

ATTACHMENT A

ORDINANCE NO.

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING THE BUDGET FOR FISCAL YEAR 2008-09 TO PROVIDE ADDITIONAL FIBER OPTICS FUND APPROPRIATION OF \$300,000 FOR LEGAL AND TECHNICAL CONSULTANTS TO SUPPORT THE ULTRA-HIGH-SPEED BROADBAND SYSTEM NEGOTIATIONS.

The Council of the City of Palo Alto does ordain as follows:

SECTION 1. The Council of the City of Palo Alto finds and determines as follows:

A. Pursuant to the provisions of Section 12 of Article III of the Charter of the City of Palo Alto, the Council on June 09, 2008 did adopt a budget for fiscal year 2008-09; and

B. Staff presented to the City Council on July 14, 2008, the 180 Consortium's conceptual business plan for a fiber to the premise network in Palo Alto; and

C. Council has directed staff to expedite negotiations with the 180 consortium by entering into a Letter of Intent (LOI) by September 2008;

D. Specialized Broadband system legal and technical expertise is needed to assist with the Letter of Intent (LOI) negotiations and completion of the final contracts in an expedited manner; and

E. The adopted budget for fiscal year 2008-09 did not incorporate expenses related to the Ultra-High-Speed Broadband System; and

F. City Council authorization is needed to amend the 2008-09 budget to make additional appropriations of \$150,000 for legal expense; \$25,000 for telecommunication engineering consultants; \$25,000 for a Fiber Optics Rate Study; \$25,000 for a consultant to expedite a California Environmental Quality Act (CEQA) study; and \$75,000 for additional consulting services to expedite contract negotiations.

SECTION 2. The sum of One Hundred Fifty Thousand Dollars (\$150,000) is hereby appropriated to legal expense in the Fiber Optics Administration Functional Area in the Fiber Optics Fund.

SECTION 3. The sum of Twenty-Five Thousand Dollars (\$25,000) is hereby appropriated to rate study expense in the Fiber Optics

Administration Functional Area in the Fiber Optics Fund.

SECTION 4. The sum of One Hundred Twenty-Five Thousand Dollars (\$125,000) is hereby appropriated to other contract services expense in the Fiber Optics Administration Functional Area in the Fiber Optics Fund.

SECTION 5. The Fiber Optics Fund Rate Stabilization Reserve is hereby reduced by Three Hundred Thousand Dollars (\$300,000) to Two Million Seven Hundred Ninety-Eight Thousand Dollars (\$2,798,000).

SECTION 12. As specified in Section 2.28.080(a) of the Palo Alto Municipal Code, a two-thirds vote of the City Council is required to adopt this ordinance.

SECTION 13. As provided in Section 2.04.330 of the Palo Alto Municipal Code, this ordinance shall become effective upon adoption.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

City Manager

Senior Asst. City Attorney

Director of Utilities
Department

Director of Administrative
Services