



CITY OF PALO ALTO CITY COUNCIL FINAL MINUTES

Special Meeting
June 22, 2020

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

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

Absent:

Closed Session

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

Jeremy Erman hoped the negotiations would include a dialog. regarding alternatives to laying off workers. He urged the City representatives to listen to workers.

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

MOTION PASSED: 7-0

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

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

Mayor Fine announced no reportable action.

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Study Session

2. 3300 El Camino Real (20PLN-00101): Request for Pre-screening of a Proposal to Rezone the Subject Property From Research Park (RP) to Planned Home Zoning (PHZ) and to Redevelop the Site With a Mixed-Use Development That Includes Approximately 52,500 Square Feet (sf) of Office; 4,400 sf of Ground Floor Retail, and 187 Residential Units. Environmental Assessment: Not a Project; any Subsequent Formal Application Would be Subject to the California Environmental Quality Act (CEQA). Zoning District: RP.

Jonathan Lait, Director of Planning and Development Services reported housing production was not meeting the Comprehensive Plan goal but was just sufficient for Senate Bill (SB) 35 standards. Staff anticipated the City's Regional Housing Needs Assessment for the upcoming cycle would be three times the current cycle.

Claire Raybould, Senior Planner advised that the applicant proposed changing the zoning of the site from Research Park (RP) to Planned Home Zoning (PHZ). Nearby zoning included RP and Commercial Service (CS). The nearby CS and RM-20 zones contained a mix of commercial and multifamily residential uses. Buildings surrounding the site were generally one and two-story. While the Communications and Power Industries (CPI) site abutted the subject site, the CPI building that contained hazardous materials was located more than 300 feet from the proposed mixed-use site. The applicant proposed separate buildings for the commercial and residential uses. The office/retail building would have a floor area ratio (FAR) of 0.4 and a height of 35 feet. The multifamily residential building was to contain 187 units and have a FAR of 1.39 and a height of 60 feet to the sloped roof and 67 feet to the top of the elevator shaft. The applicant proposed 352 parking spaces in a single-level underground garage. The density of the project was to be 62 dwelling units per acre. Staff sought the Council's feedback regarding the height of the residential building, FAR, and parking. A utility easement was located across the site and needed to be relocated or otherwise resolved. According to the PHZ, the project had to provide 20 percent inclusionary housing and offset onsite job creation with housing units.

Alison Koo, Sand Hill Properties indicated Palo Alto's office market in general and the Stanford Research Park market specifically were experiencing increasing vacancies and softening rents. An economic analysis found that increasing the inclusionary requirement greater than 15 percent severely impacted the economic viability of a project. The applicant proposed a 20 percent inclusionary requirement because the mixed-use component and the

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office use subsidized affordable housing units. The site was located near transit, important employers, and grocery stores.

Bob Giannini, Form 4 Architects related that the site could accommodate a 52,000-square-foot office building, surface parking, and underground parking or a 52,000-square-foot office building, underground parking, and a residential building. The applicant proposed 50-foot setbacks from Hanson and the south property line and a 20-foot setback from El Camino. The driveway from El Camino was to remain, but the driveway from Hanson Way was able to be eliminated.

Arthur Liberman remarked that residents wanted housing but not office space. The height of the residential building, the driveway onto El Camino, and the lack of a barrier or interface with 607 Hanson Way were concerns for the community.

Rebecca Eisenberg was not pleased with the idea of another technology company moving into Palo Alto because they increased traffic and pollution and used public resources. Residents had to pay for these impacts because the City Council did not tax businesses.

L. David Baron commented that the project was a good alternative to one that was compliant with the existing zoning for the site. The ratio of office to housing was not going to help the Bay Area's housing shortage. He encouraged the Council to reduce parking requirements and increase the allowed FAR and building height.

Aaron Eckhouse concurred with Mr. Baron's comments. This site was an opportunity for housing, and the project was able to provide as much affordable housing as had been approved in the past five years.

James Hindery expressed concern regarding the driveway to El Camino and the amount of parking dedicated to the office building.

Ryan Globus appreciated the number of affordable housing units and the location near transit. This was a great opportunity for affordable housing.

Rohin Ghosh believed the project could include more housing units. The City needed to increasing housing development.

Kelsey Banes supported the project. The residential building was able to be two stories taller without needing a more expensive type of construction.

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Kevin noted recreational vehicles were usually parked along El Camino. Project design was not to be focused on parking. He suggested the City continue work on the Housing Work Plan.

Mitch Mankin, Silicon Valley @Home, encouraged the Council to support the proposal and consider steps that would advance housing development on the site.

Sara Ogilvie was excited by this opportunity for housing and urged the Council to consider lifting some restrictions on development. The project was to be near amenities and transit.

Mircea Voskerician was excited by the prospect of additional housing. Five-story buildings were common along El Camino Real.

Becky Sanders suggested the Council encourage the applicant to provide more housing. Increasing the height and FAR was to benefit developers, not the City.

Angela Evans wanted the Council to think about this project creatively and flexibly in order to achieve the greatest number of homes at the deepest levels of affordability. She asked the Council not to push the developer into an office-only development.

Council Member Kniss noted the City's Affordable Housing Fund was virtually empty. This was an ideal location for a mixed-use project.

Council Member Cormack inquired whether the choice was housing or a parking lot.

Mr. Lait explained that the project could propose an office use only and comply with the Code. The PHZ was to add housing and parking sufficient for both uses.

Council Member Cormack asked if the housing and office uses would share the parking.

Mr. Lait answered yes, with a 10-15 percent reduction in required parking.

Council Member Cormack requested the height of Palo Alto Square.

Ms. Raybould seemed to recall a height of ten stories.

Council Member Cormack inquired whether Staff anticipated the project would be consistent with the El Camino Real Design Guidelines and the North Ventura Coordinated Area Plan (NVCAP).

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Mr. Lait explained that Staff would thoroughly review a formal application in light of the El Camino Design Guidelines. Staff had not identified any major compliance issues with the conceptual plan for the project.

Council Member Cormack asked if 187 housing units would be more than half of the Comprehensive Plan's annual goal for housing production.

Mr. Lait replied yes.

Council Member Cormack asked if the housing would be rental or ownership.

Ms. Raybould responded rental.

Council Member Cormack requested clarification of the proposed building heights.

Mr. Lait explained that the height to the top of the roof would be 50 feet. With a pitched roof, the height was to be at least 60 feet. A stairwell and elevator shaft was to increase the height to 67 feet.

Council Member Cormack asked if the roof would be decorative or functional.

Ms. Raybould advised that the applicant proposed a rooftop open space. The 60-foot height was to extend to the top of the railing.

Council Member Cormack believed a pitched roof would be responsive to the area and more attractive than a flat roof. The setback appeared to eliminate the possibility of the building creating a canyon effect.

Council Member Kou noted the Council would not discuss the Planned Home Zone until the following day. The project was introduced as housing when it included 52,500 square feet of office space and very little retail space. The project did not provide any amenities for residents of Ventura or Barron Park. Public comment addressed housing but not the office space contributing to the jobs/housing imbalance. She had concerns about the developer and wanted to see conditions imposed on the developer if it submitted an application.

Council Member Filseth understood the dynamics of subsidizing affordable housing, but 50,000 square feet of office space was possibly another 100 housing units. He preferred to limit the building height to 50 feet. If the Council allowed a greater height, they needed to require more affordable housing. Parking for the project had to be scrutinized.

Vice Mayor DuBois asked if the proposed commercial square footage would be counted towards Stanford Research Park's remaining square footage.

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Mr. Lait responded yes, but the remaining amount was significant.

Vice Mayor DuBois inquired regarding the rationale for splitting the parking lot from the building.

Mr. Lait referred the question to the applicant.

Vice Mayor DuBois expressed concerns about the developer given the developer's past actions and the toxic plume; he wanted to understand the historic nature of the Varian Headquarters Building; and expressed interest in landscaping along Hanson Way. This was a great site for housing. This type of project was not what he had in mind for the PHZ. If the applicant replaced the office space with housing and included a decent amount of inclusionary housing, he was open to extending even more public benefits. A building height of 35 feet with a pitched roof was acceptable.

Council Member Tanaka suggested the developer move the residential space away from traffic by placing office on the ground floor of the residential building or constructing an L-shaped office building between the residential building and El Camino.

Mayor Fine requested the mechanism for implementing the PHZ.

Ms. Raybould explained that the site would be rezoned from RP to PHZ.

Mayor Fine asked if the developer could construct the office space but not the residential space under the RP zoning.

Ms. Raybould replied yes.

Mayor Fine asked if the PHZ enabled the residential space.

Mr. Giannini answered yes.

Mayor Fine noted 50,000 square feet of office space could be built on the site under the existing zoning. The Council's preference was 100 percent housing, but this was possibly going to be a new neighborhood for Palo Alto. He inquired regarding the lot adjustment.

Mr. Giannini explained that an adjustment of the lease line with the adjacent property was needed to provide the proposed underground garage.

Mayor Fine remarked that the project met the Council's goals of 20 percent inclusionary housing and not increasing the jobs/housing imbalance. An aggressive approach to housing units and affordability levels enhanced the Council's reception of a project.

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NO ACTION TAKEN

Agenda Changes, Additions and Deletions

Mayor Fine requested modifications to the current Agenda and the Agenda for June 23, 2020.

Vice Mayor DuBois expressed concern regarding the length of the Agendas for June 22 and 23, 2020. The Council was going to have to truncate either public comment or Council discussion. Perhaps a Special Council Meeting was to be scheduled next week or the following week.

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

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

Council Member Cormack inquired about a process for Council Members to request information regarding Agenda Item Number 9 on the June 23, 2020 Consent Calendar.

Molly Stump, City Attorney advised that three Council Members could agree to remove it from the Consent Calendar.

Mayor Fine asked if Staff could respond to a few questions about Agenda Item Number 9 from Council Members prior to the meeting.

Ed Shikada, City Manager indicated Staff would attempt to respond to questions prior to the meeting.

Council Member Tanaka was able to support scheduling an additional Council meeting so that the Council was able to address all Agenda Items fully.

Council Member Kniss requested the City Manager address Staff's ability to support an additional meeting.

Mr. Shikada related that an additional meeting was going to be difficult to schedule as Staff had planned vacations around the Council break.

Council Member Kniss asked if the Council would receive public testimony regarding Foothills Park access and continue the discussion to August or September 2020.

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Mr. Shikada clarified that the Agenda Item pertained to receipt of the Parks and Recreation Commission's Report and direction to Staff. The item was going to need to return to the Council at a future date for specific action.

Council Member Cormack preferred to complete the Agendas as scheduled.

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

Mayor Fine noted Agenda Item Number 6 was Foothills Park access, and Agenda Item Number 8 was the Planned Home Zoning.

MOTION PASSED: 5-2 Cormack, Fine no

Mayor Fine noted the Council's workload and felt rearranging Agendas at the last minute was a disservice to Boards, Commissions, Staff and the community. The Foothills Park Item was ready since November 2019.

Council Member Tanaka inquired about the possibility of the Council discussing a proposed ballot measure to allow 16-year-olds to vote.

Ms. Stump explained that Staff could not accommodate the Brown Act requirement for noticing an amended Agenda for June 23, 2020.

Oral Communications

Rachel Owens, Vote 16 Palo Alto urged the Council to agendize a discussion of a ballot measure lowering the voting age for City Council elections for June 23, 2020.

Katherine Causey supported Vote 16 Palo Alto. A study had suggested that 16-year-olds were prepared to vote responsibly. She strongly urged the Council to consider the measure and agendize a discussion of the topic.

Frida Rivera supported Vote 16 Palo Alto because 16 and 17-year-olds were sufficiently mature to vote. She encouraged the Council to agendize a discussion for June 23, 2020 or after the Council break.

Yael Sarig supported Vote 16 Palo Alto as a way to address the national voting problem. The best way to enact change was through the ballot.

Dia Dhariwal supported Vote 16 because voter turnout was abysmal and referred to studies regarding first-time voters.

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Ishani Raha supported granting the right to vote to 16 and 17-year-olds and discussed the concept of voter inertia.

Benjamin Stein noted students were leading the fight for racial equality. Allowing 16-year-olds to vote would increase voter turnout, and 16-year-olds had earned the right to vote.

Antonia Mou supported Vote 16 Palo Alto because local elections were crucial to achieving change in the community. Lowering the voting age improved voter turnout, established lifelong voting habits, and drove demand for effective civic education.

Michaela Seah supported Vote 16 Palo Alto because 16 and 17-year-olds were constituents of the City Council. The Council made Budget decisions that affected community youth.

Miranda Li supported Vote 16 Palo Alto because it allowed youth to become engaged in politics and established a lifelong voting habit.

Thomas Li supported the request for the Council to lower the voting age for City Council to 16 years of age. Youth cared about the community and progress.

Doug Owens supported Vote 16 Palo Alto and noted the Council's failure to act delayed the potential ballot measure for two years.

Lucy N supported Vote 16 Palo Alto because youth deserved a voice in community decisions.

Allison Mou supported Vote 16 Palo Alto because Council Member must serve all constituents. Youth were engaged in social justice issues that affected the community.

Margaret Adkins did not understand how the Council could reject Service Employees' International Union's (SEIU) offer of more than \$3 million in concessions. In addition, the Council had reduced the Professional and Management Employees' furlough concessions by 50 percent and expended \$480,000 in early retirement incentives.

Chris Brickner commented that SEIU offered concessions that exceeded the \$3 million the City had requested. Each time, the City rejected the concessions, indicating they were not sufficient.

Sarah O'Riordan supported Vote 16 Palo Alto and implored the Council to agendize a discussion as soon as possible.

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Johannah Seah supported Vote 16 Palo Alto because youth should be engaged in democracy.

Eve Donnelly supported Vote 16 Palo Alto because it improved voting habits and create lifelong voters.

Ryan Globus urged the Council to return Agenda Items 6 and 8 to the June 23, 2020 Agenda.

Kimberly Thacker requested the Council restore funding for Staff positions to Children's Theatre. Friends of Palo Alto Children's Theatre was to raise funds for programming.

Abby Lang concurred with Ms. Thacker's comments.

Kareem El-Badry commented regarding a Police Officer's alleged brutal and racist actions.

Lisa Rock, Palo Alto Community Child Care (PACCC) Executive Director expressed concern for the future of childcare providers in the community. PACCC was serving approximately 25 percent of its former enrollment and expending more for staff and sanitation because of public health requirements.

Rachel Samoff requested the Council consider the needs of the childcare sector in its Budget decisions. Without additional funding, the shortage in childcare was to increase.

Jonathan Erman appreciated the COVID-19 testing offered the prior week. The giant screen in the lobby of City Hall was a symbol of the Council's misplaced priorities. City employees were not supposed to be losing their jobs.

Jonathan Sneh urged the Council to agendize a discussion of Vote 16 Palo Alto and to consider the Friends of Palo Alto Children's Theatre's offer to fund Staff positions.

Hsinya Shen, Palo Alto Public Art Commission (PAC) requested the Council reconsider their decisions to suspend the Percent for Art Program and to reduce the number of Public Art Commissioners.

Katie Brown encouraged the Council to restore funding for the Staff of Palo Alto Children's Theatre and to consider the Friends of Palo Alto Children's Theatre's Budget proposal.

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Jeremy Erman questioned Staff's sending eviction notices to tenants at Cubberley without Council authorization. Staff's actions were outrageous and unethical.

Shayan Hooshmand shared his positive experiences with the Palo Alto Children's Theatre and encouraged the Council to accept the Friends of Palo Alto Children's Theatre's offer for funding.

James Hindery supported Vote 16 Palo Alto and restoring funding to performing arts and objected to the Council continuing Agenda Item Numbers 6 and 8 from June 23, 2020.

Rohin Ghosh concurred with comments regarding Vote 16 Palo Alto and supported City workers. The Police Department did not protect citizens of Palo Alto.

Lisa Trovato requested the Council consider the Friends of Palo Alto Children's Theatre's offer for funding

Xander Koo believed the Council should act immediately to end exclusive access to Foothills Park, to promote affordable housing, and to consider the ballot measure by Vote 16 Palo Alto.

Madison Abbassi supported Vote 16 Palo Alto because youth voices should be included in the decision-making process.

Sofia Rakicevic-More appreciated the Palo Alto Children's Theatre and their Staff and artists. She encouraged the Council to consider the Friends of Palo Alto Children's Theatre's proposal.

Rebecca Eisenberg commented that none of the items on the Consent Calendar complied with requirements of the Brown Act. She supported the Vote 16 Palo Alto folks.

Grace Mah supported Vote 16 Palo Alto's efforts to lower the voting age and funding for childcare services.

Ben Miyaji, Public Art Commission, Chair reported the call for artists had been released for the Black Lives Matter Project on Hamilton Avenue. The artwork needed to be complete by June 30, 2020.

Anna Meyer supported Vote 16 Palo Alto and urged the Council to consider the measure.

Owen Longstreth supported Vote 16 Palo Alto and inquired about Budget cuts for the racist Police Department.

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Eileen Kim requested the Council remove from the Consent Calendar the non-reduction of salaries and allocate funding for youth programming.

Blake Mathews advocated for additional funding for the Palo Alto Children's Theatre.

Adie Katzenelson appreciated the skills she had learned through Palo Alto children's Theatre.

Roberta Ahlquist addressed racism and the need for worker housing in Palo Alto.

Martha Walters expressed concern about the potential elimination of Staff positions due to Budget cuts.

Curtis Smolar remarked regarding unoccupied office space in Palo Alto, continuation of Agenda Item Numbers 6 and 8 for June 23, 2020, and Budget reductions.

Minutes Approval

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

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

MOTION PASSED: 7-0

Consent Calendar

Patti Regehr, addressing Agenda Item Number 29 requested the Council remove Agenda Item Number 29 from the Consent Calendar and not approve the reduction in members.

James Hindery, addressing Agenda Item Numbers 21, 22 and 29 requested the Council consider allowing 16 and 17-year-olds to vote, adopt ranked choice voting, add semi-public campaign financing, and increase the number of members of the Human Relations Commission (HRC) and Public Art Commission (PAC).

Jonathan Erman, addressing Agenda Item Number 20 suggested the Council review the list of paving projects to ensure the repairs were more than cosmetic.

Lawrence Magid, addressing Agenda Item Number 29 believed reducing the number of HRC and PAC members opposed the community's values.

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Rohin Ghosh, addressing Agenda Item Number 22 wanted the Council to reallocate funding from the Airport Construction Project to salaries for essential workers and youth programming.

Kirsten Flynn, addressing Agenda Item Number 28 opposed the waiver to convert the President Hotel.

Mayor Fine reported the Palo Alto Airport Project was funded with a grant from the Federal Aviation Administration (FAA).

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

MOTION FAILED DUE TO THE LACK OF A SECOND AND THIRD

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

MOTION FAILED DUE TO THE LACK OF A SECOND AND THIRD

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

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

Mayor Fine disclosed he spoke with members of the Homeowners Association (HOA) and two individuals regarding Agenda Item Number 25.

Vice Mayor DuBois disclosed conversations regarding Agenda Item Number 25 and registered a no vote on Agenda Item Number 12.

Council Member Kniss disclosed a conversation with an individual regarding Agenda Item Number 25.

Council Member Cormack disclosed an attempt to contact an individual regarding Agenda Item Number 25.

Council Member Kou disclosed a conversation with an individual regarding Agenda Item Number 25.

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

4. Approval of a Contract Extension With AT&T, CALNET3 State Contract Number C15157655, Extending the Term Through December 31, 2021,

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for Telecommunications in an Amount Not-to-Exceed \$300,000 Annually.

5. Approval of Contract Number C20175305A With AECOM in the Amount of \$302,073 for Consultant Services to Develop a Sea Level Rise Vulnerability Assessment and Adaptation Plan.
6. Resolution 9895 Entitled, "Resolution of the Council of the City of Palo Alto and Approval of a Joint Powers Authority Agreement and Memorandum of Understanding to Join the California State Association of Counties Excess Insurance Authority (CSAC-EIA) for Dental/Vision Benefit Plan Claims Administration;" and Approval to pay up to \$130,000 Annually to PBIA for Claims Administration Services and to Transfer Funds to PBIA Not-to-Exceed \$710,000 for the 2020 Plan Year to pay Benefit Claims.
7. Adoption of the Fiscal Year 2021 Investment Policy.
8. Resolution 9896 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Amended and Restated Market Purchase Program Agreement With the Northern California Power Agency (NCPA), Authorizing the City Manager or Designee to Authorize NCPA to Purchase and Sell Electricity and Related Products Under the Agreement, and Approving Revisions to the City's Energy Risk Management Policy."
9. Resolution 9897 Entitled, "Resolution of the Council of the City of Palo Alto to Approve Amendment Number 2 to the Agreement With the State of California for Maintenance of State Highways in the City of Palo Alto for Capital Improvement Program Project Charleston/Arastradero Corridor Project, PE-13011, and Authorization of the City Manager or Designee to Execute the Amendment."
10. Approval of Eight On-call Consulting Contracts Totaling \$1.5 Million Over a Four-year Term to Provide Expertise for Long Range Planning Projects, Application Processing, and Environmental Review in the Department of Planning & Development Services, With all Work Subject to Assigned Task Order and Availability of Funds.
11. Approval of Three Five-year Professional Service Agreements for Electric Engineering Consulting Services on an As-needed Basis With: 1) AECOM Technical Services, Inc, 2) NV5, Inc, and 3) Soudi Consultants, Inc, for an Annual Collective Total Not-to-Exceed Amount of \$1,000,000 per Year, and a Five-year Collective Total Not-to-Exceed Amount of \$5,000,000, With all Work Subject to Assigned Task Orders and Availability of Funds.

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12. Approval and Authorization for the City Manager to Execute Electric Enterprise Fund Contract Number C20177717 With Wire Wrangler, LLC, dba TW Power Line Construction, in an Amount of \$1,906,408 for the Caltrain Facility Relocation Project (EL-17007) and Wood Pole Replacement Project (EL-19004); and Authorization to Negotiate and Execute Related Change Orders in the Amount of \$190,641 for a Total Not-to-Exceed Amount of \$2,097,049.
13. Approval of six Contracts for On-call Inspection and Plan Review Services in a Combined Amount Not-to-Exceed \$6,000,000 Over a Four-year and Six-month Term Ending December 31, 2024 With: 1) 4Leaf, Inc, 2) TRB+Associates, 3) SAFEbuilt, 4) Shums Coda Associates, 5) Bureau Veritas, and 6) Independent Code Consultants, Inc.
14. Resolution 9898 Entitled, "Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Apply to the State of California Housing and Community Development Department for the Local Early Action Planning (LEAP) Grant for Housing Production Grant Program;" Environmental Assessment: Exempt Under the California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3).
15. Resolution 9899 Entitled, "Resolution of the Council of the City of Palo Alto Adopting the 2019 San Francisco Bay Area Integrated Regional Water Management Plan."
16. Approval and Authorization for the City Manager or Designee to Execute Amendment Number 3 to the Memorandum of Understanding (Contract Number S17167654) With the Santa Clara Valley Water District (dba Valley Water) to Increase Funding by \$50,000 and Extend the Contract Term for an Additional two Years, for a Revised Total Not-to-Exceed Amount of \$305,000 Over the Five and One-half Year Term to Provide Continued Funding and Support Making Water Conservation a way of Life Through Water use Efficiency Services, Rebates, and Incentive Programs.
17. Approval and Authorization for the City Manager or Designee to Execute Contract Number C20171908 With Sedaru in a Total Not-to-Exceed Amount of \$205,952 to Provide Professional Services for Wastewater Collection System Management Software and Implementation, Including \$201,452 for Basic Services and up to \$4,500 for Additional Services.
18. Resolution 9900 Entitled, "Resolution of the Council of the City of Palo Alto Setting the Appropriations Limit (GANN Limit) for Fiscal Year 2021."

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19. Approval of Amendment Number 1 to Contract Number C19175498 With Integrated Design 360 for Development and Support of Sustainability Implementation Plan, Green Building Program, Deconstruction and Source Separation Program, Dewatering Monitoring Program, and Utilities On-call Services for a Term Extension of One-year and Increasing Compensation for Ongoing and Approved Work by \$354,230 for a Total Not-to-Exceed Amount of \$930,230.
20. Approval of a Contract With O'Grady Paving, Inc., in an Amount Not-to-Exceed \$2,954,031 for the FY 2020 Streets Resurfacing Project, Capital Improvements Program Projects PE-86070, PE-09003, PO-12001, and PL-12000.
21. Resolution 9901 Entitled, "Resolution of the Council of the City of Palo Alto Calling a General Municipal Election for Tuesday, November 3, 2020, for Four Council Member Seats."
22. Approval of Contract Number C21178189 With A. Teichert & Son Inc, dba Teichert Construction, in the Amount of \$13,873,053; Amendment Number 8 With C&S Engineers, Inc., Contract Number C15155208A, for the Airport Apron Reconstruction Phase III Capital Improvements Program Project AP-16000; and Approval of a Budget Amendment in Fiscal Year 2021 in the Airport Enterprise Fund.
23. Approval of Seven Five-year Contracts for On-call, as Needed, IT Project Support Services for an Annual Collective Total Not-to-Exceed Amount of \$480,000; and a Five-year Collective Total Not-to-Exceed Amount of \$2,400,000; and Approval of six On-call, as Needed, SAP Project Support Services, for an Annual Collective Total Not-to-Exceed Amount of \$350,000 per Year, and a Five-year Collective Total Not-to-Exceed Amount of \$1,750,000, With all Work Subject to Assigned Task Orders and Availability of Funds.
24. Approval of an Agreement Between the City of Palo Alto and the Midpeninsula Community Media Center, Inc, for Cablecasting, Production, and Streaming Services From July 1, 2020 Through June 30, 2023, for an Annual Amount of \$160,000, With two One-year Options to Extend for a Potential Five-year Total Not-to-Exceed Amount of \$800,000.
25. QUASI-JUDICIAL. 1700-1730 Embarcadero Road [20APL-00002 and 19PLN-00291]: Appeal of Director's Approval of a Major Architectural Review to Address the Following Outstanding Issues for a Previously Approved Auto Dealership Project: Color, Landscaping, Parapets, Lighting, Transportation Demand Management Plan, County Airport

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Land Use Commission Review; and Floor Area Ratio. Environmental Assessment: Addendum to an Initial Study/Mitigated Negative Declaration That was Adopted for the Project on June 24, 2019, Zoning District: CS(D)(AD).

26. Approval of Three Library Contracts With: 1) Baker & Taylor for up to Six-years for a Total Amount Not-to-Exceed \$2 Million for the Purchase of Library Materials and Services, 2) Ingram for up to Six-years for a Total Amount Not-to-Exceed \$200,000 for Print Materials and Services, and 3) Midwest Tape for up to Six-years for a Total Amount Not-to-Exceed \$700,000 for Media and Digital Materials and Services.
27. Approval of Amendment Number 1 to Contract Number C18170224 With Global Action for the Earth (the Empowerment Institute) for \$45,000 for an Extension of the Community Engagement Block Program (Cool Block) and a new Electrification Initiative With the Cool Blocks and Extension of the Term to December 2021.
28. Adoption of a Record of Land Use Action (ROLUA) Approving a Change to the Local Historic Resources Inventory Classification for 235 Hamilton Avenue (Cardinal Hotel) From a Category 3 (Contributing Building) to a Category 2 (Major Building) Historic Resource. The Historic Resources Board Recommends Adoption of the ROLUA. Approval of This Historic Designation is Exempt From the California Environmental Quality Act (CEQA) in Accordance With Section 15301 of the CEQA Guidelines.
29. Adoption of an Ordinance to Reduce the Number of Human Relations Commission and Public Art Commission Members From Seven to Five.
30. Ordinance 5498 Entitled, Ordinance of the Council of the City of Palo Alto Dissolving the Library Advisory Commission by Amending Sections in Chapters 2.08 (Officers and Departments), 2.16 (Boards and Commissions Generally), and 2.24 (Library Advisory Commission) (FIRST READING: June 8, 2020 PASSED 7-0)."
- 30A. Adoption of a Revised Compensation Plan for Management and Professional Employees, Updated Salary Schedules and Side Letters with Public Safety Unions.

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

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

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

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

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

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

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

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

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

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

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

Council Member Kou opposed Agenda Item Number 9 because it would add to Infrastructure Plan costs. The positions referenced in Agenda Item Number 13 required knowledge and experience with fire response protocols and procedures. The projects for the City parking lot, traffic circles, Middlefield curb and island in Agenda Item Number 20 needed to be deferred. She preferred to fund the Know Your Neighbor Grant Program rather than the Cool Block Program referenced in Agenda Item Number 27. The number of HRB members needed to remain at seven.

Council Member Tanaka indicated the FAA would not reimburse the \$5 million cost for Agenda Item Number 11. Regarding Agenda Item Number 24, he felt \$800,000 was able to fund several employee positions. The number of HRC and Public Art Commission (PAC) members needed to remain at seven to provide some diversity. The reduction proposed in Agenda Item Number 30A was not sufficient.

Vice Mayor DuBois expressed concern about the lack of detail in the Staff Report for Agenda Item Number 12.

City Manager Comments

Ed Shikada, City Manager reported more than 2,000 COVID-19 tests were administered at City Hall. The Library was to offer sidewalk services at Mitchell Park Library and Rinconada Library. Summer camps were to begin July 6, 2020 with modifications. The Household Hazardous Waste Station reopened on June 20, 2020. The Summer Streets Program was to begin Friday. Thirty businesses were awarded Small Business Grants. The City submitted a letter opposing the Governor's Budget Proposal to shift Property Taxes away from some local governments. Fireworks were illegal in the City.

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Council Member Tanaka inquired regarding parking enforcement in the Residential Preferential Parking Permit (RPP) programs.

Mr. Shikada advised that parking districts were not being enforced.

Council Member Tanaka requested comment regarding the proposed closure of University Avenue.

Mr. Shikada indicated Staff spoke via Zoom with some businesses.

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

Action Items

AGENDA ITEM NUMBERS 31 AND 32 WERE HEARD AT THE TIME.

31. PUBLIC HEARING: Adoption of the Budget Ordinance 5499 Entitled, "Ordinance of the Council of the City of Palo Alto for Fiscal Year 2021, Including Adoption of Operating and Capital Budgets and Municipal Fee Schedule;" Adoption of an Ordinance 5501 Entitled "Ordinance of the Council of the City of Palo Alto Amending Section 2.04.360 of the Palo Alto Municipal Code to Allow Council Members a Salary Waiver Option; and Review and Accept the June 30, 2019 Actuarial Valuation of the Palo Alto's Retiree Healthcare Plan and Funding Strategy."
32. PUBLIC HEARING: Adoption of the Following Five Resolutions: 1) Resolution 9902 Entitled, "Resolution of the Council of the City of Palo Alto Approving the Fiscal Year (FY) 2021 Electric Utility Financial Plan, Including Proposed Reserve Transfers, and Amending the Electric Utility Reserve Management Practices," 2) Resolution 9903 Entitled, "Resolution of the Council of the City of Palo Alto Approving the FY 2021 Gas Utility Financial Plan, Including Proposed Transfers, Amending the Gas Utility Reserve Management Practices, and Adopting a Gas Rate Increase by Amending Utility Rate Schedules G-1, G-2, G-3 and G-10," Resolution 9904 Entitled, 3) "Resolution of the Council of the City of Palo Alto Approving the FY 2021 Water Utility Financial Plan and Amending the Water Utility Reserve Management Practices," Resolution 9905 Entitled, 4) "Resolution of the Council of the City of Palo Alto Amending Utility Rate Schedule D-1 Increasing the Storm Water Management Fee by 2.5 Percent per Month per Equivalent Residential Unit for FY 2021," and Resolution 9906 Entitled, 5) "Resolution of the Council of the City

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of Palo Alto Amending Utility Rate Schedules EDF-1 and EDF-2 to Increase Dark Fiber Rates 2.5 Percent."

Kiely Nose, Director of Administrative Services Department and Chief Financial Officer reported the Public Health Emergency caused a \$39 million General Fund deficit. The Council discussed Budget adjustments during seven meetings. Service impacts remained significant, but essential services would continue. The prior week, Staff reviewed the estimated \$20 million impact on the Fiscal Year (FY) 2019-2020 Budget. The revised Proposed Budget of \$796.7 million was before the Council for approval. The Capital Improvement Program (CIP), salaries and benefits, and utility purchases were the revised Proposed Budget's largest areas of expenditure. The revised Proposed Budget included funding for 960 Full-Time Equivalents (FTE), representing a reduction of 74 FTE, 62 of which were funded in the General Fund. Part-time staffing was to be reduced by 25.7 FTE. Staff anticipated staffing reductions were to result in the separation of 19 full-time employees and was to affect 70 part-time employees. The revised Proposed Budget reflected a 15-percent reduction in year-over-year revenues and expenses. The original Proposed Budget published on April 20, 2020 was prepared prior to COVID-19 and did not reflect declines in revenues. Budget adjustments reduced General Fund expenses by \$41.8 million. Adjustments since May 26, 2020 included a 10 percent compensation reduction for Management and Professional employees. Remaining items for Council action were a strategy to manage attrition in the Police and Fire Departments, funding for KZSU, and a reserve fund for COVID-19 uncertainties. The Proposed Budget did not propose a draw on the Budget Stabilization Reserve (BSR) Fund, and the BSR balance was to fall within the target range but \$3.5 million less than the 18.5 percent goal. FY 2021 utility rate changes for gas, fiber and storm drain were to result in an estimated bill increase of \$1.47 per month. Also, before the Council for approval were the FY 2021 Municipal Fee Schedule, the Other Post-Employment Benefits (OPEB) actuarial valuation, an Ordinance allowing Council Members to waive compensation, utility rates, and salary schedules and employment/union agreements.

Public Hearing opened 10:30 P.M.

Fred Balin requested the Council confirm that overnight weekday shifts and all weekend shifts were to remain vacant when a firefighter was absent. He questioned the Council wisdom in not backfilling vacant shifts.

James Hindery found no logic in charging a fee for first responder calls but not for police officer calls, in the Flexible Staffing Model for the Fire Department, and in eliminating the shuttle.

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1650..532 Katelyn encouraged the Council to accept the offer from the Friends of the Palo Alto Children's Theatre and to fund Staff positions.

Bill Ross expressed concerns that the reduction in fire inspectors did not comply with a State mandate and about the impacts of the brownout for the Fire Department.

Rebecca Eisenberg remarked that funding for the Palo Alto Airport construction project was to be reallocated to other departments. She thought Council Members should not have other jobs and should be paid a salary.

Rohin Ghosh commented that funding for the Airport Construction Project could be better used for the Shuttle Program or the Re-Entry Program.

Onaiza was appalled by the reallocation of funding from the Re-Entry Program to youth programs. She disagreed with the Council reducing the number of Human Relations Commission (HRC) members when the Council had directed the HRC to explore the *8 Can't Wait* initiatives.

AA believed the Budget reductions would affect people with less wealth more than people with wealth to spare.

Pat Burt questioned the reallocation of funding for capital projects and Staff's determination of essential projects.

Jonathan Erman expressed concern that the entry fee for the Junior Museum and Zoo would prevent people from visiting it. The Friends of the Junior Museum and Zoo was in a better position to raise funds for expenses.

Stephen Koo suggested police officers with disciplinary records be discharged rather than senior police officers being encouraged to retire. Overtime pay for police officers appearing in court needed to be the minimum allowed rate.

Brent White, Local 1319 President indicated his team would offer suggestions for creative ways to reduce expenses while keeping the community safe.

Audrey Knox was disappointed with the Council's response to comments from Vote 16 Palo Alto. She offered points for the City to negotiate with the police officers' union next year.

Xander Koo was not able to believe the Council had proposed funding reductions for the Police and Fire Departments during a pandemic.

Jeremy Erman suggested the Council reallocate funding for the refurbishment of seating at the Lucie Stern Community Center to the Palo Alto Children's Theatre.

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Public Hearing closed at 11:04 P.M.

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

MOTION PASSED: 5-2 Cormack, Fine no

Vice Mayor DuBois noted the Council reduced expenses and revenues for all departments. The Council did not consider Staff reductions lightly. The Council attempted to balance reductions across all departments. Labor concessions did not meet the Council's expectations. He inquired whether a fee for a Resident's First Parking Permit would be charged in FY 2021.

Ms. Nose explained that the Municipal Fee Schedule would reflect a fee for the first permit, but the Council had to approve the Residential Preferential Parking Permit (RPP) program, which included the date a fee could begin.

Vice Mayor DuBois asked if funding for the Think Fund remained in place.

Ms. Nose replied yes.

Vice Mayor DuBois requested Staff comment on the letter from Friends of the Palo Alto Children's Theatre.

Kristen O'Kane, Director of Community Services related that the Friends of the Palo Alto Children's Theatre offered \$90,000 for programming and \$150,000 for other costs and requested the Council restore 2.5 FTEs. The funding was able to be utilized for virtual programming and planning for spring productions. The cost of the 2.5 FTEs was approximately \$180,000-\$190,000.

Vice Mayor DuBois requested Staff's recommendation.

Ed Shikada, City Manager noted the City did not have funds for the requested FTEs.

Council Member Cormack appreciated the labor unions' willingness to negotiate with the City. She asked Staff to relate the reduction in Professional/Management employees' compensation with the Service Employees' International Union (SEIU) changes.

Ms. Nose explained the original proposal for management concessions included a 26-day furlough, which meant managers were not to work one day out of every two weeks. Without agreement from SEIU, Staff believed implementing the furlough was impractical and infeasible. The furlough was changed to 13 days.

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Council Member Cormack requested the number of Police Officers and Firefighters who would leave City employment in July 2020.

Ms. Nose advised that the City would not initiate employment separation for any Police Officers and Firefighters in July 2020.

Council Member Cormack noted the Council had reserved some funds and would determine use of those funds in the future. She thanked employees who were to separate from the City for their service and wished them well.

Council Member Kou asked if the City funded Palo Alto Community Child Care (PACCC).

Ms. O'Kane explained that the City provided funding to PACCC, which PACCC used to subsidize families' childcare. Previously, the City leased space at Palo Alto Unified School District (PAUSD) school sites and subleased the spaces to PACCC.

Mr. Shikada added that City support and funding for PACCC was not going to change.

Council Member Kou inquired whether \$6 million in addition to \$5 million was transferred to the Infrastructure Fund.

Ms. Nose clarified that the transfer from the General Fund to the Infrastructure Fund in FY 2021 was \$5 million. The \$6 million amount pertained to reductions in the FY 2020 transfers to the Infrastructure Fund.

Council Member Kou noted in prior years vacant positions in the Fire Department were not filled.

Ms. Nose clarified that the vacant positions had been associated with the City's negotiations with Stanford University. Based upon the number of voluntary separations and retirements that occurred in the first half of the fiscal year, the Fire Department was able to see personnel reductions. In the Proposed Budget, vacant positions were not to be backfilled with overtime.

Council Member Tanaka requested an explanation of funding for the CIP.

Ms. Nose explained that Staff had originally recommended a 50 percent or \$7 million reduction in the base transfer to the CIP. The Council had directed Staff to attempt to reduce the transfer by another \$2.6 million. Staff now recommended a 60 percent or \$10 million reduction in the base transfer. A separate transfer to the CIP represented Transient Occupancy Tax (TOT) funding.

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Council Member Tanaka requested Staff address community concerns regarding the proposed brownout for the Fire Department.

Geo Blackshire, Fire Chief reported a maximum of three vacancies on evening and weekend shifts were not to be backfilled with overtime. If one person was absent from a station, only the ambulance at the station was to be staffed. If two people were absent from a station, the third person was to be reassigned, and the station was to be vacant. When a crew was out of service, the response time for the area was to increase. The increase in the response time was not able to be estimated. With Council approval of using attrition to reduce staffing, brownouts were less likely to occur.

Council Member Kniss inquired about the last time City staffing fell below 1,000.

Ms. Nose indicated it had occurred prior to 2000.

Council Member Kniss asked if the Human Resources (HR) Department would provide assistance to separated employees.

Rumi Portillo, Director of Human Resources advised that a virtual resource center was to be available and provide information regarding Unemployment and Health Insurance coverage. HR Staff was available for in-person meetings as well.

Council Member Kniss asked if the Council could allocate funds from the COVID-19 Reserve Fund.

Ms. Nose replied yes.

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

Council Member Cormack asked if KZSU was broadcasting the Council's virtual meetings.

Mr. Shikada answered yes.

Mayor Fine supported KZSU but was hesitant to utilize the COVID-19 Reserve before September.

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

Vice Mayor DuBois noted a decrease in the cost of the Airport Paving Project, which indicated the Capital Budget was inflated. Project costs needed to be monitored as projects were bid. Cities across the country were adding

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personnel to police departments to handle nonviolent calls. He inquired whether the Council was able to approve the Proposed Budget with funding placeholders for reform positions in the Police Department.

Mr. Shikada related that a series of follow-up actions included Staff looking at methods of service delivery and functions with other public safety models.

Vice Mayor DuBois clarified his question as to whether the Council should consider placeholder funding now or in September 2020.

Mr. Shikada suggested the Council wait. Staff continued to monitor expenses and was to have additional information for the Council at a future meeting.

Council Member Tanaka preferred to delay construction of the Public Safety Building (PSB) and other capital projects in order to fund programs that were important to the community. He commented on the size of the City Manager's Office, employee raises and salaries, rebidding capital projects, marketing employees and recruiters, cuts to Community Services programs, utility rates, and Entry Fees for the Junior Museum and Zoo.

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

- A. Adopt the Fiscal Year 2021 Budget Ordinance, which includes:
 - i. City Manager's Fiscal Year 2021 Proposed Operating and Capital Budgets, previously distributed at the April 20th City Council Meeting;
 - ii. Amendments to the City Manager's Fiscal Year 2021 Proposed Operating Budget;
 - iii. Amendments to the City Manager's Fiscal Year 2021 Proposed Capital Budget;
 - iv. Allocated Charge Amendments to the City Manager's Fiscal Year 2021 Proposed Operating and Capital Budgets;
 - v. Fiscal Year 2021 City Table of Organization; and
 - vi. Fiscal Year 2021 Municipal Fee Changes;
- B. Adopt the Ordinance Amending Section 2.04.360 of the Palo Alto Municipal Code to Allow Council Members a Salary Waiver Option. A regular majority vote is required to approve this ordinance which becomes effective 30 days after the second reading and final adoption;

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- C. Accept the Fiscal Year 2021 – 2025 Capital Improvement Plan;
- D. As recommended by the Finance Committee at the May 5, 2020 meeting (CMR 11284), accept the June 30, 2019 biennial actuarial valuation of Palo Alto's Retiree Healthcare Plan and approve full funding of the Actuarial Determined Calculation (ADC) for Fiscal Year 2021 and Fiscal Year 2022 using a 6.25% Discount Rate for the calculation.
- E. Approve and adopt Resolutions of the City Council of the City of Palo Alto:
 - i. Approving the FY 2021 Electric Utility Financial Plan, including reserve transfers, and amending the Electric Utility Reserve Management Practices;
 - ii. Approving the FY 2021 Gas Utility Financial Plan, including reserve transfers, amending the Gas Utility Reserve Management Practices, and adopting a Gas Rate Increase by Amending Utility Rate Schedules G-1, G-2, G-3 and G-10;
 - iii. Approving the FY 2021 Water Utility Financial Plan, including reserve transfers, and amending the water Utility Reserve Management Practices;
 - iv. Amending Utility Rate Schedule D-1 increasing the Storm Water Management Fee by 2.5 percent per month per Equivalent Residential Unit for FY 2021 (Attachments K & L); and
 - v. Amending Utility Rate Schedules EDF-1 and EDF-2 to increase Dark Fiber Rates 2.5 percent.

Council Member Filseth noted the difficulty of cutting the Budget, but the reductions were necessary and prudent given the uncertain economic outlook.

Mayor Fine believed the Council had balanced community interests.

Council Member Tanaka requested the Motion be split.

Council Member Kou thanked the Budget Office for the many hours of preparing and revising the Budget. Funds for capital projects could be redirected to Public Safety and the Community Services Department.

Council Member Kniss suggested the Council could have funded the Staff positions if they had worked a little longer. Hopefully, the outlook was going to be better in August or September.

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MOTION SPLIT FOR THE PURPOSE OF VOTING

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

MOTION PART B PASSED: 7-0

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

MOTION PART D PASSED: 7-0

MOTION PART E PASSED: 6-1 Tanaka no

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

Council Member Kniss requested the date funding for KZSU would cease.

Ms. Nose indicated July 1.

~~33. PUBLIC HEARING / QUASI-JUDICIAL. 488 University Avenue [19PLN-00038]: Request for a Waiver From Title 18 to Allow Conversion of a Residential use to a Hotel use to Accommodate 100 Guestrooms. In Addition, the Applicant Requests Approval of an Architectural Review and Historic Review Application for Interior and Exterior Renovations to the Hotel President to This Category 2 Historic Building, as Well as a Parking Adjustment to Accommodate the Conversion to a Hotel use. The Project Also Includes a Conditional Use Permit to Allow for Restoration and use of a Historic Rooftop Garden and for the On-site Sale of Alcoholic Beverages. Proposed Revisions Include Structural and Seismic Retrofit of the Existing Structure. Zone District: Downtown Commercial District With Ground Floor and Pedestrian Overlays (CD-C)(GF)(P). Environmental Assessment: Exempt From the Provisions of the California Environmental Quality Act (CEQA) Pursuant to Guidelines Sections 15332 (In-fill Development), 15331 (Historical Resource Restoration/Rehabilitation), 15301 (Existing Facilities), and 15302 (Replacement or Reconstruction). (THIS ITEM IS CONTINUED TO JUNE 23, 2020).~~

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

Ed Shikada, City Manager noted an At-Places Memo concerning a correction was provided.

Rebecca Eisenberg felt the compensation packages for City executives did not align with compensation in the private sector and were higher than most

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household incomes. The proposal was actually a 5 percent decrease in compensation and a 10 percent decrease in hours worked.

James Hindery concurred with Ms. Eisenberg's comments.

Jeremy Erman was disappointed that upper management did not follow through with their compensation reduction.

Jonathan Erman stated a professional would have accomplished the task.

Xander Koo remarked that there should be more substantial reductions.

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

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

Council Member Kniss advised that compensation for City Staff was competitive in the Bay Area.

Council Member Tanaka agreed with public comment regarding the amount of compensation. The Council needed to institute "pay for performance" metrics. The alleged compensation reduction was suspect.

Council Member Cormack inquired whether Staff could accrue paid leave.

Kiely Nose, Director of Administrative Services Department and Chief Financial Officer, replied yes.

MOTION PASSED: 5-1 Tanaka no, DuBois absent

Council Member Questions, Comments and Announcements

Council Member Cormack recommended Council Members think about Council policies and protocols for virtual meetings and was troubled by Council Members turning off their video feeds during the meeting.

Mayor Fine explained the need for the list of public speakers and requested Council Members assist him as needed.

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Council Member Kniss suggested the Council consider protocols for public speakers.

Council Member Tanaka proposed the City Clerk display the video of public speakers in order to improve the Council's engagement with the community.

Mayor Fine noted the possibility of inappropriate messages being displayed during public comment.

Ed Shikada, City Manager acknowledged the efforts of the City Clerk to facilitate public speakers and the difficult work of the Council in adjusting the Budget.

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