



CITY OF PALO ALTO CITY COUNCIL FINAL MINUTES

Regular Meeting
April 6, 2020

The City Council of the City of Palo Alto met on this date by virtual teleconference at 6:05 P.M.

Participating Remotely: Cormack, DuBois, Filseth, Fine, Kniss, Kou, Tanaka

Absent:

Mayor Fine reported the authority for a virtual meeting and the process for participation in the meeting.

Special Action Item

1. Update and Discussion of the COVID-19 Health Emergency and the City's Response.

Ed Shikada, City Manager reported Staff continued their regular roles and had taken on additional roles in response to the public health emergency. Essential services and the safety of the City's workforce were the organization's highest priority. Staff was maintaining close communication with partners regarding plans and protocols for impact scenarios.

Ken Dueker, Chief of Emergency Operations advised that all cities in the Bay Area had activated their Emergency Operations Centers (EOC) to share information and coordinate activities. He summarized the organizational structure of emergency services. The Office of Emergency Services' (OES) three primary objectives were to maintain constant situational awareness, efficiently muster all City resources and to foster recovery.

Mr. Shikada clarified that the emergency services organizational structure operated parallel to the traditional organizational structure. The second structure was critical to effectively managing the organization through a state of emergency and to position the City to seek financial relief.

Meghan Horrigan-Taylor, Public Information Officer indicated the City continued to partner with the County of Santa Clara (County) and had activated the Citizen Corps Council, Emergency Services Volunteers, and a community support call center. Communications included daily e-newsletters, printed postcards, newspaper advertising and dedicated webpages.

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Rumi Portillo, Director of Human Resources related that on March 17, 2020, approximately 400 employees began working remotely while approximately 600 employees continued to report to work. In order to retain employees and to minimize disruption to the workplace, the City Manager provided Paid Administrative Leave for employees unable to work. Employees affected by the closure of schools and daycares and their spouses' work responsibilities. Effective April 1, 2020 the Families First Coronavirus Response Act (FFCRA) provided partial pay for employees affected by the coronavirus or unable to work because of the lack of childcare. Employees with no work were going to utilize their paid leave banks and then move to a furlough status. Health coverage was not provided to employees on furlough status. An extension of Paid Administrative Leave or benefits required Council action. Staff was providing notices to bargaining groups and complying with statutory requirements. Cities across the State were addressing personnel issues with strategies ranging from full Paid Administrative Leave to layoffs. Workers' Compensation Insurance covered illness but not exposure to Coronavirus. To minimize the number of personnel reporting to worksites and working in the field, the scope of work was reduced. Consequently, workers maintained their status and benefits through paid leave and work. Nonessential employees and employee positions not suited to telework were not going to be paid unless a new policy or practice was implemented. Under an emergency situation, employees were able to be reassigned to a different department or type of work such that they would continue to be paid. Employees were able to supplement funds provided by the FFCRA with paid leave to earn full pay. Beginning April 11, 2020 some employees were going to have reduced or no hours and were going to have a change of status.

Kiely Nose, Chief Financial Officer and Director of Administrative Services stated Staff had bifurcated the financial implications of the crisis into categories of emergency response in Fiscal Year (FY) 2020 and recovery in FY 2021 and beyond. Staff estimated the financial impact in FY 2020 was going to be \$15 million to \$20 million in the General Fund due to reductions in Sales Tax, Transient Occupancy Tax (TOT) and programming revenues. A hiring freeze was instituted, and contractual expenses was reduced. Financial impacts in FY 2021 depended upon many factors and were essentially unknown. The mid-year Budget analysis included a Budget Stabilization Reserve (BSR) Fund balance of \$44.5 million, which exceeded the target level of \$18.5 million.

Kristen O'Kane, Director of Community Services reported Staff were meeting twice weekly with community-based organizations to understand the range of services provided to vulnerable residents and to identify the organizations' additional needs. LifeMoves had reported a drastic increase in calls for assistance with rent and utility bills. As of Friday, LifeMoves had \$20,000 in

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funding for rental assistance. The City was going to receive approximately \$300,000 in Community Development Block Grant (CDBG) funding to prevent, prepare for and respond to the Coronavirus. Staff was searching for additional State and Federal funding sources.

Michelle Flaherty, Deputy City Manager advised that one of the City's most important roles was information and referral for the business community as most assistance was provided by the Federal and State governments. The City had committed resources to promoting local businesses; they met with the Citizen Corps Council to identify business needs which led to suspending parking enforcement and Business Registry Fees. The Police Department increased patrols in business districts to discourage looting of businesses. The Utilities Department suspended shutoffs and extended payment plans to commercial customers. The Planning Department implemented an online process for developers to submit applications prior to implementation of the 2020 Reach Code. In addition, Staff was developing an online process for all applications. Staff deferred rents for long-term Cubberley leases.

Mr. Shikada summarized Staff's extraordinary efforts to respond to the emergency and communicate with the community and next steps.

Mayor Fine noted the City's response moved from Phase 1 to Phase 2, which included strategic actions. He asked Council Members to focus on the emergency response and public health, the workforce, the FY 2021 Budget and businesses and nonprofits.

Council Member Cormack believed City communications were exemplary and reached unbelievable numbers of people. Efforts to support the business community had been prompt and comprehensive. She inquired whether construction of the Highway 101 Bike Bridge was still underway.

Mr. Shikada indicated construction had stopped.

Council Member Cormack inquired about additional funding for Hotel de Zink and Heart and Home.

Ms. O'Kane advised that Heart and Home was extending its seasonal shelter for one month at a cost of \$20,000 to \$25,000. Heart and Home applied for an Emerging Needs Grant and was fundraising. The Opportunity Center did not provide an amount for continued operation of Hotel de Zink but applied for an Emerging Needs Grant.

Council Member Cormack asked if knowledge of the current Budget Stabilization Reserve (BSR) Fund balance was helpful.

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Ms. Nose indicated the current BSR balance was essentially \$44.5 million, which did not include the projected \$15 million to \$20 million gap.

Council Member Cormack asked if Options A and B were exclusive and if Option A was more generous.

Ms. Portillo reported Option A was more generous because all employees were whole. In Option B, some employees had to use leave balances.

Council Member Cormack inquired about the well-being of essential employees.

Mr. Dueker related that essential workers were doing well even though a few had possibly been exposed.

Robert Jonsen, Police Chief stated Police Officers were healthy and had responded to approximately 1,200 directed patrols.

Geo Blackshire, Fire Chief indicated the morale in the Fire Department was good, and personnel was confident and prepared.

Vice Mayor DuBois asked if testing was available for Police and Fire Staff and if any individuals were being tested weekly.

Mr. Shikada reported testing was limited to symptomatic individuals. Weekly testing was not part of the protocol. Testing was obtained as needed.

Vice Mayor DuBois inquired regarding testing capacity in Palo Alto.

Mr. Shikada advised that testing in Santa Clara County was not focused on the public in general. Local medical providers tested first responders suspected of exposure.

Vice Mayor DuBois asked if the City had sufficient protective equipment and if the public was able to donate funds for protective equipment.

Mr. Shikada indicated day-to-day needs were being met, but there were shortages. The Chinese American Community donated masks to the Fire Department. The community donated funds for protective equipment.

Vice Mayor DuBois suggested the website include a donation link.

Mr. Dueker reported there were no unmet needs.

Mr. Blackshire indicated the Palo Alto Unified School District (PAUSD) had donated 3,000 disposable gloves, and Palo Alto's Sister City in China had

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donated 2,000 surgical masks. While the donated equipment was not medical grade, Fire personnel used the donations for non-medical tasks and reserved medical-grade equipment for medical tasks.

Vice Mayor DuBois asked if employees had to utilize all their leave, including vacation, before going to a non-paid status.

Mr. Shikada advised that employees had to utilize all forms of leave.

Vice Mayor DuBois requested a report of the number of employees in each department that were able to work remotely.

Mr. Shikada explained that there was not a discrete difference between employees working full-time and employees working their usual jobs. The number of employees working COVID varied by department and by week.

Ms. Portillo advised that during a recent pay period approximately 130 full-time employees used some portion of Paid Administrative Leave. Because of the extension of the Shelter in Place Order (SIP), department directors were reviewing available services and staffing. Employees from two departments were redeployed and trained for the community support call center. At the current time, work was available for all employees.

Vice Mayor DuBois asked Staff to clarify the differences between a layoff and a furlough.

Ms. Portillo explained that unemployment benefits had been expanded twice recently. Union contracts and merit rules contained provisions for layoffs, and Staff had to comply with a lengthy process to lay off employees. A process for furloughs had to be determined. Under a furlough, an employee was off work without pay and was able to return to work when needed.

Vice Mayor DuBois inquired regarding the effect of the emergency on contract provisions.

Ms. Portillo clarified that in an emergency the City notified unions of business decisions, and the unions engaged with the City about their concerns. The City was able to proceed with their decisions. In a non-emergency situation, the City and unions had to meet and confer and reach an understanding prior to the City implementing their decisions.

Vice Mayor DuBois inquired about adjustments to health insurance coverage because of the emergency.

Ms. Portillo related that Staff did not receive any notifications about changes to health plans or premiums. The Federal government focused on leave

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policies. The City contracted with the California Public Employees' Retirement System (CalPERS) for health benefits.

Council Member Filseth asked if Staff sought Council direction about workforce leave issues.

Mr. Shikada answered yes. Council direction helped Staff define the issues and present information to the Council.

Molly Stump, City Attorney reported some detail was necessary for Staff to prepare a description of the item and potential Action for the Agenda.

Mr. Shikada added that the end of the pay period was near, and Staff needed to provide guidance for employees.

MOTION: Council Member Filseth moved, seconded by Council Member Kniss to agendize the discussion about workforce leave policy for April 13, 2020.

Council Member Filseth preferred employees not utilize their sick leave. Employees across the City were going to be impacted by the pandemic. Generally, all employees needed to share the impacts.

Mayor Fine noted Administrative Leave was going to expire on Friday and asked if there were gaps caused by the Council discussing the issue on Monday.

Ms. Portillo commented that each day increased employees' anxiety and impacted their families. The loss of income and health benefits was a concern for the workforce.

Ms. Nose added that a Council decision on Monday could be applied to payroll for the pay period ending April 10, 2020 if the Council's direction was not overly complex.

Council Member Filseth asked if Council direction to proceed with Option A for the current pay period only and to discuss options for subsequent pay periods was helpful.

Mr. Shikada felt that would provide some certainty for the workforce.

Ms. Portillo asked if the Council discussion about subsequent pay periods would occur the following week for the next pay period or through the Shelter-in-Place Order.

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Ms. Stump replied no. On April 13, 2020 the Council was going to discuss whether to extend the Administrative Leave for that pay period and give direction about what was going to happen after that.

Ms. Portillo asked if Staff could process payroll with those conditions.

Ms. Nose answered yes.

Council Member Kniss asked if Council Member Filseth was determined to delay for two weeks as she was comfortable supporting Option A in the current meeting.

Council Member Filseth believed Option A would be feasible if the emergency extended for only a month or two. If the emergency extended for several months, the Council needed to discuss the issues.

Council Member Kniss suggested the Council was able to implement Option A through June 30, 2020. If necessary, it was able to be discussed further in the Budget process. Unless there was an extraordinary difference in the cost, Option A through the end of June, 2020 was the logical choice.

Council Member Filseth inquired regarding the total payroll per month for General Fund employees.

Mr. Shikada noted the variation based upon options was a small fraction of the total.

Ms. Nose estimated monthly payroll at \$6 million.

Council Member Filseth calculated a 10 percent change at \$600,000. He concurred with amending the Motion.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "Extend the paid administrative leave to cover COVID-related loss of hours (Option A) until the end of June 2020." (New Part A)

Council Member Kou agreed with providing some direction to alleviate employee anxiety and to allow Staff to process payroll. She requested the end date of the pay period beginning April 11, 2020.

Ms. Nose replied April 24, 2020.

Council Member Kou asked if June 30, 2020 was going to fall in the middle of a pay period.

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Ms. Nose answered yes.

Council Member Kou asked if the Motion should specify the end of June, 2020 or the end of a pay period.

Ms. Nose indicated Staff could return with a recommendation on April 13, 2020.

Mr. Shikada added that the item could be placed on the April 13, 2020 Consent Calendar depending on the Council action during the current meeting.

Ms. Stump clarified that if the Council approved the Motion, the direction would return on the April 13, 2020 Consent Calendar. The Budget process was able to include discussion of the topic for the upcoming Fiscal Year.

Vice Mayor DuBois understood the intent was to implement Option A through June 30, 2020 and on April 13, 2020 the Council was going to discuss the option in more detail for pay periods after June 30, 2020.

Council Member Filseth indicated discussion of options in the Budget process was logical.

Vice Mayor DuBois asked if the Council choose Option A, would Staff not reassign employees who could be reassigned.

Mr. Shikada reported employees would be reassigned depending on needs rather than placed on Administrative Leave.

Vice Mayor DuBois asked if employees would be placed on Paid Administrative Leave rather than directed to apply for FFCRA assistance.

Mr. Shikada responded yes.

Vice Mayor DuBois asked if FFCRA funds could be leveraged.

Mr. Shikada advised that Staff attempts to leverage FFCRA funds as guidance became clearer. The FFCRA was quite complex, and Staff was not confident in the use of that funding.

Ms. Stump clarified that the FFCRA was not a pool of funds. It was a set of rights that organizations had to pay for.

Vice Mayor DuBois preferred the topic return to the Council prior to the Budget review as the Budget process was very complicated.

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Council Member Filseth restated the Motion as selection of Option A through the end of the Fiscal Year.

Council Member Kniss concurred.

Council Member Filseth requested the City Manager comment regarding a Council discussion of the issue prior to the Budget process.

Mr. Shikada reported in the emergency period, the Motion allowed Staff to continue essential services. Strategies to reduce costs was one component of a discussion about reducing services. Staff was essentially working two jobs, which constrained their thoughtful analyses of issues. Staff had to conduct those analyses in May, 2020 in order to support the Council's review of the Budget in June, 2020.

Council Member Filseth added that an understanding of the financial impacts might be clearer in mid-May, 2020. Therefore, a policy discussion in April, 2020 was going to have limited value. He was inclined to include a discussion in the Budget process.

Council Member Kniss preferred not to schedule a separate discussion.

Council Member Cormack concurred with Council Member Kniss' comments. The Council had many topics to discuss in the next few weeks.

Council Member Tanaka requested the cost differential between Options A and B.

Council Member Filseth estimated the difference at several hundred thousand dollars.

Council Member Tanaka asked if the estimated \$15 million to \$20 million shortfall was going to be covered by the BSR Fund.

Mr. Shikada clarified that the shortfall would exist regardless of a Council decision about the leave policy. The variation among the options was a small percentage.

Council Member Tanaka asked if Options A and B were roughly the same.

Mr. Shikada added that unknown variables would ultimately define the costs of each option. The alternatives reflected how the workforce needed to use their leave and the leave provided by the City.

Council Member Tanaka commented regarding the severe impacts to businesses and residents. He preferred to have a Council discussion of the

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leave options the following week so that the Council was able to understand the tradeoffs. The demand for City services was increasing while the Budget was decreasing. The Council needed to understand the options prior to choosing one. He proposed the item return on the Council's Consent Calendar.

Council Member Filseth indicated the Council could not discuss an item on the Consent Calendar.

Council Member Tanaka wanted Staff to provide the Council with some cost estimates for the options. The item was able to be scheduled on the Consent Calendar.

Mr. Shikada reported Staff could provide an estimate for Option A but probably not a variation to go to Option B.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "Include a cost analysis of Option A." (New Part B)

Ms. Stump inquired whether the Council was requesting an Informational Item with additional cost information or were they indicating they were not going to make a decision during the meeting.

Mayor Fine restated the Motion as the Council selected was Option A, which would return on the April 13, 2020 Agenda, and requested a cost analysis of Option A. Option B did not provide paid Administrative Leave for nonessential workers. Option A was the prudent course of action.

MOTION AS AMENDED RESTATED: Council Member Filseth moved, seconded by Council Member Kniss to agendize the discussion about workforce leave policy for the April 13, 2020 Agenda; and:

- A. Extend the paid administrative leave to cover COVID-related loss of hours (Option A) until the end of June 2020; and
- B. Include a cost analysis of Option A.

MOTION AS AMENDED PASSED: 7-0

Council Member Filseth reported most retail businesses were closed. Grocery stores were open and actively hiring employees. A few restaurants had sizable takeout business. Most local businesses were interested in the Federal Paycheck Protection Program and rent relief.

Council took a break at 8:30 P.M. and returned at 8:42 P.M.

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Council Member Kniss felt people would become more uneasy about the long-term situation. Business responses to the emergency ranged from retaining employees, to continuing to operate to closing. Businesses needed a lot of care and support from the Council. Technical businesses were hurting as much as small businesses. Hospitals seemed to be comfortable with their current situations. She inquired about the use of raincoats as protective equipment.

Mr. Blackshire explained that gowns were the primary protective equipment. When the supply of gowns was low, Fire personnel utilized overalls, Level B hazardous materials suits or raincoats.

Council Member Kniss requested to know the style of the raincoat.

Mr. Blackshire was able to provide details at a later time.

Council Member Kniss understood the City of Hayward was testing symptomatic people six days a week. The City of Oakland was opening two testing sites, and the City of Fremont was opening a testing site. She hoped Staff would explore testing.

Mr. Shikada advised that Staff had spoken with the County Health Department and the County Executive's Office to understand the situation. The City was past the point of utilizing testing to generate community awareness of the emergency. The County was focused on treatment and flattening the curve. Testing was not an effective strategy for individual cities.

Council Member Kniss noted other countries had utilized testing effectively and efficiently.

Mr. Dueker understood testing would soon be utilized to discover people with antibodies to the Coronavirus.

Council Member Kniss hoped the Council did not attempt to set aside things early in the Budget review process but reviewed the Budget gradually. She thought the Council may have to approve a temporary Budget in June, 2020 and review the financial situation and Budget in September, 2020. Preparing a definitive Budget in April, 2020 or even early May, 2020 could be difficult.

Council Member Kou inquired regarding the construction sites deemed essential.

Mr. Shikada commented that the projects were construction sites for affordable housing, and they fit within the County's guidance.

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Council Member Kou wished to alert the community that work was allowed at those projects.

Mayor Fine indicated the projects were located at 2755 El Camino Real, 425 Page Mill, 2515 El Camino Real and 3877 El Camino Real.

Council Member Kou requested the deadline for projects to be complete or for construction to cease.

Ms. Stump advised that the legal requirement was a reasonable amount of time.

Mr. Shikada related that Staff had notified applicants accordingly.

Council Member Kou asked if gardening was allowed.

Ms. Horrigan-Taylor reported City communications stated normal gardening and landscaping for upkeep was not allowed. Gardening and landscaping for safety purposes was allowed.

Council Member Kou asked if the chart in the Staff Report could include dollar amounts for the Council discussion of the Budget. She asked if the Sales Tax column could be broken into categories.

Mr. Shikada suggested time may constrain Staff's ability to provide detailed information.

Ms. Nose asked if Council Member Kou wanted historical data or current data broken into categories. Staff was able to include the dollar amounts.

Council Member Kou answered current data.

Ms. Nose agreed to provide the most recent information, but the chart was not going to include any implications of the last few months.

Council Member Kou asked if Staff could provide the revenue categories with immediate and delayed impacts.

Ms. Nose replied yes. The chart in the Staff Report reflected the revenues that were impacted immediately by the Great Recession, which began in the Fall of 2008.

Council Member Kou asked if Staff knew the reason why the Sales Tax revenues for 2011-2014 were higher than sales revenues for 2015-2018.

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Ms. Nose explained that Sales Tax revenues had leveled off as the business model and the makeup of businesses within Palo Alto changed.

Council Member Kou hoped to receive more information about the emergency's impact on pensions and Measure B funding. She asked if a future Shelter-in-Place order should be included in the Financial Plan.

Mr. Shikada indicated Staff was including a potential recurrence of the order in Emergency Contingency Plans.

Council Member Kou asked if it would be reported in the Budget review.

Mr. Shikada advised that as April, 2020 proceeded, Staff was going to have a better sense of assumptions that could be tested through sensitivity. Staff planned on being able to identify major factors that the Council needed to consider in planning for the next Budget.

Council Member Kou inquired regarding emerging needs.

Mr. Shikada reported an emerging need for rental assistance for residential tenants. In addition, community partners were requesting donations.

Council Member Kou requested an update regarding Palo Alto Community Fund.

Mr. Shikada indicated the Palo Alto Community Fund had announced additional assistance was going to be provided through organizations.

Council Member Kou noted the Palo Alto Community Fund website contained grant applications and a donation link. She inquired whether CDBG funding would be allocated to Hotel de Zink and Heart and Home.

Mr. Shikada explained that Staff would recommend a strategy for allocating CDBG funds.

Council Member Kou asked if Staff was pursuing State funding designated for the homeless.

Mr. Shikada advised that Staff was working with the County as the administrator of that funding.

Ms. O'Kane added that Staff was participating in calls with the County and connecting nonprofits to County resources.

Council Member Kou asked if the homeless funding applied to vehicle dwellers or safe parking programs.

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Ms. O'Kane said she would look into that.

Council Member Kou asked if Staff thought about the Council acting as the Finance Committee, with regard to reviewing the Budget.

Mr. Shikada indicated Staff could explore the option if the Council wished.

Vice Mayor DuBois agreed with discussing the option.

Council Member Kou commented on false negative test results, wearing masks, and continuing to Shelter in Place.

Mayor Fine recommended symptomatic citizens contact their physicians or Valley Connections to arrange for testing.

Council Member Tanaka inquired about the City assessing penalties or interest if customers did not pay their utility bills.

Mr. Shikada reported programs offering payment plans were available for commercial customers. Staff was developing similar programs for residential customers. The City was not going to charge interest or penalties.

Council Member Tanaka shared Mountain View programs in offering financial assistance to small businesses and relief from utility bills. Perhaps the City was able to offer similar programs.

Mr. Shikada inquired regarding goals for such programs and the role of City Staff.

Council Member Tanaka suggested the Council discuss Mountain View's programs and adapt them to Palo Alto.

MOTION: Council Member Tanaka moved, seconded by Vice Mayor DuBois to look at Mountain View's program for small businesses and direct Staff to create a proposal that could work for Palo Alto.

Council Member Tanaka indicated there would be Budget implications for both programs. The concept was to work with a partner to provide financial assistance to small businesses and utility bill relief, possibly even forgiveness, for both small businesses and residents. Many small businesses were not going to reopen, and the owners were financially devastated. The City needed to provide a safety net.

Vice Mayor DuBois agreed with providing some aid soon and developing additional ideas. Mountain View had matched donations up to approximately \$400,000, and funds for the programs totaled approximately \$2 million. The

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Council needed to consider a policy for where funds were going to be used. A first-come-first-serve policy was possibly not the best policy. He suggested criteria of small businesses with 50 employees or less, and retailers, particularly those that generated Sales Tax, and prioritization of longstanding small businesses. The program was able to incentivize rent reductions. The Council should also understand small business needs and aid packages available to small businesses. He thought the Council may want to form an Ad Hoc Committee focused on business.

Mayor Fine reviewed the Mountain View programs. The Council and the community were going to have concerns about using public resources and funds for businesses. Small businesses and retailers needed to have priority, but length of time in the community needed not be a criterium. Soliciting matching donations was a good idea. Criteria needed not be complex. He concurred with not utilizing a first-come-first-serve approach. Council Members were not business experts, and input from the business community was needed. He proposed directing the City Manager to form a group composed of businesses and nonprofits to provide information.

Vice Mayor DuBois requested the rationale for including nonprofits as nonprofits were very different from businesses.

Mayor Fine wanted to obtain information about ways the Council could support nonprofits.

Vice Mayor DuBois preferred to focus on businesses, as Community Services Staff worked with nonprofits.

Council Member Tanaka agreed with Vice Mayor DuBois.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "Direct the City Manager to create a roundtable for businesses." (New Part B)

Mr. Shikada thought direct input from businesses was helpful. Based on the Amendment, the Council was not going to appoint members to the roundtable. Staff was going to return with some suggestions on moving forward.

Mayor Fine commented that Mountain View could contribute a great deal of funding to the programs because they supported a lot of the development over the past few years. The City was not in the same position.

Council Member Kniss was unsure whether the Council really wanted an intense loan program that would be run by Staff. She inquired whether an

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entity other than the City was able to oversee such a program. The Council needed to consider everything.

Mr. Shikada appreciated Council Member Kniss' recognition that Staff was not in a position to develop and operate a complex new program. Staff was able to explore potential partners.

Mayor Fine asked if existing allocated resources could be used.

Mr. Shikada promised to investigate funding availability for the programs.

Mayor Fine asked if the Motion should direct Staff to explore similar programs in other cities.

Mr. Shikada answered yes.

Council Member Tanaka agreed with amending the Motion.

Council Member Cormack asked if 60 percent of City revenues was derived from taxes and if some portion of that was paid by businesses.

Ms. Nose indicated that was correct.

Council Member Cormack clarified that Mountain View's partner was the Los Altos Foundation. She was more comfortable with Part A of the Motion if it directed Staff to suggest proposals to support small businesses in Palo Alto, which possibly included utility bill relief and programs like those, which were similar to Mountain View and other jurisdictions.

Vice Mayor DuBois thought the Motion essentially directed Staff to do that.

Council Member Cormack clarified that the Motion referred to Mountain View only. She emphasized the need to talk about support rather than stimulus. Silicon Valley Community Foundation was offering similar programs. The Council had time to consider the best partner for the City.

Council Member Tanaka clarified that he proposed utility bill relief, such as an extended repayment time and even forgiveness, to help businesses and residents.

Council Member Cormack would not support mixing businesses and residents.

Mr. Shikada reported utility relief programs for commercial customers allowed deferral of payments for up to 18 months. Forgiveness of utility bills was going to affect the General Fund.

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Council Member Tanaka wanted to help small businesses and residents and preferred Part A.

Mayor Fine viewed Part A as supporting businesses more than residents, but Part A did not preclude support for residents.

AMENDMENT: Council Member Cormack moved, seconded by Mayor Fine to change the Motion, Part A to state, "Direct Staff to create proposals to support small businesses in Palo Alto, which could include utility bill relief, considering Mountain View and other jurisdictions' programs; and"

Council Member Cormack was not comfortable with a utility bill relief program given the lack of information or with mixing residents and businesses. Philanthropic organizations were encouraging agencies to work with organizations created to provide relief. The Silicon Valley Community Foundation had funds for businesses, nonprofits and residents.

Mayor Fine did not wish to be prescriptive. Mountain View's proposals had merit, but they did not necessarily apply to Palo Alto. The Council was not advised to limit their review to only Mountain View's programs. Matching donors with experts in philanthropy and community support was a good approach.

Council Member Kou asked if a Part C could be added to the Motion to address utility bill relief for residents.

Mayor Fine suggested Council Members address relief for residents separately from relief for small businesses.

Council Member Kou wanted to provide relief for mom-and-pop shops and suggested businesses that registered with the Business Registry be given some special consideration. She thought a relief program for small businesses would recognize the City's value of small businesses.

Vice Mayor DuBois believed the Amendment expanded the area in which Staff could look for programs.

Council Member Tanaka felt the Amendment omitted residents who were also hurting. Perhaps another Motion was able to address relief for residents.

Council Member Kniss remarked that the Amendment complicated matters.

AMENDMENT PASSED: 7-0

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to explore utility bill relief for residents.

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Mr. Shikada reiterated that the City offered a utility bill relief program for low-income residents.

Council Member Tanaka intended to expand the relief to all residents.

Mr. Shikada suggested the Council learn about the existing program before proceeding with the Amendment.

Ms. Stump advised that Utility Staff worked with residents to qualify them for a program or to arrange for long-term repayment. There were some legal considerations regarding shifting costs between ratepayers and rate classes.

AMENDMENT WITHDRAWN BY THE MAKER

Mayor Fine requested Staff provide the Council with information about the program for residents.

Council Member Tanaka asked if the improvements to the Council Chambers were going to proceed or be delayed.

Mr. Shikada indicated the Council could consider the project in the upcoming Budget process.

Council Member Tanaka requested a timeframe for Staff to provide the Council with plans for the FY 2020 Budget.

Mr. Shikada related that Staff would present a fiscal strategy for the FY 2021 Budget.

Council Member Tanaka inquired whether the BSR Fund would balance the FY 2020 Budget.

Mr. Shikada said yes, in large measure.

Council Member Tanaka asked if Staff was anticipating a \$25 million shortfall in FY 2021.

Ms. Nose explained that the \$25 million amount was not a projection. An economic sensitivity analysis of tax revenues generated the amount.

Council Member Tanaka believed the shortfall for FY 2021 was much larger than the FY 2020 shortfall. The City's CalPERS contribution was possibly much larger in the next few years. He inquired whether individuals working from home were required to register with the Business Registry.

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Ms. Stump reported Staff was working on an item regarding adjustments to the Business Registry and the Downtown Business Improvement District (BID).

Council Member Tanaka requested Staff comment regarding the closure of the parking lot at Foothills Park.

Mr. Shikada advised that the issue was the City's ability to manage interactions and calls on public service and to manage a facility with a variety of users. Foothills Park was open to visitors. Providing facilities that resulted in gatherings was contrary to the Shelter-in-Place Order.

Council Member Tanaka commented that social distancing while exercising was easier in a large park than on sidewalks. He requested the Adobe Creek underpass be opened to shorten residents' trip to Foothills Park.

Mayor Fine indicated the Adobe Creek underpass would open when conditions were appropriate.

Council Member Filseth questioned whether the City alone could have an impact. Many relief programs became symbols of solidarity. Everyone needed to share the financial impacts of the emergency.

MOTION AS AMENDED RESTATED: Council Member Tanaka moved, seconded by Vice Mayor DuBois to:

- A. Direct Staff to create proposals to support small businesses in Palo Alto, which could include utility bill relief, considering Mountain View and other jurisdictions' programs; and
- B. Direct the City Manager to create a roundtable for businesses.

MOTION AS AMENDED PASSED: 7-0

Mayor Fine suggested the Council communicate with the public regarding Budget adjustments and the effects on residents. He encouraged small businesses to apply for the Payroll Protection Program. Perhaps Staff was able to communicate ways the public could support City Staff via the website or a campaign.

MOTION: Mayor Fine moved, seconded by Vice Mayor DuBois to bring the Fiscal Year 2021 Budget to the full Council for development and analysis.

Mayor Fine believed the full Council's participation was going to reduce work for Staff. The full Council needed to be aware of the issues because of the enormity of decisions concerning the FY 2021 Budget.

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Vice Mayor DuBois agreed with the logic for full Council review of the Budget. He thought the Council might have to revisit the Budget in September, 2020.

Council Member Kou noted the State Legislature would prepare a bare-bones budget for the Governor and planned to review it in August or September 2020. The Council needed to do the same.

Council Member Cormack recalled the successful Council as a Whole discussion and action on grade separation. While Staff was focused on the emergency, the Council's responsibility was charting the future.

Council Member Tanaka felt a full Council discussion was appropriate in light of the many changes that would have to occur.

MOTION PASSED: 7-0

Rod Pitman indicated he had received information that the Coronavirus was spreading, which was able to cause a second wave of infections.

Vice Mayor DuBois expressed concern about LifeMoves' ability to provide rental assistance. Low-income rental residents were not able to repay accumulated rents.

MOTION: Vice Mayor DuBois moved, seconded by Mayor Fine to direct Staff to agendize a discussion on rental assistance for low-income housing and to return to Council within two months.

Mr. Shikada related that two months should be sufficient enough time for Staff to provide information.

Vice Mayor DuBois noted the financial instruments underlying affordable housing projects counted on rent payments.

Mayor Fine concurred with the Council addressing the vulnerability of low-income residents. Congresswoman Eshoo helped Palo Alto secure almost \$300,000 in additional CDBG funding.

MOTION PASSED: 7-0

Council Member Kou thanked the community for donating their time, services and money.

Council Member Tanaka asked if the City Manager had the discretion to transfer funds from the BSR Fund to the General Fund.

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Ms. Stump reported the City Manager had some discretion to transfer monies between funds. The Council had to approve a transfer of non-appropriated funds.

Ms. Nose added that funds had been appropriated for current expenditures. Staff was going to prepare an item for the Council to approve a draw on the BSR Fund.

Council Member Tanaka wished to be transparent about the transfer of funds.

Vice Mayor DuBois advised that students shift to online learning the following week. Perhaps the City was able to support Manzanita Works' proposal for childcare for first responders. Volunteers from the faith community were available when needed.

Mayor Fine encouraged the community to direct their ideas and offers of assistance to existing organizations.

Oral Communications

None.

Minutes Approval

2. Approval of Action Minutes for the March 16, 2020 Palo Alto Public Improvement Corporation Meeting and the March 16 and March 23, 2020 Council Meetings.

MOTION: Vice Mayor DuBois moved, seconded by Mayor Fine to approve the Action Minutes for the March 16, 2020 Palo Alto Public Improvement Corporation Meeting and the March 16 and March 23, 2020 Council Meetings.

MOTION PASSED: 7-0

Consent Calendar

MOTION: Mayor Fine moved, seconded by Council Member Cormack to approve Agenda Item Numbers 3-4.

3. Resolution 9883 Entitled, "Resolution of the Council of the City of Palo Alto for Senate Bill 1, the Road Repair and Accountability Act, for Fiscal Year 2021, Providing the Project List for Capital Improvement Program Project PE-86070, Street Maintenance Projects."
4. Adoption of two Ordinances, Ordinance 5493 Entitled, "Ordinance of the Council of the City of Palo Alto;", Ordinance 5494 Entitled, "Ordinance

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of the Council of the City of Palo Alto Amending Various Sections of Chapter 2.08 (Officers and Departments), Chapter 2.30 (Contracts and Purchasing Procedures); Chapter 10.50 (Residential Preferential Parking Districts), Chapter 10.51 (Crescent Park no Overnight Parking Program); and Title 18 (Zoning) to Reflect Updates to the Organization of Some City Departments and Duties; Clean up the City's Purchasing Procedures; add a new Exemption From Competitive Solicitation for Some Types of Personnel-related Services Contracts; and Update Enforcement and Hearing Procedures in the Zoning Code (FIRST READING: March 16, 2020 PASSED: 7-0)."

MOTION PASSED: 7-0

City Manager Comments

None.

Action Items

5. Adoption of an Ordinance 5495 Entitled, "Ordinance of the Council of the City of Palo Alto Establishing a Temporary Moratorium on Residential Tenant Evictions Resulting From the COVID-19 Emergency (FIRST READING: MARCH 23, 2020, PASSED 7-0);" and Discussion and Direction on Extending the Evictions Moratorium to Businesses, Nonprofit Organizations, and Other Commercial Tenants.

Council Member Kniss advised that she was not going to participate in this item due to owning rental property.

Molly Stump, City Attorney reported the Urgency Ordinance prohibiting eviction of residential tenants was in place. The County of Santa Clara (County) adopted a similar Ordinance, and the Governor issued an Executive Order providing some protections for residential tenants. All three applied to the City. The regular Ordinance prohibiting eviction of residential tenants was before the Council for a second reading. Staff revised the Ordinance to include the County's prohibition of no-fault evictions and a requirement for a landlord to state a reason for an eviction and inform the tenant of their rights. The County's Ordinance protected residential and commercial tenants. Staff recommended the Council accept the County's Ordinance in place of adopting their own Ordinance prohibiting eviction of commercial tenants.

MOTION: Council Member Kou moved, seconded by Mayor Fine to:

- A. Find the proposed Ordinance exempt from the California Environmental Quality Act pursuant to Section 15301 of the CEQA Guidelines and adopt

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the Ordinance Establishing a Temporary Moratorium on Residential Evictions for Tenants with Substantial Income Loss Due to the COVID-19 State of Emergency; and

- B. Make sure that local businesses are aware of the Santa Clara County Ordinance that protects against commercial evictions.

Mayor Fine felt it was important for the Council to adopt the Ordinance as a temporary moratorium for residents. The County's Ordinance provided sufficient protections for Palo Alto's nonresidential tenants.

Vice Mayor DuBois suggested the proposed Ordinance include the County's language about impacts for medical costs.

Ms. Stump explained that the City's Ordinance included income loss from an illness but did not include expenditures for medical services.

Vice Mayor DuBois noted the County's Ordinance could expire prior to the City's Ordinance.

Ms. Stump indicated the Council could amend the Ordinance if the County's Ordinance expired prior to the City's Ordinance and the Council wanted a longer moratorium.

Vice Mayor DuBois asked how the public would know which Ordinance applied to which situation.

Ms. Stump advised that a county's adoption of a Police Powers Regulation that applied within incorporated cities and towns was rare. The County was able to do this because of the public health emergency. A tenant was able to utilize any or all of the eviction protections, whichever best protected the tenant. Public communications included information about the City and the County Ordinances.

Vice Mayor DuBois inquired about the difficulty of tenants to provide documentation when their employers were closed.

Ms. Stump clarified that the forms of documentation stated in the Ordinance were not the only forms of documentation a tenant could provide. The City was able to enforce the Ordinance and had the ability to advocate on behalf of the tenant and to encourage a liberal reading of the documentation requirement.

MOTION PASSED: 6-0 Kniss recused

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Council Member Questions, Comments and Announcements

Council Member Cormack announced the Fire Department was fully staffed and encouraged citizens to complete their 2020 Census.

Vice Mayor DuBois thanked Staff for all their hard work and efforts.

Council Member Filseth reported the City had engaged Management Partners to develop a Request for Proposals (RFP) for an auditor. A draft RFP was going to be ready for review the following week.

Council Member Kniss thanked Supervisor Simitian for his assistance.

Council Member Kou suggested the Mayor and Staff review Plan Bay Area 2050 and consider submitting a comment letter in light of the emergency. She thought the City may need to comment on the League of California Cities' Housing Blueprint as it was not consistent with its mission statement and purpose.

Council Member Tanaka thanked Staff for their work on the virtual meeting. A united effort was needed to recover from the emergency.

Mayor Fine felt the emergency was moving into a new phase of planning for the future. On behalf of the City, he appreciated the many offers of assistance and support. The situation with hospitals was about the same as the prior week. Drivers needed to obey traffic laws as enforcement had increased. He encouraged the community to send notes of thanks to City Staff and other agencies.

Adjournment: The meeting was adjourned at 11:11 P.M. in deep gratitude for the work of our healthcare and public safety workers.