



CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting
May 13, 2020

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

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

Absent:

Action Items

1. FY 2020/21 Budget Hearing – Continued From May 12, 2020 Budget Hearing– Council will Continue its Discussion of the Upcoming Fiscal Year Operating and Capital budgets, Utility Rates, and Proposed Municipal Fee Schedule.
 - A. May 12th Budget Hearing Continuation
 - a. Community and Library Services Operating Budget
 - b. Approval of the Preliminary Operating Plan and new Municipal Fees for the Junior Museum and Zoo

PARKING LOT: Vice Mayor DuBois moved, seconded by Council Member Tanaka, third by Mayor Fine to place in the parking lot to request Staff provide budget reconciliation tables that would show changes between the Fiscal Year 2020 and current proposed Fiscal Year 2021 Revenue & Expense Summaries, by department, for the General Fund only.

PARKING LOT: Council Member Cormack moved, seconded by Council Member Tanaka, third by Council Member Kniss, to place in the parking lot the understanding of funds for the Public Safety Building.

MOTION: Vice Mayor DuBois moved, seconded by Council Member Kou to direct Staff to return with a plan to fund through additional cost recovery and/or through partial funding of: Teen Services (\$400,000), Art Center (\$400,000), College Terrace Library (\$168,000), Baylands Interpretive Center (\$20,000), and to ask Staff to look at reducing 3 Full Time Equivalent new hires from the Junior Museum and Zoo.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to remove from the Motion, "...and to ask Staff to look at reducing 3 Full Time Equivalent new hires from the Junior Museum and Zoo."

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SUBSTITUTE MOTION: Council Member Cormack moved, seconded by Mayor Fine to have two main libraries for the next fiscal year, Rinconada with children's services, and Mitchell Park, and that savings be redirected to Public Safety Services.

SUBSTITUTE MOTION FAILED: 2-5 DuBois, Filseth, Kniss, Kou, Tanaka no

PARKING LOT: Council Member Kniss moved, seconded by Council Member Filseth, third by Mayor Fine to place in the parking lot to direct Staff to return with a plan to fund through additional cost recovery and/or partial funding: Teen Services (\$400,000), Art Center (\$400,000), College Terrace Library (\$168,000), Baylands Interpretive Center (\$20,000).

MOTION AS AMENDED: Vice Mayor DuBois moved, seconded by Council Member Kou to direct Staff to return with a plan to fund through additional cost recovery and/or through partial funding of: Teen Services (\$400,000), Art Center (\$400,000), College Terrace Library (\$168,000), and Baylands Interpretive Center (\$20,000).

MOTION AS AMENDED WITHDRAWN BY THE MAKER.

INCORPORATED INTO THE PARKING LOT WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "...and Children's Theater."

PARKING LOT AS AMENDED: Council Member Kniss moved, seconded by Council Member Filseth, third by Mayor Fine to place in the parking lot to direct Staff to return with a plan to fund through additional cost recovery and/or partial funding: Teen Services (\$400,000), Art Center (\$400,000), College Terrace Library (\$168,000), Baylands Interpretive Center (\$20,000), and Children's Theater.

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

- A. Recommend tentative approval of the Fiscal Year 2021 Operating Budgets for the Community Services and Library Services Departments for City Council consideration on May 26, 2020; and
- B. Recommend approval of the Preliminary Operating Plan and new Municipal Fees for the Junior Museum and Zoo.

MOTION PASSED: 7-0

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LONG-TERM PARKING LOT: Vice Mayor DuBois moved, seconded by Mayor Fine, third by Council Member Cormack to place in the long-term parking lot to direct Staff to return with a report or agenda item on how the Junior Museum and Zoo will not be subsidized by the General Fund in the future.

- B. Discussion of Fiscal Year 2021 Proposed Municipal Fee Schedule Amendments.

MOTION: Council Member Cormack moved, seconded by Council Member Kniss to tentatively approve the Fiscal Year 2021 Proposed Municipal Fee Schedule Amendments.

LONG-TERM PARKING LOT: Council Member Kou moved, seconded by Council Member Cormack, third by Vice Mayor DuBois to place in the long-term parking lot to direct Staff to return with a discussion of potential price increases for Annual Parking Permits to the California Avenue Area parking garages and parking lots.

AMENDMENT: Council Member Tanaka moved, seconded by Council Member XX to add to the Motion to direct Staff to increase the delta 2X between resident and non-resident fees.

AMENDMENT FAILED DUE TO THE LACK OF SECOND.

MOTION PASSED: 6-1 Tanaka no

Council took a break at 3:44 P.M. and returned at 4:01 P.M.

- C. Planning and Transportation Services Operating and Capital Budgets (Including Respective Special Revenue Funds)
 - a. Planning and Development Services
 - b. Office of Transportation

PARKING LOT: Vice Mayor DuBois moved, seconded by Council Member Filseth, third by Council Member Kou to place in the parking lot to revisit funding for the Transportation Management Association (TMA).

MOTION: Council Member Kniss moved, seconded by Mayor Fine to add the Long-Range Planning and Housing Program and related staffing back into the Proposed Budget (\$273,988).

MOTION PASSED: 4-3 DuBois, Filseth, Kou no

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MOTION: Council Member Kniss moved, seconded by Council Member Cormack to recommend tentative approval of the Fiscal Year 2021 Operating/Capital Budgets for the Planning & Development Services Department and Office of Transportation Department Budgets for City Council consideration on May 26, 2020.

PARKING LOT: Council Member Tanaka moved, seconded by Mayor Fine, third by Council Member Kniss to place in the parking lot the Building Inspection and Fire Inspection budget adjustments.

MOTION PASSED: 6-1 Kou no

Council took a break at 5:50 P.M. and returned at 6:34 P.M.

- D. Infrastructure and Environment
 - a. Utilities Department- Operating and Capital
 - i. Electric Fund
 - ii. Fiber Optics Fund
 - iii. Gas Fund
 - iv. Wastewater Collection Fund
 - v. Water Fund
 - b. Public Works Department- Operating and Capital
 - i. Airport Fund
 - i. Refuse Fund
 - ii. Stormwater Management Fund
 - iii. Vehicle Replacement Fund
 - iv. Wastewater Treatment Fund

MOTION: Council Member Tanaka moved, seconded by Council Member Kniss to accept Staff recommendations of a 0 percent rate increase to the Electric, Fiber Optics, Gas, Wastewater and Water rates.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to amend the Motion to only include the Wastewater Collection Fund and the Water Fund rates.

MOTION AS AMENDED: Council Member Tanaka moved, seconded by Council Member Kniss to accept Staff recommendations of a 0 percent rate increase to the Wastewater Collection Fund and Water Fund rates.

MOTION AS AMENDED PASSED: 7-0

MOTION: Council Member Filseth moved, seconded by Vice Mayor DuBois to recommend tentative approval of a 3 percent rate increase for one year in the Gas Fund.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the Motion to, "...approval of a 2 percent rate increase for one year in the Gas Fund."

MOTION AS AMENDED: Council Member Filseth moved, seconded by Vice Mayor DuBois to recommend tentative approval of a 2 percent rate increase for one year in the Gas Fund.

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

MOTION: Council Member Filseth moved, seconded by Council Member Tanaka to recommend tentative approval of a 0 percent rate increase for one year in the Electric Fund.

MOTION PASSED: 6-1 DuBois no

MOTION: Vice Mayor DuBois moved, seconded by Council Member Kniss to recommend tentative approval to restore the planned 2.5 percent rate increase for one year in the Fiber Optics Fund.

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

MOTION: Council Member Tanaka moved, seconded by Council Member xx to eliminate the communications function in the Utilities Department.

MOTION FAILED DUE TO THE LACK OF A SECOND.

MOTION: Council Member Cormack moved, seconded by Council Member Kniss to recommend tentative approval of the Fiscal Year 2021 Operating/Capital Budget for the Infrastructure and Environment (Utilities and Public Works) for City Council consideration on May 26, 2020.

MOTION PASSED: 7-0

Council took a break at 8:47 P.M. and returned at 8:57 P.M.

- E. Internal Service Departments and Council Appointed Officers Operating Budgets
 - a. Administrative Services
 - b. Human Resources
 - c. Information Technology
 - d. City Attorney's Office
 - e. City Auditor's Office
 - f. City Clerk's Office
 - g. City Manager's Office
 - h. City Council

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MOTION: Council Member Kniss moved, seconded by Vice Mayor DuBois to recommend tentative approval of the Fiscal Year 2021 Operating Budget for the Internal Service Departments and Council Appointed Officers Operating Budgets for City Council consideration on May 26, 2020, plus to explore ways to continue to support funding for KZSU.

PARKING LOT: Vice Mayor DuBois moved, seconded by Council Member Kniss, third by Council Member Kou to place in the parking lot the full minutes.

PARKING LOT: Council Member Cormack moved, seconded by Council Member Kou, third by Vice Mayor DuBois to place in the parking lot the full cost of the packet printing materials.

AMENDMENT: Council Member Tanaka moved, seconded by Council Member Kou to reduce the Staff in the City Manager's Office by two Staff members of the City Manager's choosing.

AMENDMENT FAILED: 2-5 Cormack, DuBois, Filseth, Fine, Kniss no

MOTION PASSED: 6-1 Tanaka no

F. ~~Discussion and Direction to Staff Regarding the Establishment of a Pension Funding Policy and Approval of Amendment Number 1 to Contract Number C15159278 to Increase Compensation by \$97,675 for Additional Actuarial Consultant Services for a new Total Not-To-Exceed Amount of \$230,000. (This item has been continued to a date uncertain.)~~

G. May 11, 12, and 13th Budget Hearing Wrap-up Discussion.

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

- A. Remove the Section 115 Trust;
- B. Cubberley Finances from the short-term parking lot; and
- C. Add \$1 million in the General Capital Improvement Project Fund cuts back into the budget.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "Dedicate \$1.6 million reduction in Capital Improvement Project Fund to the Section 115 Trust Fund." (New Part D)

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MOTION AS AMENDED: Mayor Fine moved, seconded by Council Member Kniss to:

- A. Remove the Section 115 Trust from the short-term parking lot;
- B. Remove the Cubberley Finances from the short-term parking lot;
- C. Add \$1 million in the General Capital Improvement Project Fund cuts back into the budget; and
- D. Dedicate the \$1.6 million reduction in Capital Improvement Project Fund to the Section 115 Trust Fund.

MOTION AS AMENDED PASSED FOR MOTION PART A: 6-1 Kou no

MOTION AS AMENDED PASSED FOR MOTION PART B: 6-1 Tanaka no

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to update the Motion, Part C to read, "cut an additional \$1 million from the General Capital Improvement Fund and reduce the General Fund Transfer to the Capital Improvement Project Fund by a corresponding amount".

MOTION AS AMENDED: Mayor Fine moved, seconded by Council Member Kniss to:

- C. Cut an additional \$1 million from the General Capital Improvement Fund and reduce the General Fund Transfer to the Capital Improvement Project Fund by a corresponding amount; and
- D. Dedicate the dedicate \$1.6 million reduction in Capital Improvement Project Fund to the Section 115 Trust Fund.

MOTION AS AMENDED PASSED FOR MOTION PART C: 6-1 Tanaka no

MOTION AS AMENDED PASSED FOR MOTION PART D: 6-1 Kou no

MOTION: Council Member Tanaka moved, seconded by Council Member Kou to remove the College Terrace Library from the parking lot.

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

MOTION: Council Member Filseth moved, seconded by Council Member Cormack to allocate \$1 million back into the budget to address the following areas: 60 percent Police Department and 40 percent Community Services Department.

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MOTION PASSED: 7-0

PARKING LOT: Council Member Kou moved, seconded by Council Member Kniss, third by Council Member Tanaka to place in the parking lot the Youth Community Service Youth Connectedness Initiative of \$50,000.

LONG-TERM PARKING LOT: Vice Mayor DuBois moved, seconded by Council Member Kou, third by Council Member Filseth to add to the long-term parking lot to direct Staff to analyze a re-balance of the Capital Fund to contribute to the Roth renovation, with the use of impact fees and up to \$1 million from the General Fund, a preference for impact fees, and to refer the results to the Finance Committee.

Adjournment: The meeting was adjourned at 11:51 P.M.