



CITY OF PALO ALTO CITY COUNCIL FINAL MINUTES

Special Meeting
May 26, 2020

The City Council of the City of Palo Alto met on this date via virtual teleconference at 1:03 P.M.

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

Absent:

Oral Communications

Jonathan Erman indicated that the Zoom ID numbers were listed wrong on the website. He advised the City Council (Council) to tone down their competitiveness when enacting new policies because that policy may already be effective in the County or State.

Kathy Jordan expressed that other cities and the State were instituting staff and labor take a 15 to 20 percent pay cut or furlough to assist in meeting their City's needed Budget cuts.

Monica Yeung reported that there was no street cleaning sign in Professorville. At the intersection of Bryant Street and Lincoln Avenue, there was a high number of accidents and she suggested a traffic circle be installed.

Action Items

1. City Manager's Fiscal Year 2021 Proposed Operating and Capital Budget and Municipal Fee Schedule Wrap-up, and Adoption of an Ordinance Amending Section 2.04.360 of the Palo Alto Municipal Code to Allow Council Members a Salary Waiver Option.

Mayor Fine emphasized that the main issues the City Council (Council) needed to decide on were: how to deal with the short-term Parking Lot items and the Ordinance that recommended that Council Members waive their monthly stipend. All emails exchanged between Council Members were posted on the Agenda.

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Ed Shikada, City Manager affirmed that the Council and Staff were making tough decisions when it came to budget cuts and he appreciated all the public comments that were sent in. Essential services were to continue. He gave an overview of the past several months. On March 26th, 2020 Staff brought forward a Work Plan on how to deal with the budget within the context of the Shelter-in-Place Order. On May 4th, 2020 Council adopted revenue assumptions that reflected a \$39 million General Fund (GF) deficit. Between May 11 to May 13, 2020 the Council discussed the proposals and provided preliminary direction to Staff regarding which cuts were to move forward. Staff brought those recommendations forward to Council and were seeking additional direction. On June 22, 2020, Staff was to bring back specific follow-up actions that reflected all the budgetary moves that needed to be in place for the new Fiscal Year (FY) 2020-2021 Budget. Built into the budget were several unknowns, including Tax Revenue Receipts, transition costs to implement service level reductions, the Shelter-in-Place Order's impacts, social distancing and safety modifications and their impacts and investments necessary for the Coronavirus (COVID-19). Staff's Proposed Budget adjustments reflected Council's direction, which included \$3 million in expense savings due to compensation reductions of management and unrepresented professional employees, implementation of cost-recovery, additional costs for expected responses to the COVID-19 pandemic and Reserve Funds for outstanding liabilities. He concluded that Staff was recommending restoration of operational hours at College Terrace Library, Teen Services, the Art Center, Children's Theatre and building inspections.

Kiely Nose, Chief Financial Officer and Director of Administrative Services acknowledged that there were several balancing strategies that the Council was able to move forward with. These budget strategies included eliminating the Innovation Fund, Council Contingency and Special Events Funds, reduce the GF transfer to the Capital Improvement Project (CIP) Budget from \$7.6 million to \$6 million and reserve that reduction for the 115 Pension Trust contribution. She suggested opening the Junior Museum and Zoo (JMZ) with a new Entrance Fee, restore the Long-Range Planning and Housing Program, identify an additional \$1 million in general CIP expense reductions, revisit Building and Fire Inspection Budget adjustments, and include a partial restoration of several key service areas that were provided to the public. Some of those restorations included hiring civilians in the Police Department, operating all City libraries but on a reduced schedule and maintaining outdoor recreational areas. The recommended balancing strategy assumed \$196.8 million in revenues and \$195.9 million in expenses with a surplus of \$839,000. Staff was seeking direction from Council on how to allocate the surplus. The Budget strategy resulted in a loss of 74 Full-Time Equivalent (FTE) position reductions and 26 Part-Time positions. Of

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the 74 FTE positions recommended, 34 of those positions were filled, leaving 41 vacant. In terms of part-time positions, a 26 position reduction of over 100 employees were being impacted. She moved onto Citywide expense adjustments, which now included management and professional unrepresented group: compensation resulting in \$5.5 million across all funds was suggested; a reduced Capital Transfer of \$18.4 million; reductions connected to the Cubberley Lease with a net amount of \$2.5 million; and Internal Services Funds with a \$0.8 million reduction across all funds. Other Post-Employment Benefits (OPEB) were to continue to be funded at the 6.25 percent Discount Rate. New Restorations and Investments included \$450,000 in contact tracing, \$15,000 for business and community support, \$350,000 in workplace restoration, the continuation of the 4 year replacement cycle for laptops, Staff the Clerk's Office as necessary for virtual meetings and lastly, investing in the Litigation Reserve of \$1 million. Moving onto the Operating Budget for Community and Library Services. There was a reduction of \$4.9 million with 16.1 FTE and 21.0 part-time employees. The reductions included reduced operating hours, the Children's Theatre was limited to two core productions, a reduction in Teen Services that were impacted by social distancing requirements and several other reduced services. Public Safety Operating Budget included a reduction of \$7.3 million and \$1.5 million in new revenue, with a total of 35 FTE that was to be impacted, with 21 being sworn in positions and 2.28 part-time employees. A total of \$600,000 was to be restored in the Police Department, which included six FTE positions restored in selected departments. For the Planning and Transportation Operating Budget, Staff recommended that Council add two FTE Building Inspector Specialists. Public Works and Utilities Department included a reduction of \$2.8 million by reducing the Tree Trimming Program, reduced Streets and Sidewalk Repair Program, defer vehicle replacement and maintenance, maintain a 0 percent Utility Rate increase for the next year and invest in the San Francisquito Creek Joint Powers Authority (SFJPA) Membership. Per Council's direction, the Enterprise Funds rate changes were to remain at zero except for the Fiber Fund, Gas Fund and Storm Drain Water Fund, which was directed to be set at 2.5 percent. Internal Services and Appointees saw a reduction of \$2.9 million with 5.9 FTE positions and .96 part-time positions. Services that were to continue included Police and Fire, utility services, parks and recreational areas, all five libraries were to remain open, health and safety measures maintained for neighborhood streets and sidewalks, three community centers were open for classes, continued support for the Development Center and the managing of traffic signal maintenance and timing was to remain open.

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Mr. Shikada indicated that he and Staff reviewed the CIP Budget by reviewing each item individually. One strategy that was used to reduce the CIP Budget by 56 percent was to reduce carryover funding in the individual projects to ensure that the City maintained a “keep up” funding level. Other strategies were to take Shovel Ready projects and get them to a point to where Staff could take advantage of the favorable construction market to minimize near term funding of discretionary projects and ensure a steady flow of projects that minimized peaks and valleys in project delivery Staffing. He introduced Brad Eggleston who continued with the presentation regarding the Proposed CIP Budget reductions.

Brad Eggleston, Director of Public Works summarized that the projects that were to see reductions included canceling a Design Contract for the Downtown Parking Project, which provided a revenue of \$1 million, sidewalk repairs were to be reduced to only trip and fall repairs for the next 2 years, which provided \$0.7 million, a reduction in the Capital Improvement Fund for the Byxbee Park Completion Project, which provided \$0.3 million, only make safety repairs to Off-Road Pathways which provided \$0.2 million and then rearrange funding for the Dog Park, which equated to \$0.2 million.

Mr. Shikada noted that the general themes identified in the projects was removing some of the GF funds and scope reductions.

Mr. Eggleston disclosed that the City was estimated to reach full GF contribution to the CIP Budget by FY 2025. There were several investment categories within the CIP Budget. One category included annual recurring projects that kept up on maintenance throughout the City. The next category included projects that provided capital maintenance for individual facilities or parks. The final category included new projects for existing assets. Major projects that were recommended to be continued included the Public Safety Building, Fire Station 4 design, 101 Bike and Pedestrian Bridge, park investments, grade separation planning and Airport Apron Reconstruction.

Ms. Nose summarized that Staff was seeking direction on the overall Proposed Operating and Capital Budget, Municipal Fee Schedule and adoption of the Ordinance amending Section 2.04.360 of the Municipal Code. She advised Council to discuss what to do with the surplus of \$839,000 and short-term Parking Lot items.

Mayor Fine affirmed that the Operating Budget paid for services and the Capital Budget referred to infrastructure. Due to the pandemic, instead of

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transferring the normal \$32 million to the Infrastructure Fund, the Council chose to transfer \$14 million. He emphasized that all CIP Projects were important and were not being eliminated but differed to future years. The new budget reflected Coronavirus Aid, Relief and Economic Security (CARES) Funding, including new COVID-19 expenses. He encouraged the Council to make decisions on the Parking Lot items and allocate the surplus.

Council Member Kniss requested clarification on why there was a Staff recommendation to increase the Capital Budget by a net total of \$23.7 million and how that tied in with the Capital Improvement Fund Expenditure table that was included in the Council's April, 2020 Packet.

Ms. Nose reported that the table from the April 2020 Council Packet showed a spike in Capital Expenditures for FY 2021 but that table was going to be amended. She explained that there was still going to be a spike because the Public Safety Building was included.

Mr. Shikada noted that a key point was that it was a small portion of the overall CIP Budget that contained General Funds as a part of the appropriation.

Council Member Filseth disclosed that \$1 million was missing from the Capital Budget for Fire Station 4 in FY 2021. He requested to know the amount of funding designated for the Transportation Management Association (TMA).

Ms. Nose answered that TMA was funded from the Downtown Parking Fund at \$750,000.

Council Member Filseth believed the TMA could be funded for less. He asked how much the Embarcadero Road Shuttle and the Cross-town Shuttle were going to cost.

Ms. Nose reported that the \$1 million for Fire Station 4 was spread out over FY 2022 and FY 2023. In terms of the shuttles, the Cross-town Shuttle cost roughly \$380,000, and the Embarcadero Road Shuttle cost roughly \$158,000.

Council Member Cormack reiterated that the City transferred \$15.3 million from the GF to the Capital Fund for the last FY and the FY 2020-2021 Budget proposed a transfer of \$5 million.

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Ms. Nose confirmed that was correct and that was the base level transfer.

Council Member Tanaka preferred that the Council Members and the public have access to the spreadsheets that were within the document.

Mr. Shikada believed that was poor placement of Staff resources and doing the additional analysis was not a priority.

Council Member Tanaka said he did not agree with keeping the cycle of replacing laptops every 4 years.

Mr. Shikada responded that some laptops ran on Windows 7 and caused a security concern. A constant discipline regarding replacement was important because it ensured that there was not a surge replacement.

Council Member Tanaka restated that there was no difference between a laptop purchased last year and a brand-new laptop in terms of processor speed.

Ms. Nose specified that Staff had suggested increasing the replacement cycle of laptops to 5 years or longer.

Darren Numoto, Director of Information Technology emphasized that computers replaced were 4 years or older.

Vice Mayor Dubois wanted clarification regarding furloughs.

Mr. Shikada mentioned that the assumption behind the estimated 10 percent savings did reflect a service level impact.

Vice Mayor DuBois questioned if the 1 percent for art on the Public Safety building was included in the bonding of Certificate of Participation (COP).

Ms. Nose did not believe so and mentioned it was already factored into the current 5 year CIP Plan.

Vice Mayor DuBois questioned if the Public Safety Building was going to be bonded entirely in FY 2021 or if it was to be done in phases.

Ms. Nose disclosed that it is more efficient if the City did one sale, but it did depend on the market.

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Vice Mayor DuBois articulated that the City was going to start to pay debit interest and if the money was not needed, it did not make sense to spread it out. In terms of capitalizing the interest for the Public Safety Building, the City was going to end up paying substantially more in the terms of total dollars.

Ms. Nose explained that capitalizing the interest allowed the City to defer the payments by 12 to 18 months as well as defer 1 years' worth of interest.

Vice Mayor DuBois asked when the California Avenue Garage was scheduled to be completed.

Mr. Eggleston disclosed that Staff was working to get an updated schedule that reflected the COVID-19 delay. The plan was to start the Public Safety Building after the garage was completed in approximately September 2020.

Council Member Kou wanted to know what the actual dollar cuts were to Staff and services after subtracting the vacant positions.

Ms. Nose restated the question as to how much was the current service level reduction that were attributed to vacant positions.

Council Member Kou confirmed that was correct.

Ms. Nose stated that she did not have that figure at this time.

Mr. Shikada restated that the figure was the subset of the overall savings.

Council Member Kou affirmed that was correct and wanted to know what the CIP deferrals were and how those impacted CIP projects.

Mr. Shikada answered that Staff could not identify deferrals related to vacant positions in the CIP. In terms of ongoing operations, there was no segregation between vacant positions versus filled positions, and it was challenging for Staff to determine those figures.

Council Member Kou stated that the CIP had their own Reserve Fund that was reserved for capital spending. There was a removal of \$10.6 million from specific CIP projects, with \$8 million redirected to other FY 2021 Capital Projects.

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Ms. Nose remarked yes, the CIP did have a reserve, but it contained a very nominal amount and the reserve was specific to restricted projects.

Pat Burt commented that the crash in the Transient Occupancy Tax (TOT) and the Capital Plan were the cause of the funding sources that were driving the inability to move forward with the aggressive schedule of the new projects. All the 'keep up' items that Staff proposed to continue with were to be readjusted for cost savings.

Steve Raney referred to a letter sent by Palo Alto Transportation Management Association on May 21, 2020 to Council which stated that the TMA was requesting \$453,000. He thought that piece of information needed to be part of the Parking Lot discussion and he requested that Council allow the TMA to serve the California Avenue Business District.

Suzanne Keehn noted that the Palo Alto Museum was waiting for a long-term lease from Council and suggested that the money be found to restore the Roth Building.

Maya Adam emphasized that the Children's Community Theater had a huge impact on the mental health of children and she wished for it to be top of priority for funding.

Michele Wang expressed that the Friends of the Palo Alto Children's Theatre have more funding for staffing.

Rich Green, President of the Palo Alto Museum specified that the rehabilitation project for the Roth Building was shovel ready and looked forward to discussions regarding funding with Staff.

1-650...603/Terry Holzemer expressed that it was critical that the City keep moving forward on saving the Roth Building.

Swati Goel felt that the Children's Theatre was a very important outlet for children in the community and that Council should not cut its funding.

Lydia Callaghan remarked how alarming it was to see the proposed cuts to the Children's Theatre and urged the Council not to cut that.

Becky Sanders did not want to see Human Services cut so infrastructure projects were able to move forward. She appreciated that Boulware Park

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was included in continued services but wished to see the Council act regarding the unhoused patrons camping in the park.

Jeremy Erman supported more funding for the Children's Theatre, Children's Library, and the retention of the lease for the Cubberley Community Center.

Mark Lawrence noticed that funding for the radio broadcast was proposed to be cut and he believed the radio reached populations that otherwise were not able to attend or watch Council meetings.

Mona expressed that full funding for Youth Community Service (YCS) was vital to maintain youth mental health.

Ian Jacobs summarized the unique experiences that took place at the Children's Theatre and urged Council to continue funding all their programs.

Alvin Hom supported full funding for the Children's Theatre.

Blake Mathews shared his experiences regarding the Children's Theatre and urged Council to continue their funding.

Linda Lenoir appreciated that the Council reinstated funding for some of the Teen Services Programs but urged the Council to fully fund YCS.

Rohan Solanki wanted more funding for the Children's Theatre.

Katie Brown declared that the Children's Theatre was a vital asset to the community and deserved full funding.

Jennifer Jacobs did not agree with the Proposed Budget cuts to the Children's Theatre and urged the Council for full funding.

Monica Yeung Arima noted that it was important to remember the history of Palo Alto and wished the Council would put forward support for the Palo Alto History Museum.

Jonathan Erman was worried about funding for the libraries, the Children's Theatre and the JMZ. He did not agree with the high-ticket prices for the JMZ. Clarification regarding the Cross-town Shuttle was needed, and he believed the Seat Replacement Project at Lucie Stern Theater be differed.

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Carlos Aceves worked at the Children's Theatre for 5 years and saw the impact it had on the mental health of children. The Council needed to fully fund the theater.

David Foster supported more productions at the Children's Theatre and full funding.

Eve DeMarzo summarized her experiences at the Children's Theatre and encouraged Council to fully fund all their programs.

Hal Mickelson spoke on behalf of the Palo Alto History Museum and stated that the project was shovel ready and could be funded by Impact Fees.

Karen Kwan, Director of Development for the Palo Alto Art Center Foundation gave thanks to the Council for continued support but asked that they maintain adequate funding for the Center.

Council took a break at 3:57 P.M. and returned at 4:12 P.M.

Mayor Fine commented that Staff and Council responded to public comments with the inclusion of partial restoration of key community services in the budget. He advised Council to discuss the short-term Parking Lot items first which included management of attrition to Police and Fire, funding for the TMA, funding for City Council minute transcription, funding for the cost of printing Council materials and funding for YCS's Youth Connectedness Initiative.

Council Member Kniss supported the strategy of managing attrition to the Police Department. She added that either Rinconada Library or Mitchell Park Library have extended hours in the evening.

Gayathri Kanth, Director of Libraries clarified that under the current proposal, Mitchell Park Library would remain open until 9:00 P.M.

Council Member Cormack was less concerned about attrition in the Police Department. Concerning the TMA, she asked why the budget says \$750,000, then it was mentioned that it be funded at \$543,000 and if that difference was available, to add it to the surplus.

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Ms. Nose explained that the funds could be used for a broad range of investments, but Council historically allocated the funds to be used in the Downtown area.

Molly Stump, City Attorney agreed.

Council Member Cormack reiterated that the main source of funding for YCS was not proposed for budget cuts.

Ms. Nose clarified that there was a County grant and then the City matched that.

Kristen O'Kane, Director of Community Services confirmed that YCS received funding through the Human Services Resource Allocation Process (HSRAP) Grant Program, which was separate from the County Match Program.

Council Member Cormack asked when the Youth Connectedness Initiative was initiated.

Ms. O'Kane replied it was established 3 years ago and confirmed YCS was going to be receiving 75 percent of their requested budget funding.

Council Member Cormack prioritized printed Packets over transcribed minutes. In the future, the Council needed to figure out how to get donors and volunteers involved in funding strategies. She asked Staff if the Cross-town Shuttle was the best service to use because it was utilized by many amongst the vulnerable population.

Phillip Kamhi, Chief Transportation Official confirmed that the Cross-town Shuttle was more locally serving, but there was a significant cost saving with the Embarcadero Road Shuttle. From a management perspective, he agreed that the Cross-town Shuttle was the best service to reinstate.

Council Member Filseth asked where the City was in terms of where the Budget Stabilization Reserve (BSR) needed to be.

Ms. Nose answered that if Staff continued with the \$21 million reductions from the BSR, the BSR was going to stand at a \$25 million funding level, which was below the 15 percent minimum. Staff planned to bring forward options to help maintain the minimum funding level for the BSR at the June 22, 2020 meeting.

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Council Member Filseth inquired how the City was going to keep the BSR from falling below the 15 percent minimum.

Ms. Nose noted that City expenses decreased significantly in 2021.

Council Member Filseth emphasized that operations were not supposed to be funded out of the BSR. He inquired about what needed to be restored in the Community Service Department (CSD).

Ms. O'Kane wished to see more funding restored toward Children's Theatre and the Arts Center.

Council Member Filseth agreed with Council Member Cormack regarding the attrition management of the Police Department.

Council Member Kou questioned whether a phased approach could happen for the Children's Theatre.

Ms. O'Kane explained that the amount needed to be charged to participants needed to be very steep to get to a cost-recovery level. Staff preferred not to do that, but the prospect could be explored.

Council Member Kou inquired how much funding was cut from the Children's Theatre.

Ms. O'Kane answered 42 percent.

Council Member Kou questioned whether the inspectors that were mentioned at the prior meeting were Building Inspectors or Fire Inspectors.

Ms. Nose reported the current proposal was acquiring new Building Inspectors and they were not Firefighters.

Council Member Kou remembered that at a previous meeting it was mentioned that several Fire Inspectors were let go.

Jonathan Lait, Director of Planning and Development Services clarified that the Fire Prevention Program was housed within the Planning and Development Services Department and the proposal was to reduce the fire component. The positions were to return to the Fire Department and the Fire Department was then going to adjust.

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Council Member Kou asked if the Fire Prevention Program was cost recovery.

Mr. Lait answered yes.

Ms. O'Kane interjected that the Children's Theatre's Expense Budget was usually \$1.7 million and in the FY 2020-2021 Budget, it was proposed to cut \$700,000.

Vice Mayor DuBois appreciated the comments made by the public regarding Children's Theatre. He inquired about other homeless programs that remained unfunded.

Ms. O'Kane replied that most programs were funded through the HSRAP Program and the HSRAP Contingency Fund.

Vice Mayor DuBois asked what the Unhouses Program is.

Ms. O'Kane explained that it was an agreement with the County that assisted people monetarily that were trying to come back into society after being incarcerated.

Vice Mayor DuBois wanted a detailed schedule that showed the \$88 million in re-appropriations.

Ms. Nose indicated that the schedule was included in the Council's Packet.

Vice Mayor DuBois did not see a reasoning behind having the Planning and Transportation Commission (PTC) review the Capital Budget.

Ms. Nose explained that the PTC's review was to make sure that the Capital Budget followed the City's Comprehensive Plan.

Vice Mayor DuBois asked why the additional \$600,000 allocation to the Police Department was being proposed for civilian positions.

Ms. Nose explained that the idea was to keep the City's resources at the most cost-effective levels so business could continue.

Robert Jonsen, Police Chief added that there were concerns that if core internal Staff were eliminated, the Police Department was not going to have the capability to do the legal component of their job.

Vice Mayor DuBois questioned if Staff ran scenarios on how to capitalize on the decreased construction costs.

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Ms. Nose commented that Staff was hopeful that engineering estimates were going to remain on budget and construction bids were going to follow suit.

Mr. Eggleston answered that Staff did not have a model and keeping smaller projects moving forward was going to help Staff understand how to bid for bigger projects.

Vice Mayor DuBois wished to discuss KZSU later in the meeting.

Council Member Tanaka thought libraries should be closed during school hours but continue with evening and weekend hours.

Ms. Kanth confirmed that Staff was looking at staggering schedules and every library was going to be open at least one weekend day. In terms of scaling back libraries hours during school hours, the libraries saw a large population during story times between 10:00–11:00 A.M.

Council Member Tanaka wondered what the cost was to run shuttles during the morning and evening school commute hours.

Mr. Kamhi claimed that the problem was keeping a vendor because vendors were requesting at least an 8 hour block of working time.

Council Member Tanaka thought cutting the Public Art Project for the Public Safety Building would help with cost savings.

Ms. O’Kane affirmed that the public art was already complete and was in storage waiting to be installed.

Council Member Tanaka disclosed his concern about the California economy collapsing and how the City may be forced to make more drastic cuts very soon.

Mr. Shikada commented that the health emergency was economically impacting every community differently.

Council Member Tanaka agreed, but noted that the City relied on retail businesses, which were greatly impacted.

Mayor Fine concurred with Council Member Tanaka and wished to receive monthly reports of estimated Sales Tax and hotel revenues. Regarding public art, if the Council chose to reduce public art then the City’s Ordinance needed to be changed as well; the 5 year CIP Revised Plan, all projects that estimated a zero out expense were not going to receive funding for the next 5 years.

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Ms. Nose confirmed that was correct.

Mayor Fine wanted to know if those projects were cancelled.

Mr. Eggleston articulated that it depended on the project, but regarding the 5-year plan, they were essentially cancelled.

Mayor Fine commented that any CIP projects that was cancelled, the City needed to communicate those cancellations to stakeholders and interested parties.

Council Member Kou questioned if positions were going to be eliminated at the Children's Theatre.

Ms. O'Kane confirmed that approximately 5 FTE's were anticipated to be cut.

Council Member Kou asked how that was going to affect the theatre.

Ms. O'Kane summarized that instead of four productions the theatre was going to have one and only nine playhouse productions instead of the normal 12. Also, reductions to educational programs and the Twilight Summer Concert Series needed to be cancelled for FY 2021.

Council Member Kou declared that the cuts to the Children's Theatre were concerning. She requested more clarification regarding the Fire Prevention Bureau.

Ms. Nose explained that the Fire Prevention Bureau was housed in the Development Center and 80 percent of those positions were fee backed. In conclusion, there was a proposed reduction of two sworn inspectors and six sworn positions in the Fire Department.

Council Member Kou asked if that was the number associated with the attrition strategy.

Geo Blackshire, Fire Chief noted that there was one vacant position and so the Proposed Budget cuts impacted seven positions.

Council Member Kou questioned why the Fire Prevention Inspectors were located within the Planning and Development Services Department Budget.

Ms. Nose disclosed that different positions in the Development Center reported to different City Departments.

Mr. Blackshire added that there were approximately 800 State-mandated inspections that needed to be completed annually. With the cuts,

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prioritization had to take place between State-mandated, high hazard and development inspections.

Council Member Kou commented that all inspections were revenue-generating, but the revenue went into the Planning and Development Services Department's Budget.

Mr. Blackshire confirmed that the inspections were revenue-generating.

Mr. Lait stated that any revenue that was not building inspection related went to the Fire Department.

Council Member Kou wanted to know which department received that money.

Ms. Stump clarified that terms for cost recovery were the cost had to be the actual cost, not cost in excess.

Council Member Kniss encouraged the Council to review fire and police cuts in a strategic way. She suggested that concessions be explored to fund fire and police; as well as continue to keep it in the short-term Parking Lot until Council was able to comfortably discuss how to fund them.

MOTION: Council Member Kniss moved, seconded by Council Member Tanaka to keep the strategy to manage attrition in Police and Fire in short-term parking until the June 22, 2020, City Council Meeting.

Mr. Shikada reported that Staff was in positive discussions with all units regarding labor reductions.

Mayor Fine clarified that the fire and police attraction strategies was not going to be included in the FY 2020-2021 Budget until a funding source was found.

Mr. Shikada answered that was correct and Staff felt comfortable with that.

Council Member Kniss articulated that the attrition strategy was one she supported, but due to the unpredictability of the year, she wanted to see additional time added to further the discussion regarding funding.

Council Member Tanaka expressed that laying off employees was not a good thing and agreed that additional time helped the Council make the right decision. He hoped negotiations would lead to shared sacrifices among the employees so that the City could enable not as deep of layoffs.

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Council Member Filseth agreed that the Motion was a better way to get the expenses down versus straight layoffs.

Vice Mayor DuBois acknowledged that payroll was the City's biggest expense and there needed to be a collaboration with all the unions. He supported the Motion.

Council Member Kou specified that the community strongly voiced their desire to continue the public safety level of service. She supported the Motion.

Mayor Fine also supported the Motion and believed it to be a smart strategy.

MOTION PASSED: 7-0

Mayor Fine continued to the next short-term Parking Lot item which was the TMA funding at \$750,000; this was paid out of the Downtown Parking Fund.

Council Member Cormack asked Staff what their recommendation was on where funding should go in terms of shuttles.

Mr. Shikada interjected to say that funding for shuttles stretched to the Parking Funds.

Council Member Cormack shared that the shuttle was the only public transportation between South Palo Alto and Downtown. The Utilities Advisory Commission (UAC) recommended that Council add back in the \$1 million in offsets for natural gas. Regarding Cubberley, she inquired what impacts the schools were having.

Ms. O'Kane disclosed that Staff was investigating new spaces on the City's side for displaced tenants. She did not know what the School District's plans where.

Council Member Cormack wanted more information regarding the Parent Program and was intrigued by the idea of reserving some of the surplus for future month's decisions.

Mr. Jonsen shared that the Parent Program was connected to the School Resource Officer Program, but there was no funding for the program, and the program was going to be disbanded.

Council Member Filseth mentioned that there were only two Code Enforcement positions and the budget suggested to eliminate those two positions.

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Mr. Lait indicated that out of the three available positions, only one was filled and will remain to be filled.

MOTION: Vice Mayor DuBois moved, seconded by Mayor Fine to reduce the Transportation Management Association (TMA) Fund to \$453,000 and use the savings to assist city-wide COVID-19 business support efforts.

Vice Mayor DuBois declared that Staff should determine what programs were best suited for the funding.

Mayor Fine felt that since the TMA was requesting less funding, he supported the recommendation and supported using it for local businesses.

Council Member Tanaka mentioned that many comments from the public supported restaurants using street space.

Mr. Shikada explained that Staff was already working on allowing restaurants to operate within the right of way.

Council Member Tanaka inquired about Manzanita Works.

Mr. Shikada answered that there were discussions between the TMA and Manzanita Works.

Council Member Kniss supported the Motion.

Council Member Cormack believed that the Motion was too broad and wondered if Staff interpreted the Motion as more funding should be put toward Business Recovery Grants. She asked if the Motion applied to California Avenue.

Mayor Fine felt the Motion was separate from the Business Grant Program but hoped the Motion supported public space initiatives.

Vice Mayor DuBois did not want to specify what programs the funding should be used for and wanted to leave the decision up to Staff.

Mr. Shikada understood the intent of the Motion and any proposal for how the funds would be spent would come back to Council for approval.

Council Member Cormack emphasized that she did not want funds spent on just the Downtown District.

Vice Mayor DuBois clarified that the Motion recommends funding be used Citywide.

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Council Member Cormack suggested an Amendment of splitting the surplus between business support and restoring the shuttle.

Vice Mayor DuBois did not support the Amendment because Staff indicated that they would like the extra time to formulate an On-demand Transportation Model.

Mayor Fine asked if there was funding available for an on-demand shuttle service.

Mr. Kamhi answered there was no funding and added that an on-demand shuttle service was not the most appropriate use for Parking Funds.

AMENDMENT: Council Member Cormack moved, seconded by Council Member XX for \$150,000 to be used to restore shuttle service and for the remainder (\$147,000) to assist with COVID-19 business support efforts.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Council Member Kou supported the Motion and wanted to review the shuttle service later.

MOTION PASSED: 7-0

Council took a break at 5:56 P.M. and returned at 6:30 P.M.

Mayor Fine wished to discuss the City Council minute transcription next.

Council Member Tanaka commented that it would be helpful to know how many employee positions were vacant in terms of positions cut. Also, it was not clear if services were able to be delivered because of COVID-19 impacts. He wished to know what kind of efficiencies could be found.

Mr. Shikada declared that the top line comment was that the budget was a plan and the budget did not reflect an expectation that nothing was going to change over the year. In terms of COVID-19 impacts on services, Staff baked in some proposals that were going to keep services open when they are allowed. In terms of vacant and filled positions, cutting vacant or filled positions also cut services.

Council Member Tanaka restated that vacant positions were not listed in the budget tables.

Ms. Nose concurred that they were not listed proposal by proposal. She emphasized that though there was a possible vacant position in a department, that did not mean that the service was not being fulfilled.

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Mr. Shikada wanted Council to ask Staff about specific vacant positions instead of using statistical information to come to an inaccurate conclusion.

MOTION: Council Member Kniss moved, seconded by Council Member Filseth to fund the City Council minutes transcription (\$35,000).

Council Member Filseth believed that the transcripts were important for transparency.

Council Member Cormack inquired if there was transcription on YouTube.

Beth Minor, City Clerk confirmed that the YouTube transcription only did short clips and those short clips did not work for long meetings.

Council Member Cormack asked if there was a search feature on the YouTube transcript.

Darren Numoto, Information Technology Interim Director was not familiar with it.

Council Member Tanaka remarked that the YouTube transcription was free and suggested that every time there was a break, to pause the video, and YouTube transcribed the meeting up to the pause mark. It was more transparent, it transcribed in real-time, was more accurate and was easier for the public to access.

Ms. Minor voiced concern that it did not cover Motions.

Vice Mayor Dubois agreed that the YouTube transcription was not available on long meetings.

MOTION PASSED: 5-2 Fine, Tanaka no

MOTION: Council Member Kniss moved, seconded by Council Member Cormack to fund the cost of printing City Council materials (\$35,000).

Council Member Cormack confirmed that the printed materials helped Council make effective decisions.

Council Member Tanaka remarked that if the \$35,000 was spent on more monitors in the Council Chambers, that saved trees, and was more cost-efficient.

Vice Mayor DuBois disclosed that charts and tables were hard to read online and that was why he supported the Motion.

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Council Member Kou advised that Council Members indicated that if they needed a hard copy or not.

Mayor Fine commented that electronic documents were easier to use. He supported the Motion but asked that the City use more electronic documents in the future.

MOTION PASSED: 6-1 Tanaka no

MOTION: Council Member Kou moved, seconded by Council Member Kniss to restore funding for Youth Community Service (YCS) Youth Connectedness Initiative (\$25,000).

Council Member Kou believed the program to be very important and said there needed to be support for youth mental health and wellbeing.

Council Member Cormack requested that the item be put into a restoration list because she anticipated larger budget cuts soon.

Mr. Shikada agreed that there was funding to start the program and agreed that it was able to be revisited at a future time.

Mayor Fine suggested that Council Member Cormack list items that were going to be pulled aside, which could be reevaluated later when more information was available.

Council Member Cormack was confident that YCS had funding for the first semester. She wished to fund YCS with partial restoration and reassess the rest of the program's funding later in the year.

SUBSTITUTE MOTION: Council Member Cormack moved, seconded by Council Member XX to revisit later in the year, funding for Youth Community Service (YCS) Youth Connectedness Initiative (\$25,000).

Council Member Kou restated that the \$50,000 provided by the City was half the funding and the other half was a matching grant from the County. They were not going to receive funding if the City decided to cut their portion of the funding.

Mr. Shikada clarified that the County money would come forward irrespective of the City's funds.

Ms. O'Kane confirmed that the County will fund the program regardless of whether the City contributes or not.

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Council Member Kniss was concerned because the County had not finalized their budget.

Council Member Cormack specified that she was concerned about the process the Council was taking regarding the budget and programs that are cut.

SUBSTITUTE MOTION WITHDRAWN BY THE MAKER

Council Member Kniss asked if \$25,000 was already funded.

Mayor Fine answered yes.

Council Member Kou clarified that the Motion was to restore funding for YCS's Youth Connectiveness initiative of \$25,000 for a total of \$50,000.

Vice Mayor DuBois commented that the funding was separate from the YCS programming funds. He did not want to risk the programs matching funds from the County and supported the Motion. He also supported the idea of a restoration list for other items.

Council Member Filseth agreed to moving forward with a restoration list and agreed this item should not be on that list.

MOTION PASSED: 7-0

Mr. Shikada reached out to Stanford University regarding funding for KZSU but did not receive a response.

Vice Mayor DuBois wished to wait until the City heard from Stanford.

MOTION: Vice Mayor DuBois moved, seconded by Council Member Kniss to leave funding for KZSU (\$20,000) in the short-term parking lot until June 22, 2020.

Council Member Cormack wanted information regarding listeners, how people listened to the meeting, as well as if the station was used for emergency broadcasts.

Council Member Tanaka declared that they listened to it on YouTube.

Council Member Kou confirmed that KZSU was the emergency station for Palo Alto and Stanford University.

MOTION PASSED: 7-0

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Mayor Fine wanted to know the amount left in the surplus of \$839,000.

Ms. Nose answered \$744,000.

Council Member Kou inquired about the recommendation that Staffing be restored in the City Clerk's Office.

Ms. Nose clarified that no action was required if Council agreed that there be no reductions in staffing in the City Clerk's Office.

Council Member Kou asked if all funding from the Community Development Block Grant (CDBG) was allocated.

Ms. Nose answered that the CDBG allocation recipients would be brought forward to the Council in June 2020.

Vice Mayor DuBois shared that in terms of Cubberley, a lot of long-time tenants on the school side were being displaced. He asked if there were options to rent more spaces. He suggested that the opening date for the JMZ be determined later and that no Staff should be hired until that date was finalized. He advised to keep \$74,000 unallocated because he anticipated there to be Budget changes during the year. Finally, any major CIP projects needed to be put on hold for 6 months.

Council Member Cormack confirmed that Staff's proposal provided flexibility for Council to decide if construction on the Public Safety Building was appropriate. She wanted the exact numbers regarding the BSR levels.

Ms. Nose explained that a full transfer of \$20 million from the BSR for FY 2021 was going to result in the BSR dropping to approximately \$25 million.

Council Member Cormack wanted to know how big the delta for the BSR was, regarding what was projected, including the 15 percent.

Ms. Nose answered \$4.5 million.

Council Member Cormack proposed to set aside the remaining \$744,000 and to revisit it in the fall of 2020 for community services, COVID-19 response, public safety and the shuttles. She restated that if there was any help the City could give to the School District regarding Cubberley, that needed to happen.

Council Member Kniss asked how long the surplus of \$744,000 could be in limbo.

Council Member Cormack determined 6 months of the FY.

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Council Member Kniss inquired if contact tracing would be paid for out of the surplus.

Mr. Shikada mentioned there was a separate line item within the budget used as a place holder for contact tracing.

Council Member Kniss questioned if the Public Safety Building was included in that list.

Council Member Cormack clarified the Public Safety departments.

Council Member Kniss remarked that another item to add to the list were items involving teens and youth.

Council Member Cormack noted that all teen and youth services were listed under community services.

Dean Batchelor, Director of Utilities added that in terms of the Gas Fund for the carbon offset costs, Staff refunded the \$1 million into the Gas Fund and the program was to continue in FY 2020-2021.

Council Member Filseth concurred with all the suggestions made by Council Member Cormack and Council Member Kniss. He suggested adding structure regarding the timeline of when the items could be revisited.

Council Member Tanaka wanted to understand the rationale behind having another fund instead of putting the surplus into the BSR.

Ms. Nose declared it was a policy call and helped with transparency if the Council called out what exactly should happen to the funds.

Council Member Tanaka proposed putting the surplus dollars in the BSR.

Council Member Kou reported that the Public Safety Building CIP was not shovel ready, but she wanted to know what the cost would be to get the project shovel ready. There was a flaw in how Staff presented the budget to Council; Staff provided a broad picture but not enough individual components.

Mayor Fine supported an Uncertainty Reserve and believed it to be a smart move. He reminded the Council that they agreed on the goals, strategies and priorities before starting the budget process.

MOTION: Council Member Cormack moved, seconded by Council Member Filseth to designate the remaining \$744,000 of the unallocated funds into a "COVID-19 Uncertainty Reserve Fund" to be revisited in September 2020

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and again in December 2020, to be used in the following areas: Community Services, ongoing COVID-19 Response, Public Safety Operations, and Shuttle Systems.

Council Member Cormack believed it was prudent that the Council not make every single decision now.

Vice Mayor DuBois liked the idea of putting the funds into the BSR. He wanted to see the restoration list be a working list and suggested the One Percent for Art Policy be placed on hold for the next 2 years. He did not support the Motion regarding its specificity and wanted to see a more general restoration list.

Council Member Cormack stated that an on-going COVID-19 response provided a lot of flexibility.

Council Member Filseth supported having the structure and definition in the Motion, but also supported the idea of it being a working list.

Vice Mayor DuBois restated that COVID-19 response could be specific to impacts caused by COVID-19 and nothing else.

Council Member Filseth suggested adding language saying "others proposed by Staff."

Vice Mayor DuBois agreed with that suggestion.

Council Member Kniss asked how the money was accessed.

Council Member Cormack predicted that Staff would bring forward options and Council would decide on those options.

Ms. Nose added that if the items were listed as a separate reserve, then it would require a majority vote to move the money from the reserve to a specific program or project.

Council Member Cormack suggested having a Study Session in September 2020 before Staff brought forward actionable items because it allowed other Council Members and community members to bring forward items they wanted restored.

Council Member Kou questioned how Staff would be reaching out to the community for their priorities.

Mr. Shikada answered that Staff would do an environmental scan in August 2020 on what was happening within the community.

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Mayor Fine inquired if Staff was comfortable with the suggested timeline.

Mr. Shikada believed the fall was a good milestone to set.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "...or others as proposed by Staff."

MOTION AS AMENDED RESTATED: Council Member Cormack moved, seconded by Council Member Filseth to designate the remaining \$744,000 of the unallocated funds into a "COVID-19 Uncertainty Reserve" Fund to be revisited in September 2020 and again in December 2020, to be used in the following areas: Community Services, ongoing COVID-19 response, Public Safety operations, and Shuttle Systems, or others as proposed by Staff.

MOTION AS AMENDED PASSED: 6-1 Tanaka no

Ms. Minor mentioned that Staff was still working from home and she wanted to know if Packet printing should resume after the Stay-at-Home Order was lifted or if she needed to bring back Packet printing now.

Mayor Fine summarized that Council Member Kniss, Council Member Cormack, Vice Mayor DuBois, Council Member Filseth and Council Member Kou wished to receive printed Council Packets.

Council Member Kniss asked if Council Members should pick up their Packets.

Ms. Minor answered yes.

Council Member Cormack offered to deliver Packets.

Ms. Stump explained that further consultation and study regarding laws had to take place to determine how many votes were needed to move money from the newly formed COVID-19 Uncertainty Reserve.

Mayor Fine inquired if the Council had to give direction to Staff to expand the TMA to California Avenue.

Mr. Kamhi requested direction from Council.

MOTION: Mayor Fine moved, seconded by Council Member Cormack to allow the Transportation Management Association (TMA) to expand to California Avenue in the upcoming year.

MOTION PASSED: 7-0

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Council Member Kou reported that her yes vote for the \$744,000 item was based on how easy it was to access the funds and she expressed that she was unsure now.

Mayor Fine proposed the City Attorney and the Budget Manager provide a memo in the future that updated the Council and the community on how many votes it took to move funds from the COVID-19 Uncertainty Reserve.

Council took a break at 8:18 P.M. and returned at 8:30 P.M.

Ms. Stump reported that a simple majority of four votes was needed to reallocate funds from the COVID-19 Uncertainty Reserve.

Mayor Fine mentioned that the remaining items that needed decisions were the four long-term Parking Lot items, the Council Pay Waiver Ordinance and a Motion to allow Staff to finalize the adopted Budget.

Vice Mayor DuBois wanted to know how the One Percent for Art budget worked.

Mr. Eggleston answered that it was not the total amount of every project and it was not for projects that were just under maintenance. A new park was an example of something it could be used for, but it could not be used for underground infrastructure projects.

MOTION: Vice Mayor DuBois moved, seconded by Council Member Kou to direct Staff to return with a temporary suspension of the One Percent for Public Art, for two years, and reevaluate at the mid-year budget check-in.

Ms. Stump declared that Staff had to bring it back because the private program was an Ordinance and the City program was a policy.

Council Member Kniss believed art was a baked-in part of the City's culture and did not support the Motion.

Council Member Cormack agreed with Council Member Kniss.

Council Member Kou inquired how much the public art was going to cost for the Public Safety Building.

Mr. Shikada answered \$750,000.

Council Member Tanaka supported the Motion.

MOTION PASSED: 4-3 Cormack, Fine, Kniss no

Council Member Tanaka wanted to keep funding for the School District.

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MOTION: Council Member Tanaka moved, seconded by Council Member XX to fund Palo Alto Schools for \$2.5 million.

Council Member Tanaka emphasized that it did not have to be with a lease.

Council Member Kou restated that the Motion was to pay the lease of \$5 million for Cubberley to the School District.

Council Member Tanaka explained that the City was not solving budget problems by taking money from the School District.

Mr. Shikada added that the School Board recently approved the new lease with a unanimous vote.

MOTION WITHDRAWN BY THE MAKER

Council Member Tanaka wanted to know what type of revenue the City could get if City-owned properties were rented out.

MOTION: Council Member Tanaka moved, seconded by Council Member XX to direct Staff to estimate the amount of market rent that would be collected for all the property owned by the City.

MOTION FAILED DUE TO LACK OF A SECOND

Council Member Tanaka asked how much it costs to upgrade laptops.

Ms. Nose affirmed that the value was \$780,000 with the GF component being \$220,000.

MOTION: Council Member Tanaka moved, seconded by Council Member XX to propose that computer equipment cycles are returned to 5-year cycles.

Mr. Shikada reiterated that updating laptops was vital for management and Staff to be able to do their jobs.

MOTION FAILED DUE TO THE LACK OF A SECOND

Council Member Kou wanted reassurance that there was going to be no modifications to local zoning regulations to streamline application review.

Mr. Lait claimed that the department made reductions in the consultation services that were used. The Individual Review Program was not cost

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recoverable and Staff wanted to look at where adjustments could be made to the Zoning Code so that more projects could be done administratively. Staff planned to return with recommendations to the Planning Commission and no action was going to be made without Council's endorsement. There was to be no changes to the entitlement process.

Council Member Kniss asked for exact numbers regarding cuts to the Children's Theatre.

Ms. O'Kane restated that one main production would be happening, the Playhouse Series was to be reduced to nine performances, and limited outreach was to be done in the School Districts.

Council Member Kniss inquired how Staff saw the City functioning in the next 6 months.

Mr. Shikada hoped that Council meetings would be in-person as well as on Zoom.

Ms. O'Kane added that the Children's Theatre was focusing on virtual programming, as well as an in-person summer camp.

Council Member Tanaka inquired why there was one transfer of a Police Lieutenant to the City Manager's Office.

Ms. Nose specified that Staff was filling areas with existing Staff where it was needed.

Mr. Shikada added that the position was providing support to the business activities post-COVID-19.

MOTION: Council Member Tanaka moved, seconded by Council Member XX to keep the funding for 1.0 Police Lieutenant in the Police Department versus moving the position to the City Manager's Office.

MOTION FAILED DUE TO THE LACK OF A SECOND

Council Member Tanaka asked why Human Resources needed five positions dedicated to recruitment.

Rumi Portillo, Director of Human Resources noted that the recruitment team often ran under-staffed and the department just achieved full staffing. The recruitment Staff also worked on all Staff bumping and layoffs.

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MOTION: Council Member Tanaka moved, seconded by Council Member XX to reduce the number of recruiters in the Human Resources Department from 5 to 2.

MOTION FAILED DUE TO THE LACK OF A SECOND

Mayor Fine moved the Council onto future follow-up long term Parking Lot items.

MOTION: Council Member Tanaka moved, seconded by Council Member Kniss to direct Staff to explore changing the delivery of services from a dominant fire-oriented model to a dominant medical-oriented model.

Mayor Fine supported the Motion.

Council Member Cormack supported the Motion.

Council Member Kou wanted to hear from the Fire Department regarding what the best model was for them.

Mr. Blackshire clarified that 67 to 68 percent of calls were medical, not 99 percent, and there were a substantial number of calls that were fire-related calls.

Council Member Kniss expressed that the medical model needed to be studied and Staff needed to reach out to other cities that use a medical model.

Council Member Kou remarked that it was important to look at all the services the Fire Department supplied.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the Motion to read, "...to explore changing emergency services delivery..."

Council Member Tanaka believed Fire Prevention was a different topic.

Council Member Kniss supported the Amendment.

Mr. Shikada explained that with an expanded scope, it could result in a very significant study to the point that it was going to take City resources. He suggested working with the Fire Chief to ensure that the scope was consistent with what the Council had in mind.

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Mr. Blackshire agreed that the Fire Department was going to need additional resources for such a study.

MOTION AS AMENDED RESTATED: Council Member Tanaka moved, seconded by Council Member Kniss to direct Staff to explore changing emergency services delivery from a dominant fire-oriented model to a dominant medical-oriented model.

MOTION AS AMENDED PASSED: 7-0

Mayor Fine moved the discussion to the Roth Building and \$1 million from Impact Fees.

MOTION: Vice Mayor DuBois moved, seconded by Council Member Filseth to direct the Finance Committee to evaluate the ability to fund the Roth Building renovations through the General Fund (not to exceed \$1 million) or impact fees, with the preference for impact fees.

Vice Mayor DuBois summarized that the process was following a prior laid out path that Council had put into place, but with updated information.

Council Member Filseth agreed that the Finance Committee should discuss it.

Council Member Cormack asked if the item was still on the Finance Committee's Work Plan.

Mr. Shikada confirmed.

Council Member Cormack inquired if the only change was the use of Impact Fees.

Ms. Nose shared that the two changes were the Impact Fees as well as the GF contributions.

Council Member Cormack did not support the Motion due to the instruction on the preference of Impact Fees because she thought those funds could be used for facilities that were already being occupied.

Council Member Kniss did not support the Motion because it included language regarding the GF.

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Council Member Kou clarified that the building was going to be a community space and believed the appropriate thing to do was have the Finance Committee discuss it.

Council Member Tanaka observed that the new Motion was more restrictive than the original path that initially sent the Roth Building Item to the Finance Committee.

Mr. Shikada described the Motion as more specific instead of restrictive.

Council Member Tanaka wanted to understand the rationale behind having another Motion that restricted options.

Vice Mayor DuBois explained that \$1 million from the FY 2020-2021 Budget, plus Impact Fees were able to move the project forward quicker.

Mayor Fine wished to move forward with the original path that was approved in March 2020 and he did not want to move Impact Fee funding away from other projects.

Council Member Filseth questioned if the item would still go to the Finance Committee if the Motion on the table was voted down.

Mr. Shikada confirmed that it would still go to the Finance Committee for discussion.

MOTION FAILED: 2-5 Cormack, Filseth, Fine, Kniss, Tanaka no

Vice Mayor DuBois shared that the request was to see if there could be no transfers from the GF over several years for the JMZ.

MOTION: Vice Mayor DuBois moved, seconded by Council Member Kou to direct Staff to return with a report or item on the Junior Museum and Zoo and what it would look like to eliminate the General Fund subsidy through a fully cost recoverable program.

Council Member Kniss did not think the Motion was a good move for the Council.

Council Member Cormack believed the Motion was a good idea, but not at the current time, and suggested revisiting the Motion when the JMZ was open.

Council Member Filseth asked if the Motion required a lot of Staff work and would that work show any new unknowns.

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Mr. Shikada affirmed that it would be a lot of work but reviewing the JMZ in the current environment was not out of the question. He added that hiring additional Staff for a March 2021 opening was going to take place before the end of the calendar year.

Ms. O'Kane expected a good turn out at the opening and added that Staff hiring was going to take place well before the opening.

Mr. Shikada remarked that there was not going to be a report until Staff was hired and the museum was open.

Ms. O'Kane added that in order for the JMZ to be full cost recovery, the entrance price had to be \$23 per ticket and Staff had reservations regarding that amount.

Council Member Kou inquired if the goal was to eliminate the GF subsidy in the future.

Mr. Shikada recalled that the path started several years ago was to examine spinning off the organization from the City itself with the Friends of the Junior Museum and Zoo taking over the operating and fundraising.

Council Member Kou questioned if the City-owned the land and the building.

Mr. Shikada answered yes.

Vice Mayor DuBois mentioned that the Motion did not contain any timing and he thought the 6 month timing after it opened was acceptable.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "...six months after it reopens..."

MOTION AS AMENDED RESTATED: Vice Mayor DuBois moved, seconded by Council Member Kou to direct Staff to return with a report or item on the Junior Museum and Zoo, six months after it reopens, and what it would look like to eliminate the General Fund subsidy through a fully cost recoverable program.

MOTION AS AMENDED PASSED: 5-2 Kniss, Tanaka no

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Mayor Fine moved the discussion to price changes and the increase of Employee Permits for all garages and lots in the California Avenue District to be consistent Citywide.

MOTION: Council Member Kou moved, seconded by Council Member XX to direct Staff to return with a discussion of price changes and increases for employee permits in all garages and lots in the California Avenue district to be consistent City-wide.

Mr. Shikada relayed that there was going to be a discussion regarding permit pricing for the new California Avenue Garage and this will be discussed as well during that time.

Council Member Kou questioned when the item would come back to the Council.

MOTION WITHDRAWN BY THE MAKER

Mr. Shikada confirmed it would come back fall of 2020.

Ms. Stump disclosed that Staff would consider the One Percent for Art Policy Motion as a long-term Parking Lot item and will return to Council after the summer break with more information.

MOTION: Council Member Cormack moved, seconded by Mayor Fine to adopt the Ordinance Amending Section 2.04.360 of the Palo Alto Municipal Code to Allow Council Members a Salary Waiver Option.

Council Member Cormack concurred that the Motion allowed Council Members to participate in the same way many City employees were participating.

Council Member Kniss asked if it was necessary to take this action.

Ms. Stump confirmed that it was a legal requirement to provide a waiver.

MOTION PASSED: 7-0

Mayor Fine continued onto the general recommended Action regarding the budget.

MOTION: Mayor Fine moved, seconded by Vice Mayor DuBois to:

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- A. Direct Staff in regard to the City Manager's Fiscal Year 2021 Proposed Operating and Capital Budgets and Fiscal Years 2021 Municipal Fee Schedule including the following amendments detailed below, as amended via City Council motions, for Staff to return on June 22, 2020 with the final Fiscal Year 2021 budgets for City Council adoption:
- i. Formal adoption of the City Manager's Fiscal Year 2021 Proposed Operating and Capital Budgets as amended by the actions outlined in Attachment A, Exhibit 1 and Exhibit 2 of CMR 11376;
 - ii. Formal adoption of the Fiscal Year 2021 Municipal Fee Schedule;
 - iii. Formal adoption of the Table of Organization (Pages 339 – 356 in the Fiscal Year 2021 Proposed Operating Budget) as amended by the above actions; and
 - iv. Formal approval of the Fiscal Year 2021 – Fiscal Year 2025 Capital Improvement Plan as revised through Attachment A, Exhibit 2 of CMR 11376.

Vice Mayor DuBois requested an answer regarding a Re-appropriation Report regarding the breakdown of the \$88 million.

Ms. Nose articulated that Staff could provide a list that broke down the \$88 million and suggested it be an informational attachment for the June 22, 2020 meeting.

Vice Mayor DuBois declared that it could come back in August, 2020 if Staff needed more time.

Mr. Shikada was not sure if Staff was planning to do another estimate before the Re-appropriation Report in the fall.

Vice Mayor DuBois emphasized that the budget was complicated and contained a lot of different reports. The Report helped the Council understand where funding was able to be reallocated if need be.

Council Member Tanaka inquired if there were structural changes that needed to be made within the organization to move dollars from the management side to people doing the work.

Mayor Fine did not believe exploring structural changes promoted any new data.

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Council Member Kou did not want future Budget processes to be framed so strictly.

MOTION PASSED: 6-1 Tanaka no

ADJOURNMENT: The meeting was adjourned at 10:10 P.M. honoring the men and women that gave their lives while serving in the U.S. military.