. He stated some extra time was appropriate but also stressed completing this prior to next year's budget discussions.

Council Member Morton stated concerns about whether the items with budget impact should go through the Finance Committee who had no agenda for September.

**INCORPORATED INTO MOTION WITH CONSENT OF MAKER AND SECONDER** that Staff return in early September 2008 with proposal of items to be implemented in the short term and a plan for additional analysis for items in sub-grouping tentatively listed as net city cost of under 50 dollars per ton.

Vice Mayor Drekmeier cited one thing not looked at in the report was prevention of further release of CO2 and keeping composting in Palo Alto. He cited the costs of shipping to Sunnyvale and Gilroy versus keeping it in the City. He stated it was cheaper to invest in conservation and renewable energy.

Council Member Espinosa spoke to further cost benefit analysis for the City, but also best practices in other areas. He discussed the one-person staff model versus the now four-person staff.

Mayor Klein also recommended a full-time/one-person position in the future, and stated much of this discussion could have benefited from having this vetted at an Environmental Commission.

**MOTION PASSED:** 7-0 Schmid, Yeh absent

Mr. Benest asked if this would go directly to Council in September, or to the Finance Committee for discussion, and then Council.

Mayor Klein stated it should be brought to Council.

Council Member Kishimoto added an Environmental Commission would have been helpful.

**MOTION:** Council Member Kishimoto moved, seconded by Council Member Morton to direct Staff to work with CEAP and relevant Commissions to return by October 2008 with refined recommendations for the next implementation steps for the CPP.

Vice Mayor Drekmeier asked if they could hear from Mr. Hayes representing CEAP.

Mr. Hays stated he was not sure if they had the qualifications to do the job, that they would depend on staff input, and would make their best efforts.

Council Member Burt stated it sounded as if CEAP was not set up to address the situation and supported bypassing the CEAP route.

Council Member Barton stated he would be voting no on this Motion, especially considering the CEAP's concerns over their qualifications to proceed.

Council Member Morton stated this was not an ideal situation for the CEAP but staff had nothing to lose in engaging them.

Vice Mayor Drekmeier stated he would vote no, as there was limited time with a volunteer group, and attention would be taken off the main focus.

Mr. Benest stated they would be coming back immediately after Council's vacation, with the initial cost benefit analysis, and staff could make suggestions on large policy issues.

Council Member Kishimoto stated concern over the schedule and timeline. She suggested a more comprehensive discussion with the new City Manager on a full-time environmental coordinator. She suggested withdrawing the Motion regarding CEAP.

Mr. Benest stated the new City Manager starts at the beginning of September, and he proposed returning at that time with short-term plans and budget discussion.

Council Member Kishimoto stated this was also her goal.

Council Member Morton stated he accepted this modification.

Mr. Benest stated it would be scheduled for October if Council desired.

**Motion withdrawn by Council Member Kishimoto.**

#### COUNCIL MATTERS

16. Colleagues Memo from Council Member's Kishimoto and Espinosa Regarding Direction to Staff to Evaluate Resource Impacts of Implementation of a Public Bicycle Rental Program.

**MOTION:** Council Member Espinosa moved, seconded by Council Member Kishimoto to direct Staff to evaluate the idea of a rental bike program in Palo Alto.

Council Member Kishimoto reminded Council of Palo Alto's 6 percent ratio of bike commuters in relationship to other areas, and the City's ability to raise this percentage to at least 10 percent.

Mayor Klein said but the bid process was not yet underway, and someone could not be designated prior to this.

Council Member Kishimoto deferred to the City Attorney.

City Attorney Gary Baum stated a contract between 25,000-65,000 dollars can be done during an informal bidding process.

Mayor Klein stated this would be a bid process nonetheless.

Vice Mayor Drekmeier suggested putting a word out to the community looking for used bikes in good condition to reduce overall costs.

Council Member Kishimoto stated the original bike libraries had a cooperative process with donations and recycled bikes. She stated the current proposal had a different emphasis on getting the bikes out, and could include a component of accepting and repairing bikes, but this would change the scope of the project.

Council Member Morton stressed concern over trying out the program and finding out it will not work on the suggested budget.

Council Member Espinosa stated this would be a pilot program looking for strategies for the future.

Council Member Burt stated he hesitated to endorse a specific vendor. He stated the primary users would be commuters who would need a place to return the bikes. He had concerns over the costs of startup and replacement in the program as cited for the half year.

Robert Moss, 4010 Orme Street, spoke on the community bike program and its design flaws regarding commuters and the costs versus any City income.

Herb Borock, P.O. Box 632, spoke on the bike library program, the cost and storage.

Bill Burton, P.O. Box 4343, Aracata, spoke on the bike library program, recycled bikes, auto-tracking of bikes, one bike station and the ability to scale upwards.

Mayor Klein stated the Motion is to direct staff to evaluate the idea, and not a proposal for a rental bike program, and Mr. Burton's proposal was background information at this point.

Council Member Kishimoto agreed there is no overnight success in such a program and it would need public education and build-out.

Council Member Morton asked if they could expect to hear something back in October. He was willing to ask staff to study it if there was an appropriate timeframe.

Council Member Espinosa asked what an appropriate timeframe would be.

City Manager Frank Benest stated an evaluation could be done of a generic program, with resource impacts done by the Transportation Division, and they could return to Council after the break.

**AMENDMENT:** Council Member Burt moved, seconded by Council Member Kishimoto that Staff's priorities are as follows; first is to focus on a program to serve commuters, second is to evaluate other revenue sources, and third is for the City's subsidy to be a moderate subsidy.

Council Member Kishimoto asked if commuters meant people commuting by bike, or people who worked in the City.

Council Member Burt stated this would be workers in the City.

Council Member Kishimoto stated she was not talking about bike commuters.

Council Member Burt stated they would become hybrid commuters.

Council Member Kishimoto clarified they would get to the City in some other way prior to renting the bikes. She stressed the importance of looking into alternative revenue sources.

Council Member Espinosa suggested giving priority focus to commuters in the program.

**INCORPORATED INTO MOTION WITH CONSENT OF MAKER AND SECONDER** that Staff's priorities are as follows; first is to focus on a program to serve commuters, second is to evaluate other revenue sources, and third is for the City's subsidy to be a moderate subsidy.

**MOTION PASSED:** 7-0 Schmid, Yeh absent

17. Approval of an Employment Agreement With James Keene City Manager.

**MOTION:** Council Member Barton moved, seconded by Mayor Klein to approve the Employment Agreement with James Keene.

**MOTION PASSED:** 7-0 Schmid, Yeh absent

COUNCIL COMMENTS, ANNOUNCEMENTS, AND REPORTS FROM CONFERENCES

Mayor Klein reported on attending the Bay Area Water Supply and Conservation meeting where they discussed the 4 billion dollar Water Supply Improvement Program to upgrade the Hetch Hetchy system. They also discussed water conservation. He also reported that BAWSCA had approved a consulting contract to help devise better water conservation programs for all agencies.

Council Member Morton spoke regarding the information provided by Staff about the proposed improvements on the Oregon Expressway project.

Council Member Burt spoke regarding the amount of bicyclists coming for the Senior Games next year and how it might impact the City's proposed Bike Sharing Program rollout. He also spoke about the way in which the Police Department handles minor property crimes.

Council Member Espinosa asked if there is an update on safety/security issues within the City and how the Police Department keeps track of increases and gets the information out to the public.

City Manager Frank Benest advised there is a Police Department Crime Analysis Program and he will bring the information back to the Council.

ADJOURNMENT: The meeting adjourned at 10:40 P.M.

ATTEST:

APPROVED:

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City Clerk

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Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.