



CITY COUNCIL SUMMARY MINUTES

Special Meeting
June 12, 2023

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 5:30 P.M.

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

Present Remotely:

Absent:

CALL TO ORDER

Mayor Kou called the meeting to order in honor of Immigrant Heritage Month. Roll was taken.

CLOSED SESSION

1. ~~CONFERENCE WITH LABOR NEGOTIATORS~~ City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (Ed Shikada, Kiely Nose, Sandra Blanch, Tori Anthony, Molly Stump, and Jennifer Fine) Employee Organization: Service Employees International Union, (SEIU) Local 521, Utilities Management and Professional Association of Palo Alto (UMPAPA), Palo Alto Peace Officers' Association (PAPOA), Palo Alto Police Management Association (PMA), International Association of Fire Fighters (IAFF) local 1319, Palo Alto Fire Chiefs' Association (FCA); Authority: Government Code Section 54957.6 (a) Item removed from Agenda

REMOVED FROM AGENDA

SPECIAL ORDERS OF THE DAY

2. Proclamation honoring AACI (Asian Americans for Community Involvement)

Mayor Kou read the proclamation honoring Asian Americans for Community Involvement.

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AACI President/CEO Sarita Kohli thanked the Council for this honor, which is a testament to the vision and dedication of the founders of AACI. They were visionary individuals who thought into the future about how to support the communities. When the organization started, Santa Clara County was about 4% Asian and now it is close to 40%. AACI has expanded beyond just serving the Asian community and serves all people regardless of ability to pay and immigration. The staff speaks 40 different languages and serves close to 21,000 people a year with various services. It is an integrated health and wellness organization due to the vision of the founders.

PUBLIC COMMENT

1. Jeffrey Shore spoke regarding the plan to replace the Pope Chaucer Bridge. He noted the planned downstream improvements were inadequate to contain the increased flows, and some neighborhoods downstream of the new Pope Chaucer Bridge would flood if there were another 1998-like storm. This will require raising the height and length of downstream top-of-bank structures, leading to more cost and delay. He asked leaders not to transfer flood risk to downstream residents.
2. Alka Mithal spoke regarding Senate Bill SB 403, regarding caste discrimination. While she herself is against caste discrimination, she was worried about this bill as it specifically targets and causes negative perception of Hindu Americans. She believed it was unconstitutional.
3. Sandeep Dedage, representing APNADB, an organization of Dalits and Bahujans, marginalized people of South Asia, strongly opposed SB 403 as discriminatory and fundamentally unfair. He stated this was not a bill of the Dalit caste but one of weaponizing antidiscrimination to butcher the cultural existence of minorities. He requested Palo Alto pass a resolution against 403. He stated that people of his background are not willing to come forward in light of death threats, that this bill creates more hate and ignores the colonial trauma of these groups, and that there was no input from these communities when creating this bill.
4. Shrish Agrawal also had concerns about SB 403 and believed it was a misguided attempt to fix a problem that it is unclear even exists. He questioned the methodology of the study and neutrality of the organization involved. He rejected the ideology that caste is an integral part of Hinduism and urged the Council to condemn that idea and this bill.
5. Mohit Thawani also opposed SB 403 as a discriminatory bill that targets Indian Americans unfairly. He stated the bill is unnecessary because most Indian Americans do not identify with a caste and caste discrimination is already covered under existing laws. In addition, it is not neutral and targets a minority community.
6. Sandeep Bhat requested the Council file a motion to oppose SB 403. He related that in his 20 years in the U.S., he has never experienced or witnessed caste-related issues and that

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this bill would create an issue where none exists. He added that the bill was authored by a for-profit organization and based on flawed survey and data and that the California Civil Rights Department engaged in dubious methods while investigating this issue. He urged the Council to do their own research and form their own opinions on the matter.

7. Anil Rachakonda stated most Indian Americans do not identify by caste. He felt the bill set people apart and created more discrimination rather than bringing them together. He stated the wording of the bill was vague and questioned who will define caste. He stated the senator involved in the bill has refused to engage in discussion regarding alternative language that would make the bill neutral. He urged the Council to oppose this bill.
8. Aram James (Zoom) spoke in support of SB 403. He quoted the existing Unruh Civil Rights Act and stated that this bill would add caste as something that people could not be discriminated for. He felt there was a long history of caste discrimination and recommended several books on the subject.
9. Matt Schlegel (Zoom) spoke about the recent passing of the SCAP. He stated there is a dire climate crisis and a need to stop burning fossil fuels and emitting CO₂ into the atmosphere. He encouraged the SCAP Ad Hoc Committee to reconvene and do a deep dive on the root causes of the low installation rate of the heat pump water heaters in the pilot program. Nearly halfway through the year, only 12 out of 1000 new heat pump water heaters have been installed.
10. Muni Madhdhipatla (Zoom) spoke against SB 403 and requested Palo Alto City Council to pass a resolution against this bill as it unfairly targets and discriminates against the Indian American community. He stated that labeling this community as a caste-practicing community that discriminates against others is in itself discriminating. He noted that the District Attorney stated there is not a single case under his jurisdiction with anything to do with caste. He felt the bill should be rejected and the lawmakers advancing such bills should be reprimanded.
11. Mohan (Zoom) stated the Indian community is a vibrant, law-abiding community. He stated Senate Bill 403 calls this community bigots, bullies, rapists, human traffickers, even murderers to justify an assault on the rights of equal protection under law. He stated there is no bill in the U.S. that targets only a particular community and asks them to stop discriminating. He stated the concept of caste did not exist in conversations until this bill was proposed and felt the bill was designed to break the community rather than pull it together.
12. Dilip Amin (Zoom) stated the bill was confusing in that it talks about Hindus without explicitly spelling that out. He cited several lawyers' publications against this bill, noting that there is concern about whether the intent of the bill may be to target and condemn particular communities with whom the word caste is deeply and stereotypically associated.

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13. Ravi [inaudible] (Zoom) explained that Hinduism, at its core, views the world as one single family and some of the points raised by Mr. James do not apply to today's Western Hindu living. He encouraged reading books recommended by the Hindu community and then forming an opinion on whether to support the bill.

COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Council Member Lythcott-Haims spoke about State Assembly Constitutional Amendment 5 (ACA 5), a proposed constitutional amendment to remove the anti-gay marriage provision known as Proposition 8 from the California Constitution. It passed in 2008 and was subsequently nullified by the courts but remains in the Constitution. This is an important way to declare that gay marriage is unequivocally legal in California. She hoped the Council would support this.

Mayor Kou stated she believed Staff was recommending support on ACA 5 and she agreed with not tolerating discrimination. However, removing the language erases it from the record, and she hoped that does not happen and that education is continued.

STUDY SESSION

3. Bi-Annual Discussion with the Independent Police Auditor

City Manager Ed Shikada noted there are twice-a-year opportunities to meet with the Independent Police Auditors.

Independent Police Auditor Michael Gennaco gave an overview of OIR Group's process and how complaints are investigated and resolved.

Independent Police Auditor Stephen Connolly further described that the review process both investigates the incidents and looks for possible adjustments based on the specifics of the cases in order to improve the department's operational systems going forward. For the latest cycle, there were three investigations into alleged misconduct, one use of force that met the established criteria, and three pointed firearm incidents, a new category being tracked. In each instance, OIR concurred with the outcome the department reached. Even when a complaint is unfounded, there are often still areas for follow-up and things that could be done better, and the department has been committed to documenting any interventions that take place. In all three-pointed firearms instances, the officer's use of that technique was found to be appropriately warranted by the circumstances. The IPA recommendations were based on issues from actual cases and intended to enhance future effectiveness of officer performance and the PAPD review process. The pointed firearm process was new to both the department

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and OIR, and refinements are being worked on on both ends to enhance the capture and review process.

Auditor Gennaco discussed that during the investigation of one incident, it was discovered that the officers involved may have used their personal cell phones to communicate with regard to drafts of police reports, etc. The officers, through their attorney, declined to provide their cell phone information to the investigation. That information could potentially have been critical to the full assessment of the allegation, and the investigator did not have access to it. A recommendation was made that in future situations in which there is information relating to PAPD business on a personal cell phone, the investigator should demand that information pursuant to the ability to do so. It was also recommended that personal cell phones should be reserved for personal business and not used for Palo Alto business when possible.

Auditor Connolly reviewed the hiring and recruiting audit. This topic was selected by the Council for additional inquiry to test how the process is working and make recommendations with regard to best practices. In terms of the key issues, diversity was a priority and competition among agencies was a challenge. The report discussed the mechanics of the process, the internal recruiting team, and the state requirements. The auditors were impressed with the energy and dedication of the team members, who understand the challenges and public expectations. It was found the approach was engaged; they were flexible and taking initiative, while maintaining high standards in a time when there are less applicants than in the past. Palo Alto recognizes the value of a diverse workforce and has had some success in recent months. The old recruitment video, which had received a lot of criticism, has been updated with a much more effective approach.

Auditor Gennaco discussed the recommendations for hiring and recruiting. It was felt it would be good to get more community input into hiring decisions to get a different perspective. Some strategies were suggested with regard to increasing female representation, with particular focus on retention. There were also suggestions made regarding finding meaningful placements for applicants who have not yet completed academy training. The new contract, which had not occurred at the time of the report, was also seen as a positive factor in recruiting and retaining individuals. He noted the continued cooperation of the department and the City.

Council Member Veenker agreed with the importance of hiring officers who embrace diverse equitable culture. She asked how many women were hired in the last year and how many total were currently on the force.

Police Chief Andrew Binder believed one female was hired over the last year with around five total in the department.

Council Member Veenker was concerned with retention, which may not only due to personal circumstance but also training, opportunities for advancement, being mentored, the culture in the workplace, being free of harassment. She asked if that was investigated or if there was any sense of that.

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Auditor Gennaco agreed those practices were critical. He explained that offering options for flexibility like job sharing was an example of a way to retain individuals.

Vice Mayor Stone noted in reading the report that there were 19,000 calls for service and 600 arrests during the time period of this report with only 1 use of force case that required report and 3 incidents of guns drawn. He commended the department on this and also applauded the decision to include the race of individuals in the report. He asked if the department had discussed with other city departments about offering temporary jobs while applicants are awaiting the next police academy placement. He gave the example of the teen center having been closed due to staffing issues as a great opportunity for those applicants to establish relationships with the City's teens and learn more about the community. He was concerned about the incident with the use of personal phones and lack of access to that information. He hoped that would continue to be pursued. He hoped to reach out to other departments to learn about best practices in diversity hiring and encouraged the chief to keep an open communication with Council about funding requests related to that.

Chief Binder felt placements in other departments was a great recommendation and that other city departments would be receptive. He was also disappointed in the investigator's decision not to require the officers to turn the cell phone information over. He reaffirmed that a diverse department is a better department.

Council Member Burt remarked on the concept of providing greater flexibility over the course of a career, which runs counter to operating with staff shortages and extensive overtime. He asked for insight on recent progress allowing those practices to be implemented.

Chief Binder stated there has been good progress over the last couple years in adding positions and backing that up with money to recruit and retain. As that happens, then there are more options. The department was very interested in the option of job sharing.

Council Member Lythcott-Haims noted that the presence of police chief at this reporting meeting is not currently required and asked Staff to ensure this is an expectation going forward and to take the chief's schedule into account when scheduling this meeting. She asked the chief for his plans for use of the Racial Identity and Profiling Act (RIPA) data and for helping the public make sense of it.

Chief Binder stated there have been discussions with experts who deal specifically with data analysis with law enforcement because the context of that data is needed to be able to draw from that on areas that need improvement.

Council Member Lythcott-Haims was interested to know in the future about the use of canines in policing, what is common, and where Palo Alto stacks up in that regard.

Council Member Tanaka asked if in addition to the above issues the investigation also looked into how efficient the police department is at doing police work, solving and preventing crimes,

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etc. He also questioned the process of auditing automatic license plate readers. He noted he was also interested in information on canine and taser activity.

Auditor Gennaco stated the efficiency of the department was not a part of the scope of this work, though it is a interesting and significant issue. An audit of the automatic license plate readers is also not in the current scope but could be on a forward-going basis.

Chief Binder stated the department kept its own records regarding solving rates but was unsure if there was an external entity that does that type of analysis.

Council Member Lauing emphasized the importance of diversity hires.

Mayor Kou noted that the report states that not attracting applicants is one of the obstacles to diversity hiring and noted that it is not for lack of trying.

PUBLIC COMMENT

1. Aram James stated he met with the auditors and made some suggestions regarding letting the community know the IPA are out there. He detailed some of the items they discussed and was grateful for the meeting.
2. Winter Dellenbach was concerned about how late the IPA report was this time but was glad to hear Auditor Gennaco recommit to releasing reports on time. This depends on a number of departments being timely, not just the IPA. She noted the contract also allows for a wide range of items able to be discussed with the IPA.
3. Liz Gardner stated she comes from a long history of law enforcement family. She noted that housing costs could be part of the long-term retention of staffing. She added that individuals raising children and working part time are working a job and a half and that part-time work should always be encouraged in these instances.

NO ACTION

CONSENT CALENDAR

4. Approval of Three Contract Amendments to Citywide Landscaping Services Contracts to extend the terms to September 30, 2023 and Increase Compensation as Follows: (1) Amendment No. 1 to Contract with BrightView Landscape Services, Inc. (C18170810A) with an increase of \$305,606; (2) Amendment No. 1 to Contract with Gachina Landscape Management, Inc. (C18170810B) with an increase of \$19,972; and (3) Amendment No. 2 to Contract with Grassroots Ecology (C18170810C) with an increase of \$15,520; CEQA Status – Categorically Exempt 15301 and 15304.

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5. Authorize Amendment No. 2 to Contract No. C20175537 with Kennedy Jenks Consultants, Inc. to extend the term of the contract for the Primary Outfall Line Project (WQ-19002) through December 31, 2027
6. Approve the Grade Separation Evaluation Criteria For Evaluating Alternatives Under Consideration for Grade Separation Projects. CEQA status – Categorically exempt under CEQA Guidelines section 15262
7. Adoption of Memorandum of Agreement with Utility Management and Professional Association of Palo Alto (UMPAPA) effective upon adoption through June 30, 2025, and Adopt revised Management and Professional salary schedule; CEQA Status - Not a project
8. Approval of a Purchase of Panasonic ToughBook Replacement Equipment for Police and Fire in the amount of \$422,007 with Datec Incorporated Utilizing an NCPA Cooperative Agreement; and Approval of a Purchase of Replacement CradlePoint Modems with DiscountCell, Incorporated for Police and Fire in the Amount of \$168,801 Utilizing a NASPO Cooperative Agreement; and a Budget Amendment in the Information Technology Fund; CEQA Status—not a project
9. Approval of Office of City Auditor Electronic Payment Process and Controls Audit Report; CEQA Status – Not a Project
10. SECOND READING: Adoption of a Permanent Ordinance Amending Titles 18 and 21 to Implement State Housing Legislation from the 2021 Legislative Session, Including SB 9. Environmental Analysis: Exempt from Environmental Analysis under CEQA Guidelines Section 15061(b)(3) and Government Code Sections 66411.7(n) and 65852.21(j). The Planning and Transportation Commission (PTC) has recommended Council adopt the ordinance. (FIRST READING: May 22, 2023 PASSED 7-0)
11. Approval of a Protocol for Council Member Co-Hosting of Neighborhood Town Hall Meetings
12. Approval of 2023-2024 Boards, Commissions and Commission Committees Work Plans:
 - A. Architectural Review Board
 - B. Historic Resources Board
 - C. Park and Recreation Commission
 - D. Planning and Transportation Commission
 - E. Public Art Commission
 - F. Stormwater Management Oversight Committee

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G. Utilities Advisory Commission

PUBLIC COMMENT

Stew Plock, speaking on behalf of a group of Palo Alto residents, applauded the Council possibly reconsidering the viaduct strategy for the railway corridor. He believed that was the best strategy for rail, auto, bike, and pedestrian traffic. His group planned to speak further at the next Rail Committee meeting.

Council Member Tanaka registered a no vote on Agenda Item Number 7-8.

Mayor Kou registered a no vote on Agenda Item Number 6.

MOTION: Council Member Lythcott-Haims moved, seconded by Council Member Veenker, to approve Agenda Item Numbers 4-12.

MOTION PASSED 4-5, 9-12: 7-0

MOTION PASSED 6: 6-1, Kou no

MOTION PASSED 7-8: 6-1, Tanaka no

Council Member Tanaka presented figures explaining that the raises proposed in item 7 equated to about an 11% raise, double the current inflation rate of about 4.9%. In combination with massive utility rate increases, mass layoffs in the community, and two major recent bank failures, he could not support Item Number 7. He did not support Item Number 8 due to paying extra for a 5-year warranty when the ToughBooks were only supposed to last 4 years and also felt it should have been included in the budget already.

Mayor Kou felt the evaluation criteria worked except Item I. She felt the word "consider" was not as strong as the previous "minimize," and with the viaduct potentially being brought back for consideration, stronger language was needed.

CITY MANAGER COMMENTS

Ed Shikada, City Manager, spoke about the recent Neighborhood Town Hall and stated these will be planned quarterly. He listed some upcoming opportunities for community engagement and noted the planned 3rd Thursday events on California Avenue. He also discussed notable upcoming Council agenda items.

The Council took a 10-minute break.

ACTION ITEMS

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13. Direction on Operating Model for Palo Alto Animal Shelter, Which May Include: Negotiating A New Agreement with Pets In Need; Moving to In-House Service Delivery; and/or Issuing a New Request For Proposals. CEQA Review – Not a Project

Community Services Director Kristen O’Kane explained the revised recommendation from Staff that the Council discussion and direction focus on PIN’s response to previous Council questions, with only a cursory review of the in-house alternative currently. She reviewed previous Council actions and discussions and described the current agreement with PIN as well as the key terms of the new agreement. She also reviewed the proposed FY24 budget.

Assistant to City Manager Lupita Alamos gave a high-level presentation of the in-house shelter analysis. She reviewed the proposed cost and staffing summary for the in-house model as well as a comparison of the scope of services between PIN and an in-house model.

City Manager Ed Shikada wanted to avoid any potential comparisons that would potentially put all parties in an adversarial discussion. The discussion should be one of identifying the areas of common interest and developing service offerings based upon those interests and the community’s needs.

Laura Toller Gardner, Pets In Need CEO, stated the goal of the presentation was to address the questions posed in March and received since then. She underlined the power of partnership that PIN brings to the City. There are two shelters, two medical clinics, and a mobile clinic, with the center in Palo Alto an open-intake shelter. She noted that the mobile clinic serves Palo Alto, Redwood City, East Palo Alto, East Menlo Park, San Jose, and other communities. It delivers access to care and community medicine, allowing support to those who need it in order to keep animals in their homes and not in shelters. It was important to focus on the Palo Alto Shelter but also on what can be done with the mobile clinic. She noted that PIN currently has 2 FTE dedicated to outreach and access to care; Palo Alto would pay for 0.75 FTE and PIN would pay 1.25 in outreach and all program expenses, including all it takes to put the mobile clinic on the road. In FY23, PIN underwrote in-jurisdiction access-to-care services by \$185K. The total organizational budget in FY23 was \$5.7M; Palo Alto was \$1.2M of that, approximately 21% of the organization.

Teri Dunwoody, Pets In Need Director of Finance & Budget, spoke about the new contract proposal. She discussed the budget proposal, with PIN proposing to managing the shelter with 12.3 FTE. This level of staffing is necessary to run the shelter, for the safety and wellbeing of the animals and the quality of services needed. The contract fee proposed was \$1.37M for year one, and she detailed the expenses involved in that. The capital improvements requested by PIN are only for strategic improvements, which she further detailed.

Laura Birdsall, Pets In Need Director of Shelter Operations, explained that the Palo Alto Shelter is open-intake, meaning that any animals in jurisdiction cannot be turned away. Total animals taken in for 2022 was 671 with 312 sent out for foster in 62 foster homes. The volunteer hours from 2022 were 1471, and there were 446 total spay/neuters. The save rate for the year was

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98%. She described the importance of foster homes and behavioral management. She spoke about PIN's veterinary team led by Dr. Barbie Laderman-Jones and the medical services available through the PIN medical team. Regarding spay/neuter statistics, in FY23, there were up to 60 procedures per month and in FY24, the average will be 80 to 90 per month. Finally, she discussed adoption services and how PIN works to ensure success with adoptions. Of the adoptions in 2022, 72% were from in jurisdiction and 28% were transferred in.

Council Member Lauing questioned the discrepancy between PIN's forecasted \$250K revenue and the Staff's forecast of \$400K. He also asked about the difference between projected surgeries. He asked Staff if they believed the \$55K interim compensation was appropriate.

Assistant to City Manager Alamos stated that over a 10-year trend line, that revenue was typical for adoptions, medical procedures, and other services, not including Mountain View in those calculations. The surgery numbers were also based on past experience.

Ms. Dunwoody felt PIN's estimate was accurate based on the current numbers and that fees were intentionally kept low to maintain access to care. She added there was not demand in jurisdiction for 150 spay/neuters per month.

Director O'Kane wanted to take a deeper dive into how that \$55K number was developed. In the sense that this has been under negotiation for some time and that having the contract start in June is ideal, it would be appropriate.

Council Member Burt had questions about the way the capital items were budgeted. There was further discussion about this.

Vice Mayor Stone asked what happens when a stray-hold animal needs services after hours if that is no longer included in the proposed PIN contract. He asked for clarification that the cost estimates for salary and benefits for staffing the in-house model at \$1.2M included expected pension costs as well, which was correct.

Animal Control Officer Cody McCartney answered that the closest clinic is the MedVet Clinic in Mountain View. The proposal is that the City would pick up the cost for the after-hours care.

Council Member Veenker felt it was most important to invest in the physical facility regardless of who is running it. She was concerned with the proposed in-house model being open Monday through Saturday with every other Friday closed, considering when people have time off to take animals in. She asked what happened if someone outside of jurisdiction comes in with an animal. She questioned the transition costs if the City were to take over running the shelter.

Ms. Birdsall responded that when able, PIN would intake the animal and transport it to the appropriate jurisdictional shelter. Preventative services are mostly reserved for when the vaccine clinic is running.

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Assistant to City Manager Alamos stated that transition costs were not calculated in the staff report.

Council Member Tanaka wanted a more detailed breakdown regarding the difference in revenue estimates between in-house and PIN. He asked how the in-house model was able to be staffed with so many less people. He asked whether Palo Alto was reimbursed by the other cities serviced and if that covered the cost.

Assistant to City Manager Alamos stated that in reviewing whether this was the appropriate model and consulting with experts, the proposal provided the capacity and appropriate level of care to support the hours of operation and care for the animals. It does not necessarily include the same services PIN focuses on as PIN also has a mobile clinic, marketing, and additional services. She also responded that there was a contract with Los Altos and Los Altos Hills to receive revenue for services provided.

Director O'Kane added that it was to offset the time the animal control officers spend in Los Altos and Los Altos Hills and was based on actual number of calls the ACOs do in those cities.

Council Member Tanaka further questioned how this works if the other cities are not paying for usage of the facility.

Director O'Kane stated that Los Altos Hills pays 4% of actual program costs and LA pays a little over 11%. She stated she could return with more numbers.

Assistant to City Manager Alamos added residents of Los Altos and Los Altos Hills seeking services such as spay/neuter and boarding were still charged a fee. A fee analysis could be done if the Council was interested.

Council Member Tanaka asked if the spay/neuter program was profitable.

Ms. Dunwoody felt it was unlikely that the fees cover the entire cost but that that was intentional as the model is to provide access to care.

Council Member Tanaka wanted to figure out how much money was lost per service for nonresidents and did not believe the City should be subsidizing that.

Council Member Lythcott-Haims asked how many FTE were devoted to adoption services through PIN versus in-house, both the number and the percentage of overall staff, to get an idea of the primary work.

Ms. Toller Gardner stated PIN had 2.5 FTE specifically for adoption services but with contribution from several other staff, including foster staff, behaviorist, animal care manager.

Assistant to City Manager Alamos stated the in-house model would have two administrative staff providing the public-facing service and, like PIN, would have other staff included in the process.

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Mayor Kou asked if it was possible to have volunteer staff to help with the adoption process. She asked if there was a consideration for opening seven days a week. She suggested the modular building be used as a showing area for cats and small animals.

Ms. Birdsall stated it was possible for volunteers to supplement the adoption counselors, but some tasks were better handled by Staff. With respect to animal care, there was not usually enough volunteer support to routinely fill out a schedule and Staff were ultimately accountable for that. She stated that opening seven days a week would involve increasing the staff headcount and added that the competitive job environment was a challenge. She stated the modular building had been used for showing areas for certain events but that it was not set up in order to be easily cleaned and sanitized. That area has been used for socializing dogs, but cats get upset by being moved that distance.

Mayor Kou asked how much effort is devoted to training and retraining and animal before euthanizing.

Ms. Birdsall explained this is not an issue with cats. With regard to dogs, the primary concern is safety of the staff and the community. If there are safety concerns with an animal, the behaviorist gives recommendations for medical interventions. If medical conditions are ruled out and medication is not rendering the animal safe to work with, potential rescue placements are considered. If that is not possible, the case is moved onto a committee of staff to discuss potential outcome options. If it continues to be in the best interest of public safety and the welfare of the animal (for example, an aggressive dog living the rest of its life in a cage), then euthanasia decisions are considered.

PUBLIC COMMENT

1. Jeannette Washington, Animal Control Officer with PAPD, felt that PIN's model did not align with the needs of the City and its citizens. She stated that PIN has continued to struggle with meeting the needs of the municipality and did not have the knowledge, policies, or staff to adequately provide all necessary services needed by the community. She stated off-hours medical care and aid in animal control investigations were crucial services to keep animals and the community safe.
2. Leonor Delgado stated PIN's proposed 60 spay/neuter surgeries per month was nowhere the number needed in this community. She asked the City Council make the City-operated proposal of 150 an absolute minimum with whichever organization administers the shelter and that any shelter operator be required to provide this basic service. More spay and neuter equals fewer roaming cats.
3. Kadri Corollo (Zoom), Animal Control Officer for Palo Alto, stated she was familiar with the ins and outs of both organizations' operating models, having previously worked at PIN. She stated that over the last four years, PIN has drastically reduced services available to the public, including spay and neuter, and proposes even more reductions. She noted the high staff turnover at PIN makes it difficult for the shelter to run efficiently. She felt the

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current contract had not saved the City any money and the new contract terms will cost even more than it would to bring operations back in house.

4. Rashi Sharma (Zoom), resident of Los Altos and local high school student, did not want feral cats to be released locally as feral cats hunt birds, reduce the food available to hawks and other raptors, and infect wildlife with toxoplasmosis. She asked the Council not to contract with PIN if they continue to pursue a change to the policy of not releasing cats into the environment.
5. Aram James (Zoom) noted the citizens were happy with the service in 2015 and was interested in the more detailed conversation in August about keeping the City. He also noted a new, updated facility was necessary and that fundraising could be done to accomplish that.
6. Anni Yang (Zoom), Chair of the Environmental Action Committee of the Santa Clara Valley Audubon Society, noted that trap/neuter/release programs often fail to reduce the overall feral cat populations and removing the cats altogether was a better, more compassionate way to control cat populations. She hoped there would be no changes to the current policy against releasing feral cats.
7. KC Hetterly (Zoom), intern with Santa Clara Valley Audubon Society, noted the effect of feral cats on the bird population and the harm of trap/neuter/release programs on the cats themselves. She stated Palo Alto had the ideal policy of prohibiting the release of feral cats in the City and asked to maintain the policy or ensure that a decision of policy change went through Council.
8. Linda Ruthruff (Zoom) described the negative effects of feral cats on local ecosystems. She stated TNR was not the answer to feral cats as these colonies remain stable for years with new cats finding their way to the colony and people learning of the colonies dumping unwanted cats there. She wanted to protect the biodiversity of Palo Alto by continuing to prohibit TNR.
9. Eileen McLaughlin (Zoom), representing Citizens' Committee to Complete the Refuge, hoped that the City would continue to prevent return of feral cats. She encouraged looking into the way PIN will prevent the release of feral cats in Palo Alto.
10. Sachi Hwangbo (Zoom), who was Volunteer Coordinator of Palo Alto Animal Services, stated the City-run shelter was community minded and felt PIN had little presence in the community. She noted the City once ran a thriving neonatal foster program for orphaned kittens that has whittled away to only a few fosters. She felt PIN's operation was unstable and lacked continuity. She hoped to see Palo Alto Animal Services return.
11. Liz Gardner (Zoom) spoke about the low-income aspect of spay/neuter and the arduous form required by PIN. She believed low-income people were in need of pets, especially

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during a time of isolation and separation. She addressed the issue of reaching out to the demographics that consider purebred pets over adoption.

12. Shani Kleinhaus, Environmental Advocate for Santa Clara Valley Audubon Society, felt TNR was not the most important thing to be discussed but was the main focus for Audubon. She wanted to be clear about continuing the policy of not releasing feral cats, which is not good for them.
13. Karen Holman, speaking on behalf of Tom DuBois, Terry Holzemer, Winter Dellenbach, Carol Kiparsky, Ian Irwin, Pat Hernandez (7), noted the 2015 audit stated the animal shelter faced findings unlikely to be resolved if it continued functioning as solely a City-managed function, and she was surprised that this was being looked at as an option. She stated the shelter facility was outdated and did not meet standards for animal care. She stated there was an area in the back of the facility that was ripe for expansion of the shelter. The staff report indicated no improvements or allocation of funding for shelter improvements was intended, which was in contradiction to the audit and to the wellbeing of animals. Shelter improvements need to be done no matter who manages it. She was concerned about the hours of operation, as weekends are the critical days. She stated she saw no advantage to continuing consideration of an in-house model for all of the listed reasons.

Council Member Veenker would like to see the current feral cat policies continued and wanted to update the term sheet to align with that, amending Item M to "Both parties will work together to develop a transparent and humane feral cat program reflective of municipal best practices and reflective of the impact on public health and wildlife and that maintains the current practice where PIN does not release feral cats or cause them to be released." Looking at the two proposals, she saw ways in which both fall somewhat short of what would be ideal. Given the reduction of hours and personnel under the current City plan, she did not feel it was the time to bring it back in house. She proposed proceeding as quickly as possible with the scheduled capital improvements, continuing with PIN now, making sure PIN knows what the City wants in order to negotiate a deal that requires the needed services, and , including a termination clause that could be exercised if PIN is not provided the expected services.

Council Member Lauing supported the City Manager's recommendation not to take final action tonight but thought the preference should be a term sheet with PIN. He noted that the new management team at PIN was a good thing because there were problems and the organization has righted itself. These executives have made sense in terms of their commitment and what they want to do. He was concerned about the in-house model being incomplete as far as costs. He stated PIN had the full services in place and the hours were more accommodating. He noted that the Redwood City location was a place for advanced medical treatment, overflow space, access to more pet inventory plus a staff of over 40 people who could fill in when needed, and is already in place. In contrast, the in-house model has to ramp up from zero. He wanted very clear language on the TNR, clarification on number of surgeries, and review of revenue opportunities.

SUMMARY MINUTES

Vice Mayor Stone asked if Staff felt the capital requests from PIN were not necessary.

City Manager Shikada stated that was not Staff's position and that they were operating with a lack of plan going forward on the in-house model site.

Vice Mayor Stone stated there would clearly need to be some changes on the facility and that would likely increase costs in the future. He asked if Staff had discussed the practicality and viability of PIN remaining in place while the in-house model was being implemented.

Director O'Kane stated that had not been explored.

Vice Mayor Stone stated that after seeing the side-by-side analysis, he did not see much reason to go in house. Costs were essentially the same without even including the capital improvements that will be necessary. He did not see how keeping a leaner staffing model would allow for the same services. He was not confident that the City could match PIN's extensive volunteer network and fundraising. He was happy to stick with PIN, with more clarity on the TNR policies.

Council Member Burt largely concurred with the other council members. He wanted to reconcile the different perspectives on the spay and neuter in which PIN states they are meeting the demand and Staff states PIN is considerably below what they anticipate as demand. He wanted to clarify that the City did not want release of TNR cats, which was consistent with what PIN had said was their current practice. He wanted to know, if there was concern over PIN's approach, what the City did differently in the past. He stated PIN has their own set of priorities, some of which are aligned with the City, and he felt there needed to be a greater balancing of the models in the negotiation or have PIN pick up more cost difference. He was interested in Los Altos and Los Altos Hills bearing a fair proportionate share of costs. He wanted to ask Staff to return with a refined contract proposal.

Council Member Tanaka wanted to give Staff very clear direction and specificity for negotiation. He asked if Staff was able to review the contract with Los Altos and Los Altos Hills as discussed earlier.

Director O'Kane first clarified that Los Altos and Los Altos Hills pay a percentage of actual program costs, both at the shelter and for the animal control officers. That number is based on the average percentage of animals handled from those jurisdictions. She felt the numbers were pretty accurate.

Council Member Tanaka was interested in knowing more about the unit costs and getting cost recovery if that is not covered. He felt it was important to figure out the numbers for surgeries and also a level of service guarantee related to time frame or quality. He agreed with the suggestion of being able to terminate if PIN is not providing the services the community needs.

SUMMARY MINUTES

MOTION: Council Member Lauing moved, seconded by Council Member Tanaka, to direct Staff to negotiate an agreement with Pets In Need (PIN) and bring back to Council in August with the following amendments and review:

1. No Trap/Neuter/Return (TNR) changes, through language such as: "Both parties will work together to develop a transparent and humane feral cat program reflective of municipal best practices and the impact on public health and wildlife, and that maintains the current practice where PIN does not release feral cats or cause them to be released."
2. Review on the number of surgeries
3. Higher revenue opportunities
4. Consider a possible 3-year contract
5. Level of service and termination clause
6. Reporting and oversight
7. Spayed and neutered metrics

There was discussion on the wording of the motion.

MOTION PASSED: 7-0

14. Approval of Homekey Lease Agreement with LifeMoves for use of 1237 San Antonio Road for a term of 9 years and Revenue Agreement with Santa Clara County to enable the County to execute an operating agreement with LifeMoves for interim housing operations

City Manager Ed Shikada hoped tonight's motion would set in motion the beginning of construction.

Assistant to City Manager Melissa McDonough stated the three things Council would look at tonight were a lease, a revenue agreement, and project elements removed. Palo Alto Homekey will be a modular interim housing shelter located at 1237 San Antonio Road, on a portion of the former Los Altos Treatment Plant. To accommodate the Homekey Project, GreenWaste operations will move to the back of the site with fencing and landscaping separating it from the shelter. The project includes family and individual units with some communal areas in between and rooms for support services. She presented and explained a comparison between several shelters regarding sleeping rooms, construction costs, and site attributes.

SUMMARY MINUTES

Aubrey Merriman, LifeMoves CEO, reaffirmed commitment to this project and the impact it will make in the community. He stated there are pros and cons of the site location and the focus should be getting the project going and providing an environment of dignity and respect with a robust service system for these individuals. He looked forward to optimizing the space. LifeMoves wants to be transparent and share successes and failings during this process, remaining in constant communication and allowing access to the staff, clients, and community for conversations on a regular basis. LifeMoves wants to be held accountable for delivering the highest level of service. He stated LifeMoves has taken the learnings from the Mountain View shelter and implemented them in the Navigation Center and will also apply the learnings from the Navigation Center to the shelter in Palo Alto. It is always going to be an iterative process.

Brian Greenberg, LifeMoves Programs and Services, gave an overview of the service model, providing a safe environment for the most vulnerable clients as well as volunteers and staff. The facility will be serving single adults as well as families. The model is for each household to receive a comprehensive assessment, which leads to a case plan toward exiting homelessness and securing stable housing. The goal is to remove barriers to housing. There will be a minimum of 2 staff on site 24/7/365. He stated this facility would make a difference in Palo Alto.

Deputy City Manager Chantal Cotton-Gaines reviewed the key terms of the lease agreement with LifeMoves, which will give LifeMoves access to the site in order to do construction and operate the facility built at the site. It is a 9-year term, which allows for construction and 7 years of operation at \$1/year for rent. She reviewed the four-party letter of intent between the City, LifeMoves, Santa Clara County Office of Supportive Housing as well as Santa Clara County Housing Authority. She reviewed the revenue agreement with Santa Clara County, which allows the City to pass through the funds allocated for operations. It is a 7-year agreement at \$1M/year, and there are several operational performance metrics to be monitored.

Assistant to City Manager McDonough stated Palo Alto Homekey is supported and funded by a wide variety of stakeholders. She reviewed the current capital projection, with the capital funding sources and expenses, and the Staff recommendations for funding allocation. She presented a list of the project elements removed and presented rough estimate costs for the elements Staff had anticipated Council may want to reinstate. Staff recommended approving the lease agreement with LifeMoves and revenue agreement with Santa Clara County as well as providing direction on which project elements to reinstate.

PUBLIC COMMENT

1. Liz Gardner urged the Council to reconsider this plan. She questioned how the families will connect with the community, living at a wastewater and waste management site, not near any transit, jobs, or shopping. She stated there were plenty of sites to reconsider that would allow these individuals to integrate and be a part of the community and asked to make this habitable and acceptable.

SUMMARY MINUTES

2. Aram James spoke about caseworker turnover with LifeMoves. He felt the project would not work and would be a loss of taxpayer money. He felt it was a bad project in the wrong place, isolating unhoused people without any guarantee they will move from temporary to permanent housing. He wanted to put this money into permanent housing as this is a failed project from the beginning.

Mayor Kou suggested people tour the facility and learn more about it.

Vice Mayor Stone asked what safeguards were in place to provide accountability.

Consuelo Hernandez, Director of Office of Supportive Housing County of Santa Clara, stated there is a systemwide performance each development has to meet. Because this project is new, there is not a specific benchmark for emergency interim housing, so it is treated like temporary shelter. The benchmark for that is that 30% of participants enrolled in the program exit to permanent housing, but the County sees that number closer to 78%. There will be monthly reports to the Housing, Land Use, Transportation, and Environment Committee and performance reports each time the City is invoiced.

Vice Mayor Stone asked how school selections work for school-age children and what happens to the students enrolled in the district when a family moves to permanent housing.

Mr. Greenberg stated there would be a fulltime children's services coordinator involved in transportation, ensuring children attend school, homework club, and individual tutors. He stated that the general practice is that upon moving into interim housing, the students continue at the same school they had been enrolled in. Once they move to permanent housing, the transition is facilitated between the current school, the future school, and LifeMoves.

Council Member Veenker asked if the County had similar agreements with Mountain View or Redwood City with respect to the revenue agreement and operational performance metrics. Regarding the things that had been cut, she felt solar/energy storage was key. Items she wanted to see included if possible were irrigation metering device, water reuse, and Energy Star Profile Manager. She was concerned whether water reuse might be harder to put in later than some of the other things.

Deputy City Manager Cotton-Gaines explained that Palo Alto had decided to bring in the County in the capacity of knowing how a shelter should be run without the City having to build that staff capacity. Mountain View does not have the same structure, but the key difference is that LifeMoves owns the Mountain View property. Palo Alto is both property owner and partner in the project.

Director Hernandez stated the County was currently negotiating a very similar revenue agreement with Mountain View, proposing \$2.4M in matching grant funds combined with the City's \$2.4M. Partnering increases the outcomes by thinking strategically.

SUMMARY MINUTES

George Hoyt, Chief Building Official, stated water reuse would be very costly to put in at a later date. The infrastructure would need to be put in during the construction.

Council Member Veenker stated this project was good for the community. The location may be imperfect, but the delay could be tremendous in waiting to find a new location. She supported the staff recommendation.

Council Member Burt stated Finance Committee did not receive the breakdown of the optional elements and had an aggregate amount that was considered to be optional. The Council is looking at making this decision out of the context of the other Tier 2 items that there would be tradeoffs on. He stated solar was the biggest dollar and asked for more information about that. He also wanted to confirm that there were food services on site.

Tony Taormino, Devcon Construction, stated the PV system that is currently priced maxes out the total roof space on the modular boxes, about 135-kW system. It was not clear how much energy that would offset. He stated it would be important to get the infrastructure incorporated into the modular boxes (\$60K-\$70K), which is the conduit run inside the walls, and pull strings later, and about \$20K to do the design.

Mr. Greenberg responded that all sites provide three meals a day.

Council Member Burt noted other housing that is contiguous with industrial sites. Impacts like noise or hazardous materials are what matter, and he did not believe those issues existed at this site. There is a very limited number of undeveloped City-owned parcels of 2 acres, and this will be transformative for unhoused residents. He noted the Charities Housing project on El Camino with 130 units for very low and extremely low income as a natural transitional project for many folks to be able to go on to permanent housing.

Council Member Lauing agreed that the location was good and the project was terrific. He asked who gets the \$500K in fees. He asked for clarification that the timeline was to begin in July 2023 and finish end of 2024.

Assistant to City Manager McDonough stated the fees were for cost recovery for the development center, so it is money that comes back to the City. The TCO on the last schedule was February. The work would be done, but the final inspections and Certificate of Occupancy would be in February.

Council Member Tanaka stated the City would be putting in about \$53M, a substantial amount of resources for a very important problem. He felt the money should go toward helping the maximum number of people possible. He presented a chart from the Almanac with data from Santa Clara County showing that LifeMoves was one of the bottom performers in terms of placing people. He asked if might be better to focus that \$53M more on permanent housing, which has a much better success rate. He asked about personnel issues and reports of sexual assault, what action happened regarding that, and how long it took for action to occur.

SUMMARY MINUTES

Marie Jackson, LifeMoves Marketing Director, stated there was a no-tolerance policy for any harassment or other allegations. Once the issue came up, LifeMoves did their own investigation and those involved were pulled from the site and then dismissed from the organization.

Council Member Tanaka questioned how much the CEO makes compared to the average worker. He believed that should be public as it was important to show that the money being spent on the program is going to help the people that it is trying to help.

Paul Simpson, LifeMoves Chief Financial Officer, stated LifeMoves runs equity compensation surveys and the staff are compensated at the 75th percentile or better. The overall programs budget is about 80% of the budget. He noted those were great benchmarks within the sector.

Council Member Tanaka felt the operations metric that mattered most to the people in the City was how many people were no longer unhoused. He asked about the efficacy of the program to actually accomplishing that. He questioned what happens to the land in the event LifeMoves does not perform and under what conditions the agreement could be terminated.

Director Hernandez stated between the period of May 1, 2022, and April 30, 2023, 158 homeless households connected to Palo Alto were assessed for the first time. In anticipation of the lease up of the site, an outreach strategy would be convened with the County, the City, the police department and the service providers for those individuals. She noted the number of people helped through this program would be included in the reports. She clarified that the performance outcomes for the site are related to the exit destination of the people enrolled; LifeMoves would not be required to reduce the number of homeless people in the City of Palo Alto.

Council Member Tanaka felt the \$2M should be held in reserve and that any money put into the project should go toward the people it is helping, not things like solar panels. The amount of people being helped by the program is more of a trophy than how environmentally friendly it is. He asked the anticipated cost per person being helped.

Assistant to City Manager McDonough did not believe that calculation had been done.

Mr. Simpson stated the overall operating costs were roughly \$4M a year for this particular site. There was not a per-person cost metric as every individual is different and receives their own individual support services plan.

Council Member Lythcott-Haims stated that this location was subpar despite tremendous effort. It was completely isolated, which was not conducive to reintegrating residents back into the community. Regardless of that, she was wholly in favor of the project and was confident that the City and LifeMoves would learn from this project and process to deploy those learnings into the next project.

SUMMARY MINUTES

Mayor Kou questioned how the quarterly report is received. She felt it was good to involve the community in this knowledge. She asked about parking concerns and how that was working in Mountain View.

Assistant to City Manager McDonough stated the report would come to City Staff and could be made public on a quarterly or annual basis. The first couple quarters, there will not be much to report.

Mr. Simpson stated the Mountain View has 19 parking spots and there have been no issues or complaints with parking.

Mayor Kou noted for the future Finance Committee discussion that some of the items are related to health and would benefit the people living there.

ORIGINAL MOTION: Council Member Veenker moved, seconded by Council Member Lauing to:

- A. Approve a Homekey Lease Agreement with LifeMoves for use of 1237 San Antonio Road for a term of nine years, and;
- B. Approve a Revenue Agreement with Santa Clara County to enable the County to execute an operating agreement with LifeMoves for interim housing operations, and;
- C. Consideration of Tier 2 reinstatements deferred until June 19 when the Council is reviewing FY24 budget

Council Member Tanaka noted that using the previous numbers, he calculated about \$40K per person. He questioned the ability to retain the land if the needed services were not provided.

City Attorney Molly Stump stated the performance standards are not contained directly in the lease but are in the agreement between the City and the County. In that agreement, there is a discussion of efforts that both the County and the City would make to address problems with performance.

Council Member Burt clarified that using the numbers listed, it comes out to about \$13K per resident to move from unhoused through complete support services, which is phenomenally low, and that including the capital costs in that calculation was specious.

MOTION: Council Member Burt moved, seconded by Vice Mayor Stone to call the question (limit the debate).

MOTION PASSED: 6-1, Tanaka no

ORIGINAL MOTION PASSED: 6-1, Tanaka no

ADJOURNMENT: The meeting was adjourned at 12:10 A.M.