

MINUTES FOR MEETING OF MAY 27, 2009

Opening

The School City Liaison Committee held a meeting in Room A, 25 Churchill Avenue, Palo Alto, California. The meeting was called to order at 8:15 a.m.

City of Palo Alto

John Barton, Council Member
 Larry Klein, Council Member
 Steve Emslie
 Lalo Perez
 Steven Turner, Project Planner for the Community for Jewish Life (CJL) Project
 Pat Markevitch, Parks and Recreation

Palo Alto Unified School District

Camille Townsend, Board Member, Chair of Committee
 Melissa Baten Caswell, Board Member
 Bob Golton, CBO
 Cathy Mak, CBO
 Tina Allen, Secretary, Superintendent's Office

Others Present

Randi Brenowitz, CJL

Oral Communications

There were no requests to speak.

Approval of Minutes

MOTION: Klein moved to approve the minutes from the April 22, 2009 meeting. Baten Caswell seconded. Motion carried 4-0.

It was agreed that the budget item would come first.

City of Palo Alto Budget Update

Perez reported that the current fiscal year budget is being adjusted in order to close the \$8 million gap. In addition some typical transfers are not being made this year, such as infrastructure and retirement medical liability under GASB 45. Sales tax and documentary transfer tax revenues are big challenges for the City now. Baten Caswell asked if the transfer tax funds were mostly from commercial real estate. Perez said it was a combination, with 75% being residential and numbers were starting to pick up after a 50% decline. Klein noted that the number of houses for sale in Palo Alto was at it's highest in many years, however actual sales were low. From the property tax perspective, the City was better off because levels had not declined as much as elsewhere in the state. For next year, a \$141 million budget was projected, including the closing a \$10 million deficit. The biggest decline was sales tax, at -12.2%. The City was in the middle of a 12-meeting plan to discuss the budget. Council members Barton, Martin, Klein, and Schmidt were on the committee. Reductions proposed were 20.5 positions in the general fund across the board. Use of hourly employees was being considered. In addition, there would be a reduction in employee compensation and benefits. Barton said there were five unions, and their contracts came up for renewal at different times, so different changes would likely be negotiated for each group. Klein said the police union had voluntarily agreed to forego its contracted salary increase for next year, saving the City \$600,000. The firefighters union was discussing doing something similar. Barton said the fact that this could be negotiated spoke very well of the City's senior leadership. Klein noted that positions could be unilaterally reduced, except in the firefighters group. Perez continued by saying the management group, including senior management, volunteered to take no pay increase for the following year, and to opt out of the bonus program for the current year. Changes to benefits were also being discussed,

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such as an across the board increase in healthcare premiums paid by employees, pension contributions, and professional development. Klein said that with the police and fire unions, if a decision is not reached, it goes to arbitration. Perez said there was a concern that by not contributing to the retirement liability fund, the City's bond rating could be affected. The Finance Committee felt strongly that permanent, rather than short term, reductions to medical benefits should be considered. Townsend asked how the Finance Committee operated. Klein said the Committee made a recommendation to the full Council, and that the Committee did not make binding decisions. It included four City Council members and a number of City staff representing every department. Barton said policy and service recommendations were given great deference by the Council as a whole. Baten Caswell asked about the proposed revenue increase mentioned by Perez. He said it was based on an equity transfer from electric and gas to the general fund after revising the formula. This was a return on investment equaling a \$1.4 million increase. Baten Caswell asked if there was any new revenue. Perez said one new category was fees for easements. Klein said a tax increase might appear on the November ballot. Klein added that the utilities budget was separate from the general fund, and that Palo Alto did not have one dominant source of revenue. The five main revenue sources for the City were: property, sales, transfer from utilities, hotel occupancy tax, and documentary transfer tax. Perez said there was a backlog of \$300 to \$400 million dollars in projects. He said the library bond initiative had passed, so that work needed to begin as well. The reserve for infrastructure also needed to be built up, because it was currently just over \$2 million. Golton asked what was projected as the 2010-11 budget problem. Perez said that with the 2010 proposal, there was still a \$3 million problem, and this would continue in 2011 if one-time reductions continued. Golton asked if the City had gotten far enough ahead in terms of property-related revenue to handle this. Perez said the City felt more comfortable now that it did a few months ago, as there were some indications that the real estate market might be picking up. His biggest concern was sales tax. Police and fire salary increases were already built into the budget. Townsend asked if a brief handout could be provided. Perez said he could provide one.

Center for Jewish Life Program and Traffic

Barton said he had always recused himself from Center for Jewish Life (CJL) discussions because of his wife's involvement in that organization.

Brenowitz said in terms of pledges for the building, it is all accounted for and no one had backed out on their pledge, so the project was still on track. The facility for the Taube Koret Campus for Jewish Life had a large amount of usable space, it totaled over 400,000 square feet. The main tenants were the Oshman Family Jewish Community Center (JCC), using 143,000 square feet, and the Moldaw Family Residence for seniors, which included a total of 193 units. One big goal was to keep the campus green, and it was a candidate for LEED certification. Another goal was to be a full community center, with a commitment to supporting the entire Palo Alto community, rather than just the Jewish community. Brenowitz also noted a mosque was being built across from the JCC and conversations were beginning for the two sites to collaborate. She said the Moldaw Family Residence was related to the Jewish Home in San Francisco. Baten Caswell asked if all units on the campus were for senior living. Randi said it was all 55 and older and it was all below market rate, although there was a condo project next door. Baten Caswell asked if the condos were included in the Lapkoff & Gobalet demographic report. Emslie said they were. Turner said a number of those units had already been sold. Brenowitz said residents of the Moldaw Residence were all JCC members. Baten Caswell noted that there was a lot of security at facilities like this in Los Angeles. Brenowitz said there would not be a great deal of security, but there would be a security guard and cameras, with the most prevalent security being at the preschool. Color (such as Jerusalem stone) and plantings were being used to make this not only a Jewish space and yet make it welcoming to the entire community. She said the Sports and Wellness Complex had very broad offerings, and program staff were speaking with the City about possible joint sports leagues, as well as availability of the gym to the City. The Cultural Arts Center would also include things that were Jewish in nature and others that were cultural. The T'enna Preschool was open to all students and was licensed for 250 students. Stanford Health Services would be running a portion of their wellness program on the campus. Membership was starting now and is open to everyone. The gym was the only state of the art gym in South Palo Alto. Brenowitz

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said the Jewish high school, which was nearby did not have gym space and had worked out use of the gym. The big traffic issue was the 9:15 a.m. drop-off at the preschool on Fabian. Baten Caswell asked if the preschool might be stagger its start time. Brenowitz said preschool officially started at 9:15 a.m. and teachers would be in the classroom starting at 9:00 a.m. Having staggered start times would be very difficult for the preschool teachers. She said staff planned to moved in this summer, with the grand opening and open house Oct 18th and preschool starting in September. Turner said traffic for the area had been considered. This project would likely generate 15 more trips than when Sun Microsystems was on the site, and a reduction in trips in the afternoon. The Alma/Charleston intersection would be significantly impacted, and traffic adaptive signal technology was being recommended as a mitigation measure, as well as finding alternative modes of transportation. At least 15% participation was required to start a program, such as a shuttle from the site to a Cal Train station. This project would not create a significant impact on residential streets. For the housing, there would be two spaces per unit, with much less than this for the senior parking, which is all valet parking. Turner said another issue was special events, which would impact JCC parking. Should there be spillover parking, there was an agreement with the high school across the street. Baten Caswell asked if there were parking regulations on the residential streets.

Future Meetings and Agendas

The next meeting would be held on June 24, 2009.

Adjournment

The meeting was adjourned at 9:35 a.m.