



CITY COUNCIL ACTION MINUTES

Special Meeting
January 16, 2024

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 5:30 P.M.

Present In Person: Burt, Kou, Lauing, Lythcott-Haims, Stone, Tanaka

Present Remotely: Veenker

Absent:

Consent Calendar

Council Member Kou registered a no vote on Agenda Item Number 11, 12.

Council Member Tanaka registered a no vote on Agenda Item Number 4, 6, 10.

MOTION: Council Member Burt moved, seconded by Mayor Stone to approve Agenda Item Numbers 1-12.

MOTION PASSED ITEMS 1-3, 5, 7-9: 7-0

MOTION PASSED ITEMS 4, 6, 10: 6-1, Tanaka no

MOTION PASSED ITEMS 11-12: 6-1, Kou no

1. Approval of Minutes from December 11, 2023, December 18, 2023, and December 19, 2023 Meetings
2. Adopt an Ordinance to Expand the Public Art Commission (PAC) from Five to Seven Members; CEQA status - not a project
3. Approval of Contract Amendment Number 1 to Contract Number C24189060 with US Bank and its Wholly owned Subsidiary Elavon for General Banking and Merchant Services and Approval of Contract Amendment Number C24189061 with Wells Fargo for Lockbox Services; CEQA Status – Not a Project.
4. Approval of Professional Services Contract with Energy and Environmental Economics, Inc. (E3) for a Not-to-Exceed Amount of \$945,286 for the Sustainability and Climate Action Plan (S/CAP) Funding Study; Amendment to Professional Services Contract with Sterling Communications, Inc. to Amend the Scope, Extend the Timeline, and Increase Total Not-to-Exceed Compensation by \$75,000 (from \$85,000 to \$160,000); and a Budget

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Amendment in the Electric Fund for Acceptance of \$75,000 DEED grant for S/CAP Funding Study; CEQA Status – Not a Project.

5. Accept the City of Palo Alto's Audited Financial Statements as of June 30, 2023 and the Macias, Gini & O'Connell Management Letter; Approve the FY 2023 Annual Comprehensive Financial Report (ACFR) and Amendments to the FY 2023 Budget in Various Funds; and Adopt a Resolution to Extend and Amend the Development Services Reserve Fund Policy, as Recommended by the Finance Committee; CEQA Status – Not a Project
6. Approval of Amendment No. 2 with Pets in Need Contract (C19174493) to extend the term through March 2024 and increase the compensation by \$342,501 for operations of the Palo Alto Animal Shelter, for a Not-to-Exceed Amount of \$4,431,872; CEQA status – not a project.
7. Adopt a Resolution Approving an Amendment to the City's 2009 California-Oregon Transmission Project Long-Term Layoff Agreement to Extend the City's Layoff of its Share of the California Oregon Transmission Project (COTP) until 2034 and to Receive Annual Market Payments as Recommended by the Utilities Advisory Commission (UAC); CEQA Status – Not a Project
8. Approval of Recommendations on Process for 2024 Council Priority Setting Retreat as Recommended by Policy & Services Committee (CEQA Status – Not a Project)
9. Approval of the Office of the City Auditor's Investment Management Audit Report as Recommended by the Policy & Services Committee (CEQA Status - Not a Project)
10. SECOND READING: Adoption of an Ordinance Amending Palo Alto Municipal Code (PAMC) Section 18.42.160 (Safe Parking) to Permanently Establish the Congregation-Based Safe Parking Program and Establishing Regulations Related to Safe Parking, Including a Maximum Number of Vehicles Per Night on Each Site (FIRST READING: December 4, 2023 PASSED 6-1, Tanaka no)
11. SECOND READING: Adoption of an Ordinance Amending Chapters 4.10 (Licenses Obtained by Application to Chief of Police), 4.30 (Soliciting Funds), and Chapter 4.32 (Soliciting Information for Commercial Purposes); and Adding Chapter 4.12 to Title 4 (Business Licenses and Regulations) of the Palo Alto Municipal Code to Comply With Updates to the Law, Including 2018 Senate Bill 946 (Sidewalk Vendors). CEQA status – categorically exempt. (FIRST READING: December 11, 2023 PASSED 5-1-1, Kou no, Veenker absent)
12. SECOND READING: Adoption of an Urgency Ordinance and an Interim Ordinance That Allows the Director of Planning and Development Services to Extend Planning Entitlements for Housing Development Projects up to an Additional 18 Months. Environmental Review: Exempt from CEQA in Accordance with CEQA Guidelines 15061(b)(3). (FIRST READING: December 11, 2023 PASSED 5-1-1, Kou no, Veenker absent)

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13. Tree Protection Ordinance Year One Review and Recommendations; Adoption of an Ordinance Amending Chapter 8.04 (Street Trees, Shrubs, and Plants) and Chapter 8.10 (Tree Preservation and Management Regulations of the Palo Alto Municipal Code to Update the Allowable Reasons for Removal of Protected Trees, Make Clarifying Changes, and to Make Clerical Updates; and Adoption of a Resolution amending the Administrative Penalty Schedule to Increase the Penalties for Violations of Title 8 of the Palo Alto Municipal Code; CEQA Status – Not a Projects

MOTION: Council Member Kou moved, seconded by Vice Mayor Lauing to:

- a. Adopt the proposed changes to Palo Alto Municipal Code amending Chapter 8.04 and Chapter 8.10 of the Palo Alto Municipal Code and adopt a resolution amending the Administrative Penalty Schedule to increase the penalties for violations of Title 8 of the Palo Alto Municipal Code; and
- b. Adopt the changes proposed to Section 8.10.070 as addressed in the staff report; and
- c. Direct staff to engage with the community and through the Planning & Transportation Commission for suggestions and proposals to educate and incentivize residents to maintain and increase our canopy including ways compatible with development.

MOTION PASSED: 5-2, Tanaka, Lythcott-Haims no

14. Approval of a Substation Improvement Agreement With Tesla Inc. to Install Improvements and Reserve Capacity at Hanover Substation, and Approval of a Fiscal Year 2024 Budget Amendment in the Electric Fund to Establish the Hanover Substation Upgrade Project (EL-24001); CEQA Status – Exempt under CEQA Guideline Sections 15301 and 15302

Council Member Veenker recused herself on Item 14.

MOTION: Council Member Tanaka moved, seconded by Council Member Lythcott-Haims to:

1. Approve and authorize the City Manager or their designee to execute the Substation Improvement Agreement (SIA) and attached Capacity Reservation Agreement between the City of Palo Alto and Tesla for the design and construction of a substation improvements at the City of Palo Alto's Hanover Substation (Attachment A).
2. Amend the Fiscal Year 2024 Budget Appropriation for the Electric Fund (requires a 2/3 vote) by:

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- a. Establish the Hanover Substation Upgrade Project (EL-24001) in the amount of \$15,000,000; and
- b. Decrease the Electric Fund Operations Reserve by \$15,000,000.

MOTION PASSED: 6-0-1, Veenker recused

Adjournment: The meeting was adjourned at 8:16 P.M.

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ATTEST:

APPROVED:

DocuSigned by:

8691CE5898F6400

City Clerk

DocuSigned by:

174753172A9C49D...

Mayor

NOTE: Action minutes are prepared in accordance with Palo Alto Municipal Code (PAMC) 2.04.160(a) and (b). Summary minutes (sense) are prepared in accordance with PAMC Section 2.04.160(c). Beginning in January 2018, in accordance with [Ordinance No. 5423](#), the City Council found action minutes and the video/audio recordings of Council proceedings to be the official records of both Council and committee proceedings. These recordings are available on the City's website.

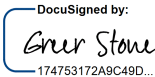
Certificate Of Completion

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Source Envelope:	
Document Pages: 5	Signatures: 2
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Comments: yes
Envelopeld Stamping: Enabled	Envelope Originator:
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	Vinhloc Nguyen
	250 Hamilton Ave
	Palo Alto , CA 94301
	Vinhloc.Nguyen@CityofPaloAlto.org
	IP Address: 199.33.32.254


Record Tracking

Status: Original	Holder: Vinhloc Nguyen	Location: DocuSign
2/8/2024 4:51:06 PM	Vinhloc.Nguyen@CityofPaloAlto.org	
Security Appliance Status: Connected	Pool: StateLocal	
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Signer Events

Signer Events	Signature	Timestamp
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greer.stone@cityofpaloalto.org		Viewed: 2/8/2024 6:49:11 PM
Vice Mayor		Signed: 2/8/2024 6:49:30 PM
Security Level: Email, Account Authentication (None)	Signature Adoption: Pre-selected Style Using IP Address: 12.202.14.68	

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Mahealani.AhYun@CityofPaloAlto.org		Viewed: 2/14/2024 10:10:06 AM
City Clerk		Signed: 2/14/2024 10:11:26 AM
Security Level: Email, Account Authentication (None)	Signature Adoption: Pre-selected Style Using IP Address: 199.33.32.254	

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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/8/2024 4:52:24 PM

Envelope Summary Events	Status	Timestamps
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Completed	Security Checked	2/14/2024 10:11:26 AM
Payment Events	Status	Timestamps