



# CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting  
June 22, 2020

The City Council of the City of Palo Alto met on this date in Virtual Teleconference at 5:01 P.M.

Present: Cormack, DuBois, Filseth, Fine, Kniss, Kou, Tanaka

Absent:

## Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS  
**City Designated Representatives:** City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Rumi Portillo, Molly Stump, Monique LeConge Ziesenhenné, Nick Raisch, Kiely Nose, Gina Roccanova)  
**Employee Organizations:** Utilities Management and Professional Association of Palo Alto (UMPAPA); Service Employees International Union, (SEIU) Local 521; Service Employees International Union, (SEIU) Local 521, Hourly Unit; Palo Alto Police Officers Association (PAPOA); Palo Alto Fire Chiefs' Association (FCA) and Employee Organization: International Association of Fire Fighters (IAFF), Local 1319; Palo Alto Police Manager's Association (PAPMA)  
**Authority:** Government Code Section 54957.6(a)

**MOTION:** Mayor Fine moved, seconded by Council Member Cormack to go into Closed Session.

**MOTION PASSED:** 7-0

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

Council returned from Closed Session at 5:52 P.M.

Mayor Fine announced no reportable action.

## Study Session

2. 3300 El Camino Real (20PLN-00101): Request for Pre-screening of a Proposal to Rezone the Subject Property From Research Park (RP) to Planned Home Zoning (PHZ) and to Redevelop the Site With a Mixed-use Development That Includes Approximately 52,500 Square Feet (sf)

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of Office; 4,400 sf of Ground Floor Retail, and 187 Residential Units. Environmental Assessment: Not a Project; any Subsequent Formal Application Would be Subject to the California Environmental Quality Act (CEQA). Zoning District: RP.

## NO ACTION TAKEN

### Agenda Changes, Additions and Deletions

**MOTION:** Vice Mayor DuBois moved, seconded by Council Member Kou to do a check-in at 10:30 P.M., and move Agenda Item Number 9 on June 23, 2020 Action Agenda to the June 23, 2020 Consent Calendar.

**MOTION PASSED:** 4-3 Cormack, Kniss, Tanaka no

**MOTION:** Council Member Kou moved, seconded by Vice Mayor DuBois to defer Agenda Item Numbers 6 and 8 on the June 23, 2020 Agenda to a date after the Council summer recess.

**MOTION PASSED:** 5-2 Cormack, Fine no

### Minutes Approval

3. Approval of Action Minutes for the June 8, 2020 City Council Meeting

**MOTION:** Council Member Cormack moved, seconded by Council Member Kniss to approve the Action Minutes for the June 8, 2020 City Council Meeting.

**MOTION PASSED:** 7-0

### Consent Calendar

**MOTION:** Council Member Kou moved, seconded by Council Member XX, third by Council Member XXX to pull Agenda Item Numbers 20, 25, and 27.

**MOTION FAILED DUE TO THE LACK OF A SECOND AND THIRD**

**MOTION:** Council Member Tanaka moved, seconded by Council Member XX, third by Council Member XXX to pull Agenda Item Number 21.

**MOTION FAILED DUE TO THE LACK OF A SECOND AND THIRD**

Council Member Kou registered no votes on Agenda Item Numbers 9, 13, 20, 25, 27, and 29.

Council Member Tanaka registered no votes on Agenda Item Numbers 11, 24, 29, and 30A.

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Vice Mayor DuBois registered a no vote on Agenda Item Number 12.

**MOTION:** Mayor Fine moved, seconded by Council Member Kniss to approve Agenda Item Numbers 4-30A.

4. Approval of a Contract Extension With AT&T, CALNET3 State Contract Number C15157655, Extending the Term Through December 31, 2021, for Telecommunications in an Amount Not-to-Exceed \$300,000 Annually.
5. Approval of Contract Number C20175305A With AECOM in the Amount of \$302,073 for Consultant Services to Develop a Sea Level Rise Vulnerability Assessment and Adaptation Plan.
6. Resolution 9895 Entitled, "Resolution of the Council of the City of Palo Alto and Approval of a Joint Powers Authority Agreement and Memorandum of Understanding to Join the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for Dental/Vision Benefit Plan Claims Administration;" and Approval to pay up to \$130,000 Annually to PBIA for Claims Administration Services and to Transfer Funds to PBIA Not-to-Exceed \$710,000 for the 2020 Plan Year to pay Benefit Claims.
7. Adoption of the Fiscal Year 2021 Investment Policy.
8. Resolution 9896 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Amended and Restated Market Purchase Program Agreement With the Northern California Power Agency (NCPA), Authorizing the City Manager or Designee to Authorize NCPA to Purchase and Sell Electricity and Related Products Under the Agreement, and Approving Revisions to the City's Energy Risk Management Policy."
9. Resolution 9897 Entitled, "Resolution of the Council of the City of Palo Alto to Approve Amendment Number 2 to the Agreement With the State of California for Maintenance of State Highways in the City of Palo Alto for Capital Improvement Program Project Charleston/Arastradero Corridor Project, PE-13011, and Authorization of the City Manager or Designee to Execute the Amendment."
10. Approval of Eight On-call Consulting Contracts Totaling \$1.5 Million Over a Four-year Term to Provide Expertise for Long Range Planning Projects, Application Processing, and Environmental Review in the Department of Planning & Development Services, With all Work Subject to Assigned Task Order and Availability of Funds.

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11. Approval of Three Five-year Professional Service Agreements for Electric Engineering Consulting Services on an As-needed Basis With: 1) AECOM Technical Services, Inc, 2) NV5, Inc, and 3) Soudi Consultants, Inc, for an Annual Collective Total Not-to-Exceed Amount of \$1,000,000 per Year, and a Five-year Collective Total Not-to-Exceed Amount of \$5,000,000, With all Work Subject to Assigned Task Orders and Availability of Funds.
12. Approval and Authorization for the City Manager to Execute Electric Enterprise Fund Contract Number C20177717 With Wire Wrangler, LLC, dba TW Power Line Construction, in an Amount of \$1,906,408 for the Caltrain Facility Relocation Project (EL-17007) and Wood Pole Replacement Project (EL-19004); and Authorization to Negotiate and Execute Related Change Orders in the Amount of \$190,641 for a Total Not-to-Exceed Amount of \$2,097,049.
13. Approval of six Contracts for On-call Inspection and Plan Review Services in a Combined Amount Not-to-Exceed \$6,000,000 Over a Four-year and Six-month Term Ending December 31, 2024 With: 1) 4Leaf, Inc, 2) TRB+Associates, 3) SAFEbuilt, 4) Shums Coda Associates, 5) Bureau Veritas, and 6) Independent Code Consultants, Inc.
14. Resolution 9798 Entitled, "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Apply to the State of California Housing and Community Development Department for the Local Early Action Planning (LEAP) Grant for Housing Production Grant Program;" Environmental Assessment: Exempt Under the California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3).
15. Resolution 9899 Entitled, "Resolution of the Council of the City of Palo Alto Adopting the 2019 San Francisco Bay Area Integrated Regional Water Management Plan."
16. Approval and Authorization for the City Manager or Designee to Execute Amendment Number 3 to the Memorandum of Understanding (Contract Number S17167654) With the Santa Clara Valley Water District (dba Valley Water) to Increase Funding by \$50,000 and Extend the Contract Term for an Additional two Years, for a Revised Total Not-to-Exceed Amount of \$305,000 Over the Five and One-half Year Term to Provide Continued Funding and Support Making Water Conservation a way of Life Through Water use Efficiency Services, Rebates, and Incentive Programs.
17. Approval and Authorization for the City Manager or Designee to Execute Contract Number C20171908 With Sedaru in a Total Not-to-Exceed

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Amount of \$205,952 to Provide Professional Services for Wastewater Collection System Management Software and Implementation, Including \$201,452 for Basic Services and up to \$4,500 for Additional Services.

18. Resolution 9900 Entitled, "Resolution of the Council of the City of Palo Alto Setting the Appropriations Limit (GANN Limit) for Fiscal Year 2021."
19. Approval of Amendment Number 1 to Contract Number C19175498 With Integrated Design 360 for Development and Support of Sustainability Implementation Plan, Green Building Program, Deconstruction and Source Separation Program, Dewatering Monitoring Program, and Utilities On-call Services for a Term Extension of One-year and Increasing Compensation for Ongoing and Approved Work by \$354,230 for a Total Not-to-Exceed Amount of \$930,230.
20. Approval of a Contract With O'Grady Paving, Inc., in an Amount Not-to-Exceed \$2,954,031 for the FY 2020 Streets Resurfacing Project, Capital Improvements Program Projects PE-86070, PE-09003, PO-12001, and PL-12000.
21. Resolution 9901 Entitled, "Resolution of the Council of the City of Palo Alto Calling a General Municipal Election for Tuesday, November 3, 2020, for Four Council Member Seats."
22. Approval of Contract Number C21178189 With A. Teichert & Son Inc, dba Teichert Construction, in the Amount of \$13,873,053; Amendment Number 8 With C&S Engineers, Inc., Contract Number C15155208A, for the Airport Apron Reconstruction Phase III Capital Improvements Program Project AP-16000; and Approval of a Budget Amendment in Fiscal Year 2021 in the Airport Enterprise Fund.
23. Approval of Seven Five-year Contracts for On-call, as Needed, IT Project Support Services for an Annual Collective Total Not-to-Exceed Amount of \$480,000; and a Five-year Collective Total Not-to-Exceed Amount of \$2,400,000; and Approval of six On-call, as Needed, SAP Project Support Services, for an Annual Collective Total Not-to-Exceed Amount of \$350,000 per Year, and a Five-year Collective Total Not-to-Exceed Amount of \$1,750,000, With all Work Subject to Assigned Task Orders and Availability of Funds.
24. Approval of an Agreement Between the City of Palo Alto and the Midpeninsula Community Media Center, Inc, for Cablecasting, Production, and Streaming Services From July 1, 2020 Through June 30, 2023, for an Annual Amount of \$160,000, With two One-year Options

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to Extend for a Potential Five-year Total Not-to-Exceed Amount of \$800,000.

25. QUASI-JUDICIAL. 1700-1730 Embarcadero Road [20APL-00002 and 19PLN-00291]: Appeal of Director's Approval of a Major Architectural Review to Address the Following Outstanding Issues for a Previously Approved Auto Dealership Project: Color, Landscaping, Parapets, Lighting, Transportation Demand Management Plan, County Airport Land Use Commission Review; and Floor Area Ratio. Environmental Assessment: Addendum to an Initial Study/Mitigated Negative Declaration That was Adopted for the Project on June 24, 2019, Zoning District: CS(D)(AD).
26. Approval of Three Library Contracts With: 1) Baker & Taylor for up to Six-years for a Total Amount Not-to-Exceed \$2 Million for the Purchase of Library Materials and Services, 2) Ingram for up to Six-years for a Total Amount Not-to-Exceed \$200,000 for Print Materials and Services, and 3) Midwest Tape for up to Six-years for a Total Amount Not-to-Exceed \$700,000 for Media and Digital Materials and Services.
27. Approval of Amendment Number 1 to Contract Number C18170224 With Global Action for the Earth (the Empowerment Institute) for \$45,000 for an Extension of the Community Engagement Block Program (Cool Block) and a new Electrification Initiative With the Cool Blocks and Extension of the Term to December 2021.
28. Adoption of a Record of Land Use Action (ROLUA) Approving a Change to the Local Historic Resources Inventory Classification for 235 Hamilton Avenue (Cardinal Hotel) From a Category 3 (Contributing Building) to a Category 2 (Major Building) Historic Resource. The Historic Resources Board Recommends Adoption of the ROLUA. Approval of This Historic Designation is Exempt From the California Environmental Quality Act (CEQA) in Accordance With Section 15301 of the CEQA Guidelines.
29. Adoption of an Ordinance to Reduce the Number of Human Relations Commission and Public Art Commission Members From Seven to Five.
30. Ordinance 5498 Entitled, "Ordinance of the Council of the City of Palo Alto Dissolving the Library Advisory Commission by Amending Sections in Chapters 2.08 (Officers and Departments), 2.16 (Boards and Commissions Generally), and 2.24 (Library Advisory Commission)" (FIRST READING: June 8, 2020 PASSED 7-0).

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30A. Adoption of a Revised Compensation Plan for Management and Professional Employees, Updated Salary Schedules and Side Letters with Public Safety Unions (HR).

**MOTION PASSED FOR AGENDA ITEM NUMBERS 4-8, 10, 14-19, 21-23, 26, 28, 30: 7-0**

**MOTION PASSED FOR AGENDA ITEM NUMBER 9: 6-1 Kou no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 11: 6-1 Tanaka no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 12: 6-1 DuBois no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 13: 6-1 Kou no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 20: 6-1 Kou no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 24: 6-1 Tanaka no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 25: 6-1 Kou no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 27: 6-1 Kou no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 29: 5-2 Kou, Tanaka no**

**MOTION PASSED FOR AGENDA ITEM NUMBER 30A: 6-1 Tanaka no**

Council took a break at 9:44 P.M. and returned at 10:00 P.M.

## Action Items

31. PUBLIC HEARING: Adoption of the Budget Ordinance 5499 Entitled, "Ordinance of the Council of the City of Palo Alto for Fiscal Year 2021, Including Adoption of Operating and Capital Budgets and Municipal Fee Schedule;" Adoption of an Ordinance 5501 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Section 2.04.360 of the Palo Alto Municipal Code to Allow Council Members a Salary Waiver Option; and Review and Accept the June 30, 2019 Actuarial Valuation of the Palo Alto's Retiree Healthcare Plan and Funding Strategy."
32. PUBLIC HEARING: Adoption of the Following Five Resolutions: Resolution 9902 Entitled, 1) "Resolution of the Council of the City of Palo Alto Approving the Fiscal Year (FY) 2021 Electric Utility Financial Plan, Including Proposed Reserve Transfers, and Amending the Electric Utility Reserve Management Practices," Resolution 9903 Entitled, 2) "Resolution of the Council of the City of Palo Alto Approving the FY 2021

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Gas Utility Financial Plan, Including Proposed Transfers, Amending the Gas Utility Reserve Management Practices, and Adopting a Gas Rate Increase by Amending Utility Rate Schedules G-1, G-2, G-3 and G-10," Resolution 9904 Entitled, 3) "Resolution of the Council of the City of Palo Alto Approving the FY 2021 Water Utility Financial Plan and Amending the Water Utility Reserve Management Practices," Resolution 9905 Entitled, 4) "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedule D-1 Increasing the Storm Water Management Fee by 2.5 Percent per Month per Equivalent Residential Unit for FY 2021," and Resolution 9906 Entitled, 5) "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedules EDF-1 and EDF-2 to Increase Dark Fiber Rates 2.5 Percent."

Public Hearing opened 10:30 P.M.

Public Hearing closed at 11:04 P.M.

**MOTION:** Council Member Kniss moved, seconded by Council Member Filseth to move Agenda Item Number 33 to the June 23, 2020 Action Agenda.

**MOTION PASSED:** 5-2 Cormack, Fine no

**MOTION:** Council Member Kniss moved, seconded by Vice Mayor DuBois to fund KZSU at \$20,000 for Fiscal Year 2021

**MOTION FAILED:** 3-4 Cormack, Filseth, Fine, Tanaka no

**MOTION:** Council Member Cormack moved, seconded by Council Member Filseth to:

A. Adopt the Fiscal Year 2021 Budget Ordinance, which includes:

- i. City Manager's Fiscal Year 2021 Proposed Operating and Capital Budgets, previously distributed at the April 20th City Council Meeting;
- ii. Amendments to the City Manager's Fiscal Year 2021 Proposed Operating Budget;
- iii. Amendments to the City Manager's Fiscal Year 2021 Proposed Capital Budget;
- iv. Allocated Charge Amendments to the City Manager's Fiscal Year 2021 Proposed Operating and Capital Budgets;
- v. Fiscal Year 2021 City Table of Organization;



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- vi. Fiscal Year 2021 Municipal Fee Changes;
- B. Adopt the Ordinance Amending Section 2.04.360 of the Palo Alto Municipal Code to Allow Council Members a Salary Waiver Option. A regular majority vote is required to approve this ordinance which becomes effective 30 days after this second reading and final adoption;
- C. Accept the Fiscal Year 2021 – 2025 Capital Improvement Plan;
- D. As recommended by the Finance Committee at the May 5, 2020 meeting (CMR 11284), accept the June 30, 2019 biennial actuarial valuation of Palo Alto's Retiree Healthcare Plan and approve full funding of the Actuarial Determined Calculation (ADC) for Fiscal Year 2021 and Fiscal Year 2022 using a 6.25% Discount Rate for the calculation.
- E. Approve and adopt Resolutions of the City Council of the City of Palo Alto:
  - A. Approving the FY 2021 Electric Utility Financial Plan, including reserve transfers, and amending the Electric Utility Reserve Management Practices;
  - B. Approving the FY 2021 Gas Utility Financial Plan, including reserve transfers, amending the Gas Utility Reserve Management Practices, and adopting a Gas Rate Increase by Amending Utility Rate Schedules G-1, G-2, G-3 and G-10;
  - C. Approving the FY 2021 Water Utility Financial Plan, including reserve transfers, and amending the water Utility Reserve Management Practices;
  - D. Amending Utility Rate Schedule D-1 increasing the Storm Water Management Fee by 2.5 percent per month per Equivalent Residential Unit for FY 2021 (Attachments K & L); and e. Amending Utility Rate Schedules EDF-1 and EDF-2 to increase Dark Fiber Rates 2.5 percent.

## **MOTION SPLIT FOR THE PURPOSE OF VOTING**

**MOTION PART A PASSED:** 5-2 Kou, Tanaka no

**MOTION PART B PASSED:** 7-0

**MOTION PART C PASSED:** 5-2 Kou, Tanaka no

**MOTION PART D PASSED:** 7-0

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**MOTION PART E PASSED:** 6-1 Tanaka no

Vice Mayor DuBois left the meeting at 12:07 A.M.

~~33. PUBLIC HEARING / QUASI-JUDICIAL. 488 University Avenue [19PLN-00038]: Request for a Waiver From Title 18 to Allow Conversion of a Residential use to a Hotel use to Accommodate 100 Guestrooms. In Addition, the Applicant Requests Approval of an Architectural Review and Historic Review Application for Interior and Exterior Renovations to the Hotel President to This Category 2 Historic Building, as Well as a Parking Adjustment to Accommodate the Conversion to a Hotel use. The Project Also Includes a Conditional Use Permit to Allow for Restoration and use of a Historic Rooftop Garden and for the On-site Sale of Alcoholic Beverages. Proposed Revisions Include Structural and Seismic Retrofit of the Existing Structure. Zone District: Downtown Commercial District With Ground Floor and Pedestrian Overlays (CD-C)(GF)(P). Environmental Assessment: Exempt From the Provisions of the California Environmental Quality Act (CEQA) Pursuant to Guidelines Sections 15332 (In-fill Development), 15331 (Historical Resource Restoration/Rehabilitation), 15301 (Existing Facilities), and 15302 (Replacement or Reconstruction).~~

34. Approval of Special Amendments to the Employment Agreements between the City of Palo Alto and Council Appointed Officers Specifically the City Attorney and the City Manager.

**MOTION:** Council Member Kniss moved, seconded by Council Member Filseth to approve and authorize the Mayor to execute the following contract amendments for Council Appointed Officers:

- A. Amendment Number Eight to employment agreement between the City of Palo Alto and Molly S. Stump; and
- B. Amendment Number Two to employment agreement between the City of Palo Alto and Ed Shikada.

**MOTION PASSED:** 5-1 Tanaka no, DuBois absent

Adjournment: The meeting was adjourned at 12:33 A.M.