



CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
June 19, 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:

Special Orders of the Day

1. Proclamation Honoring Juneteenth 2023

Agenda Changes, Additions and Deletions

Public Comment

Council Member Questions, Comments and Announcements

Consent Calendar

Council Member Tanaka registered a no vote on Agenda Item Number 9, 17, 18, 27.

MOTION: Vice Mayor Stone moved, seconded by Council Member Lythcott-Haims to approve Agenda Item Numbers 2-27.

MOTION PASSED 2-8, 10-16, 19-26: 7-0

MOTION PASSED 9, 17, 18, 27: 6-1, Tanaka no

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2. Approval of Minutes from May 22, 2023 and June 5, 2023 Meetings
3. Approval of a Purchase Order with The Public Restroom Company in the Amount of \$369,749 to Provide and Install a Modular Restroom Building at the Cubberley Community Center Fields for the Cubberley Field Restroom Capital Project (CB-17002); CEQA status – exempt under CEQA Guidelines Section 15303
4. Approval of Construction Contract Number C23187877 with Casey Construction, Inc. in the amount of \$410,604, Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$41,060, and approval of a FY 2023 Budget Amendment in the Stormwater Management Fund for the Trash Capture Device Installation Project, Capital Improvement Program Project SD-22002; CEQA status – exempt under CEQA Guideline Section 15303.
5. Utilities Advisory Commission Recommends Adoption of the 2023 Annual Water Shortage Assessment Report
6. Grant of Easements to City of Mountain View for the City of Mountain View's Phase 2 San Antonio Area Sewer Main Improvements Project. CEQA Status – Exempt Under CEQA Guidelines Section 15378(b)(5).
7. Approval of Construction Contract with OBS Engineering, Inc. (#C23187759) in the Amount of \$4,199,222 and Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$419,922 for the Boulware Park Improvements project (PE-17005) and Green Stormwater Infrastructure project (SD-22001); and Approval of FY 2023 Budget Amendments in the Park Development Impact Fee, Stormwater Management, and Capital Improvement Funds; CEQA status—exempt under CEQA Guidelines sections 15301 (existing facilities), 15302 (replacement or reconstruction), 15303 (small structures), and 15311 (accessory structures)
8. Approval of the Conceptual Plan for Quiet Zone at Palo Alto Avenue/Alma Street Rail Crossing and Direct Staff to Proceed with Design and Construction of the Project. CEQA status – categorically exempt (Regulation 15301).
9. Approval of: (1) a Purchase Order with Pivot Interiors Inc. in the Amount of \$756,021 and (2) a Purchase Order with One Workplace in the Amount of \$480,229 for the Public Safety Building Capital Project (PE-15001); CEQA: Environmental Impact Report for the Public Safety Building and New California Avenue Area Parking Garage (Resolution No. 9772)
10. Approval of a one-year General Services contract with Stephen Ciari Plumbing and Heating, Inc. for Backflow Prevention Devices Testing, Repair, and Certification Services and Approval of a FY 2023 Budget Amendment in the General Fund; CEQA Status – Categorically Exempt 15301 and 15302

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11. Approval of Amendment No. 1 with South Bay Regional Public Safety Training Consortium (Contract No S23187799) for Fire Academy and Other Training Services extended through 12/31/2023 and increasing the total compensation by \$114,370 for a total contract amount not to exceed \$199,000. CEQA status: not a project.
12. Approval of the Fiscal Year 2024 Investment Policy
13. City Council Appointment of the Castilleja Neighborhood Committee in Accordance With Condition Number 33 Contained in Record of Land Use Action 2022-22 Authorizing Redevelopment of Private School at 1310 Bryant Street (Castilleja School). Environmental Assessment: Exempt from CEQA Pursuant to CEQA Guidelines Section 15061(b)(3).
14. Authorization for the City Manager to Negotiate and Execute a Memorandum of Understanding and Funding Agreement with Peninsula Corridor Joint Powers Board (Caltrain) and the City of Menlo Park Regarding Emergency Repairs to the North Bank of the San Francisquito Creek
15. Adopt an Ordinance Amending Palo Alto Municipal Code (PAMC) Section 9.10.060 (f) and Adoption of a Resolution to Modify the Administrative Penalty Schedule Related to Enforcement of the City's Gas-Powered Leaf Blower Ban. Environmental Analysis: Not Subject to CEQA Review in Accordance with CEQA Guidelines 15061(b)(3).
16. Approval of a Purchase Order with Aviat Networks in the Amount of \$438,907 for Radio Communication Systems for the New Public Safety Building Capital Project (PE-15001), including \$399,007 for Basic Services and \$39,900 for Additional Services; CEQA: Environmental Impact Report for the PSB and New California Avenue Area Parking Garage (Resolution No. 9772)
17. Authorization to Execute Amendment to Legal Services Contract S22184420 with Rankin Stock Heaberlin Oneal to Increase Amount by \$150,000 for Total Not-to-Exceed Amount of \$225,000 and to Extend the Term to January 2025; CEQA Status – Not a Project
18. Approval of Contract with VOX Network Solutions (C23187554) to Procure Services to Upgrade the City's Phone System and a Three-Year Support Term for a Total Amount Not-To-Exceed \$504,107; CEQA Status—not a project
19. Approval and authorization to execute contract Amendment No. 2 with the OIR Group for an additional two-year period and an additional \$105,000 for a new not-to-exceed amount of \$212,500 for independent police auditing services with a new expiration date of January 1, 2025.
20. Approval of Amendment Number 3 to the Agreement With Palo Alto Unified School District (PAUSD) for PAUSD Athletic Field Brokering and Maintenance Cost-sharing to Extend the Term to June 30, 2024, with an Optional Extension for an Additional Six Months; CEQA status – categorically exempt (Regulation 15301).

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21. Approval of the 2023-2024 Human Relations Commission Work Plan; CEQA Status – Not a Project
22. Approval of Office of City Auditor Remote and Flexible Work Study Report; CEQA Status – Not a Project
23. Approval of Office of City Auditor Task Order Change - 04.16 ALPR Technology Contract Management; CEQA Status – Not a Project
24. Approval of Office of City Auditor Task Order Change - 04.19 Disaster Recovery Preparedness; CEQA Status – Not a Project
25. Approval of Office of City Auditor Task Order Change - FY23-01 Citywide Risk Assessment & FY23-02 Annual Audit Plan; CEQA Status – Not a Project
26. SECOND READING: Adoption of an Ordinance Amending Section 2.04.010 (Regular Meeting) of Chapter 2.04 (Council Organization and Procedure) of the Palo Alto Municipal Code to Change the City Council Meeting Start Time from Six p.m. to Five- Thirty p.m. (FIRST READING: June 5, 2023 PASSED 7-0)
27. SECOND READING: Adoption of an Ordinance Amending Section Palo Alto Municipal Code Chapter 9.68, Rental Housing Stabilization, to Clarify the Definitions of At-Fault and No-Fault Just Cause for Evictions, Extend Just Cause Eviction Protections and Tenant Relocation Assistance to More Rental Units in Palo Alto than Offered by State Law, and Adopt a Security Deposit Limit for Unfurnished Rental Units in Palo Alto. Environmental Assessment: Exempt under CEQA Guidelines Section 15061(b)(3). (FIRST READING: June 5, 2023 PASSED 6-1)

City Manager Comments

Ed Shikada, City Manager

Action Items

28. PUBLIC HEARING: Finance Committee Recommends Adoption of Four Resolutions: 1) Approving the Fiscal Year 2024 Wastewater Collection Utility Financial Plan, Proposed Reserve Transfers, and Increasing Wastewater Rates by Amending Wastewater Collection Rate Schedules S-1, S-2, S-6 and S-7; 2) Approving the Fiscal Year 2024 Water Utility Financial Plan, Proposed Reserve Transfers, and Increasing Water Rates by Amending Water Rate Schedules W-1, W-2, W-3, W-4, and W-7; 3) Amending Utility Rate Schedules EDF-1 and EDF-2, to Increase Dark Fiber Rates by 4.9 Percent and amending Rate Schedule EDF-3 to make technical revisions with no rate change; and 4) Amending Utility Rate Schedule D-1 Increasing the Storm Water Management Fee by 4.9 Percent per Month per

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Equivalent Residential Unit for FY 2024; and CEQA Status: Not a project under CEQA Guidelines Section 15378(b)(4) and (5) and exempt under Public Resources Code Sec. 21080(b)(8) and CEQA Guidelines Section 15273(a)

Public Hearing opened at 7:11 P.M.

MOTION SPLIT FOR THE PURPOSE OF VOTING

MOTION: Council Member Burt moved, seconded by Council Member Lauing to adopt the following for the Wastewater Collection Utility, a Resolution:

- a. Approving the Fiscal Year 2024 Wastewater Collection Financial Plan, including a 9% wastewater rate increase; and
- b. Approving a transfer of up to \$3.178 million from the Capital Improvement Projects Reserve to the Operations Reserve in FY 2023; and
- c. Approving a transfer of up to \$342 thousand from the Rate Stabilization Reserve to the Operations Reserve in FY 2023; and
- d. Increasing the Wastewater Collection Utility Rates via the Amendment of Rate Schedules S-1 (Residential Wastewater Collection and Disposal), S-2 (Commercial Wastewater Collection and Disposal), S-6 (Restaurant Wastewater Collection and Disposal) and S-7 (Commercial Wastewater Collection and Disposal – Industrial Discharger)

MOTION PASSED: 6-1, Tanaka no

MOTION: Council Member Burt moved, seconded by Council Member Lauing to adopt the following for the Water Utility, a Resolution:

- e. Approving the FY 2024 Water Utility Financial Plan, including a 2% water distribution rate increase; and
- f. Approving a transfer of up to \$3.746 million from the Capital Improvement Program (CIP) Reserve to the Operations Reserve in FY 2023; and
- g. Approving a transfer of up to \$3.0 million from the Rate Stabilization Reserve to the Operations Reserve in FY 2023; and
- h. Increasing Water Utility Rates via the Amendment of Rate Schedules W-1 (General Residential Water service), W-2 (Water Service from Fire Hydrants), W3 (Fire

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Service Connections), W-4 (Residential Master-Metered and General Non-Residential Water Service), and W-7 (Non-Residential Irrigation Water Service)

MOTION PASSED: 7-0

MOTION: Mayor Kou moved, seconded by Council Member Burt to adopt the following:

1. A Resolution Amending Utility Rate Schedules EDF-1 and EDF-2 to increase Dark Fiber Rates 4.9 percent, and amending Schedule EDF-3 to reflect minor edits with no rate change;
2. A Resolution Amending Utility Rate Schedule D-1 increasing the Storm Water Management Fee by 4.9 percent consistent with the applicable Consumer Price Index.

MOTION PASSED: 7-0

Public Hearing closed at 7:22 P.M.

29. PUBLIC HEARING: Adoption of the Budget Ordinance for Fiscal Year 2024, Including the Operating and Capital Budgets, Table of Organization, and Municipal Fee Schedule; Acceptance of Updates to the Capital Improvement Plan, and Acceptance of Updates to the Salary Schedule for the Management and Professionals Group; CEQA Status – Not a Project

Public Hearing opened at 7:23 P.M.

MOTION: Council Member Burt moved, seconded by Council Member Lythcott-Haims to:

1. Adopt the Fiscal Year 2024 Budget Ordinance which includes the Operating and Capital Budgets, Table of Organization, and Municipal Fee Schedule, as amended by actions outlined in this report; and
2. Accept the FY 2024-2028 Capital Improvement Plan as amended by the actions outlined in this report; and
3. Adopt the amended salary schedule for the Management, Professionals and Confidential Group; and
4. Refer staff follow-up on the below items recommended by the Finance Committee:
 - a. HSRAP Funding

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b. Eucalyptus Tree Removal Study

MOTION PASSED: 6-1, Tanaka no

Public Hearing closed at 8:35 P.M.

Consent Calendar

Council Member Tanaka registered a no vote on Agenda Item Number 33, 36, 38.

MOTION: Mayor Kou moved, seconded by Council Member Burt to approve Agenda Item Numbers 30-40.

MOTION PASSED 30-32, 34-35, 37, 39-40: 7-0

MOTION PASSED 33, 36, 38: 6-1, Tanaka no

30. Adoption of a Resolution Proposing the Appropriations Limit for Fiscal Year 2024
31. Approval of an Agreement Between Santa Clara Valley Water District and the City of Palo Alto for Administration and Funding of Water Conservation and Stormwater Rebate Programs and Advanced Metering Infrastructure for a Total Not-To-Exceed Amount of \$1,575,000 Over a Seven-Year Term Ending June 30, 2030 (This is not a project and therefore is exempt from California Environmental Quality Act (CEQA))
32. Approval of a Blanket Purchase Order with Graniterock Company for the purchase of Sand, Rock, and Cutback-Cold Mix Asphalt Materials for the Public Works and Utilities Departments for a three-year term ending June 30, 2026; CEQA – Not a ProjectX
33. Approval of Contract No. C23187298A with MuniServices, LLC for Tax and Fee Consulting Services in a Total Not-To-Exceed Amount of \$1,161,550 Over a Five-Year Term and Contract No. C23187298B with HdL Coren & Cone for Property Tax Consulting Services in a Total Not-To-Exceed Amount of \$111,800 Over a Five-Year Term; CEQA Status – Not a Project
34. Approval of Professional Services Contract with Kittelson & Associates for a Not-to-Exceed Amount of \$333,945 for the Bicycle and Pedestrian Transportation Plan Update
35. Approve and Authorize the City Manager to Execute a Grant Agreement with the Federal Highway Administration (FHWA) to Develop the Palo Alto Safe Streets for All (SS4A) Action Plan by Receiving \$160,000 in Federal Funds and Requiring \$40,000 in City Matching Funds over Two Years and Approve a FY 2024 Budget Amendment in the Capital Improvement Fund; CEQA status – not a project.

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36. Approval of Contract Number C23187284 with Michael Baker International (MBI) for a Not-to Exceed Amount of \$211,310 to Provide Administration and Consulting Services for the City's Community Development Block Grant (CDBG) Program for a Term of Two-years Through June 2025
37. Approval of Amendment No. 1 to the Lease Agreement between the Palo Alto Unified School District (PAUSD) (Landlord) and the City of Palo Alto (Tenant) for Extended Day Care Spaces for an Initial 12-Month Term, Rent Not to Exceed \$707,676 per Year; CEQA Status – Not a Project
38. Approval of a Professional Services Agreement (Contract No. C23184669A) with LifeMoves for the provision of Homeless Outreach Services in an Amount Not to Exceed of \$460,000 for a term of two years; CEQA status – not a project.
39. Acceptance of an Outdoor Environmental Education Facilities Grant from the California Department of Parks and Recreation in the amount of One Hundred and Sixty-Two Thousand Dollars (\$162,000) for Signage and Exhibits at the Palo Alto Baylands Nature Preserve, Approval of Deed Restrictions in the Baylands, and Approval of a FY 2024 Budget Amendment in the Capital Improvement Fund; CEQA – categorically exempt (Regulation 15311).
40. Approval of Contract with Downtown Streets Team, Inc. (C23188369) for a Total Not-to-Exceed Amount of \$168,340 for Fiscal Year 2024 for Workforce Development Services: Environmental Assessment: Exempt in Accordance with CEQA Guidelines Section 15061(b)(3).

Study Session

41. Tree Protection Ordinance Year One Implementation Update

NO ACTION

Action Items

- AA1. Colleagues Memo: Approval of a "Friendship City" Program

MOTION: Council Member Burt moved, seconded by Council Member Stone to refer the Colleagues Memo for Approval of a "Friendship City" Program to Policy and Services Committee for further discussion and to review the staffing impacts of this program.

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MOTION PASSED: 6-1, Tanaka no

Adjournment: The meeting was adjourned at 10:57 P.M.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Action minutes are prepared in accordance with Palo Alto Municipal Code (PAMC) 2.04.160(a) and (b). Summary minutes (sense) are prepared in accordance with PAMC Section 2.04.160(c). Beginning in January 2018, in accordance with [Ordinance No. 5423](#), the City Council found action minutes and the video/audio recordings of Council proceedings to be the official records of both Council and committee proceedings. These recordings are available on the City's website.