

Special Meeting
June 21, 2010

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

Present: Burt, Espinosa, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh arrived at 7:35 p.m.

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, Pamela Antil, Dennis Burns, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray)

Employee Organization: Palo Alto Peace Officers' Association

Authority: Government Code Section 54957.6(a)

CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene, Pamela Antil, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Greg Betts, Darrell Murray)

Employee Organization: Local 521 Service Employees International Union

Authority: Government Code Section 54957.6(a)

CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his designees pursuant to Merit System Rules and Regulations (James Keene,

06/21/10

Pamela Antil, Nick Marinaro, Roger Bloom, Lalo Perez, Joe Saccio, Russ Carlsen, Sandra Blanch, Marcie Scott, Darrell Murray)
Employee Organization: Local 1319, International Association of Firefighters
Authority: Government Code Section 54957.6(a)

Vic Farisato, spoke regarding the 2011 Fiscal Year budget cuts.

Brian Ward, SEIU spoke regarding employee layoffs.

The City Council convened into the Closed Session at 6:09 p.m.

The City Council reconvened from the Closed Sessions at 7:55 p.m. and Mayor Burt advised no reportable action.

SPECIAL ORDERS OF THE DAY

2. Selection of Candidates to be Interviewed for the Utilities Advisory Commission.

MOTION: Council Member Yeh moved, seconded by Council Member Shepherd to interview all applicants for the Utilities Advisory Commission.

MOTION PASSED: 9-0

3. Appointments for the Human Relations Commission for Two Three-Year Terms Ending on March 31, 2013 and One Unexpired Term Ending on March 31, 2012.

Mayor Burt asked for clarification on the selection process; the top two candidates with the highest votes would be selected for the two full terms and the candidate to receive the third highest vote would be selected for the unexpired term.

City Clerk, Donna Grider stated yes; although, the selection process required five votes for each candidate to qualify for appointment.

First Round of Voting for Human Relations Commission for Two Three-Year Terms Ending on March 31, 2013 and One Unexpired Term Ending on March 31, 2012:

Voting For Masuma Ahmed:

Voting For Renee Budak:

Klein, Price, Schmid, Yeh

Voting For Theresa Chen:	Burt, Espinosa, Holman, Scharff, Shepherd
Voting For Richard Dworak:	Scharff
Voting For Robert Kuhar:	
Voting For Diane Morin:	Holman, Scharff
Voting For Jill O’Nan:	Burt, Espinosa, Klein, Price, Schmid, Shepherd, Yeh
Voting For Anne Ozer:	Burt
Voting For Maxine Rand:	
Voting For Sunita Verma:	Espinosa, Holman, Klein, Price, Schmid, Shepherd, Yeh

City Clerk, Donna Grider announced that Jill O’Nan with 7 votes, Sunita Verma with 6 votes, were each appointed to the Human Relations Commission for two, three-year terms ending on March 31, 2013 and Theresa Chen with 5 votes was appointed to the one unexpired term ending on March 31, 2012.

CITY MANAGER COMMENTS

City Manager, James Keene stated the Junior Museum and Zoo opened the new bobcat and kitten den. A community earthquake preparedness simulation was performed in conjunction with the Palo Alto Neighborhoods (PAN) and the City to generate a process in the event an actual disaster occurred. The City Clerk’s Department is recruiting for the Library Advisory Commission (LAC), the Public Art Commission (PAC) and the Planning and Transportation Commission (P&TC). The Downtown Library and the Mitchell Park Library have been closed for planned construction. The temporary Mitchell Park Library located at the Cubberley Community Center will be opened June 28, 2010 for the two-years of planned construction.

ORAL COMMUNICATIONS

Santa Clara County Supervisor Liz Kniss, 1985 Cowper Street, spoke regarding consolidating the Palo Alto General Municipal election process with the State and Federal General election, in even-numbered years.

Leeron Morad, spoke regarding fruit sellers on the streets in Palo Alto.

Mark Petersen-Perez, spoke regarding the Ninth Circuit Court of Appeals' decision regarding the First Amendment.

CONSENT CALENDAR

MOTION: Council Member Shepherd moved, seconded by Council Member Schmid to pull Agenda Item Number 10, to become Agenda Item Number 13.

MOTION: Council Member Price moved, seconded by Council Member Holman to pull Agenda Item Number 8, to become Agenda Item Number 14.

MOTION: Council Member Shepherd moved, seconded by Vice Mayor Espinosa to approve Agenda Item Nos. 4-7, and 9.

4. Resolution 9066 entitled "Resolution of the Council of the City of Palo Alto Approving a Professional Services Agreement between the Northern California Power Agency and the Cities of Alameda, Palo Alto and Santa Clara for Electric Transmission, Generation and Regulatory Consulting Services."
5. Approval of a Utilities Enterprise Fund Contract with K. J. Woods Construction Inc. in the Amount of \$1,848,000 for Sanitary Sewer Rehabilitation Capital Improvement Program Project WC-08012 (Project 21 – Barron Park, Alma, Baylands).
6. Ordinance 5084 entitled "Ordinance of the Council of the City of Palo Alto Repealing Chapter 16.09 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.09 (Sewer Use Ordinance) Establishing Regulations to Reduce Discharges of Pollutants to the Sanitary Sewer and Storm Drainage Systems."
(First reading June 07, 2010 – Passed 8-0 Klein Absent)
7. Resolution Nos. 9067 and 9068 Authorizing the City To Apply For Funds and Execute Agreements With the State Of California Under the Nature Education Facilities Program of The Safe Drinking Water, Water Quality And Supply, Flood Control, River And Coastal Protection Bond Act Of 2006 For Facility and Exhibit Renovations at the Palo Alto Junior Museum & Zoo and (Resolution 9068) The Lucy Evans Baylands Nature Center, Respectively.

- ~~8. Approval of 3 Year Contract with Loral Landscaping Inc. in the Amount of \$181,854 for Landscape Maintenance Services and 3 Year Contract with Gachina Landscape Management Inc. in the Amount of \$1,792,950 for Landscape Maintenance Services.~~
9. Approval of a Purchase Order with Pierce Manufacturing, Inc. c/o Golden State Fire Apparatus Inc. in an Amount Not to Exceed \$317,184 for the Purchase of One Type III Fire Engine.
- ~~10. Annual Adoption of City's Investment Policy (CMR287:10).~~

MOTION PASSED for Agenda Item Nos. 4-7, 9: 9-0

AGENDA CHANGES, ADDITIONS, AND DELETION

Mayor Burt noted there had been discussion of moving the Consent Calendar to the end of the meeting on July 12, 19 and 26, 2010 in order to have the public discussion on the Stanford Hospital Development earlier in the evening. The agenda process depicted the sequence of the Consent Calendar be heard earlier in the meeting; therefore he was requesting the consent of the Council to move the Consent Calendar forward on the previously mentioned dates.

MOTION: Council Member Holman moved, seconded by Council Member Yeh to move the Stanford agenda items forward on the Council agendas of July 12, 2010, July 19, 2010, and July 26, 2010 before the Consent Calendar and to continue Agenda Item No. 13 (former No. 10) to the Council meeting of June 28, 2010.

Council Member Holman stated the Stanford Hospital Development was one of the largest developments in the City and she felt it was significant the public had ample opportunity to participate.

Council Member Schmid stated the key element was the Item Number in sequence under Action Items rather than moving the Consent Calendar which moved fairly quickly.

Vice Mayor Espinosa stated the purpose of the Motion was to move the Stanford Hospital Development item in front of the Consent Calendar and all other Action Items.

City Attorney, Gary Baum stated Council Member Klein should not be participating in the vote.

Council Member Klein stated the Motion on the floor was in regards to moving the location of the Consent Calendar on the agenda and not Stanford.

MOTION PASSED: 9-0

Mayor Burt mentioned the special Council meeting on Wednesday, June 23, 2010 was scheduled to start at 6:00 PM although there were several Council Member conflicts and he requested to move the start time out.

Council Member Klein stated starting the meeting at 6:30 PM seemed reasonable.

MOTION: Council Member Klein moved, seconded by Council Member Scharff to start the Wednesday, June 23, 2010 Special Council Meeting at 6:30 p.m.

MOTION PASSED: 9-0

ACTION ITEMS

11. Public Hearing: (CMR: 288:10) Discussion of the Finance Committee Recommendation of the Adoption of the Fiscal Year 2011 Budget and Adoption of a Budget Amendment Ordinance, including 1) Exhibit A – City Manager’s Fiscal Year 2011 Proposed Budget; 2) Exhibit B – Amendments to the City Manager’s Fiscal Year 2011 Proposed Budget; 3) Exhibit C – Revised Pages in the Fiscal Year 2011 Table of Organization; 4) Exhibit D – Fiscal Year Proposed Municipal Fee Schedule; 5) Exhibit E – Amendments to the Fiscal Year 2011 Proposed Municipal Fee Schedule.

(a) The Finance Committee Recommends that the City Council Adopt the Fiscal Year 2011 Budget Pertaining to the Police and Fire Department Budgets as Modified and the Portions of the CIP Relating to Stanford and the Ordinance Portions Related Thereto.

(b) The Finance Committee Recommends the City Council Adopt the Remaining Items in the Fiscal Year 2011 Budget as Modified and the Ordinance Portions and Resolutions Related Thereto.

© Adoption of a Resolution Amending the 2009-2010 Compensation Plan for Management and Professional Personnel and Council Appointees Adopted by Resolution No. 9001 to Add a New

Classification, Update the Salary of One Classification and Change the Titles of Eighteen Classifications.

(d) Resolution Amending Utility Rate Schedules for a Storm Drain Rate Increase.

(e) Resolution Amending Utility Rate Schedules for Fiber Optic Rate Increase.

(f) Adoption of a Resolution encouraging all Palo Alto Council Members to Voluntarily Accept a 10% reduction in their Salaries for Fiscal Year 2011 Due to the Financial Challenges Facing the City.

Council Member Schmid stated the Finance Committee recommended the adoption of the budget to the Council. He stated that they held seven meetings over the course of the last 5 to 6 weeks. He spoke about the tremendous involvement by the public. He stated that he thought the Finance Committee's recommendations take into account the fact that we do recognize the value and importance of the public and their input.

City Manager, James Keene gave a brief presentation on expenditure cuts, revenue increases and budget changes from the beginning of the budget process to date.

Council Member Klein stated the date reflected in Section 3 of the proposed Resolution for Council Member's compensation had an effective date of January 2011 and it should be January 2012.

City Attorney, Gary Baum stated that was correct, the date should reflect January 2012.

Director of Administrative Services, Lalo Perez stated the date would be corrected prior to the next draft release of the Resolution. He gave a brief presentation on the General Fund, Enterprise Fund and the CIP proposed budget adjustments. He clarified there was not a long range financial forecast for Fiscal Year 2012 due to the current changes not yet having been approved in the Fiscal Year 2011 proposed budget.

Council Member Holman stated there was a large number of community members in attendance to speak to the matter and requested the consideration of the Council to have the public speak prior to Council questions.

Mayor Burt stated Council's questions may answer some of the public's concerns. He asked Council to restrain their questions in an order to expedite hearing from the public.

Council Member Scharff asked for clarification on the process of the sidewalk replacement program and whether there would be additional Staff costs.

Mr. Baum stated the first step in the process was for the necessary repair to be identified which could be determined by Staff or a homeowner. The second step would be to have the City contact the homeowner to inform them of the necessary repair and inform them they could have the repair completed or the City would complete the repair and bill the homeowner for 50 percent of the cost. The third step would be an inspection of the necessary repair. A notice would be sent to the homeowner and to Council to hold a hearing then have a lien placed on the property until the repair had been completed. He stated the process was similar to the weed abatement hearing process.

Council Member Scharff asked if the homeowner repaired the sidewalk themselves how would they receive 50 percent reimbursement of the costs from the City.

Mr. Baum clarified when the homeowner was notified of the damaged sidewalks, they would be informed there were two options for completing the repair.

Council Member Shepherd stated Palo Alto was considered a full service City. She was unclear as to why the process was not as simple as figuring the total cost and dividing that amount by the number of properties and bill that amount.

Director of Public Works, Glenn Roberts stated there was no need for additional Staff resources since the administrative portion of the process for handling the repairs were essentially available with the existing Staff. The current annual contract was managed by the Staff Engineering Technician and the posting of notices was a current process. A detailed explanation of the procedures would be brought to Council at a later date.

Council Member Shepherd asked whether the sidewalk repair process needed to follow the example of the weed abatement procedure.

Mr. Roberts stated the concept of a citywide cost for any given years' work would take the form of an ongoing maintenance assessment district. That type of system was considered under Proposition 218 which would require a

vote to establish an assessment district. The current proposal was governed under the Council by State law.

Council Member Shepherd asked for clarification on the reduction of the Council stipend.

Council Member Klein stated the Finance Committee felt a 10 percent salary reduction was not a large amount of funds, although it showed initiative and support for what the Council was requesting of the Staff.

Council Member Shepherd asked whether Stanford or Los Altos Hills had been approached to assist in the financial support of the School Resource Officer position. She noted the school district boundaries crossed both cities.

Mr. Keene stated up until Fiscal Year 2009 the City funded two School Resource Officer positions. Once the vacant School Resource Officer position was eliminated to assist in the budget process, the School District was contacted and they felt one officer was sufficient for both High Schools. The School District had agreed for the Fiscal Year 2011 to cost share the one officer, other jurisdictions had not been approached.

Council Member Shepherd asked for clarification on how Staff was going to alleviate the short notice to Council regarding budget assumptions.

Mr. Keene stated the Fiscal Year 2010 budget had a \$10 million gap at the beginning of the year, which was accurate. The City tracked and forecasted revenues and expenditures. The decline of the economy posed an additional \$6.5 million during the mid-year budget process. He stated there had been a tracking error with the Fiscal Year 2009 budget in the salary savings.

Council Member Yeh asked whether alternatives had been researched with regard to the elimination proposal of the fraud prevention position within the Police Department.

Police Chief, Dennis Burns stated the District Attorney's office had a small staff of investigators that handled a wide variety of investigations which included fraud. The County Sheriff's Department had a similar arrangement although their function handled unincorporated areas. He stated the City handled approximately 350 fraud cases per year.

Council Member Yeh asked whether there had been discussion on backfilling the duties of the positions being eliminated through the budget cuts.

Mr. Keene stated there had been conversations regarding the possibility of backfilling; although any detailed discussions needed to occur on a case by case situation.

Council Member Yeh asked how large of an impact the reduction of a position in Revenue Collections would have on the City services.

Mr. Perez stated the impact would cause the availability of the Revenue Collections services to open later and close earlier; therefore impacting the community coming to pay their utilities, tickets or receive parking or transit passes.

Council Member Yeh asked whether other community service programs were instituting admissions fees as was the Children's Theatre based on the Finance Committees' actions.

Mr. Perez stated the goal was to implement donation boxes at select areas although there were no admissions fees implemented.

Director of Community Services, Greg Betts stated there were areas of solicitation such as the Foothills Park Interpretive Center, the Arastradero Preserve, the Junior Museum and Zoo and at the Palo Alto Public Art Center.

Council Member Yeh asked if there was an additional Advanced Life Support (ALS) unit added, what would be the timeframe as to when it would recover its' costs.

Fire Chief, Nick Marinaro stated the City was in the process of receiving the Emergency Medical Services (EMS) Master Study Report which would provide recommendations and resources to assist in handling the number of calls that were currently being missed. The goal would be to not need to rely on outside transport.

Council Member Price asked for clarification on the financial assistance of the Palo Alto Unified School District (PAUSD) for the School Resources Officer.

Mr. Keene stated he would return with final clarification from the PAUSD, although the discussion was for 50 percent assistance for the Fiscal Year 2011 and further discussion at year end.

Council Member Price asked whether there had been financial assistance discussions with the PAUSD regarding crossing guards, Track Watch or the shuttle services.

Mr. Keene stated there were discussions regarding the necessary budget cuts and how they would impact the PAUSD, although there were no specific requests for assistance outside of the School Resources Officer.

Public hearing opened at 9:47 p.m.

Bunny Bornstein, 1926 Silverwood Avenue, Mountain View, spoke regarding a petition from the community in regards to maintaining the services provided by the City.

Daria Walsh, Park and Recreation Commission Member, spoke regarding her support for the continued funding of the Summer Concert Series and the no entrance fees to the Baylands, Foothill Park and the Arastradero Park.

John K. Abraham, 736 Ellsworth Place, asked for the restoration of the Crime Analyst position.

Bret Andersen, 840 Ames Avenue, encouraged the Council to approve the recommendation to reinstate the crossing guards and the traffic safety team.

Penny Ellson, 513 El Capitan Place, supported the reinstatement of the crossing guards and traffic safety team.

Mayor Burt expressed his appreciation to the Safety to School Team and the volunteers.

Stephanie Beach, 854 Clara Drive, expressed her appreciation to the Council for their support of the La Comida services.

Catherine Martineau, 3921 E. Bayshore Road, expressed her appreciation to the Council for the funding to support the planting of close to 200 trees during the 2011 Fiscal Year and maintaining the four tree trimming positions. She stated Canopy opposed the sidewalk repair to be completed by the homeowner due to possible damage to the urban environment.

Herb Borock, P.O. Box 632, urged Council to reverse the Finance Committee recommendation to eliminate the traffic control maintainer position from the Public Works Department. He felt the City should maintain 100 percent of the repair cost for the sidewalks.

Dr. Stanley Mayerson, spoke regarding the future of the City.

Robert Moss, 4010 Orme Street, spoke regarding the recommendation by the Finance Committee for the support of the Library services. He spoke

regarding holding off the staffing of Fire Station 8 until there was a formal need and to discontinue paying the PAUSD to not build facilities.

Ken Horowitz, Homer Avenue, spoke regarding the De Anza/Foothill District leaving the Cubberley Community Center and Palo Alto.

Adam Montgomery, 19400 Stevens Creek Boulevard, #100, Cupertino, spoke regarding alternatives to sidewalk repair costs.

Stephanie Munoz, 101 Alma Street, spoke regarding the De Anza/Foothill District taking over too much land.

Public hearing closed at 10:20 p.m.

MOTION: Council Member Klein moved, seconded by Vice Mayor Espinosa to hear Agenda Item Number 12 and to move Agenda Item Number 14 forward.

MOTION PASSED: 9-0

Council took a break at 10:25 p.m. and reconvened at 10:37 p.m.

12. Public Hearing: Adoption of a Mitigated Negative Declaration and Approval of Site and Design Review and Record of Land Use Action for a New 11,857 Square-foot Single Family Home in the Open Space Zone District located at 805 Los Trancos Road.

Planning Manger, Amy French gave a brief presentation on the project detailed with urban environment, housing element and size and the zoning configuration.

Director of Planning and Community Environment, Curtis Williams stated the Planning and Transportation Commissions' (P&TC) initial concerns regarding the Buckeye Creek (Creek) bed had been addressed by the Applicant who agreed to a bridge over the Creek and changing from planting palm trees to oak trees.

Public hearing opened at 10:41 p.m.

Mark Conroe, Applicant, 805 Los Trancos Road, spoke of the support received by the City and the P&TC. He noted the project met the newly imposed Open Space requirements with the exception of the Floor Area Ratio (FAR); the house was designed a few years prior to the new requirements. He respectfully requested the Council approve the P&TC recommendations.

Public hearing closed at 10:45 p.m.

Council Member Holman asked to see the materials board for the project and asked to confirm the construction staging was a part of the Conditions of Approval.

Ms. French stated yes, the Planner used the standard open space Conditions of Approval listing.

Council Member Holman asked whether there was a leech field associated with the project.

Mr. Conroe stated no, there was no leech field for the project and noted the plans showed the construction staging area.

MOTION: Vice Mayor Espinosa moved, seconded by Council Member Yeh to approve: 1) the Mitigated Negative Declaration and Addendum, prepared for the proposed residential development of the property located at 805 Los Trancos Road, in accordance with the California Environmental Quality Act, and 2) a Record of Land Use Action approving the Site and Design Review application to allow a new 11,184-square foot two-story single family home and associated site improvements, subject to the findings and Conditions of Approval contained in the Record of Land Use Action.

Mr. Williams stated there was a Condition No. 23 which spoke specifically about trees, tree fencing and storage of materials and Condition No. 35 spoke about staging, storage and parking area.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF MAKER AND SECONDER to add to Condition No. 35 to ensure that staging storage parking areas during construction should be approved by the City's Planning Arborist.

Council Member Holman asked whether the sample of the stucco on the materials board was the true color.

Mr. Conroe stated yes, the stucco would be painted to match the tan color of the sample on the materials board.

MOTION PASSED: 9-0

14. (Former No. 8) Approval of 3 Year Contract with Loral Landscaping Inc. in the Amount of \$181,854 for Landscape Maintenance Services

and 3 Year Contract with Gachina Landscape Management Inc. in the Amount of \$1,792,950 for Landscape Maintenance Services.

Council Member Price asked for clarification that the approval of this contract was contingent upon the approval of the budget.

Director of Community Services, Greg Betts stated yes, the Council approval merely allowed Staff the necessary surety and performance bonds were put in place.

Council Member Holman asked what control Staff had in working with the new contracting firms to give the City employees priority hires.

Mr. Betts stated Staff intended to explore the Palo Alto Sanitation Company (PASCO) transition model with respect to hiring.

Council Member Holman stated any assistance Staff could give to ensure City employees were not displaced entirely would be appreciated.

Council Member Schmid asked for clarification on the expected savings explanation in Attachment D of CMR 280: 10.

Mr. Betts stated the \$1,683,284 was the total amount of savings from all of the landscape contractors covering all of the landscape work in parks, City facilities, Cubberley Community Center, Utility Substation and parking lots.

Council Member Schmid asked for clarification on the expected savings explanation in Attachment C of CMR 280: 10.

Mr. Betts stated Attachment C covered the park maintenance.

MOTION: Council Member Scharff moved, seconded by Council Member Shepherd to approve Staff recommendations to: 1) Approve and authorize the City Manager to execute the contract with Loral Landscaping Inc, in the amount of \$181,854 for landscape maintenance services for up to 3 years, 2) Approve and authorize the City Manager to execute the contract with Gachina Landscape Management Inc. in the amount of \$1,792,950 for landscape maintenance services for up to 3 years, 3) Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Loral Landscaping Inc. for related additional but unforeseen work which may develop during the project, not to exceed \$18,185, and 4) Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Gachina Landscape

Management Inc. for related additional but unforeseen work which may develop during the project, not to exceed \$179,295.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that Staff is to work with the prevailing contractor to explore finding employment for current staff performing these tasks as long as it does not increase the price of contract.

MOTION PASSED: 9-0

AT THIS TIME COUNCIL RETURNED TO AGENDA ITEM NO. 11

Agenda Item No. 11- Public Hearing:

(CMR: 288:10) Discussion of the Finance Committee Recommendation of the Adoption of the Fiscal Year 2011 Budget and Adoption of a Budget Amendment Ordinance, including 1) Exhibit A – City Manager’s Fiscal Year 2011 Proposed Budget; 2) Exhibit B – Amendments to the City Manager’s Fiscal Year 2011 Proposed Budget; 3) Exhibit C - Revised Pages in the Fiscal Year 2011 Table of Organization; 4) Exhibit D – Fiscal Year Proposed Municipal Fee Schedule; 5) Exhibit E – Amendments to the Fiscal Year 2011 Proposed Municipal Fee Schedule.

Council Member Holman asked the cost savings for animal services in the categories of fee increases for spay/neuter, the treatments in conjunction with spay/neuter, and for both the puppy and kitten packages. She asked for clarification on the additional Auditor being added to the City Auditor Department. The explanation was that this new position would focus on Utilities although the Motion from the Finance Committee stated the Enterprise Fund.

Mr. Perez stated the increases to the Animal Services revenue was \$24 thousand which was associated with the Municipal Fee Schedule changes. He stated the Motion was to add the Auditor to review the Enterprise Fund. The first year of employment the salary was being covered by the Utilities Department because their focus was to be on the Utility Department activities out of the Enterprise Fund.

Council Member Holman stated her understanding was the first year would encompass the Utilities Department although, that was not the understanding from the Finance Committee.

City Auditor, Lynda Brouchoud stated the Finance Committee recommended adding a Senior Auditor to conduct Enterprise Fund audits with a primary focus on Utility audits. She clarified the budget portion of how the position

was being funded through the Enterprise Fund was through the Utilities side of the Fund, given there was a Utilities audit on the current work plan.

Council Member Holman stated if the funding was from Utilities, there appeared to be no flexibility to focus some attention on the Public Works Department.

Ms. Brouchoud stated there could be flexibility built into the work plan. The work plan could cover activities other than this specific position.

Council Member Holman asked what part of the Marguerite Shuttle service was funded by the City.

Mr. Williams stated the Marguerite Shuttle service was completely funded by Stanford and should have been removed from the list.

Council Member Holman asked how the duties would be covered with the elimination of the Building Inspector position.

Mr. Williams stated there were a number of outside services the City contracted with that could cover the responsibilities.

Council Member Holman asked what impacts the eliminated traffic position was going to have on the community.

Director of Public Works, Glenn Roberts stated the Traffic Control Maintenance Staff consisted of five and a half positions; the half was for the graffiti control, the remaining positions dealt with street signs, stop signs, centerline striping, crosswalks and school zone markings. Four Full Time Equivalent (FTE) employees maintained the above mentioned duties while one FTE was responsible for the new installations. The impact would be with the installation timing of new items.

Council Member Holman asked the probability of the remaining four FTE's absorbing the new installation function.

Mr. Roberts stated it was probable although there would be a degradation of the maintenance on the existing facilities. The majority of the ongoing maintenance items were safety related issues and mandated by State law.

Council Member Holman asked if there was a listing of the ongoing maintenance schedule.

Mr. Roberts stated there had been an analysis completed and he would ensure Council received a copy if interested. The bulk of the repeat work was repainting and restriping.

Council Member Schmid asked whether the budget discussion on transit items for Fiscal Year 2011 was consistent with the Comprehensive Plan.

Mr. Williams stated yes. The cross-town shuttle reduction would reduce some service, although with an increased headway of an hour opposed to a half-hour the majority of the function would be serviced.

Council Member Schmid asked for clarification on whether the savings of \$1 million on allocated charges and \$488 thousand on the Vehicle Fund were an ongoing or a one-time savings.

Mr. Perez stated the Vehicle Fund was an ongoing item dependant upon the underutilization and the status of the returned vehicles. The benefits charges could fluctuate and there was some variation dependent on the cost of healthcare.

Council Member Schmid stated there were ten new positions being added into the Enterprise Fund that appeared to be drawing from the reserves. He asked how the budget was being balanced by drawing from the reserves.

Mr. Perez stated any addition in operating expense that was ongoing must be sustained by the Fund. The Enterprise Funds were rate based and the additional positions would have impacts on the rates. He stated there would be negative impacts to the Fund if the reserves dipped below the Council required minimum.

Council Member Yeh asked the possibility of contracting out for a less frequent data analysis in replacement of the Crime Analysis position.

Coordinator, Police Technical Services, Charles Cullen stated the Crime Analyst accumulated data by inputting the information from the Officer's reports and from the tickets written by the Traffic Team. There would be a cost associated to contract out the data information reports whether on a quarterly or semi-annual basis.

Council Member Yeh asked whether there had been research compiled on the cost savings of an outside contractor completing the data information or for the reports being completed on a reduced frequency.

Mr. Cullen stated the compilation of the data was time consuming and took management time as well, reducing the frequency would not reduce the work load.

Council Member Yeh asked whether there were contractors in the market who performed that type of work.

Mr. Cullen stated he was unfamiliar of the availability for such a contractor. He noted there was a complexity of transporting the information to an outside agency while maintaining the confidentiality of the information.

Council Member Yeh asked whether Staff was familiar with optional upgrades for sidewalk repairs as done in surrounding cities.

Mr. Roberts stated Staff was familiar with the alternatives although felt it would not be effective to meet the target reduction proposed.

Council Member Yeh asked, given the Staffing reduction in the tree trimming positions if there was sufficient personnel to respond in an urgent situation.

Mr. Roberts stated the recommendation was to not eliminate the positions, so there would be no affect on the services or urgency situation. In the event the positions were cut, emergency responses would be affected and that service would need to be contracted out.

Mayor Burt asked if there was to be any restoration of the shuttle services, which ones would be either lowest cost per passenger or the most valued for the community members with the highest needs. Staff could return with a response if there was not adequate data currently available. He asked why the Main Library could not retain or expand their hours of operation during the closure of the Downtown Library and the Mitchell Park Library.

Library Director, Diane Jennings stated the Main Library had been impacted greatly by the closures and she anticipated when the temporary library opens at the Cubberley Community Center there would be a reprieve for the Main Library.

Mayor Burt asked how surrounding cities maintained sidewalk repairs and asked for clarification on the difference between what the Finance Committee had recommended and what was presented by the City Attorney's office.

Mr. Baum stated the Streets and Highways Code legislated that the City must provide notice prior to completing any repairs. The statute required the

City to provide notice to the homeowner of the repair and the homeowner be given the ability to complete the repairs themselves.

Mr. Keene requested time to confer with both the Director of Public Works and the City Attorney to solidify the process while complying with the Streets and Highways Code.

By consent, Council continued this item to Monday, June 28, 2010 and closed the public testimony.

13. (Former No. 10) Annual Adoption of City's Investment Policy (CMR287:10) continued to June 28, 2010 by earlier Motion.

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Mayor Burt announced that June 22, 2010 is Solar Day and there will be an event at Lucie Stern at 6:30 p.m. He also stated that he attended the Policy Maker Working Group on High Speed Rail on June, 17, 2010.

Council Member Schmid asked if the Cubberley Community Center was to be included as an item for the Infrastructure Blue Ribbon Commission.

City Manager, James Keene stated the Tripartite meeting ended with each of the respective parties returning to their governing bodies to discuss the meeting. Staff is preparing responses to the questions posed and those answers will determine how the City moves forward.

Mayor Burt asked if the Council would be convening in a Closed Session prior to the Council break to discuss the Cubberley site.

Mr. Keene answered yes.

ADJOURNMENT: The meeting adjourned at 11:36 p.m.