



CITY COUNCIL SUMMARY MINUTES

Special Meeting
June 17, 2024

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 4:00 P.M.

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

Present Remotely:

Absent:

CALL TO ORDER

Mayor Stone called the meeting to order, and the roll was called.

SPECIAL ORDERS OF THE DAY

1. Proclamation June 2024 as LGBTQIA+ Pride Month

Council Member Lythcott-Haims read the proclamation of June 2024 as LGBTQIA+ Pride Month.

NO ACTION

2. Proclamations Recognizing Departing Boards and Commissions Commissioners

Mayor Stone extended gratitude to departing Board and Commission members on behalf of the community. The members recognized with proclamations were Gogo Heinrich, Michael Makinen, Margaret Wimmer, Daryl Savage, Nia Taylor, David Bower, Marilyn Keller, Lisa Forsell, and Lauren Segal.

NO ACTION

SUMMARY MINUTES

3. Review List of Applications for Historic Resources Board Vacancies and Provide Direction for Interviews

Mahealani Ah Yun, City Clerk, reviewed the process for determining candidates to interview and displayed the vote results. Interviews are tentatively scheduled for August 5.

The Council selected the following candidates to interview for the Historic Resources Board:

- **Barry Katz:** Burt, Kou, Lauing, Lythcott-Haims, Stone, Tanaka, Veenker
- **Caroline Willis:** Kou, Lauing, Stone, Veenker
- **Geddes Ulinskas:** Burt, Kou, Lauing, Lythcott-Haims, Stone, Tanaka, Veenker
- **Zachary Pozner:** Burt, Lythcott-Haims, Tanaka

CLOSED SESSION

4. CONFERENCE WITH CITY ATTORNEY- EXISTING LITIGATION
Subject: Eric Figueroa, et al. v. City of Palo Alto
Santa Clara County Superior Court Case No. 21-CV-383740 (One Case, as Defendant)
Authority: Government Code Section 54956.9(d)(1)

PUBLIC COMMENT:

1. Aram J. (Zoom) noted this was related to officers who filed a lawsuit that they felt harassed because of a Black Lives Matter mural. He believed this was a frivolous lawsuit and suggested not paying out on this case. He requested information on how much money has been spent on this and who the outside counsel is in the matter.

MOTION: Council Member Lythcott-Haims moved, seconded by Mayor Stone, to go into Closed Session.

MOTION PASSED: 6-0-1, Tanaka absent

Council went into Closed Session at 4:35 P.M.

Council returned from Closed Session at 6:28 P.M.

SUMMARY MINUTES

Mayor Stone announced no reportable action.

AGENDA CHANGES, ADDITIONS AND DELETIONS

Ed Shikada, City Manager, stated there were a number of changes reflected in the amended agenda issued last Thursday but no changes since then.

PUBLIC COMMENT

Mayor Stone reviewed new Public Comment policies. All speakers have to be in person, not virtual. Total speaker time is capped at 30 minutes, so if Public Comment goes beyond that, the rest of the comments are moved to the end of the agenda.

1. Zafarali A. described the difficulties of finding affordable housing near transit, work, and leisure. He urged the Council to create abundant housing.
2. Patty I., a resident of Channing House, discussed the urgent need for affordable housing, especially for the valuable workers of Channing House who must drive up to two hours to work.
3. Rika Y. wanted more housing and access to housing for local workers, especially educators. There is a need for below-market rent, and the lack of affordable housing may cause a high turnover in educators.
4. Avroh S., member of Palo Alto Student Climate Coalition (PASCC), thanked the City for the work on the One Margin Reach Code. He also spoke on behalf of Palo Alto Forward to emphasize the importance of availability of housing in regard to climate and youth.
5. Stephen L. spoke about the economic benefits of additional housing, bringing people downtown and providing more customers for local businesses. Allowing people to live closer to their jobs can help with hard-to-fill vacancies.
6. Elaine U. noted she helped found Palo Alto Forward ten years ago and that the housing crisis has actually become worse since then because not enough housing has been built. She stated Palo Alto can do better and is the ideal place for housing.

SUMMARY MINUTES

7. Bob R. was in opposition to the proposed Seale Avenue tunnel underpass. He noted there were better alternatives and urged the Council to reconsider the proposal.
8. Sreeja P. of Tarana Wireless asked people to join the Stars and Stripes Community Run on Saturday, June 29, to raise money for the Valley Health Foundation to support and celebrate frontline hospital workers.
9. Kirti B., Martin Luther King Artist Residency Participant of 2023, explained that she selected housing insecurity and sense of belonging and inclusion and shared some of her findings from this research.
10. Ben L. spoke about Gaza, asking the Council to stake out a moral stance on this subject.
11. Gary G. felt the proposed Seale Avenue underpass was not a good idea as it was unnecessary, unsafe, and damages the neighborhood.
12. Anja L. believed the proposed Seale Avenue pedestrian and bike tunnel was unlikely to make it safer for kids to get from one side of the tracks to the other.
13. Aram J. supported previous comments about Palo Alto Forward and the need for housing. He also wanted a discussion about a permanent ceasefire. He questioned when there would be a fire truck at Station 4 and whether there was one stationed there at the time of the fire in the area of Bill's Café.
14. Sarit S. appreciated the new policy preventing City Council from taking positions on foreign affairs. She spoke about the Hamas military leader resisting a ceasefire.
15. Lori M. noted the work to be done around safety and belonging, including a need for anti-Semitism education for city leadership, to lead by example. She described a rise in and normalization of anti-Semitism in Palo Alto.
16. Soheila M. of Ability Path stated the Council's decision to support Ability Path's \$250K grant request was vital and urgent for the entire community.
17. Kathleen J.-M. described disconnects in documents on the website talking about the comparisons of different available grade separation alternatives.

SUMMARY MINUTES

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Mayor Stone announced that he and Vice Mayor Lauing attended the Stanford graduation ceremony for the Class of 2024.

CONSENT CALENDAR

5. Adoption of Fiscal Year 2025 Investment Policy as Recommended by the Finance Committee
6. Utilities Advisory Commission Recommends Adoption of the 2024 Annual Water Shortage Assessment Report
7. CONSENT: Approval of a Record of Land Use Action to Upgrade the Property Located at 411 Kipling Street From a Category 4 Resource on the Local Historic Inventory to a Category 2 Resource.
8. CONSENT: Approval of a Record of Land Use Action to Upgrade the Property Located at 271 University Avenue From a Category 3 Resource on the Local Historic Inventory to a Category 2 Resource.
9. Approval of Construction Contract C24190748 with Ross Recreation Equipment Company Inc. in the Amount of \$305,600 and Authorization for the City Manager or Their Designee to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$30,600 for the Ramos Park Improvements, Capital Improvement Program Project PG-14000; CEQA Status—Exempt Under CEQA Guidelines Section 15301
10. QUASI-JUDICIAL. 420 Acacia: Final Map and Street Naming [24PLN-00027]: Request for a Final Map to Subdivide a 35,573 Square Foot Parcel Having Split Zoning Designations (R-1 and RM-30) for Condominium Purposes (16 Residential Units). Environmental Assessment: Exempt from the Provisions of the California Environmental Quality Act in Accordance with CEQA Guidelines Section 15332 (In-fill Development).
11. Approval of Contract Amendment Number 1 to Contract C24189570 with Downtown Streets Team in the Amount of \$548,958 to Combine Contracts to Increase Operational Efficiency for a Revised Total Not-to-Exceed Amount of \$1.1 Million Over Three Years; CEQA Status: Not a Project

SUMMARY MINUTES

12. Approval of Construction Contract Number C24190081 with Marina Landscape, Inc. in the Amount Not-to-exceed \$338,459 for Dog Park Installation and Renovation Project PG-18001; and Authorization of Contract Contingency in an Amount Not-to-Exceed \$50,769 for Related, Additional but Unforeseen Work Which May Develop During the Project; and Amend the FY2024 Budget in the Capital Improvement Fund (2/3 vote required); CEQA status – categorically exempt.
13. Approval of Contract Amendment Number 1 to Contract Number S24189598 with Good City Company in the Amount of \$18,120 for a Stream Corridor Protection Ordinance Update; the Total not-to-exceed Amount of the Contract is \$92,293. CEQA Status: Exempt Pursuant to CEQA Guidelines 15061(b)(3).
14. Authorization for the Mayor to sign a 3-Year Friendship Cities Agreement with Narok, Kenya
15. Approval of a Funding Agreement with Federal Railroad Administration to Receive \$6 Million for the Preliminary Engineering and Environmental Documentation Phase for the Grade Separation Projects at Churchill Avenue, Meadow Drive, and Charleston Road crossings. CEQA status – statutorily exempt per CEQA section 15262; this funding agreement will partially fund CEQA/NEPA review of the grade separation projects.
16. Adopt a Resolution to Allow Consumption of Alcohol under PAMC section 9.04.010 on California Avenue in Conjunction with the 3rd Thursday Event
17. Approval of 1) Increase of Construction Contingency for Contract No. C21178123B with Swinerton Builders in the Amount of \$1,000,000; 2) Contract Amendment No. 4 for Contract No. S20176170 with Romig Engineers, Inc. in the Amount of \$21,786 and to Extend the Contract Term; 3) Increase of Contingency for Purchase Order with Pivot Interiors Inc. in the Amount of \$23,440; and 4) Authorization for the City Manager to Execute a General Services Contract for Moving Services in an Amount of up to \$250,000 for the New Public Safety Building Capital Project (PE-15001); CEQA - Environmental Impact Report for the New Public Safety Building and New California Avenue Area Parking Garage (Resolution No. 9772)
18. Approval of Contracts with US Bank and its Wholly Owned Subsidiary Elavon for General Banking, Safekeeping (Custodial), and Merchant Services for a Period of Five Years; and Approval of Contract with

SUMMARY MINUTES

Wells Fargo for Lockbox Services for a Period of One Year; CEQA Status: Not a Project.

19. Authorization for the City Manager or Designee to Negotiate and Execute a Line of Credit totaling \$31 Million to Address Regional Wastewater Treatment Fund Cashflow as Recommended by the Finance Committee; CEQA Status – Not a Project
20. Resolution to Vacate Portions of Three Public Service Easements at 1700 Embarcadero Road
21. Approval of an Extension to Building Permit 18000-00536 for 429 University Ave; CEQA status – Mitigated Negative Declaration (ENV20718).
22. SECOND READING: Adoption of an Ordinance extending the Term of Ordinance No. 5517 by an Additional 12 Months from June 16, 2024 to June 30, 2025. Ordinance 5517 Amends Title 18 (Zoning) of the Palo Alto Municipal Code to Update Definitions, Broaden Permitted Uses and Provide Limits on Certain Uses through Updates to the Conditional Use Permit Thresholds. Environmental Review: CEQA Exemption 15061(b)(3) (FIRST READING: June 3, 2024 PASSED 7-0)
23. SECOND READING: Ordinance Amending Chapter 16.14 (California Green Building Standards, California Code of Regulations, Title 24, Part 11) of the Palo Alto Municipal Code to Adopt the 2022 Green Building Standards Code, Along With Local Modifications Related to Electrical Vehicle Charging Infrastructure Requirements and Building Electrification Requirements and an Ordinance Amending Chapter 16.17 (California Energy Code, California Code of Regulations, Title 24, Part 6) of the Palo Alto Municipal Code to Adopt the 2022 California Energy Code, Along with Local Modifications to Increase Energy Efficiency Standards for Buildings, Mandate Electric-Ready Requirements and Incentivize All-Electric New Construction. CEQA Status: Exempt under CEQA Guidelines Sections 15308 and 15061(b)(3) (FIRST READING: June 3, 2024 PASSED 6-1, Tanaka no and 7-0)
24. Adoption of a Resolution Approving an Initial Study/Mitigated Negative Declaration for Citywide Implementation of Fiber-to-the-Premises Project (FTTP), Including the Mitigation, Monitoring and Reporting Program; Approval of Purchase Order No. 4524000496 With Thermo Bond Buildings in an Amount Not to Exceed of \$339,076 for the Design, Build and Delivery of a Modular Building “Fiber Hut”;

SUMMARY MINUTES

Authorization for the City Manager or Their Designee to Negotiate and Execute Change Orders in the Amount Not-to-Exceed of \$31,384 for Related Additional but Unforeseen Work That may Develop During the Project, for a Total Not-to-Exceed Amount of \$370,460 with Thermo Bond Buildings.

25. Approval of a Professional Services Contract Number C24188127 with Telecommunications Engineering Associates (TEA) in an Amount Not to Exceed \$834,882 for Public Safety Radio Network Maintenance and Construction for a Period of Five (5) Years; CEQA Status: Not a Project
26. Approval of Assignment and Assumption Agreement to transfer Baker Tilly US LLP's contract to Baker Tilly Advisory Group, LP; CEQA – Not a Project
27. ~~Approval of: (1) Contract No. C24187724 with LensLock, Inc (Lenslock) for replacement of the police public contact audio/video system for a five (5) year term in an amount not to exceed \$1,128,225; and (2) Police Audio/Video Technology Surveillance Use Policy; CEQA status – categorically exempt. Item Removed Off Agenda and Placed on June 18, 2024 City Council Meeting.~~
- AA1. Adopt an Ordinance and Resolution Extending the Interim Parklet Program to the Car- Free Portion of Ramona Street through March 2025; CEQA status - categorically exempt *New Item added*

PUBLIC COMMENT:

1. Herb B. (Items 11, 12, 15, & 24) discussed that, regarding Item 11, municipal code requires property owners to be responsible for cleaning their own sidewalks. Item 12 does not mention which dog park. On Item 24, the City Council, as the approving authority, has to review and respond the comments on the initial study, which was omitted. He felt Item 15 was a waste of money as the main need for grade separation was for commuters who used to come by automobile to Palo Alto, which is not happening anymore.
2. David M. (Item 15) asked the Council to consider closing Churchill to traffic to make safety a priority. He was concerned the Seale tunnel would be built before the funding is approved for the Churchill crossing and asked for contingencies if the funding does not go through. He was concerned it was a waste of money for a project that may not happen.

SUMMARY MINUTES

MOTION: Council Member Lythcott-Haims moved, seconded by Vice Mayor Lauing, to approve Agenda Item Numbers 5-26, AA1.

Council Member Kou requested to pull Agenda Item Number 15.

Council Member Kou registered a no vote on Agenda Item Number 15.

Council Member Tanaka registered a no vote on Agenda Item Number 9, 11, 17, 19, 23, 24.

MOTION PASSED ITEM 15: 6-1, Kou no

MOTION PASSED ITEMS 9, 11, 17, 19, 23, 24: 6-1, Tanaka no

MOTION PASSED ITEMS 5-8, 10, 12-14, 16, 18, 20-22, 25, 26, AA1: 7-0

Council Member Kou stated the advanced grade separation alternatives show the taking of peoples' homes while the Council and community talk about housing as a human right. She felt spending \$20M to study this was a waste of voters' money and hoped to revisit the separations and look at other alternatives.

Council Member Tanaka supported the project in Item 9 but felt the staff report was unclear whether the amount from Ross was within budget. He loved the idea of Item 11 but believed the 51% cost increase was dramatic and also felt metrics should be done by a third party to ensure service. On Item 17, he stated the new jail on Cal Ave was already over budget and this was another increase on that amount. Regarding Item 19, his issue was that it was based on historical contributions of capital rather than usage. Other cities have grown, and he felt their obligation for the credit line should be higher. He stated Item 23 was consistent with his prior vote. On Item 24, he felt the City was too late on FTTP and would not be able to deliver it in a cost-effective manner.

CITY MANAGER COMMENTS

Ed Shikada, City Manager, stated that 2023 RIPA data was now available on the City's website. He described upcoming summer events through the month of July. He discussed events in local cities honoring Juneteenth. He stated the last City Council meeting of the fiscal year would occur the following day at 4 P.M. and listed upcoming items.

The Council took a 15-minute break at 7:21 P.M.

SUMMARY MINUTES

ACTION ITEMS

28. PUBLIC HEARING: Adoption of Budget Ordinance for Fiscal Year 2025, Including the Operating and Capital Budgets and Municipal Fee Schedule; Adoption of a Resolution determining the Appropriations Limit for Fiscal Year 2025; Acceptance of Updates to the Retiree Healthcare Actuarial Report; and Approval of Contributions for Retiree Healthcare Benefits

Council Member Veenker recused herself from certain Stanford-related elements of the budget, outlined in Attachment C of the report.

Lauren Lai, Administrative Services Director/CFO, explained the goal to adopt the Operating Budget and the Capital Budget. She noted it was a balanced budget that sets forth a path to continue high-quality service, also focused on fiscal stability, continuing to be innovative in providing services, and organizational resilience.

Paul Harper, Budget Manager, presented the FY 2025 Budget Summary. The Operating Budget is \$1.1B with \$307M in the General Fund and \$442M for capital infrastructure improvements. In addition, the 5-year CIP is planned for about \$1.5B. The Budget Stabilization Reserve is recommended to be left at \$54.4M, which is 18.5%, the recommended level of funding. The Uncertainty Reserve is recommended to remain at \$6.2M to help fund the \$11M gross deficit projected for 2026. It is recommended to add 29 full-time FTE to the budget with 16.5 in the General Fund. This includes 9 additional positions from the proposed budget: 3 firefighter positions to up-staff Fire Station 2, 5 positions for the Junior Museum and Zoo, and an associated program administrator for Sustainability and Climate Action Plan work in the Electric Fund. He presented the Finance Committee's recommended changes to the proposed budget of expenses and revenue sources for the General Fund.

Budget Manager Harper described additionally an oversight recently discovered in funding for the HSRAP program in 2025. Staff recommends an additional change of \$58K to be added to HSRAP and the Uncertainty Reserve being reduced to \$6.1M. In 2025, the sources match the expenses, so there is no additional impact. However, ongoing, there is a gap of about \$1.9M, part of the projected \$11M estimated deficit in 2026. He reviewed the Finance Committee's recommendations for changes to other funds. A list of staff work plan items for FY 2025 was highlighted. These items do not necessarily need funding at this time for budget adoption, but Staff will

SUMMARY MINUTES

continue to work on them through 2025 and return to Finance Committee and/or Council with updates and recommendations for funding as needed. Finally, he showed the draft motion for this item.

Council Member Lythcott-Haims questioned the two line items to review an alternative service approach for Palo Alto Link with reduced net costs. She clarified that JMZ would have a net loss, with revenue of \$350K and expenses of \$509K. Regarding the impact fees for multifamily units, she asked if a revision in the way this was calculated was going to be revisited in order for smaller dwellings to be fairly assessed.

Budget Manager Harper explained the direction was to come up with a net savings of \$400K for this Palo Alto Link. This action increases revenue in 2025 from Stanford in order to cover a portion of the cost and decreases expenses by \$177K in order to get to \$400K in savings. Staff was not confident those ongoing revenues could be sustained, so the ongoing plan is to reduce the expenses by \$340K and increase the revenue minimally by \$60K, netting out to the same amount of savings.

Director Lai noted there will be a net cost to continue to provide the high-quality service at the JMZ. She explained the impact fee item is scheduled to be reviewed by Finance Committee in late summer/early fall.

Council Member Kou asked if Fire Station 2 would have water using overtime dollars prior to the new employees coming on. In the Citywide Special Event Funding consolidation, she asked if the \$40K allocated for Third Thursday was ongoing or if the organization was expected to try to find funding to support those events in the future. She also why PATMA needed to increase to \$400K to maintain current service levels.

Geo Blackshire, Fire Chief, explained the plan is to starting staffing Engine 62 with overtime in the beginning of the fiscal year and then without overtime once the vacancies are filled.

Steve Guagliardo, Assistant to the City Manager, noted the \$40K was the funding request received from Third Thursday for this year. There would be annual conversations about the level of funding.

Philip Kamhi, Chief Transportation Official, explained that last year Council gave the TMA additional funding that amounted to approximately \$384K annualized, so \$400K is very similar to that amount on an annualized basis. He also noted the demand for TMA services has risen significantly throughout time and there is a need to keep up with the growth and returned demand.

SUMMARY MINUTES

Council Member Kou asked if there was any outreach to corporations to fund some of the TMA services.

Justine Burt, TMA Executive Director, explained most of the companies served were small shops, restaurants, and grocery stores. Stanford Mall does not have a TMA plan, and that will be discussed. She also mentioned outreach to the small businesses along the Caltrans project to switch parking spaces to bike lanes as well as to Channing House.

Council Member Tanaka noted the FY 2025 adopted budget shows revenue of \$287M and expenses of \$306M, a \$19M deficit, larger than it was in the depth of COVID. He questioned how this could be considered a balanced budget. He asked about the Fire Station 2 staffing levels, whether Stanford helps to pay for that, and if the staffing level affects insurance rates for businesses and homeowners in the area.

Director Lai noted that a balanced budget means using resources that are ongoing plus resources on hand.

Budget Manager Harper agreed that the difference was \$19.4M but noted that approximately \$12.7M of that was appropriated for funding needs in 2026. Taking that out, the actual difference is about \$6.7M, and the plan is to use \$6M from the Uncertainty Reserve and about \$0.7M from the Development Services Reserve.

Fire Chief Blackshire explained if the budget is adopted, Station 2 will be staffing a fire engine and an ambulance both full time, 24/7/365. He noted Stanford would pick up 19% of this budget, which offsets some of the costs to the City. The staffing level does not affect the insurance rates.

Council Member Burt gave more detail that when PATMA was formed, there was a hope that larger businesses would be contributors but they already had their own TDM programs. It is small businesses and low-income workers using the services. He described a VTA pilot program to provide 500 extremely discounted passes for low- and moderate-income workers at \$90 a pass instead of \$1000. He explained Third Thursday had been promoted as an economic event but was primarily a community special event rather than serving the already busy businesses there. He added there were a number of items Finance Committee did not put into the budget but planned to revisit at the midyear budget update.

PUBLIC COMMENT:

1. Herb B. believed the municipal fee schedule should show airport fees for such things as tie-downs, hangar space, and covered and

SUMMARY MINUTES

uncovered parking. He questioned if the agreement with Mountain View and Los Altos that whichever city has fire apparatus closest to a call for service would respond first depends on having Fire Station 4 staffed with an engine. He stated there has not been an accurate description of allocation of cost where the FTTP program and electric grid share labor and recalled that fiber would have been subsidizing electric. He also felt the City being responsible for connecting main network to main homes, even if done through a contractor, would require a 218 hearing on any fees.

2. Bill Ross, speaking on behalf of Ann B., Fred B., Annette R., and Ceci K., advocated for full fire staff funding for Station 4. He stated the City Manager has said on several occasions that staffing Station 4 would be extremely expensive but there has been no analysis that backs that up. The 2025 budget letter has an explanation of the funding for Station 2, and the same type of analysis should be done for equally staffing Station 4, analyzing what the Stanford and Measure K contributions would be. He noted the City's 201 ambulances have made money for 4 decades in almost every jurisdiction. He suggested an analysis of the costs between Insurance Service Office ratings. He felt the first concern in the budget should be public safety.
3. John K. stated it was unfortunate the issue of impact fees for small housing in Palo Alto has not come back to Council before now. He suggested Council decide to suspend imposition of the impact fees for smaller housing until something new is decided. If not, he wanted Finance Committee to consider that it is not just ADUs but apartments, townhomes, and SB9 units and also look at how revenue has been raised and used over the last couple years.
4. Nancy K. thanked Staff and Council for adding Eleanor Pardee Park as a priority to the bathrooms for 2025 planning and install in 2026. It is a desperately needed toilet for a high-usage park.
5. Eswar S. stated he has a plot at Eleanor Pardee Park and has been waiting for the restroom to be installed for a long time. He urged that it happen sooner than later.
6. Penny E. (Zoom) asked if the request to geofence the schools for Palo Alto Link during school commute times and not just school hours has been implemented. She felt this service encourages kids to call a car when they need to go somewhere, counter to what Palo Alto has been working on for 30 years, getting kids walking and biking to school.

SUMMARY MINUTES

Council Member Veenker explained there are certain line items that relate to Stanford University, and she recused herself for that portion of Council's discussion.

Council Member Kou asked if the fire services contract with Stanford was based on their population and renegotiated when it grows. She questioned whether VTA was going to give another year of funding for Palo Alto Link.

Fire Chief Blackshire explained the contract with Stanford typically had ongoing adjustments based on what is adopted in the budget, but there is no ongoing change in calculation based on population or services.

Ed Shikada, City Manager, believed the initial proportion of shares in the contract was based on number of calls. The current contract ends next year.

Chief Transportation Official Kamhi noted the discussion with VTA was about what criteria they would allow to apply for that. In general, Palo Alto Link would be looking for additional funding opportunities, not just VTA. The dollar amount in the budget is the amount necessary for General Fund dollars after using the available funding from TFCA Grant, Stanford Research Park, and fares.

Council Member Lythcott-Haims asked if the Palo Alto Link funding changes correspond with reduction in service and whether funding was sought during the budget process to expand to seven days a week.

Chief Transportation Official Kamhi noted the Palo Alto Link funding corresponds with a minor reduction in service, specifically geofencing schools during school commute times, otherwise maintaining current level of service. In May, efficiencies allowed expanded hours from 7 to 7. There were various different funding requests, but this represented a reduction back to a little bit lower than base levels.

MOTION: Council Member Lythcott-Haims moved, seconded by Vice Mayor Lauing, to approve the Stanford-related items of the FY 2025 Budget as outlined in Attachment C of the Staff Report.

MOTION PASSED: 5-1-1, Tanaka no, Veenker recused

Council Member Kou responded to the Finance Committee's questions about Ability Path funds. She reviewed the services they provide for children, adults, and families for the intellectually disabled community. They serve nearly 40 preschool children, looking to serve 50, with adult IDD programs to help proceed to independent living and service for traumatic brain injury and stroke. Mitchell Park Place affordable housing will have space for a

SUMMARY MINUTES

computer lab, art study, and multipurpose space for programs and services, but they need to start now on getting the funding in order to have it available when Mitchell Park Place opens. The funding is urgent to prepare for fundraising in October to show the City has invested and believes in those programs to help residents. She hoped to move it up from the midyear review.

Council Member Tanaka asked about the impact on the budget of lower impact fees for smaller units and ADUs. He suggested more people might build if the fees were lower. He questioned how Staff interacted with the Parking Assessment District members while creating the budget. He wanted to ensure Downtown was taken care of.

City Manager Shikada responded that decreasing the impact fees would decrease the revenues for the programs funded through those fees, like parks, community centers, libraries, etc.

Assistant to the City Manager Guagliardo explained he had conversations with various members of the former Parking Assessment District about what was included in the budget and what is included in the University Avenue Fund, which is funded by permit sales and funds cleaning and other activities in Downtown.

Council Member Tanaka felt there were a lot of valuable things to fund in the budget but that it was draining reserves. He wished there was more fiscal discipline. He believed some items on the budget, like the fire and emergency medical response, were worthy but that the massive gas rate increase from 9% to 12.5%, which is 3 to 4 times the rate of inflation, was insensitive to those in the City who are not doing well economically. The JMZ ticket price from \$10 to \$14 was a massive increase in fees. He did not agree with a lot of the budget and felt the shortfall could have been tightened up with better procurement and saying no on consent items.

Council Member Veenker noted that Ability Path was one of the issues the Finance Committee struggled with. Between now and midyear review, Staff is going to bring forward an item about the process for applying for city funds, which will in part add to the fiscal discipline Council Member Tanaka is looking for. The timing of that fit well with Ability Path; however, she was concerned about Ability Path looking for resources to launch their matching grant campaign. She felt \$1¼M was ambitious but asked if it was possible to do something like \$100K now and have them reapply for the balance at midyear. Addressing the impact fees, she questioned whether it was possible to retroactively refund FY 2025 fees in excess of the ultimate fee schedule from July 1 onward once the adjustments are made.

SUMMARY MINUTES

City Manager Shikada noted that retroactively refunding the impact fees was possible as a policy matter.

Vice Mayor Lauing explained the Planning Department is continuing to work on the housing element, which is what is holding up the issue of changing impact fees. He noted it was frustrating but that the issue would be addressed. He explained that there was about \$1M given for charitable causes but not a dollar was given to anyone who did not deserve it. He also stated the amount requested was close to what the City could afford. Because of that, he wanted to have the right process in place to prioritize requests and determine amounts. He looked forward to that process to take a more rational approach. He questioned how comfortable or not residents should feel regarding fire stations that do not have an engine or a medical ambulance. He further noted the emergency medical response study was too expensive and took too long to work into the '25 budget. He asked if that study should include another fire engine. Finally, he noted a recent visit to the children's zoo, which was packed, making him less concerned about the price increase at peak time because people cannot get in and are disappointed.

Fire Chief Blackshire explained the analysis used to decide how to deploy emergency response units, which are all deployed as a system. It is a predictive model using calls from the previous year to determine what units go where and what the response would look like on those same calls. He stated it was predictive and not completely accurate, but it was the best analysis to determine the level of service. He was confident this model was effective but also felt the community would be better served if there was another fire engine and ambulance in service. There were three models discussed in the budget hearing for the emergency medical response study: having a private or contract ambulance supplement the system, hiring an additional nine firefighters to staff the engine at Station 4, and using a single-role model, putting civilians on the ambulance and moving those firefighters to the fire engine. He thought it would be time well spent to look at all three models.

Council Member Burt explained that when the request from Ability Path came forward, the Finance Committee did not know much about it or have enough information to act on, even though it may be a good initiative. He also looked forward to adjusting impact fees and agreed that Planning Staff has been overwhelmed as a result of the attention and resources required for the housing element. He felt that as long as housing advocates in the community undermine that by opposing approval, Staff would not be able to implement that to the degree necessary.

SUMMARY MINUTES

Council Member Lythcott-Haims felt Ability Path was a worthwhile organization but agreed with Council Member Burt about wanting to clearly understand what the use is and if the scope has changed since the initial ask. She also wanted to be mindful of the fact they received \$100K this year from the Palo Alto Community Fund for a Dave Mitchell Impact Grant and that it was unclear to her if that was meant to leverage their ask. She believed if the impact fees were right-sized, it might actually increase revenue. She was delighted to see close to \$100K for youth mental health and an additional \$58K for HSRAP. She felt there was progress on fire with Fire Station 2 staffing being increased to full-time coverage rather than overtime, which costs more money. She was concerned about the impact of the JMZ rate on low-income families and asked how a subsidy for that would work.

Kristen O'Kane, Community Services Director, responded that the JMZ offers various discounts at the door. The consultants had pointed out that if \$14 is a barrier to entry, likely \$10 is a barrier to entry, so she wanted to work on ways to provide more access outside of the daily ticket fee, for example free memberships so someone does not have to show proof of low income every time they come in.

Council Member Kou clarified that Ability Path had more than one facility was looking for a \$250K matching grant to fundraise and increase for this particular facility in Palo Alto. She hoped there was support tonight for moving it forward for the beginning of the year but otherwise looked forward to it coming back midyear. She felt that both TMA and Third Thursday had been redefined to require more contribution from the City and wanted more transparency about these kind of changes in the future.

Council Member Veenker liked the discussion around low-income memberships for the JMZ. She hoped to be able to expedite Ability Path's request when the process comes back to Council and is established.

MOTION: Council Member Veenker moved, seconded by Mayor Stone, to:

1. Adopt the Fiscal Year 2025 Budget Ordinance (Attachment A), which includes:
 - a. City Manager's Fiscal Year 2025 Proposed Operating and Capital Budgets, previously distributed at the May 6 City Council Meeting (Attachment A, Exhibit 1)
 - i. Amend the Fiscal Year 2025 Budget Appropriation for the General Fund (requires a 2/3 vote) by:

SUMMARY MINUTES

- A. Increasing expense appropriation for Human Services Resource Allocation Process (HSRAP) in the Community Services Department in the amount of \$58,000; and
- B. Decreasing the Uncertainty Reserve by \$58,000.
- b. Amendments to the City Manager's Fiscal Year 2025 Proposed Operating Budget (Attachment A, Exhibit 2)
- c. Amendments to the City Manager's Fiscal Year 2025 Proposed Capital Budget (Attachment A, Exhibit 3)
- d. Fiscal Year 2025 City Table of Organization (Attachment A, Exhibit 4); and
- e. Fiscal Year 2025 Municipal Fee Changes (Attachment A, Exhibit 5) including Impact and In-Lieu Fees (Exhibit 6)
- 2. Accept the Fiscal Year 2025 – 2029 Capital Improvement Plan
- 3. Adopt a Resolution determining the Appropriations Limit for Fiscal Year 2025 (Attachment B)
- 4. Accept the June 30, 2023 biennial actuarial valuation of Palo Alto's Retiree Healthcare Plan and approve funding of the Actuarial Determined Calculation (ADC) for Fiscal Year 2025 and Fiscal Year 2026 with a two-year phase-in of the adjusted assumptions using the staff recommended funding level of \$19.4 million and affirm the continued practice of transmitting amounts at a lower 5.75 percent discount rate as an additional discretionary payment to the City's California Employers' Retiree Benefit Trust (CERBT) Fund (Attachment D)

Mayor Stone thought this budget did a good job at balancing the diverse needs within the community and especially appreciated funding for mental health.

MOTION: Vice Mayor Lauing moved, seconded by Mayor Stone, to call the question.

MOTION PASSED: 6-1, Tanaka no

MOTION PASSED: 6-1, Tanaka no

SUMMARY MINUTES

29. PUBLIC HEARING & PROPOSITION 218 HEARING: Finance Committee Recommends Adoption of Six Resolutions: 1) Approving the Fiscal Year 2025 Wastewater Collection Utility Financial Plan, Including Approval of a Short-Term Loan From the Fiber Optics Fund Reserve to the Wastewater Collection Fund Operations Reserve for Fiscal Year 2024, and Amending Wastewater Collection Rate Schedules S-1, S-2, S-6 and S-7; 2) Approving the Fiscal Year 2025 Water Utility Financial Plan, and Amending Water Rate Schedules W-1, W-2, W-3, W-4, and W-7; 3) Approving the Fiscal Year 2025 Gas Utility Financial Plan, and Amending Gas Rate Schedules G-1, G-2, G-3 and G-10; 4) Approving the Fiscal Year 2025 Electric Utility Financial Plan and Accepting the 2024 City of Palo Alto Electric Cost of Service and Rate Study, and Amending Electric Rate Schedules E-1, E-2, E-4, E-4 TOU, E-7, E-7 TOU, E-14, E-EEC-1, E-NSE-1, E-2-G, E-4-G and E-7-G; 5) Amending Utility Rate Schedules EDF-1 and EDF-2 to Increase Dark Fiber Rates 2.6 Percent; 6) Amending Utility Rate Schedule D-1 Increasing the Storm Water Management Fee by 2.6 Percent per Month per Equivalent Residential Unit for FY 2025; CEQA Status: Not a project under CEQA Guidelines Sections 15378(b)(4) and (5) and Exempt Under Section 15273(a)

Lisa Bilir, Senior Resources Planner, presented a table of the average rate increase projections, with a total proposed increase of 9%, which is \$34.50 for each average residential customer. This was proposed to and unanimously approved by the Utilities Advisory Commission in March. The Finance Committee made some changes in April, which are reflected in the proposal: to lower the proposed Water increase to 9.5% for the average residential customer and to increase the General Fund transfer amount for the Gas Fund from 11.9% to 14.5%. For Wastewater Collection, Staff recommends a 15% rate increase, or \$7.29, and a short-term loan from the Fiber Optics Fund, not to exceed \$3M and to be repaid in FY 26. At current rates, Palo Alto is 26% below the comparison city average, and at the proposed rate, Palo Alto will remain 14% below the comparison city average. Staff recommends a 9.5% Water rate increase. Rate increases of 9% will continue through 2029 to replenish reserves to within guideline ranges. For the Gas Utility, the proposal is for a 12.5% overall impact on the average residential customer.

Micah Babbitt, Senior Resources Planner, explained that a Cost of Service Analysis highlighted the need to make interclass adjustments to ensure each customer class is being charged their cost to serve them. This resulted in a range of rate and bill impacts. Overall the median residential customer will see a 9% increase, \$7 a month.

SUMMARY MINUTES

Molly Stump, City Attorney, explained how the Proposition 218 meeting would be conducted. If the majority of the affected Water and Wastewater Collection customers have filed signed written protests against either or both of the proposed rate increases, they will not be imposed. Otherwise the City Council may proceed to adopt the proposed Water and Wastewater Collection rates by resolution by majority vote.

PUBLIC COMMENT:

1. Wendy M. stated that California is out of a state of drought and the largest reservoirs are more than 100% compared to normal levels. She was therefore surprised the rate would increase. She hoped the City was looking into federal funding for utilities where possible.
2. Mary B. (Zoom) agreed with the previous commenter in the expectation that the rates would reduce. She wondered how Palo Alto would sustain long-term residents if the rates continue to go up. The 9% increase seemed excessive and she asked to consider a much lower increase in the range of 2% to 3%.
3. Peter D. (Zoom), speaking as a ratepayer and as policy director for the Tuolumne River Trust, discussed the skyrocketing water rates and gave some history on this. SFPUC states the alternative to the Bay Delta Plan is to invest in alternative water supplies, which would double the budget and double Palo Alto's rates. He proposed the City of Palo Alto and Utilities Advisory Commission host a workshop on the alternative water supply plan.

Mayor Stone announced that it was the last opportunity to submit written protest on the Water and Wastewater Collection rates and to do so now. The Public Hearing was closed. Written protests on Water and Wastewater Collection rates were counted. There are 20,533 Water customers subject to the rate changes, meaning 10,267 protests were needed for a majority. There are 22,499 Wastewater Collection customers subject to rate changes, meaning 11,250 protests are needed for a majority.

Mahealani Ah Yun, City Clerk, noted the written protests against the proposed Water rate change were 11 in total. She announced there were 11 total written protests against the proposed Wastewater Collection rate change.

Mayor Stone stated there was not a majority of written protests and the Council would adopt a resolution considering a Water rate and Wastewater Collection rate increase.

SUMMARY MINUTES

Council Member Burt stated there was a multiyear period with essentially no increase during the pandemic hardship. He asked if there were other elements contributing to the current increase. He questioned the comparison of Electric rates for other cities and PG&E.

Senior Resources Planner Bilir explained the funds in the Rate Stabilization Reserve and Operations Reserve have been used to minimize the rate increases needed. This plan utilizes all of the remaining \$6M in the RSR over the next three years. The main reasons for rate increase this year are less revenue due to the draught and construction cost inflation leading to higher capital budget costs for the same infrastructure needs.

Dean Batchelor, Utilities Director, further explained that utility inflation rate is almost 11%.

Senior Resources Planner Babbitt recalled the latest number for PG&E was a 14% increase with some nuance around that. He also presented a slide of Electric bill comparison by usage levels for current and proposed rates versus PG&E rates.

Council Member Burt felt it was a striking difference, with the City's Electricity rates around half of PG&E's.

Council Member Veenker discussed the Finance Committee's discussion about the rates and supported this proposal.

Council Member Tanaka believed a reason for the increase was also the high amount going from Utilities to the General Fund every year and wanted more detail about the total counting the utility tax, transfers, and rent. He was interested in how much of the rate increase was due to the commodity and how much was flowing to the General Fund, which could be controlled.

There was detailed discussion about this.

Council Member Tanaka determined approximately \$54M was transferred to the General Fund per year. He understood rate increases for commodity costs or construction costs but felt it was disingenuous to ratepayers when it was also due to these transfers. He did not support the rate increases and wanted to see a chart breaking down what is commodity versus General Fund, for transparency.

There was discussion about the remaining agenda. It was decided to defer Item 31 to the next day, taking public testimony both at this meeting and at 4 p.m. the next day.

SUMMARY MINUTES

Council Member Burt clarified that the discretionary transfers are not in proportion to the rate increases but are lower. He explained the utility users tax was a voter-approved tax that the Council had no decision-making authority over. He also stated the discretionary transfers fund the strong police and fire, community services, parks, libraries, and roads. The City owns the utilities and transfer in the ballpark of what PG&E is allowed to have in profit, and the commercial users pay for the bulk of it.

MOTION: Vice Mayor Lauing moved, seconded by Council Member Burt, to adopt the following:

1. For the Wastewater Collection Utility, a Resolution (Attachment A):
 - a. Approving the Wastewater Collection Utility Financial Plan for Fiscal Year (FY) 2025, including approval of a short-term loan from the Fiber Optics Fund Reserve to the Wastewater Collection Fund Operations Reserve not to exceed \$3,000,000 for FY 2024; Amend the Fiscal Year 2024 Budget Appropriation Ordinance: In the Wastewater Collection Fund:
 - i. Increase the Transfer In from the Fiber Optics Fund by \$3.0 million
 - ii. Increase the Ending Fund Balance by \$3.0 million; and
 - b. Amending the following Wastewater Collection Utility Rate Schedules to reflect increases effective July 1, 2024 (FY 2025):
 - i. S-1 (Residential Wastewater Collection and Disposal),
 - ii. S-2 (Commercial Wastewater Collection and Disposal),
 - iii. S-6 (Restaurant Wastewater Collection and Disposal), and
 - iv. S-7 (Commercial Wastewater Collection and Disposal – Industrial Discharger);
2. For the Water Utility, a Resolution (Attachment B):
 - a. Approving the FY 2025 Water Utility Financial Plan; and
 - b. Amending the following Water Rate Schedules to reflect increases effective July 1, 2024 (FY 2025):
 - i. W-1 (General Residential Water service),
 - ii. W-2 (Water Service from Fire Hydrants),
 - iii. W- 3 (Fire Service Connections),
 - iv. W-4 (Residential Master-Metered and General Non-Residential Water Service), and
 - v. W-7 (Non-Residential Irrigation Water Service);
3. For the Gas Utility, a Resolution (Attachment C):
 - a. Approving the Gas Utility Financial Plan FY 2025, which includes amending the Gas Utility Reserve Management Practices; and
 - b. Amending Gas Utility Rate Schedules FY 2025 to reflect increases effective July 1, 2024 (FY 2025):

SUMMARY MINUTES

- i. G-1 Residential Gas Service,
 - ii. G-2 Residential Master-Metered and Commercial Gas Service,
 - iii. G-3 Large Commercial Gas Service, and G-10 Compressed Natural Gas Service); and
 - c. Transferring up to 14.5% of gas utility gross revenues received during FY 2023 to the General Fund in FY 2025.
- 4. For the Electric Utility, a Resolution (Attachment D):
 - a. Accepting the 2024 City of Palo Alto Electric Cost of Service and Rate Study;
 - b. Approving the Electric Utility Financial Plan FY 2025, which includes the following actions:
 - i. Amending the Electric Utility Reserves Management Practices, to direct staff to transfer to the CIP reserve, at the end of each fiscal year, any budgeted capital investment that remains unspent, uncommitted, and which is not proposed for reappropriation to the following fiscal year and to clarify how the Cap and Trade Program Reserve is adjusted each year.
 - ii. Approving the following transfers at the end of FY 2024:
 - 1. Up to \$20 million from the Electric Special Projects Reserve to the Supply Operations Reserve;
 - 2. Up to \$17 million from the Supply Operations Reserve to the Hydroelectric Stabilization Reserve;
 - 3. Up to \$58 million from the Supply Operations Reserve to the Distribution Operations Reserve; and
 - iii. Approving the following transfers in FY 2025:
 - 1. Up to \$26 million from the Distribution Operations Reserve to the Supply Operations Reserve;
 - 2. Up to \$30 million from the Supply Operations Reserve to the Electric Special Projects Reserve; and
 - 3. Up to \$5 million from the Distribution Operations Reserve to the CIP Reserve;
 - c. Amending the following Electric Utility Rate Schedules effective July 1, 2024 (FY 2025):
 - i. E-1 (Residential Electric Service), E-2 (Small Non-Residential Electric Service), E-4 (Medium Non-Residential Electric Service), E-4 TOU (Medium Non-Residential Time of Use Electric Service), E-7 (Large Non-Residential Electric Service), E-7 TOU (Large Non-Residential Time of Use Electric Service) and E-14 (Street Lights), each by varying percentages depending on rate schedule and consumption with an overall revenue increase of 0.5% effective July 1, 2024;

SUMMARY MINUTES

- ii. Decreasing the Net Surplus Electricity Compensation (E-NSE-1) rate to reflect 2023 avoided cost, effective July 1, 2024; and
 - iii. Decreasing the Export Electricity Compensation (E-EEC-1) rate to reflect current projections of FY 2025 avoided cost, effective July 1, 2024;
 - iv. Updating the Residential Master-Metered and Small Non-Residential Green Power Electric Service (E-2-G), the Medium Non-Residential Green Power Electric Service (E-4-G), and the Large Non-Residential Green Power Electric Service (E 7 G) rate schedules to reflect modified distribution and commodity components, effective July 1, 2024.
5. A Resolution (Attachment E) Amend the Fiscal Year 2024 Budget Appropriation Ordinance: In the Fiber Optics Fund:
- i. Increase the Transfer Out to the Wastewater Collection Fund by 3.0 million
 - ii. Decrease the Ending Fund Balance by \$3.0 million; and amending Fiber Optic Utility Rate Schedules EDF-1 and EDF-2 to increase Dark Fiber Rates 2.6 percent effective July 1, 2024, consistent with the applicable Consumer Price Index;
6. A Resolution (Attachment F) amending Storm Water Management Fee Rate Schedule D-1 to increase the Storm Water Management Fee by 2.6 percent effective July 1, 2024, consistent with the applicable Consumer Price Index.

Council Member Lauing explained this has been well vetted by the UAC and Finance Committee.

Council Member Kou asked why the Water utility is continued at 9% in the out years. She questioned if the commodity rates for all utilities are fair and comparable. She was interested in an alternative water supply plan workshop.

Senior Resource Planner Bilir explained the Finance Committee was interested in making sure the increase was not too great in any one year, so the distribution rate increase was designed to balance out with the commodity rate increases. For the Water utility, the City pays the same rate that all the wholesale customers pay per unit of water.

Council Member Tanaka proposed a friendly amendment to do a full comparison of utility bills, including all line items, against other cities and

SUMMARY MINUTES

also have a breakdown of how much of the rate is commodity and how much is General Fund transfer.

Vice Mayor Lauing did not accept the friendly amendment and suggested referring to UAC.

MOTION PASSED: 6-1, Tanaka no

30. Approve Retention of the Current Western Area Power Administration (WAPA) Hydroelectricity Base Resource Contract Allocation From 2025-2030; CEQA Status: Not a Project.

Lena Perkins, Senior Resource Planner, explained the City's current contract for hydro power from the Central Valley Project will expire at the end of Calendar Year 2024. The surplus hydro power purchased is called Base Resource Hydroelectricity, and of this entire project, Palo Alto Utilities receives about 12%. If the Council chooses, up to 98% of that allocation can be extended for the next 5 years and potentially beyond. Council already preliminarily approved this when the contract was signed 4 years ago, but the last chance to exit this is June 30 of this year. There is a flat fee every year no matter how much electricity the City gets, and that flat fee has been going down in relative terms due to working with WAPA and the Bureau of Reclamation to optimize the value. She presented a conservative analysis of the valuation estimate with WAPA contract extension through 2030. Staff recommended following the UAC's recommendation that the City keep the full share of its allocated hydroelectric resource under the current contract.

MOTION: Council Member Burt moved, seconded by Council Member Veenker, to keep the City of Palo Alto's full share of its allocated hydroelectric resource under the current hydroelectricity supply contract, the 2025 Base Resource Contract from Sierra Nevada Region of the Western Area Power Administration (2025 WAPA Contract), as approved by Council in February of 2021 ([Staff Report #116791](#)).

Note: No action from City Council is required to remain in the contract at the current resource allocation percentage (12.06299%). Staff will revisit project financial impact in 2029 and make a recommendation for the period of 2030 through 2034. The decision to reduce the contract allocation or terminate the contract will be revisited every five years until the last termination opportunity in 2049.

Council Member Burt felt this was a good deal and the City was fortunate to have it. It remains a challenge to have strong low-cost baseline power with

SUMMARY MINUTES

variable solar and wind, which are declining in cost but not available all day long.

Council Member Veenker was grateful for the analysis and agreed this was a great deal. She noted the cost of service study resulting in awareness of previous overpayment by the City which is being returned by WAPA through 2030 but will not be reimbursed if the City exits the contract in 2025. She asked for explanation.

Senior Resource Planner Perkins agreed it seemed wrong and explained WAPA's reasoning for this and that they have tried to return most of the money by 2025.

Council Member Tanaka asked if there was a chart showing the unit cost difference between this power and solar or natural gas. He asked about the seasonal mismatch with hydroelectricity and how it matches up to the City's needs. He asked if there are derivatives to mitigate uncertainty.

Senior Resource Planner Perkins presented a chart showing WAPA at \$31/Mwh and market power \$57/Mwh. She stated it has become more of an hourly mismatch than a seasonal mismatch problem and this was built into the model. The flexibility and carbon-free support of the electrical system and value of this product outweighs the seasonal and other mismatches in any model. She stated there are no derivatives. The City self insures with the Hydroelectric Reserve Fund triggered in the drought because it is cheaper but is looking to diversity the overall portfolio to lower exposure to hydroelectric cycles.

MOTION PASSED: 7-0

31. Discussion Regarding Caltrans' Repaving Project on El Camino Real Replacing Existing Parking with Bicycle Lanes, Authority for Staff to Make Adjustments to the Residential Preferential Parking Permit Programs and Return to Council on Consent if Needed, Authority for Staff to Enter into Agreements As Needed to Provide Temporary Safe Parking Along the Corridor in Palo Alto, and Approval of a Resolution Supporting the Removal of On-Street Parking for this Project; CEQA status – categorically exempt.

Item continued to June 18, 2024, Special City Council Meeting.

PUBLIC COMMENT:

SUMMARY MINUTES

1. Terry H. strongly believed there was a lack of common sense of putting bike riders within inches of vehicles on El Camino Real going up to 50 miles an hour. He asked Council to consider how they would feel if someone got into a major accident in that bike lane.
2. Paul M. stated it would be cheaper, safer, and faster to extend the bike lane beyond Paly along the tracks all the way to San Jose than the project on El Camino. Taking parking off El Camino would negatively affect the businesses in the area, and he asked Council not to support this.
3. Richard H. speaking on behalf of Chamber of Commerce, was concerned with the proposal to removing parking on El Camino. He asked that if Council supports this decision, they also take the following actions: evaluate opportunities for businesses along El Camino Real to purchase parking passes in adjacent RPP districts; explore opportunities for businesses along El Camino Real to gain additional opportunities within the Palo Alto TMA, including the possibility of free or reduced transit passes for employees; and add short-term parking spaces to perpendicular side streets that intersect with El Camino in areas of existing retail.
4. Gregg F., owner of The Bike Connection and Cardinal Bike Shop, stated Palo Altans care more about parking than about bike lanes. This will push employee parking into neighborhoods and push businesses to other cities and will not make it safer.
5. Keri W. (Zoom), President of Palo Alto Council of PTAs, stated the PTA Council Executive Board has voted to support the staff report, specifically the no-right-turn-on-red restrictions recommended by City Staff and Caltrans.

ADJOURNMENT: The meeting was adjourned at 11:18 P.M.