



CITY COUNCIL MINUTES

Special Meeting
April 16, 2012

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:32 P.M.

Present: Burt, Holman arrived @ 5:35 P.M., Klein, Price, Scharff, Schmid, Shepherd, Yeh

Absent: Espinosa

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, Lalo Perez, David Ramberg, Sandra Blanch, Marcie Scott, Darrell Murray)
Employee Organization: Service Employees International Union, (SEIU) Local 521
Authority: Government Code Section 54957.6(a)
2. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Subdivision (a) of Section 54956.9)
Curtner Homes LP v. City of Palo Alto, Santa Clara County
Case No. 1-10-CV-170151

The City Council reconvened from the Closed Session at 7:31 P.M. and Mayor Yeh announced no reportable action.

Council Member Klein left the meeting at 7:30 P.M. and returned at 8:25 P.M.

SPECIAL ORDERS OF THE DAY

3. Proclamation IIMC Municipal Clerks Week-April 29 Through May 5, 2012.

Vice Mayor Scharff read the Proclamation into the record. He said that he also wanted to thank Ms. Grider and her Staff.

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City Clerk, Donna Grider, said she enjoyed her work and that it was a privilege working for the City of Palo Alto. She worked for Palo Alto for over 13 years and enjoyed serving the public and the City Council.

Mayor Yeh stated he observed the work of the City Clerk's office and that they kept up an incredible pace and energy and faced a breadth of responsibilities. He thanked Ms. Grider for all that she did for the City and community.

4. Appointment for Three Positions on the Public Art Commission for Three Terms Ending April 30, 2012.

First Round of voting for three positions on the Public Art Commission for three terms ending April 30, 2012:

Voting For Richard Ambrose: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

Voting For Alena Campagna: Klein

Voting For Harvey Citrin: Klein

Voting For Hemla Makan-Dullabh: Scharff, Schmid

Voting For Vikki Tobak: Burt, Holman, Price, Schmid, Shepherd, Yeh

Voting For Patricia Walsh: Burt, Holman, Price, Scharff, Shepherd, Yeh

City Clerk, Donna Grider announced that Richard Ambrose with 8 votes, Vikki Tobak with 6 votes, and Patricia Walsh with 6 votes were elected to the Public Art Commission.

5. Appointment for One Position on the Utilities Advisory Commission for an Unexpired Term Ending June 30, 2013.

First Round of voting for one position on the Utilities Advisory Commission for an unexpired term ending June 30, 2013:

Voting For Garth Hall: Burt, Holman, Scharff, Schmid, Shepherd, Yeh

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Voting For Mark Harris: Klein, Price, Yeh

Voting For Walter Loewenstein:

City Clerk, Donna Grider announced that Garth Hall with 5 votes was elected to the Utilities Advisor Commission.

6. Appointment for Three Positions on the Human Relations Commission for Three Year Terms Ending March 31, 2015.

First Round of voting three positions on the Human Relations Commission for three Year terms ending March 31, 2015:

Voting For Ray Bacchetti: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

Voting For Theresa Chen: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

Voting For Diane Morin: Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd, Yeh

City Clerk, Donna Grider announced that Ray Bacchetti with 8 votes, Theresa Chen with 8 votes, and Diane Morin with 8 votes were elected to the Human Relations Commission.

STUDY SESSION

7. Overview of California's Cap-and-Trade Program to Reduce Greenhouse Gas Emissions and Impacts on the Operation of Electric and Gas Utilities.

Scott Tomashevsky, Regulatory Affairs Manager of the Northern California Power Agency provided an overview of the regulations related to the cap-and-trade regulations adopted by the California Air Resources Board (CARB). Mr. Tomashevsky noted in particular the requirement that the City utilize the value of allowances to be allocated to its electric utility, including proceeds from the sale of the allowances in the auctions conducted by CARB exclusively for the benefit of electric retail ratepayers, consistent with the States greenhouse gas reduction goals. CARB will conduct quarterly auctions of the allowances currently scheduled to begin in November 2012.

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8. Update on the Climate Protection Plan - Earth Day Staff Report.

Debra Van Duynhoven, the Sustainability Manager for the City of Palo Alto, provided an update on the City's Sustainability programs and the progress made towards meeting the City's GHG reduction goals set by Council. The 2012 GHG emissions reduction goal for municipal operations (also called City operations) is 20 percent below the 2005 baseline levels. The corresponding 2012 GHG emissions reduction goal for the entire community was set at 5 percent below the 2005 baseline levels. At present, Staff estimates that emissions from City operations could be reduced by 27 percent by the end of 2012, and community emissions could be reduced by 15 percent by the end of 2012. These projected reductions far exceed the goals set for 2012 and reaches the 2020 community reduction goal of 15 percent. These estimated reductions will be primarily achieved with greater purchases of electricity from renewable supplies, greater participation in the PaloAlto**Green** program and lower levels of waste to the landfill.

CITY MANAGER COMMENTS

Assistant City Manager, Pam Antil reported on 1) Middlefield/Mayfield entrance to Mitchell Park Library is 2) meeting regarding design options for integration of Art Center , 3) Ecohome Lucie Stern, 4) Palo Alto Baylands exposition, 5) Luce Stern birthday is today; she requested the meeting be adjourned in her honor.

ORAL COMMUNICATIONS

Omar Chatty introduced himself as a transportation activist of 30 plus years. He discussed electric vehicle stations in Palo Alto. He also discussed injuries and deaths caused by Caltrain, citing 180 since 1995, five in 2012 alone. He suggested Council consider bringing Bay Area Rapid Transit (BART) to the area. He said that it was greener, cleaner, and more efficient. He said that 67 percent of Palo Alto voters voted for the 2008 tax and had been paying for BART since 2000.

CONSENT CALENDAR

MOTION: Council Member Price moved, seconded by Mayor Yeh to pull Agenda Item No. 11 and continue it to a date uncertain.

MOTION PASSED: 8-0 Espinosa absent

MOTION: Council Member Schmid moved, seconded by Council Member Klein to approve Agenda Item Nos. 9-10, 12.

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9. Finance Committee Recommendation to Adopt Resolution 9241 Modifying the City of Palo Alto's Utilities' Long-term Electric Acquisition Plan's Strategy Related to the Renewable Portfolio Standard.
10. Budget Amendment Ordinance 5151 for FY 2012 entitled "Appropriate Three Grant Donations: (1) in the Amount of \$13,500 from the City and County of San Francisco For the Purchase of a Rapidly Deployable Shelter System, (2) in the Amount of \$68,800 From the City and County of San Francisco For the Purchase of a Mobile Emergency Operations Center Support Vehicle, and (3) in the Amount of \$57,000 From the Silicon Valley Community Foundation to Promote Widespread Participation by Peninsula Cities in Formulating and Implementing a Best Practices Common Model for Neighborhood Emergency Response Preparedness."
- ~~11. Adoption of a Resolution Approving the City of Palo Alto Annex to the Santa Clara County Annex to the 2010 Association of Bay Area Governments Local Hazard Mitigation Plan "Taming Natural Disasters".~~
12. Approval of an Amendment No. One to the Amended and Restated Stewardship Agreement Between The City of Palo Alto and Acterra in the Amount of \$54,496 for the Initial Year of Services for the Enid W. Pearson Arastradero Preserve.

MOTION PASSED for Agenda Item Nos. 9-10, and 12: 8-0 Espinosa absent

AGENDA CHANGES, ADDITIONS, AND DELETIONS

None

ACTION ITEMS

13. Approval of Retiree Medical Report and Assumption Changes.

Chief Financial Officer, Lalo Perez said the last time Council gave Staff direction regarding Retiree Medical was on January 30, 2012 when Council asked Staff to go to the Finance Committee and revisit some of the assumptions to determine what, if anything could be changed.

John Bartel, Bartel and Associates said they reviewed the various assumptions and broke them into two categories. First were those without a major caveat, meaning that while they would be ok with changing the

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assumptions even if it would not be their recommendation. For example, on the rolling amortization Council should be clear that they would not pay off the unfunded liability. Bartel and Associates may put a caveat in the report clarifying the amortization period was in name only and the City really was not paying its unfunded liability off. Second were those items with a major caveat. Those were assumptions that Bartel and Associates would not consider to be within the range of acceptable practice. They would include a caveat to the effect of "the assumption was selected by the City, but Bartel Associates believes the assumption was not appropriate." He said that they split the eight assumptions into two groups. He also stated that for context they were looking at an 2011-12 Actuarial Required Contribution (ARC) of \$13,478,000 a \$3.7 million increase, \$2.7 of which was General Fund, and then the 2012-13 Annual Required Contribution (ARC), again prior to the changes, \$14.242 million, an extra \$700,000. The first category had four items. The first was the amortization method indicated on Agenda Packet Page 449. The amortization method impacted the 2011-12 current fiscal year by reducing the annual required contribution by \$300,000. Item No. 2, the asset smoothing, went to a market value rather than a smooth method also reducing the contribution by about \$300,000. Item No. 3, the actuarial load, was included because they believed California Public Employees Retirement (CalPERS) premiums had not risen consistent with claims. On Item No. 4, he explained the discount rate increased from their recommended 7.25 to the maximum discount rate, or that the maximum investment return assumption that CalPERS would allow would decrease the ARC by about a half a million dollars. He showed the respective amounts for the next 4 items, the medical trend, CalPERS experience study, medical plan at retirement, and the Medicare eligibility. Slide 6's header was "Possible Discount Rates." He thought that the language should be different. Council had the option to choose from one of three investment scenarios by CalPERS. Those were the maximum discount rates for each of the three options. Bartel and Associates believed that Council had selected Option No. 1, which had a maximum discount rate of 7.61. They recommended a discount rate below that at 7.25.

Mr. Perez said the possible discount rates were 7.61, 7.06, or 6.39 percent. If Council chose any of those options, the highest they could go in the rate of return assumption was 7.61 percent. Suggested changes in the methodology had a City wide impact of a reduction in the ARC annual required contribution of \$900,000. Of that, about \$600,000 was the General Fund cost avoidance with the recommendation. In fiscal year 2011-12, they were allowed to continue using 7.75 percent. There were no options. The rates he gave started with fiscal year 2012-13. For 2011-12 there was no impact. He disclosed that since the February 2012 Finance Committee meeting CalPERS had made a change on the pension side so there were two

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trusts; retiree medical and pension. On the pension side the Chief Actuary Officer recommended that the assumed rate of return be decreased from 7.75 to 7.25 percent. The Board decided on 7.5. This was the rate that CalPERS Staff would use on an ongoing basis beginning in March for evaluations that would be prepared in October ending on June 30, 2012. The recommendation before Council was to go from 7.25 to 7.61 starting in the next fiscal year. The impacts to 2012 were incorporated in the mid-year. They incorporated the Finance Committee recommendations 1-3 in the midyear. Those were the only the items that impacted 2011-12, which was the \$900,000 of which \$600,000 was for the General Fund.

Council Member Shepherd explained that the bulk of the Finance Committee's conversation rested on Packet Page 449 and 450. She said that Mr. Perez had explained that if they looked at the major caveats that they might forfeit some of the City's great bond ratings and that they would be dipping into a more risky opportunity to try to reduce the actuarial. Based on those facts, the Finance Committee stayed with the first three items. With respect to Item No. 4, the discount rate was a decision they would make in the next year and did not affect the books that were closing in June 2012. She thought everything else was straightforward and directed Council to look at Page 449. The area on the left showed the actuarial methodologies that had been used and picked up by Milliman two years prior. The right side showed Mr. Bartel's changes. Returning to the Milliman methodology reduced the actuarial by about \$900,000.

MOTION: Council Member Shepherd moved, seconded by Vice Mayor Scharff to: 1) accept the retiree medical actuarial study with changes to amortization method, asset smoothing, and actuarial load, but keeping the 7.75 discount rate assumption in 2012, and 2) for fiscal year 2013 accept all Finance Committee recommended changes, including the discount rate changing from 7.25 to 7.61 percent to match the highest CalPERS discount rate option.

Vice Mayor Scharff thought the rising cost of the ARC was a concern to everyone. Even with the changes they were still putting more money into the ARC than they had the previous year. He asked if that was correct.

Mr. Perez answered yes.

Vice Mayor Scharff said the actuarial studies were a snapshot in time of what they were thinking of at that point. What they were thinking before when they fully funded the ARC was less. If they had used the more current assumptions then they would have actually put in more money the previous year. He said that it also depended on the concessions obtained from the

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employee groups and rising costs. He noticed that when they went to the employee pay 10 percent plan that it cut \$7 to 14 million from the ARC. He thought that they should feel comfortable in that they were being fiscally responsible. Also, if it was funded in a different way they would simply be taking money from the Budget Stabilization Reserve (BSR) and putting it into another reserve that had less flexibility. They would not actually be balancing the budget as it would have been funded by the reserves, which was a one-time fix. He said what they did made perfect sense.

Council Member Schmid proposed an Amendment for purposes of discussion.

AMENDMENT: Council Member Schmid moved, seconded by Council Member XXX to use the original assumptions included in slide 3 on packet page 449.

AMENDMENT FAILED DUE TO LACK OF A SECOND

Council Member Schmid said he was concerned about the current proposal. He said that putting off or postponing did not help the City deal with the structural problem that they had. Using Milliman's assumptions took the City back to where it was two and a half years prior. He thought Milliman had completely missed the doubling of costs to retiree health that they had experienced during that time. As Mr. Perez pointed out, CalPERS actuary reported that they needed to lower the discount rate to 7.25 percent and the Board voted no as that was too disruptive to the Cities that would have to pay. Bartel's proposal was practical, realistic, and painful, but it was a true set of numbers that told the Council what it had to do. There was no benefit to the City's workers whose benefits were not being fully funded. There were no benefits to the rate payers who in the future would be asked to make up payments for retirees. He urged the Council Members to vote against the Motion.

Mayor Yeh said he understood the sentiment expressed by Council Member Schmid, but this was about trade-offs and ultimately what the City directed its funds to support. The CFO had recently met and shared the considerations with some of the City's employee groups and helped them to understand that as the costs increased it had a long term impact on the future reliability of any system or any predictability to pay out retiree pensions and health. That was a context that would only grow starker as the years continued. He heard what Council Member Schmid said about how CalPERS itself was struggling through its own assumptions on what was reasonable. As a result he did not know whether it made sense to move to more aggressive assumptions than CalPERS. He said they went through the process once every two years so there would be opportunities on an ongoing

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basis for the Council to revisit the issue. He appreciated the new actuary and the new assumptions that he brought to the table for discussion. He said that the discussions would only benefit the Council moving forward. For the current year he thought it was an increase from past year's contributions and they had started to weigh some of the key questions for future years, but it was important for the Council to step through in a deliberate way that also let them communicate clearly to their labor groups what the reality was.

Council Member Burt discussed the assertion made by Council Member Schmid that they were returning to the Milliman methods. He said that there were seven current changes recommended by Mr. Bartel and the Council accepted four of the seven resulting in a \$2.2 million increase in payments. He asked Mr. Bartel to summarize the changes.

Mr. Bartel said that he would go through Items 1 to 4 first. He said that he would include the discount rate since that was something everyone was concerned about. The first one was a double change. The Milliman report used a rolling 30 year amortization period. That meant that every year they amortized unfunded liability over 30 years and the nature of the amortization, a level percentage of pay, meant the payment on the unfunded liability was less than interest. So there was a negative amortization meaning unfunded liability growth. He said they changed the amortization period from 28 years remaining from the Milliman original 30 to 30 and doing a rolling 30 year amortization. Item No. 2 was that they were as a firm in favor of smoothing contribution rates. When there were investment gains, they were not all recognized and when there were investment losses, those were not all recognized right away. The losses were mitigated by spreading them out over five years. They recognized investment gains in the 2011-12 fiscal year. They knew that those investment gains would be followed in the current year by investment losses. He said that eliminating the asset smoothing meant the contribution rate would be higher. That was the exact same method Milliman used. Item No. 3, the actuarial load, was unique to Bartel and Associates. They looked at the claims as provided by CalPERS and the claims grew faster than CalPERS increased the premiums. That was the equivalent of using one-time money to pay ongoing costs. He said that the Council probably understood better than he did that when one-time money was used to pay ongoing costs at some point that needed to be caught up. He said that they were suggesting that there needed to be a catch up. Item No. 4 was a 2012-13 fiscal year item where they recommended 7.25 percent consistent with CalPERS actuaries. All of those were changes that arguably went back to the Milliman assumptions. The next four items were the ones where Bartel suggested that returning to the Milliman assumptions was inappropriate. Those were the healthcare trend assumption, the updated

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CalPERS experience study, and the medical plan at retirement. That was factored in based on experience. He also considered Medicare eligibility because when people were not eligible for Medicare there was a higher premium.

Council Member Burt said that Items 5 through 8 totaled approximately \$2.2 million in additional contributions that the City was making that were changes from the Milliman method.

Mr. Bartel said that was correct.

Council Member Burt said there were three others, Items 1 through 3, that Council recommended not adopting and they added up to \$0.9 million. He said that they adopted about 70 percent of Mr. Bartel's recommendations, so the assertion that they returned to the Milliman method was inaccurate.

Council Member Shepherd said there was a serious consideration that when they did the actuarials again that they would have better information from CalPERS. She said this was an irrevocable trust where the money went in and they could not get it back out. The Finance Committee felt that with the three items that affected the actuarial that year it was much more frugal for them to review. They did not think that it stopped them from reversing their considerations in a couple years.

Council Member Klein said there was a difference between the two distinguished professionals, as was often the case that when two professionals gave opinions. He said that they had choices on seven different items and the Council was going one way on a majority of them and the other way on three items. There was nothing wrong with that and he felt it was appropriate that they distinguish between professional opinions. He also pointed out that Palo Alto was not legally required to fund the ARC; they had chosen to do so. Only a minority of cities had chosen to do the same. He thought it was appropriate for Palo Alto to do so, but noted they did not have to destroy the budget to fund it.

MOTION PASSED: 7-1 Schmid no, Espinosa absent

14. Finance Committee Recommendation Regarding Adoption of Budget Amendment Ordinance Amending the Budget for Fiscal Year 2012 to Adjust Budgeted Revenues and Expenditures in Accordance with the Recommendations in the Midyear Report.

Chief Financial Officer, Lalo Perez said that Staff could not assume what the outcome of the retiree medical portion that impacted the midyear was and

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therefore it was agendized as an Action Item in case there was a change from the Finance Committee's recommendation. He said Staff had placed before Council a memorandum dated April 16, 2012 with the title "Information Pertaining to Fiscal Year 2012 Midyear Budget Amendment Ordinance (BAO)." The Electric Fund had a Capital Improvement Project (CIP) for customer connections. The CIP was recommended to be closed down with a balance of \$1 million returned to reserves because there were fewer connections than anticipated. Since the submittal of the midyear request and its approval by the Finance Committee a major business in town decided to move its expansion at a faster scale than originally projected. In order to accommodate the expansion Staff requested that the Council allow them to retain \$500,000 of the \$1 million in the Electric Fund and return the remaining \$500,000 to reserves. He said that also increased revenue as the majority of the connection fee was reimbursed, noting that Staff had to front the cost.

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

- 1) Budget Amendment Ordinance 5152 , which includes:
 - a) Proposed midyear adjustments to the Fiscal Year 2012 Budget for the General Fund, Enterprise Funds, Special Revenue Funds, Internal Service Funds, and Capital Improvement Fund
 - b) Fiscal Year 2012 Midyear CIP Adjustments
 - c) Amendments to the Fiscal Year 2012 Table of Organization
 - d) Establishment of the Special Revenue Fund for Stanford University Medical Center Development Agreement payments;
- 2) Resolution 9242 entitled "Resolution of the Council of the City of Palo Alto amending the 2010-2011 Compensation Plan for Management and Professional adopted by Resolution No. 9156 to change the titles of four positions and to add one new position";
- 3) Include the Council action taken in Agenda Item No. 13 into the Midyear Budget; and
- 4) Revise the midyear adjustment for Electric Fund CIP EL89-028 to \$500,000.

Council Member Schmid pointed out that there was another significant difference and that was the recommendation was to not make the transfer of

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the ARC from the BSR. That went beyond what they ordered in Item No. 13. He said that it stated that they would not pay the ARC payment that year.

Council Member Shepherd said that they were not paying the new actuarial portion of the ARC. They were paying the ARC as budgeted, but they had until June to take the action to pay the new actuarial differential. She said that it was just the differential.

Mr. Perez said Staff interpreted the Finance Committee action as saying they should wait until May to determine what the City finances were and what the potential impact to the BSR would be by making the 1.7 percent. They said that they would accept the change but would make the payment and then in May they might recommend to the City Council take a further step. One option could be whatever amount up to 1.7 percent would not be made if it was a draw on reserves. He said they were not making that decision that evening, Staff was just letting the Council know that the Finance Committee wanted that option.

Council Member Schmid quoted the Finance Committee. He read, "If the Council on this meeting does not make a final decision on transferring funds to the ARC for fiscal year 2012 it would go back to the Finance Committee for the final decision." He asked if that was incorrect.

Mr. Perez said the payment was not made until July. He thought that the Finance Committee could still recommend to the full Council in May to come in June.

Council Member Schmid wasn't sure if that was true.

Mr. Perez said that was how he understood it. For now the Finance Committee said it was fine, but they wanted a final review in May.

Mayor Yeh said that was a clarification and asked if Council Member Schmid had any follow up questions.

Council Member Schmid said that the Motion did not include any recommendation on the ARC payment from the BSR.

Mr. Perez said that they were voting to approve it but that there was a to-do item for Staff to return in May and revisit the position with the Finance Committee.

MOTION PASSED: 8-0 Espinosa absent

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15. Recommendation that Council Adopt the Draft Cubberley Guiding Principles, Confirm the City Manager's Appointments to the Community Advisory Committee (CAC) and Review the Conceptual Site Plans Prepared Jointly by the Staff of the PAUSD and City of Palo Alto (continued from 04/09/12).

Deputy City Manager, Steve Emslie said the item was continued from the Council's previous meeting at which time the Council made extensive changes and revisions to the draft Guiding Principles which they recorded and submitted to Council in a markup version to confirm that they accurately corrected the Guiding Principles. He also reported that a meeting of the Cubberley Policy Advisory Committee (CPAC) comprised of School Board Members Townsend and Mitchell and the three members of the City Council had also been confirmed. One of the strengths of the Guiding Principles would be to have it be a joint document that would be adopted by both bodies and the CPAC seemed to be the appropriate way to reconcile the Guiding Principles. The CPAC would meet that Friday at 10:00 a.m. in Council Chambers. On April 24, 2012 the School Board would review their Staff's recommended version of the Guiding Principles. He said that if there were changes to that then Staff would bring them to Council at the next available meeting after the 24th to confirm the changes and ensure that the Guiding Principles were in place prior to the Cubberley Community Advisory Committee (CAC) beginning its meetings in early May. The last item that Staff did not believe Council had the opportunity to comment on was on the four options. He said that they were not looking at any detailed analysis of the draft conceptual diagrams, but rather for a high level discussion of issues that the Council had. These issues would be referred to the CAC to have them explore the four conceptual diagrams and begin to provide some information regarding the various needs of the Cubberley site and how they might be applied. He said that they were meant as a starting point for discussion and he encouraged the Council to keep its comments and questions at a high level.

Council Member Shepherd thought that Council explored the Guiding Principles thoroughly at the last meeting and thought the entire packet should be turned over to the PAC immediately for processing so that the Council Members on the PAC could return to Council and explain the thinking of their colleagues from the Palo Alto Unified School District (PAUSD). She wanted to understand if they could do that right away or if the Council had to go through a process that evening of going through each item.

Mr. Emslie said that from Staff's perspective they had an extensive discussion at the last meeting and they wanted to use that evening's

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meeting to ensure they transcribed the changes correctly. They felt that the next immediate step was to take it to the CPAC.

Council Member Shepherd stated that included the composition of the CAC and the preliminary site planning drafts of Cubberley.

Mr. Emslie said those would be discussed by the CPAC.

Council Member Shepherd confirmed that they would then return to Council for a debrief and for recommendations for further concepts.

Mr. Emslie agreed.

MOTION: Council Member Shepherd moved, seconded by Council Member Klein to: 1) accept the revised Cubberley Guiding Principles in draft form, 2) forward to the Policy Advisory Committee the draft guiding principles, the draft conceptual plans, and the review of the composition of the Community Advisory, and 3) return to the City Council for approval of the above.

1. The meetings are to be recorded and minutes completed. (Costs of minutes to be cost-shared by the City and PAUSD).

2. Documents, architectural drawings and other written communication provided to the Committees shall be made available to the general public as soon as possible.

3. The City and PAUSD are supportive of Cubberley remaining a major cultural, educational and non-profit resource very important to the community's health and vitality.

4. The City and PAUSD seek to work cooperatively to explore all practical means to jointly re-use the Cubberley campus for both educational and community services.

5. The City and PAUSD recognizes that both entities have significant financial interests in the Cubberley campus which both parties should be open and sympathetic to the interests of the other party.

6. Both The City and PAUSD have ownership interests in portions of the campus: PAUSD owns 27 acres and the City owns 8 acres. The parties may consider relocation of its ownership interests within the site to facilitate optimal site layout and efficiency.

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7. To the extent possible, facility planning, architectural design, economic analysis or other expert service costs should be shared equally between the City and PAUSD for 2012-2013.

8. While the Policy Advisory Committee planning should occur as cooperatively as possible, the City Council representatives and the PAUSD Board members will retain independent recommending authority should consensus not be reached.

9. School quality and capacity is a significant City-wide issue considered essential to the maintenance of educational opportunities and excellence, and the overall health and well-being of our community.

10. Cubberley programs enrich the community and criteria should be developed to prioritize and/or retain existing uses as well as assess prospective new uses.

11. The City and PAUSD recognizes the potential to re-use the site as a joint City/PAUSD facility could result in stronger educational and cultural programs provided more efficiently.

12. The City Council representatives on the Policy Advisory Committee shall report, not less often than bi-monthly, to the full Council on Cubberley planning activities.

13. The City and PAUSD should work to continue community access to Cubberley to the extent possible. Recreation facilities provided at the Cubberley campus produce important services benefitting the community at large.

14. The residential neighborhoods surrounding Cubberley are significant factors in determining the compatibility of possible building changes on the Cubberley campus.

15. Transportation issues and access to and within Cubberley shall be considered in evaluating possible re-use options including improved bicycle and pedestrian facilities.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER: change Guiding Principle No. 5 to: The City and PAUSD recognizes that both entities have significant interests in the Cubberley campus and both parties should be open and sympathetic to the interests of the other party.

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Council Member Shepherd said that it had been a complicated process and the language between PAUSD and the City was sometimes very different. She knew that when she was at the School Board meeting and they were going through the original agendas as to how to handle Cubberley there were questions and it was complicated trying to have a conversation in their roles on their dais with the Brown Act. They agreed to joint meetings and to submit those types of packets to the CPAC for review and she thought that would make for a much more efficient conversation when it returned to Council because they would have had the granular conversations with the School Board Members.

Council Member Klein thought Staff and the Mayor did a good job of compiling and editing the comments. He suggested a few wording changes. The first was regarding the CAC was described as appointed by the City Manager in the second paragraph. The point they raised at the previous meeting was that it ought to be jointly appointed by the City Manager and the School Superintendent. In paragraph one the parenthesis at the end, the grammar required that the sentence read, "cost of minutes, minutes to be cost shared by the City and PAUSD." He indicated they needed to delete the word "with" and add the words "by the." Additionally, he indicated that in number five, instead of the word "which" in the second sentence it should be "and."

Council Member Shepherd said that School Board Members were reviewing the Guiding Principles and making revisions as well. She said that there would need to be another iteration of the Guiding Principles.

Council Member Klein said that was fine, but that he preferred that what the Council submitted should be something that they were 100 percent behind. He asked if the changes were accepted. He was disappointed that they did not follow up with additional appointments to the CAC. He asked what the reason for that was.

Mr. Emslie said they had reached out to the School Board Staff to get more School Board high level policy oriented people, perhaps retired Board Members. They had a volunteer and were taking Ms. Reklis up on her offer. They were not finished with the process yet, and would add to the CAC and as indicated in the Motion.

Council Member Klein said he had no problem discussing Staff's draft conceptual site plans but he wanted language that said that they were presented as Staff's ideas. He thought that was consistent with what Staff told the Council, that the plans were a starting point for discussion. He

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suggested that they needed another sentence that said that the draft conceptual plans were a starting point for discussion.

Council Member Holman appreciated Council Member Klein's last comment regarding the plans. She thought the plans as they were should not go forward without the context being included. There was no way to look at what was presented and address issues of connectivity which needed to be addressed. The plans needed the context included. The Charleston Center and the neighborhoods needed to be shown on the site plans as did the orientation to the street. That way when the plans were considered those things that needed to be addressed could be addressed.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER: add a sentence in the Guiding Principles that states: Draft conceptual site plans are a starting point for discussion.

Bob Moss said the more he thought about the topic the more confused he became about how the City and PAUSD would successfully share a single site. He said that at Terman the Principal insisted that people who wanted to use the public park behind the school sign in at the office first. He said that was illegal, inappropriate, and insulting. He did not understand the conceptual plans where the City property was moved to the middle of the campus with a middle school and high school adjacent to public facilities. He suggested that they add a 16th Guiding Principle stating that the City facilities, wherever they were located on the site, would be accessible by the community and public at all times regardless of school activities.

Council Member Holman had comments for those on the CAC. She did not understand why the elementary school was where it was in each of the plans, she was not sure that was the best location. She said it would be a campus, but none of the plans started with the concept of a quad or common green area. She hoped that could be developed. She said the plans were divided into phases and it seemed like the phases divided the project by a hard line. The first option really needed the context of how it was oriented because it showed a parking structure on the right hand side which created a barrier to the shopping center. She thought that was an impediment to connectivity. She also hoped that there was the potential for investment in a public/private partnership to include a bowling alley on site would be considered.

Council Member Burt said that Staff needed to clarify the purpose of the drawings. He recalled that it was explained that they were conceptual designs just to confirm the approximate feasibility of having the multiple uses fitting on the site, not design per se. He asked if that was a correct.

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Mr. Emslie said it was correct. There were many assumptions made that could only be shown visually. One of the confirmed assumptions was that it was possible in a reasonable way to accommodate PAUSD and community center needs.

Council Member Burt encouraged colleagues to frame any recommendations in terms of desired elements they wanted to see instead of critiques of particular drawings. He said it was important that the Council avoid attempting to design the site. It was also important to remember that in the conceptual drawing that there was one campus with three different uses, which was something that required more discussion about if they were integrated or segregated uses. Those were open issues and he did not know if there could be a common quad or not depending on the degree of integration possible. There were issues regarding school populations intermixing with adult populations. He had another question regarding Guiding Principle No. 1, which said "minutes." He thought they had discussed sense minutes because of the burden of having verbatim minutes.

Mayor Yeh thanked Council Member Burt for the question and said he would turn to the City Clerk. He indicated there was a memorandum at places from the City Clerk on Guiding Principle No. 1. He had spoken with the City Manager regarding what was done with the Infrastructure Blue Ribbon Commission (IBRC) and learned that there were no formal minutes, but that there was a commitment to producing a report at the end that Council received and that there was a similar intention for the CAC. The CAC would be staffed in the same way that Staff produced a report for the IBRC. The memorandum from the City Clerk highlighted that the minutes for the PAC needed clarification, but for the CAC there would be no minutes taken by the City Clerk or the City, but simply Staff taking notes.

Council Member Burt said that the Motion did not presently reflect that. He said that it sounded as though they were saying that the CAC would provide reports and the CPAC would have sense minutes. He asked if that was correct.

City Clerk, Donna Grider said it was correct.

Council Member Burt asked if those changes were acceptable to the maker and seconder of the Motion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER that Guiding Principle No. 1 will reflect: The City Clerk's Office would be responsible for sense minutes for the Policy Advisory

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Committee and the City Manager's Office would be responsible to take notes at each Community Advisory Committee meeting for the purpose of compiling a final report (similar to the one created for the IBRC).

Council Member Burt said that he struggled with the wording of Guiding Principle No. 5. Council Member Klein's change helped, but he understood it to mean that both parties should be open and sympathetic to the interests of the other party. He asked if that was what was intended there.

Mayor Yeh said yes.

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECODNER: "should be" will change to "both parties should be," and "both parties" will be added after "and."

Council Member Price had a change on the wording of the second paragraph. Where it said "School Superintendent" she said properly it was "The PAUSD Superintendent" to have a parallel structure. Her other general observation on Guiding Principle No. 1 was that she assumed that if they decided to explore the ways the meetings could be recorded that it did not limit them in any way. Her view was that minutes and recordings of the deliberations were important, but that they may use it as an opportunity to have a whole host of ways in which the information from the meetings was made available for the public.

Mayor Yeh asked if she was discussing the CAC, the CPAC, or both.

Council Member Price said that they should not limit themselves. She understood the language as it related to the minutes, but she was making a general comment about conveying information from the meetings. She said that it was not related to what was in front of them.

Vice Mayor Scharff understood that there would be sense minutes. He said that sense minutes were more expensive and he thought they should do verbatim minutes as they were cheaper.

Council Member Price asked what if there was a member of the public that was extremely talented who was a member of the CAC and wanted to produce or record what was happening. She wanted to ensure that they were not limiting themselves in any way because there were other ways in which the information could be made available to the public. She said that they were trying to define the City's role and responsibility and that was the key point.

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Council Member Schmid liked the revised Guiding Principles and thought they came across well as a joint enterprise. He also liked the site maps and thought they were exciting because they gave a true notion of a joint use and because everything was new. He reminded everyone that Association of Bay Area Governments (ABAG) requested that they have approximately 24,000 new residents by 2040. He said that if you looked at the history of PAUSD, it had grown on average over the last 24 years 1.3 percentage points faster than the City had grown. One of the reasons for that was the fastest growing age group in Palo Alto was the 85 plus group and the second fastest was the 65 to 75 year old group. That implied that there could be a major influx of young families into town. The site plans seemed to have alternatives only for a small high school of 500 students and that seemed striking before the two committees started their operation. He thought there should be a clear statement that those were not excluding examination of key alternatives that could take place.

Mayor Yeh said he knew Staff had discussions with PAUSD regarding the school sites and asked if there was an indication that PAUSD wanted multi-stories for the schools.

Mr. Emslie said yes, that most of the buildings were multi-story.

Mayor Yeh asked if there was a specific height being considered.

Mr. Emslie said two stories.

Council Member Holman wanted to check with the maker and seconder of the Motion because as she read the Motion it gave some gravitas to the draft conceptual plans and Council Member Klein's comments were that they were a starting point, which was more consistent with her understanding of Mr. Emslie's comments. She asked if the language on the board was what was intended by the maker and seconder, or if it was something that was more precise.

Council Member Klein said he was comfortable with the language but agreed that they were not voting on the plans in any way whatsoever. The Motion said that they were forwarding the draft conceptual plans. They could add their own statements that they were simply a starting point, but he thought that was clear. He was comfortable with the language.

Council Member Holman asked Staff to convey that because the Motion was what went forward. She wanted to be clear that the comments she made on the site plans were just thoughts of other things that should be addressed.

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MOTION PASSED: 8-0 Espinosa absent

16. Public Hearing: Adoption of an Ordinance Approving an Amendment to the 1997 Sand Hill Road Development Agreement to Extend Lease on El Camino Park and to Remove Approximately 10.25 Acres of Land (Searsville and Fremont Roads) in Santa Clara County from Special Condition Area B to be Used for Central Energy. (Cogeneration) Facility.

Council Member Klein advised he would not participate in this item as his wife was on faculty at Stanford University. He left the meeting at 11:23 P.M.

Mayor Yeh advised he would not participate in this item as his wife was a PHD candidate at Stanford. He left the meeting at 11:23 P.M. He indicated that Vice Mayor Scharff would run the remainder of the meeting.

Whitney McNair, City Consultant said that in 1997 the City of Palo Alto and Stanford University entered into the Sand Hill Road Development Agreement which covered land within the City and Santa Clara County. Before Council was a proposed amendment to that agreement that involved El Camino Park and an area off of Sand Hill Road located in Santa Clara County known as Special Condition Area B. She said this was the third amendment to the Development Agreement with other amendments approved in 2001 and 2003. Special Condition Area B was approximately 139 acres and was within Santa Clara County on land owned by Stanford. The area proposed for removal from Area B was roughly 10 acres and was noted on the Council's sheets in orange. The Development Agreement currently restricted development in that area to academic and recreational fields and associated support facilities until December 2020, although it allowed housing on a portion of the area. The proposed change to the Development Agreement would change only the type of development allowed under the agreement to academic and support uses, which would then allow Stanford to accelerate potential development of the parcel by approximately nine years. She said that Stanford was considering the site for a new energy center to replace the Cardinal Cogeneration Energy Facility. Removal of the property from Area B would not result in any changes to either the County's 2000 Stanford Community Plan or the General Use Permit (GUP) and would not approve any development on the property. The second part of the proposed amendment involved El Camino Park. The City had an existing lease with Stanford for the use of El Camino Park that expired in June 2033. In June 2011 the City Council directed Staff to see if Stanford would consider extending that lease. Stanford proposed that in exchange for releasing approximately 10 acres from Area B nine years early they would extend the

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approximately 10 acre El Camino Park lease nine years from 2033 to 2042. The Planning and Transportation Commission (PTC) reviewed the proposed amendment at a public hearing on March 14, 2012 and voted in support of the proposed amendment. They added a condition restricting land removed from Area B to the new energy center. She said that the amendment came down to removing one property from a development restriction nine years early to allow Stanford to consider the site for a new energy facility in exchange for an extension of the El Camino Park lease for nine years. Staff supported the proposed amendment and recommended that Council approve the proposed amendment to the Sand Hill Road Development Agreement.

Catherine Palter, Associate Director of Stanford Land Use and Environmental Planning Office, spoke regarding the Sand Hill Road Development Agreement which was approved by voters in 1997. The Development Agreement allowed the extension and widening of Sand Hill Road and other related roadways as well as the construction of 628 senior housing apartments at Stanford West, and an additional 80,000 square feet at Stanford Shopping Center. In addition, it dealt with the two areas up for discussion that evening, Area B and the El Camino leases, which were at either end of the Sand Hill Road corridor. With Area B the City placed development restrictions on 139 acres of Stanford land along the Sand Hill Road corridor, which was under the jurisdiction of Santa Clara County. The restriction included limiting the development to recreational and academic field use on all 139 acres although also allowing housing on 39 acres in the area shown in orange crosshatch. The Development Agreement would expire at the end of 2020, which was in less than nine years. There were amendments to the Area B provision, the most significant of which was in 2001 following the GUP discussion in the year 2000. Approximately 2000 acres of the portion of the housing site was shifted slightly within Area B. She explained that the Development Agreement also affected some City leases along El Camino Real. First, the El Camino Park and the Depot lease terms were extended 20 years to 2033, and the City gained determination right for the Depot lease that was available in 2013. At the same time the City returned the Red Cross and MacArthur Park leases to Stanford. She showed the Council what the area currently looked like and said that the change the amendment proposed was to remove 10.25 acres of land from Area B and allow development to proceed nine years sooner than the Development Agreement allowed. She said the removal would allow the site to be considered for a replacement central energy facility for the campus and by the action that was taken by the PTC the site could only be used for an energy facility during the next nine years. She explained that any proposal that might come forward would need to be consistent with the GUP in the County and have environmental review and approval by the County. She stated that the next part of the amendment, the parallel agreement had its genesis by the

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Council's request to Staff to explore the extension of the park lease. As a result of discussions between Stanford and Staff the proposal extended the El Camino Park lease, which was about 10.75 acres another nine years to 2042 to match the time frame that the restrictions would be removed on Area B. In short, as Staff summarized, the amendment removed development restrictions nine years early on 10 acres of Area B and extended the 10 acre El Camino Park lease.

Joe Stagner, Stanford University Executive Director of Sustainability said Stanford's energy was currently provided by the Cardinal Cogeneration Plant which had been around since the 1980's. It was a gas fired cogeneration unit that was very adept at its time for providing energy, but over the years new technology emerged and machines had become more efficient. He said that they looked at Stanford's long term energy needs and sustainably and discovered that there was an opportunity for recovering waste heat. All the major buildings on the campus were connected by both steam and chill water loops. The central energy facility sent steam out for heating and hot water purposes and condensation was returned back to be reheated and circulated. That was why it was called a loop. There was a separate set of pipes called the chill water loop where they delivered cold water to the buildings to cool them and then the waste heat was returned and exhausted out the cooling towers. The cooling towers used about a quarter of their Hetch Hetchy fresh water supply for the campus for evaporating the waste heat into the atmosphere. Stanford found that there was a great opportunity to recover the waste heat and use that to heat the campus instead of burning the fossil fuel. He showed charts that illustrated the various seasons and their heating and cooling profiles. He explained that there was a simultaneous need for the heating and cooling of the buildings because of their complex research needs. There was an overlap of waste heat that was currently transported back to the central energy facility and discarded into the atmosphere and the heat they were making with fossil fuel and delivering to the buildings. He explained the idea was for them to reuse the waste heat instead of burning the fossil fuel to make heat. That was the genesis of the plan they proposed to install. He showed how the overlap looked during the course of the year. The overlap meant that they could use about 70 percent of the waste heat that they were currently discarding into the atmosphere and reuse it to meet 80 percent of their heating needs. That was a substantial improvement of efficiency and economics that would greatly reduce greenhouse gas emissions immediately to less than half of what they currently were while saving 20 percent of the campus' fresh water supply. He said that in the process they moved from being a bulk importer of natural gas to a bulk importer of which paved the way for them to move to full sustainability. Their grid power would be at least one third green. This helped create a path to 100 percent

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sustainability as soon as the technology and rules and regulations of the electricity market allowed it. He said that it was both immediately more economic and environmentally friendly and it paved the way for things to get better in the future. The new energy facility was one third of Stanford's Energy and Climate Plan's energy supply features. Additionally Stanford was also converting its steam system to hot water regardless of what happened with the central energy facility. They found that distributing steam was not energy efficient. He said that they were proceeding with replacing the pipes while deciding the future of the plant and hopefully proceeding with it if the site was approved. He said that it was their prime site even though they had looked at others. The new plant needed to be in the Sand Hill Road corridor because that was where most of the existing pipes came together around the campus

Vice Mayor Scharff opened the public hearing at 11:40 P.M.

Herb Borock said the appropriate place to discuss the cogeneration plant was a project under the California Environmental Quality Act (CEQA) where the lead agency was the County. He thought the appropriate way to do that was that the choice of location should be made and then conditioned upon the Council changing the Development Agreement rather than doing it in reverse. He said that during the Campus GUP approval there were discussions regarding moving some acreage, but it still remained as housing to meet the needs of the golf community. There was no discussion of having something like a cogeneration plant next to the golf course. Secondly this was placing non-residential use in the middle of areas that were all residential. He thought it was foolish to expect that labeling those areas as residential next to the cogeneration plant would mean they would be developed as residential. He thought that they would not be, which would be a significant policy change.

Public hearing closed at 11:43 P.M.

MOTION: Council Member Price moved, seconded by Vice Mayor Scharff to: 1. Approve the Ordinance approving the proposed amendment to the 1997 Sand Hill Road Development Agreement to remove a 10.25-acre site from the 139-acre Special Condition Area B within the jurisdiction of Santa Clara County, and 2) to extend the lease of the 10.74-acre El Camino Park, from June 30, 2033, to June 30, 2042.

Council Member Price said the detail they had before them was complete and the amendments to the Sand Hill Road Developmental Agreement made sense and served the purposes of the City and of Stanford University. She thought the extension of the lease at El Camino Park was appropriate. It

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sounded to her based on the presentation that the central energy cogeneration facility was a very well thought out project that met and exceeded the sustainability goals for Stanford University.

Vice Mayor Scharff said he was very pleased to see Stanford moving forward on sustainability goals. He thought it was a good project and was glad they were extending the lease.

Council Member Holman was pleased about the proposal of a cogen plant but had questions for Staff. She said they were taking a piece out of the GUP that was designated for housing. She asked what happened to the housing because the GUP also required a specific number of housing units be built.

Mr. Williams said it did not change the number of housing units. The areas provided for housing were more than what was needed to accommodate the number. He said that there was still room for housing and that maybe some areas would be more concentrated than they would have been otherwise or they might not get to 3,000 units which was the upper limit of the range. He said that it did not change anything as far as the requirement for the number of units they had to provide.

Council Member Holman said that as long as there was flexibility that was good to know. She asked what happened to the golf course.

Ms. McNair said the location was the practice facility, not actually the golf course.

Ms. Palter said that it displaced some of the practice facility that was recently built, but the golf course remained intact and there would be a shifting and reallocation of the practice center.

Council Member Schmid had a few questions about the site. The only picture they provided of an energy plant was of the current plant that looked very big and awkward. He asked what the new plant would look like and about its proportions.

Mr. Stagner said they were revising conceptual plans but the ones he saw showed that the massing of the plant was about the same or smaller than the existing facility. It was also more attractive than the current plant. The architectural renderings he saw included solar panels on the roof, some courtyard areas, and he thought the facility itself was more sustainable and attractive to public and private folks.

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Council Member Schmid confirmed it was approximately 50 feet tall.

Mr. Stagner said he could not provide actual numbers. He knew the tallest features were the thermo energy storage tanks and they were 90 feet tall, but submerged in the ground 25 feet, so the maximum height above the ground was roughly 65 feet and that was for the cold water thermo storage tanks. Most of the building was less than the top of the tanks, but architecturally they were blended in quite well.

Council Member Schmid confirmed that on El Camino Park there had been a change since the last lease was extended and that was the reservoir. He asked where the reservoir was on the park.

Ms. McNair said that the reservoir was to the right where the softball field was.

Council Member Schmid confirmed that was a permanent structure. He asked if the reservoir maintained its right to the ground when the lease ended.

Mr. Williams answered yes. He said that the use of it was what had been at issue.

Council Member Burt wanted to reiterate what the Stanford representatives said. There was a real alignment between what they were doing in the central energy facility and the initiatives the Council discussed earlier that evening and Stanford's movement toward a sustainable campus was something that he thought was an outstanding achievement and something that shared the City's values and direction. He thought what would happen with the facility was to be commended.

MOTION PASSED: 6-0 Klein, Yeh not participating, Espinosa absent

COUNCIL MEMBER QUESTIONS, COMMENTS, AND ANNOUNCEMENTS

Council Member Holman attended the Santa Clara Valley Water District (SCVWD) Commission meeting the previous week. She registered a no vote on the recommendation that they approve a 9.3 percent increase in the North County for ground water production because Palo Alto was not served by that. She said that it also was linked to the bond measure, or parcel tax they were moving forward with. She also picked up an extra copy of the protection/augmentation water supplies in case anyone wanted to review it.

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Council Member Shepherd reported that about 10 days prior she had attended the Caltrain Joint Powers Board meeting. They worked on their ridership increases based on the previous year. Palo Alto increased its ridership 15.7 percent over the previous year which meant that there were 632 more riders at the University Avenue Station and 174 more riders at the California Avenue Station. The only station that did better than Palo Alto was Diridon, but they only increased by 507, so Palo Alto had about 800 more riders and she found that stunning. They attributed it to a variety of actions taken by Palo Alto in addition to the Stanford Go Passes that were implemented in January 2012. Caltrain's overall ridership was also exceeding expectations and they were delighted that they had such a healthy service going forward.

Council Member Price said that on Thursday April 12th she attended the ceremonial ground breaking for the Berryessa extension project of Bay Area Regional Transit (BART). Senator Dianne Feinstein was there and was interviewed by Mr. Carl Guardino, the CEO of the Silicon Valley Leadership Group. Mr. Guardino also announced that a new initiative for the Silicon Valley Leadership Group was to address sea level rise and the implications for the design of levies for the peninsula and south Bay areas. Also at the groundbreaking was Chuck Reed and their congressional delegation, BART Board Members, Alameda County Supervisor, Santa Clara County Supervisors, VTA Board, former Governor Davis, former US Secretary of Transportation Norman Mineta, and the VTA General Manager Michael Burns, and the VTA Board of Directors. She said that it would be a great extension.

Council Member Burt said he wanted to add to the initiative to try to achieve funding and plan for South Bay tidal flooding as a result of sea level rise. The lead entity was the Gordon Moore Foundation and they had asked a number of different groups to join them. Subsequent to the meeting the San Francisquito Creek Joint Power Authority (JPA) had contacted the Moore Foundation because their agency was actually the first in the South Bay Area that had a tidal flooding implementation program. The construction that they hoped to begin around the end of 2012 on the 101 creek flood protection was both fluvial and tidal flood protection and was designed for the forward looking definition of a 100 year flood. It was one of the first programs in the country that was being implemented on that design, which was the concept of the new initiative. He said it was important that JPA was an entity that actually took on the responsibility of the tidal flooding from north of Dumbarton around Marsh Road and then down into Palo Alto collaborating with the City and the Water District. He said that they had yet to determine what the City's role would be.

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ADJOURNMENT: The meeting was adjourned at 11:56 P.M. in honor of Lucie Stern's birthday.