



REGULAR MEETING MINUTES

Date: 9/10/2019
Time: 7:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

7:00 p.m. Regular Meeting

A. Call To Order

Mayor Mueller called the meeting to order at 7:05 p.m.

B. Roll Call

Present: Carlton, Combs, Nash, Taylor, Mueller
Absent: None
Staff: City Attorney Bill McClure, Assistant City Manager Nick Pegueros, City Clerk Judi A. Herren

C. Pledge of Allegiance

Mayor Mueller led the Pledge of Allegiance.

D. Presentations and Proclamations

D1. Ester Bugna memorial presentation

Mayor Mueller made a presentation and presented the plaque and little free library in memory of Ester Bugna.

E. Public Comment

- Stephanie Miller spoke on incidents of harassment near Burgess Park, CVS, and in downtown Menlo Park.
- Aldora Lee spoke on the increasing dangers on Menlo Avenue.

F. Consent Calendar

Items F1, F2, F3, and F5 were pulled.

F1. Adopt Resolution No. 6519 authorizing the annual destruction of obsolete records ([Staff Report #19-171-CC](#))

The City Council received clarification on the records retention for proposed records destruction and directed staff to ensure a copy of the El Camino Real/Downtown environmental impact report is retained.

ACTION: Motion and second (Mueller/ Carlton) to adopt Resolution No. 6519 authorizing the annual

destruction of obsolete records, passed 4-1 (Taylor dissenting).

- F2. Approve the 2019-20 Finance and Audit Committee work plan ([Staff Report #19-188-CC](#))

The City Council received confirmation that the Committee approved the recommended workplan and received clarification on the amount of staff hours and calculations.

ACTION: Motion and second (Carlton/ Combs) to approve the 2019-20 Finance and Audit Committee work plan, passed unanimously.

- F3. Adopt Resolution No. 6522 authorizing the installation of turn restrictions in and around the Belle Haven neighborhood ([Staff Report #19-189-CC](#))

The City Council discussed with staff current traffic data, enforcement, and detour signs.

ACTION: Motion and second (Taylor/ Nash) adopt Resolution No. 6522 authorizing the installation of turn restrictions in and around the Belle Haven neighborhood, passed unanimously.

- F4. Reject all bids for the reconstruction of Nealon Park tennis courts project ([Staff Report #19-184-CC](#))

- F5. First reading of the reach code amendments to the 2019 California Building Standards Code ([Staff Report #19-187-CC](#))

- James Tuleya spoke in support of reach codes.
- Steve Van Pelt provided modifications to the proposed reach codes.
- Nicole Kemeny spoke in support of the reach codes.
- Cherie Zaslowsky spoke in support of gas stoves and having a choice of gas or electric.
- Leadwyn D'Souza, from the Sierra Club, spoke in support of reach codes.
- Ryann Price spoke in support of reach codes and the Environmental Quality Commission process of creating them.
- Doug Silverstein spoke in support of reach codes.
- Zoe Wong-VanHaren, Palo Alto high-school senior, spoke in support of reach codes.
- Karen Grove spoke in support of the reach codes.
- James Payne spoke in support of reach codes.
- Tom Kabat spoke in support of reach codes.
- Josh Becker, Menlo Spark member, spoke in support of reach codes.
- Diane Bailey, Menlo Spark member, spoke in support of reach codes.
- Deb Martin spoke in support of reach codes.

Sustainability Manager Rebecca Lucky, Sustainability Specialist Joanna Chen, and Building Official Chuck Andrews made a presentation (Attachment).

The City Council discussed the impacts to life sciences and restaurants. They also received clarification on the appeals process and this returning to City Council in two years for review.

The City Council took a recess at 8:28 p.m.

The City Council reconvened at 8:35 p.m.

ACTION: Motion and second (Taylor/ Carlton) to approve the first reading of the reach code amendments to the 2019 California Building Standards Code, passed unanimously.

G. Regular Business

- G1. Reconsideration of Resolution No. 6512 establishing a process for notifying the City Council and public of final Planning Commission actions to facilitate City Council review of large or impactful development projects ([Staff Report #19-162-CC](#))

The City Council discussed the reconsideration of the item and to agendaize for a future date.

ACTION: Motion and second (Taylor/ Carlton) to reconsider Resolution No. 6512 establishing a process for notifying the City Council and public of final Planning Commission actions to facilitate City Council review of large or impactful development projects and return to the City Council, passed 4-1 (Carlton dissenting).

- G2. Introduction of Ordinance No. 1058 adopting a local minimum wage ordinance effective January 1, 2020 ([Staff Report #19-186-CC](#))

Assistant City Manager Nick Pegueros made the presentation (Attachment).

- Rayna Lehman, Labor Council, spoke in support of the local minimum wage ordinance.
- Anna Chow, Cheeky Monkey owner, spoke in opposition of the local wage ordinance but in favor of a phasing in a higher minimum wage.
- Josh Becker spoke in support of the local minimum wage ordinance.
- Karen Grove spoke in support of the local minimum wage ordinance.
- Fran Dehn, chamber of commerce, spoke in support of a local minimum wage ordinance, however, suggested modifications.
- Jen Wolosin spoke in support of the local minimum wage ordinance.
- Diane Bailey, Menlo Spark member, spoke in support of the ordinance.

The City Council discussed updating the definition of an employee from ten hours of work to two hours of work per week, the option of phasing in the \$15, and the impacts on small businesses.

ACTION: Motion and second (Combs/ Nash) to introduction of Ordinance No. 1058 adopting a local minimum wage ordinance effective January 1, 2020 updating the definition of an employee as an individual working two or more hours per week, passed 4-1 (Carlton dissenting).

H. Informational Items

- H1. City Council agenda topics: September to November 2019 ([Staff Report #19-182-CC](#))

No action or discussion.

- H2. Update on the emergency water storage/ supply project ([Staff Report #19-190-CC](#))

The City Council commented on the importance of wells.

I. City Manager's Report

Assistant City Manager Nick Pegueros advised the City Council that he, Administrative Services Director Lenka Diaz, Public Engagement Manager Clay Curtin, and Mayor Pro Tem Taylor will be attending the Government Alliance on Race and Equity (GARE) convening in Oakland on September 12-13.

J. City Councilmember Reports

City Councilmember Carlton reported on attending the California League of Cities conference.

K. Adjournment

Mayor Mueller adjourned the meeting at 10:21 p.m.

Judi A. Herren, City Clerk

These minutes were approved at the City Council meeting of October 15, 2019.

ADOPTION OF REACH CODES

Proposed requirements for new buildings starting January 1, 2020



ANNIERGA FAMILY
GYMNASIUM



TEAM

- Staff:
 - Chuck Andrews, Building Official
 - Joanna Chen, Sustainability Specialist
 - Rebecca Lucky, Sustainability Manager
 - Cara Silver, Assistant City Attorney

- External Support
 - Abhijeet Pande, Vice President, Research and Technology Commercialization Advanced Energy at TRC Companies

- Environmental Quality Commission



AUGUST 27 CITY COUNCIL DIRECTION

Building type	Staff recommendation	Outcome/direction
Residential buildings (single family and three stories or less multifamily)	At minimum, must be electrically heated or all-electric	City Council provided further direction to require: <ul style="list-style-type: none">• All-electric clothes dryers• Electric ready pre-wiring for stove and fireplaces
Nonresidential buildings and high-rise multifamily buildings (three stories and greater)	<ul style="list-style-type: none">• All buildings must be all-electric with two building type exceptions (labs and emergency centers)• Remove the exception for for-profit restaurant use of natural gas stoves• Install minimum amount of on-site solar power	Agreed with staff's recommendation, but provided further direction to: <ul style="list-style-type: none">• Allow appeal process for nonresidential kitchens to use natural gas stoves• Pre-wiring for electric appliances for all buildings types where natural gas is allowed through exceptions or appeal• Explore floor area ratio (FAR) exclusions



CURRENT RECOMMENDATION SUMMARY

Building types	Requirements
New residential buildings (single family and three stories or less multifamily)	Require to build nearly all-electric building (except stoves and fireplaces) <ol style="list-style-type: none">1. Electric ready pre-wiring is required where natural gas stoves and fireplaces are used.



CURRENT RECOMMENDATION SUMMARY

Building types

Requirements

New nonresidential buildings and high-rise multifamily buildings (three stories and greater)

Require to:

1. Build an all-electric building that uses electricity as the source of energy for all appliances
 - Exceptions for life science space heating, emergency centers, and allowing appeal for restaurants to use gas stoves or cooking appliance. Natural gas appliance locations must be electrically pre-wired for future electric appliance installation.
 - Note that appeals will be heard by City Council appointed body, such as Planning Commission or Environmental Quality Commission

2. Install a minimum amount of on-site solar based on square footage:
 - a. Less than 10,000 square feet requires a minimum of three kilowatt photovoltaic system
 - b. Greater than or equal to 10,000 square feet requires a minimum of five kilowatt photovoltaic system



PUBLIC COMMENTS



NATURAL GAS IMPACTS AND FUTURE

- Natural gas is a fossil fuel that emits greenhouse gas emissions when burned, which contributes to climate change
- The state is requiring the phase out of fossil fuels, which includes natural gas:
 - Building sector must reduce greenhouse gas emissions generated by space and water heating by 40% over 1990 levels by 2030 (AB 3232)
 - Require electricity in the state to be 100% renewable by 2045 (SB 100)
 - PG&E supports all electric options because they are not interested in investing in infrastructure that will not be used in the future and their natural gas infrastructure is in need of significant repair and upgrades.



MENLO PARK'S ENERGY PORTFOLIO

- Peninsula Clean Energy
 - Menlo Park electric provider (not all communities have this advantage)
 - Provides 90% greenhouse gas free electricity now
 - Will provide a 100% greenhouse gas free electricity by 2021
 - Future all electric buildings will be greenhouse gas free
 - Electricity will not be sourced by natural gas



COST EFFECTIVENESS STUDY RESULTS

Cost savings between all-electric and natural gas building

Building Prototype	Construction Savings	Operational Savings
Single Family Home	Up to \$5,349	\$4,416
Multifamily- three stories or less (per dwelling unit)	Up to \$2,337	\$1,864
Office	\$82,330 savings	\$52,738
Retail	\$24,111 savings	\$22,661
Hotel	\$1.3 million savings	\$1.24 million



RESULTS CONTINUED

- Operational savings was calculated using time dependent valuation (TDV) developed by the California Energy Commission
 - Long term projected costs of energy
 - Generation energy, system capacity, grid reliability, system losses, transmission and distribution capacity to meet peak loads
 - Value of GHG emissions reduced (conservative)
 - Cost of not recovering renewable sources of energy as required by the state
 - Expressed over the life of the building (15 years for residential and 30 years for nonresidential)

- Using just utility bill data does result in minimal to moderate increase for using electricity over natural gas.

Table 24: Real Utility Rate Escalation Rate Assumptions

	Statewide Electric Residential Average Rate (%/year, real)	Natural Gas Residential Core Rate (%/yr escalation, real)		
		<u>PG&E</u>	<u>SoCalGas</u>	<u>SDG&E</u>
2020	2.0%	1.48%	6.37%	5.00%
2021	2.0%	5.69%	4.12%	3.14%
2022	2.0%	1.11%	4.12%	2.94%
2023	2.0%	4.0%	4.0%	4.0%
2024	2.0%	4.0%	4.0%	4.0%
2025	2.0%	4.0%	4.0%	4.0%
2026	1.0%	1.0%	1.0%	1.0%
2027	1.0%	1.0%	1.0%	1.0%
2028	1.0%	1.0%	1.0%	1.0%
2029	1.0%	1.0%	1.0%	1.0%
2030	1.0%	1.0%	1.0%	1.0%
2031	1.0%	1.0%	1.0%	1.0%
2032	1.0%	1.0%	1.0%	1.0%
2033	1.0%	1.0%	1.0%	1.0%
2034	1.0%	1.0%	1.0%	1.0%
2035	1.0%	1.0%	1.0%	1.0%



2020 PG&E GAS RATE

- According to PG&E's website, the gas bill for a typical resident averaging 34 natural gas therms per month would see an increase of 3.5% in 2020
- This is over the amount estimated in the cost effectiveness study that projected 1.48%
- Electricity rates for Menlo Park are established by Peninsula Clean Energy and not PG&E, and are lower than PG&E



LIMITATIONS OF THE COST EFFECTIVENESS STUDY

- Other important local factors that can lead to greater savings
 - PCE has lower electricity rates than PG&E
 - Study used the lowest rated energy efficiency appliances
 - On-site solar requirements reduce operational costs

- Heat pumps are 300-400% more efficient than natural gas heating appliances

- Anticipated annual utility would be lower than projected in the study

ELECTRIC INDUCTION STOVES

- Electric induction stoves are not the same as the traditional electric stoves
- Two to three times more efficient than natural gas stoves because they are able to heat up faster.
- 2018 Consumer Report – Top 10 rated stoves are all electric induction stoves
- Used by well-known chefs and restaurants
 - French Laundry
 - Celebrity and Michelin Chef Curtis Stone



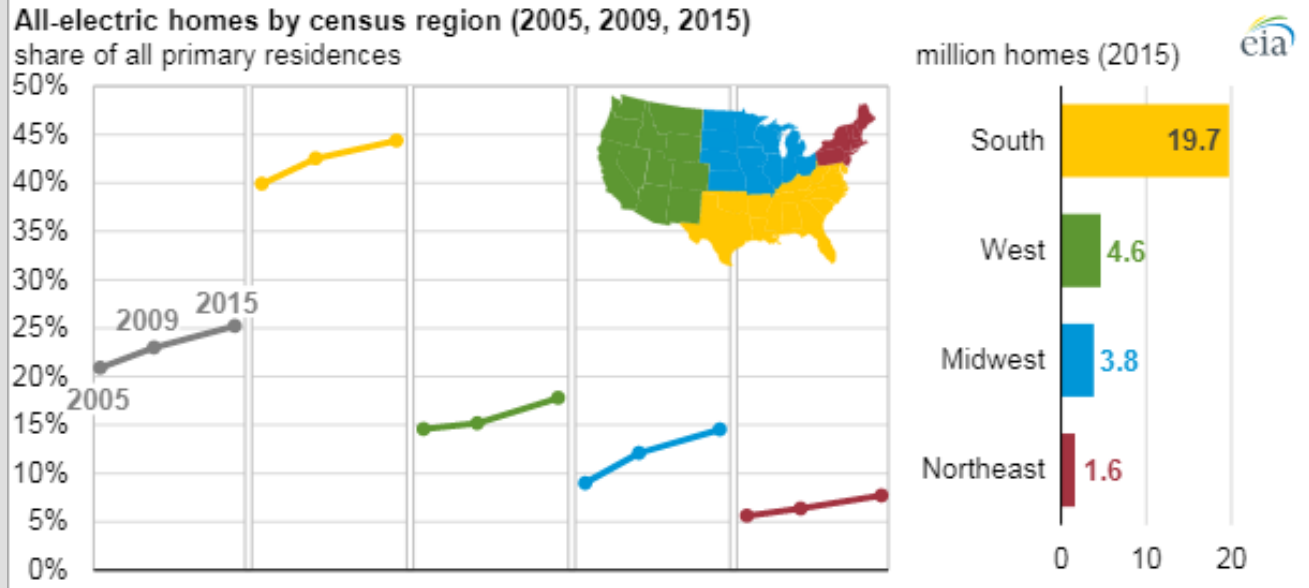


MORE ON INDUCTION STOVES

- They are safer to operate and provide safer indoor air quality
- Cost slightly more than natural gas (\$300 difference)
- Can only use magnetic cookware for stovetop (cast iron, some stainless steel, etc.). Excludes glass and nonmagnetic grade metals
- Demonstrations are available to learn more
 - Sub-Zero, Wolf, and Cove Showroom in Burlingame
 - Thursday, October 3 from 5-8pm



ONE IN FOUR U.S. HOMES IS ALL ELECTRIC



Source: U.S. Energy Information Administration; 2005, 2009, 2015 Residential Energy Consumption Surveys



TIMELINE AND ENGAGEMENT

- Engagement:
 - Three City Council meetings and three Environmental Quality Commission meetings
 - Covered significantly by various newspaper outlets
 - Staff met with major development stakeholders to reach resolutions

- Implementation Timeline
 - Council decision must be made tonight in order to implement by January 1
 - California Energy Commission is a 60 day approval process
 - California Building Standards Commission is a 30 day approval process



THANK YOU

LOCAL MINIMUM WAGE ORDINANCE

First reading – September 10, 2019



EXECUTIVE SUMMARY

Introduction and first reading of a local minimum wage ordinance (LMWO)

- Applicability
 - Employees working more than 10 hrs./week
 - Employers with business licenses & issue W-2
 - Learner's wage
- \$15.00 effective January 1, 2020, all employers
- Annual inflation adjustments
 - Automatic beginning January 1, 2021
 - Consumers Price Index (CPI) capped at 3%
 - Temporary suspension provision



TIMELINE

- City Council work plans 2018-19 & 2019-20
- City Council direction
 - May 2019 – Direction on key elements
 - June 2019 – Draft ordinance and engagement plan
 - July 2019 – Adjustment to City-paid employees
- Community outreach
 - Non-profits
 - Chamber of Commerce
 - Community meeting



STATE MINIMUM WAGE (HOURLY)

- \$15.00 by 2022 or 2023
 - More than 25 employees
 - 2019 = \$12.00
 - 2020 = \$13.00
 - 2022 = \$15.00
 - 25 employees or fewer
 - 2019 = \$11.00
 - 2020 = \$12.00
 - 2023 = \$15.00
- CPI increases capped at 3.5%



LMWO NEIGHBORING AGENCIES

Agency	Hourly minimum wage January 1, 2020	Cap on annual inflation adjustment	Learner's wage
Belmont	\$15.00	3.5%	Yes
Daly City	13.75	3.5%	No
Redwood City	15.00	none	Yes
San Mateo	15.00 + CPI	none	Yes
Cupertino	15.00 +CPI	5.0%	No
Los Altos	15.00 +CPI	5.0%	No
Mountain View	15.65 +CPI	none	No
Palo Alto	15.00 +CPI	5.0%	No
Sunnyvale	15.65 +CPI	5.0%	No



COMMUNITY INPUT

- Impact on small business
 - Positions that earn tips
 - Definition of employee as 2 hours worked
 - Import tariffs
 - Absence of phase-in over two/more years
- Impact on employees
 - Definition of employee as 10 hours worked
 - Average CPI is less than 3.5%
 - Learner's wage is difficult to enforce
- No feedback from non-profits



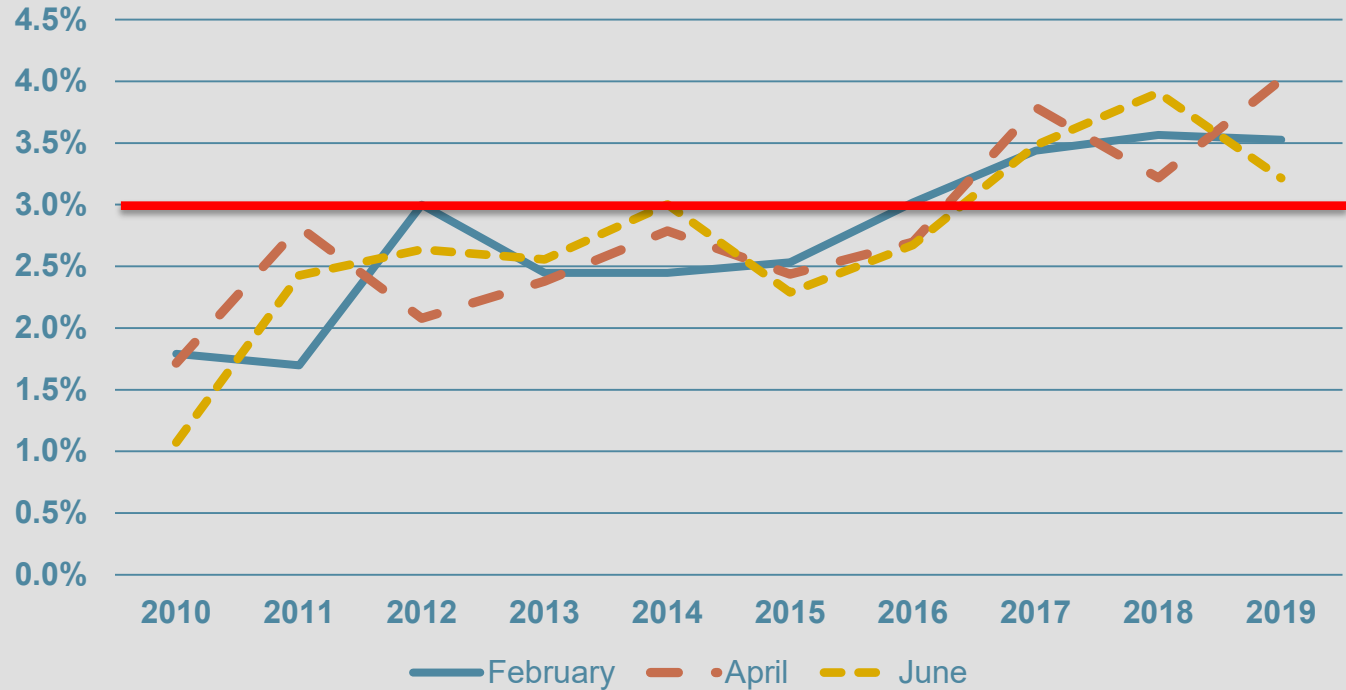
INFLATION ADJUSTED MINIMUM WAGE RATES (HOURLY)

Effective January 1 st	State Minimum Wage 25 or fewer employees	Proposed Local Minimum Wage All employers
2019	\$11.00	
2020	12.00	\$15.00
2021*	13.00	15.45
2022*	14.00	15.95
2023*	15.00	16.45
2024*	15.55	16.95
2025*	16.10	17.50
2026*	\$16.70	\$18.05

*Assumes maximum CPI adjustment:
3.5% State of California
3.0% Menlo Park

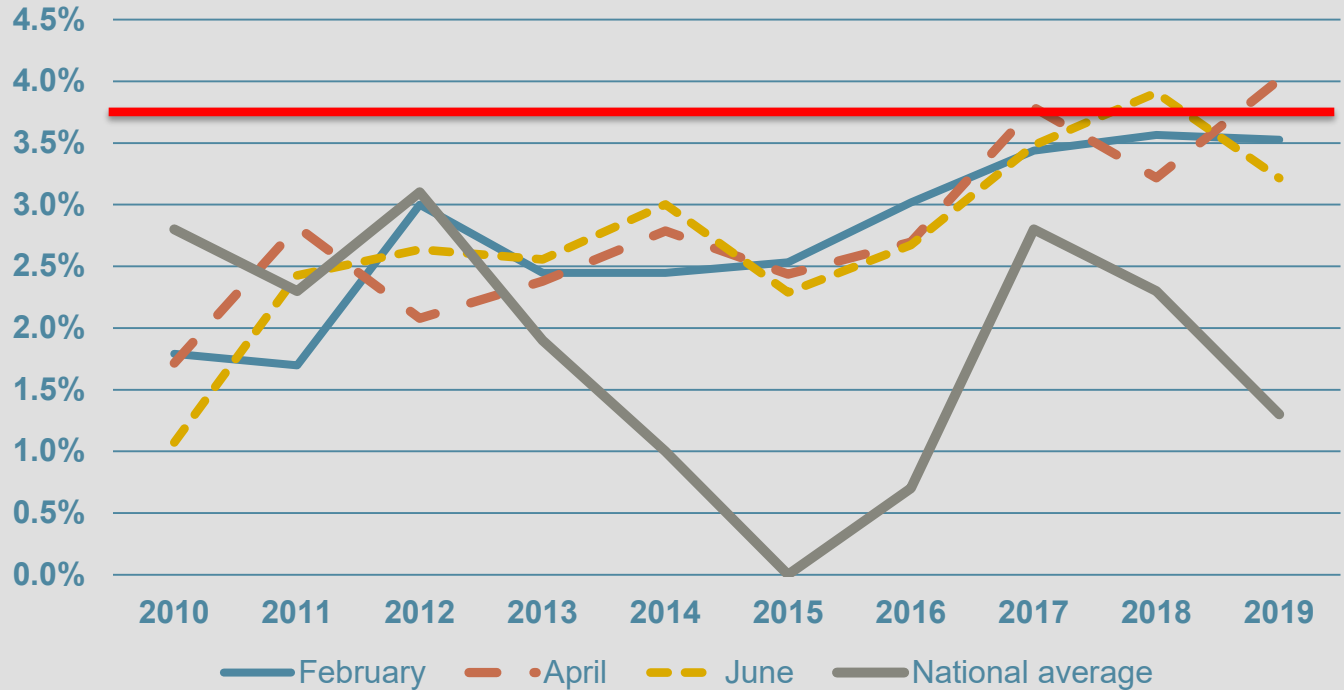


RATE OF INFLATION - LMWO SAN FRANCISCO-OAKLAND-HAYWARD (CPI-U)





RATE OF INFLATION - STATE MINIMUM WAGE U.S. CITY AVERAGE





NEXT STEPS

- Second reading on Sept 24th (consent agenda)
- Pursue contract enforcement of ordinance (October)
- Prepare and mail employer notices (November and December)



RECOMMENDED LMWO KEY PROVISIONS

- Applicability
 - Definition of employee (Section 5.76.020b.1)
 - Definition of employer (Section 5.76.020c)
- Rate and annual adjustments
 - \$15.00 per hour on January 1, 2020 (Section 5.76.030b)
 - Inflation adjustments beginning January 1, 2021 based on CPI and capped at 3% (Section 5.76.030b)
 - Temporary suspension (Section 5.76.030c)
- Exemptions
 - Learner's wage (Section 5.76.040c)



THANK YOU