

ACTION

Special Meeting
March 14, 2011

The City Council of the City of Palo Alto met on this date in the Council Conference Room at 6:03 p.m.

Present: Burt, Espinosa, Holman, Klein arrived at 7:20 p.M., Price, Scharff, Schmid, Shepherd, Yeh

Absent:

ACTION

1. Acceptance of Long Range Financial Forecast.

The City Council discussed the updated Long Range Financial Forecast as amended by the Finance Committee. The forecast reflected deficits for the next 10 years starting with Fiscal Year 2012 which has a projected deficit of \$2.3 million. The discussion focused on the drivers of the deficit. These being the downturn in key revenues and increasing employee benefit costs along with their impacts to future budgets specifically pension and health care premiums. Other topics of discussion were the over \$500 million infrastructure needs and backlog and the need to have a plan in place to address the need. The various assumptions on rate increases for revenues and costs were discussed as well.

MOTION: Council Member Schmid moved, seconded by Council Member Burt to accept the Long Range Financial Forecast as the base model to include; 1) Health Care Costs Increase 10 % per year; 2) Eliminate assumed Transient Occupancy Tax from Ming's Hotel; 3) Assume PERS

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discount rate decreases to 7.5 %; and 4) Assume PERS rates increase 3% per year from 2015-2021.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to include all units with 3-year salary freeze (one-year deferral of PD increase).

AMENDMENT: Council Member Scharff moved, seconded by Council Member XXXX to include in FY 2013-2014 a placeholder of \$10M for the infrastructure backlog.

AMENDMENT FAILED DUE TO LACK OF SECOND.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct the Finance Committee to return with a strategic plan to build in maintenance of the infrastructure backlog at its current level through ongoing revenues.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change "ongoing" in the Incorporation to "necessary".

MOTION PASSED: 8-0 Klein not participating

2. Infrastructure Blue Ribbon Commission.

Members of the Infrastructure Blue Ribbon Commission (IBRC) briefed Council on the progress on the Commission's work. The Commission was formed to develop recommendations on eliminating the backlog of Capital Improvement Projects (CIPs) for City facilities, parks and streets. It has been meeting since November, 2010 and plans to bring its final recommendations to Council in December, 2011. The Commission has formed three Committees: Above Ground, Surface and Finance. The Above Ground Committee will make recommendations for City buildings and the Surface Committee will do the same for streets and parks. The Finance Committee will explore methods of funding the needed improvements and make recommendations on how best to obtain the funds to take care of deferred maintenance, and insure that the City is able to keep up with maintenance in the future. A number of Council Members asked the Commission to also explore new City facilities which may be needed and to plan for the next 25 years.

At 8:42 p.m. the City Council continued the meeting in the Council Chambers.

3. Presentation of Proclamation for the Student Exchange Group of Tsuchiura and Introduction of Tim Wong who will be representing Palo Alto in a marathon in Tsuchiura.

Vice Mayor Yeh read the Proclamation into the record.

APPROVAL OF MINUTES

MOTION: Vice Mayor Yeh moved, seconded by Council Member Price to approve the minutes of February 14, 2011.

MOTION PASSED: 9-0

CONSENT CALENDAR

MOTION: Council Member Holman moved, seconded by Vice Mayor Yeh to approve Agenda Item Number 4.

4. The Parks and Recreation Commission and Staff recommend that Council approve the revised Park and Open Space Rules and Regulations.

MOTION PASSED: 9-0

ACTION ITEMS

5. Recommendations and Direction for Modifying Historic Review of Contributing Structures Proposed for Demolition in the Professorville Historic District.

MOTION: Council Member Scharff moved, seconded by Council Member Klein to direct Staff to work with the Historic Resources Board and residents of Professorville to develop: 1) a written process for review of any future proposed demolitions of Contributing Structures in Professorville, including the CEQA process requirements; 2) early review of the design by the Historic Resources Board and the public; and 3) preparation of compatibility criteria for new construction in Professorville.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add in Number 1 of the Motion, in the second line after "Professorville", "and other interested members of the public, representing a variety of views".

AMENDMENT: Council Member Holman moved, seconded by Vice Mayor Yeh to investigate with the Historic Resources Board the establishment of CEQA criteria of significance to include significant contributors to the district.

AMENDMENT FAILED: 2-7 Holman, Yeh yes

AMENDMENT: Council Member Holman moved, seconded by Vice Mayor Yeh to direct Staff to investigate an overlay process with the Historic Resources Board, the public, and property owners for the Professorville district.

AMENDMENT FAILED: 2-7 Holman, Yeh yes

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the beginning verbiage in Number 3 of the Motion to "preparation of design guidelines including compatibility criteria".

MOTION PASSED: 9-0

6. Update Regarding Sustainable Communities Strategy (SCS) and Regional Housing Needs Allocation.

No action taken by Council.

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Shepherd spoke on attending the Santa Clara Valley Transportation Authority Policy Advisory Committee. The discussion centered around new concepts for bus/rail transit from Palo Alto to the HP Pavilion in San Jose along El Camino Real.

Council Member Klein reported on his trip to Washington, D.C. where he met with Congress lobby members to discuss High Speed Rail.

Council Member Scharff acknowledged that today is National Pi Day (3.14159) and wanted Council to recognize the day as it falls inline with Council's Priority on Youth Well-Being.

Vice Mayor Yeh reported on several meetings that occurred this past weekend that were related to the City's low carbon measures and strategies.

Council Member Burt spoke regarding the low carbon cities collaboration. He asked Staff to return with a report on the VTA bus rapid transit program.

Council Member Shepherd stated that there is a high likelihood that VTA will be reducing the lanes along El Camino Real, but the final plan has not been decided upon. She stated that VTA representatives will be having meetings in Palo Alto to discuss this with the public.

Mayor Espinosa thanked everyone for their hard work at the Eleanor Pardee Park tree planting this past weekend, and spoke on the opening of the new Elks Lodge.

ADJOURNMENT: The meeting was adjourned in honor of National Pi Day at 12:17 a.m.