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January 23, 2006

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FINAL ADJOURNMENT: The meeting adjourned at 9:53 p.m. 17

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:07 p.m.

COUNCIL MEMBERS

Present: Barton, Beecham, Cordell, Drekmeier, Klein, Kishimoto, Kleinberg, Morton, Mossar

STUDY SESSION

1. Presentation by the Child Care Advisory Committee

The Child Care Advisory Committee (CCAC) highlighted the history of Palo Alto's involvement in child care, the policies related to child care in the City's Comprehensive Plan, the City's current support for child care, the status of the child care industry in the surrounding community, and the future needs for child care in Palo Alto.

The Council recognized the importance and value of sufficient, quality, affordable child care in our community. Thoughtful questions were posed including a request for recommendations regarding meeting the need for child care, the impact of "Preschool For All" on child care in Palo Alto, how more space could be attained, and whether projected needs were accurate. Several constructive suggestions were made by Council including involvement with the Planning Department to address space issues, locating services for seniors and children, partnering with businesses and creating City incentives to attract business interest.

The CCAC was pleased with Council's responsiveness and willingness to work toward maintaining and improving the City's record for adequate, affordable, quality child care in Palo Alto. The CCAC would continue to update Council and invite participation in developing solutions.

RECESS: 7:00 to 7:08 p.m.

SPECIAL ORDERS OF THE DAY

2. Council Recognition of Three Palo Alto Businesses Recently Certified by Santa Clara County as a Green Business: Gunn High School, Agilent and Roche

Mayor Kleinberg said the Bay Area Green Business program was a successful partnership of environmental agencies and utilities that assisted, recognized and promoted businesses and government agencies that voluntarily operated in an environmentally responsive way. To be certified "green"

participants must be in compliance with all regulations and meet program standards for conserving resources, preventing pollution and minimizing waste. The City thanked the newest businesses that demonstrated their environmental stewardship. Agilent had installed 4,000 T-5 and T-8 lamps, 60 low flow aerators, 19 low flow shower heads, and modified the existing irrigation to include drip irrigation. Gunn High School had installed solar panels on the roof of the science building, collected old electronics and cell phones for recycling, and kept their grass clippings on the lawn for compost. At Roche-Palo Alto, 90 percent of the van motors used variable frequency drives, 70 percent of the roofs were upgraded to white roofing to save energy, and they installed water-efficient groundcover instead of turf.

No action required.

ORAL COMMUNICATIONS

Herb Borock, P.O. Box 632, spoke regarding the January 17, 2006 Action Agenda.

Rita Morgin, 600 Channing Avenue, spoke regarding the community gardens.

Mark Sabin, 533 Alberta Avenue, spoke regarding affordable housing.

Robert Moss, 4010 Orme Street, spoke regarding library grants.

CONSENT CALENDAR

MOTION: Council Member Morton moved, seconded by Klein, to approve Item Nos. 3 and 4 on the Consent Calendar.

3. Approval of Two Contracts for Capital Improvement Project (CIP# TE-05003), Internet Site Upgrade:
 - 1) Contract with Pixelpushers Inc. DBA Civica Software in the Amount of \$132,695 for the Implementation of a Website Content Management System; and
 - 2) Contract with Creativewerks, Inc. in the Amount of \$92,400 to Provide Graphic Re-Design for the City's Website – Capital Improvement Project # TE-05003
4. Authorize Mayor to Transmit to City of Mountain View Comments on Traffic Mitigation Measures for 100 Mayfield Project Draft Environmental Impact Report (DEIR)

MOTION PASSED 9-0.

REPORTS OF COMMITTEES AND COMMISSIONS

5. Request from the Finance Committee for Council Direction Regarding Institution of a Business Registry Fee or a Business License Tax and on an Increase to the Transient Occupancy Tax

Director of Administrative Services Carl Yeats said the Finance Committee believed a business registry fee or a business license tax could potentially adversely impact small businesses and their operating margins in order to pay the fee. Fees or tax increases should be viewed in terms of what other taxes or fees businesses and residents in Palo Alto were already paying. A question arose with regard to the revenue generating potential of a business registry fee or business license tax, and how would it compare to a Transient Occupancy Tax (TOT) increase. There was a comment as to whether the City needed the business license tax to replenish the Infrastructure Reserve (IR). The concept was whether the City needed new revenues or could expenditures be reduced to meet the needs of the IR. Staff suggested returning with a variety of fees or taxation models for consideration if the Council ultimately wanted to move forward.

Deputy Director of Administrative Services Joe Saccio said one of the Council's Top Three Priorities was to explore new funding sources for the General Fund infrastructure projects and programs. The benefits of a business registry fee included data collection analysis, which could help with economic development, public safety information, and transportation. The information could also be integrated with sales and property tax data. Staff estimated a business registry fee would range from \$35 to \$50 per business. The disadvantages included the implementation of a new fee that would affect the bottom line for businesses. The registry fee, although nominal, would have an impact on those businesses with narrow profit margins, and would appear intrusive to businesses that did not pay sales tax. Unlike the business registry fee, a business license tax was a revenue generating measure. More than 400 cities or jurisdictions in California had a business license tax. Potential benefits included funding new infrastructure needs, a mechanism for backfilling actual and potential revenue losses, and would provide the same information for data collection analysis as a business registry fee. A potential disadvantage was a new tax that might be perceived as contrary to the recent business retention efforts. The fee would be imposed at a time when the economy was showing signs of recovery. The question was whether it was the right time to implement a business license tax. There was some belief in the community that fees for certain businesses were higher than surrounding communities. Numerous options existed on how a business license tax was levied. Methodologies included taxing based on gross receipts, the number of employees, the square footage, or a mixture of the three. The costs for implementing a business registry fee or a business license tax were somewhat similar. The first year's cost was estimated at \$232,000, and the second year's cost was estimated at \$152,000. Staff estimated implementing such a fee would require a

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permanent full time employee, which would be paid for out of gross receipts from the fee. Costs included staffing, computer software and hardware, supplies and materials, and overhead administration.

Chop Keenan, 700 Emerson Street, spoke in opposition to a business license tax. He said it did nothing to benefit business.

John King, Chair of the Chamber of Commerce, spoke in opposition to any new tax imposed only on the business community. The new Downtown Business Improvement District (BID) and various parking assessments were already being paid for by businesses.

Lee Weider spoke in opposition to a business license tax. The Palo Alto business community had already done its share by providing 55 percent of the revenue of the General Fund.

Herb Borock, P.O. Box 632, recommended the Council take the steps to enact a business license tax as a source of revenue for the General Fund.

Eileen Richardson, 325 Kipling Street, spoke on behalf of the Palo Alto Downtown Advisory Board (PADAB). The PADAB was opposed to a business license tax, but favored the creation of a business registry to give the City the ability to attract businesses in Palo Alto and provide service and support to the community. The information was available through other sources and should be provided without charging a fee to existing businesses.

Mark Sabin, 533 Alberta Avenue, expressed opposition to a business license tax.

Wayne Swan, 240 Kellogg Avenue, favored both a business license tax and registry fee.

Arthur Keller, 3881 Corina Way, said it made sense for Palo Alto to have a business registry, but he did not believe it was necessary to charge a fee. He suggested the City implement a self-service website for the issuance of a business registry certificate.

Sanford Forte, 280 College Avenue, spoke against the implementation of a business license tax. He favored a business registry.

Robert Moss, 4010 Orme Street, spoke about benefits of the business license tax, which included obtaining an accurate count of the number of employees in the City. He favored a ballot measure to increase in the TOT.

Norman Carroll, 425 High Street, #120, spoke in favor of a business registry fee that was cost recovery and helped generate revenue, but did not penalize businesses that already paid a fee.

Barbara Gross, 520 Cowper Drive, said traditionally the TOT was somehow reinvested into the tourism and convention center; however, Palo Alto had none, nor did the City do any marketing to bring people into the City. She asked the Council to reconsider a TOT.

Council Member Beecham asked what was the value of data, what kind of data might be requested, and why was it important to the City.

Mr. Yeats said the value of the data received from a business license tax or registry fee system would create a link with the State Board of Equalization to provide a true geographically based tool to analyze sales tax returns. There was a wealth of information related to emergency response, which staff could collect from such a system and link it directly to the City's Geographical Information System (GIS) and the Police computerized dispatching system. It would benefit the City in conducting revenue projections and looking for trends.

Council Member Beecham asked whether it would be a detriment to the City not to have information related to emergency response.

Mr. Yeats said it had been an issue at times, especially in contacting the business proprietor.

Council Member Beecham asked whether staff had knowledge of the differences between the estimated number of employees in Palo Alto and the actual numbers.

Mr. Yeats said accurate information would be a great tool in determining the actual daytime business population.

Council Member Beecham asked for input on how knowledge of the actual number of employees in Palo Alto would be beneficial to the Planning Department.

Director of Planning and Community Environment Steve Emslie said the Association of Bay Area Government (ABAG) housing numbers process was an estimate, but they did take input from cities and often adjusted the numbers. Having accurate employee data was one of the biggest problems in the Transportation Division. It impeded viable transportation decisions. Staff had implemented voluntary surveys over the years with difficulty in securing the data.

Council Member Beecham asked why the information was difficult to obtain.

Mr. Emslie said the recent recession had caused companies to cutback on the support they gave to alternative transportation.

Council Member Beecham asked whether it was possible to outsource the administration of either the business license tax or registry fee.

Mr. Yeats said it was something staff could look into; however, most cities did the administration internally. One drawback to outsourcing was the linkage with the State Board of Equalization sales tax information. It was confidential and only privy to each individual jurisdiction.

Council Member Beecham asked whether there was an estimation of the number of businesses in Palo Alto, and did staff know how many would be exempt, if they had five or fewer employees.

Mr. Yeats said that was something staff would look at once data had been collected.

Council Member Morton reminded his colleagues the Council passed an annual Downtown Business Improvement District (BID) assessment in 2004. In addition, the City passed a Storm Drain fee and the Palo Alto Unified School District (PAUSD) passed a parcel tax. He asked how difficult would it be to quantify what businesses were asked to absorb in taxes in 2005.

Mr. Yeats said he could provide information on the Storm Drain fee and the BID, but would need to consult with the PAUSD for their numbers.

Council Member Morton asked whether staff had an idea what the result would be if businesses that had already paid into the BID and the California Avenue Area Development Association (CAADA) were exempt from a business registry fee.

Mr. Yeats said no. He suggested the City Attorney respond on the practicalities or legal issues regarding exempting certain businesses.

Council Member Morton said in essence some businesses would be levied both the BID fee as well as the business registry fee.

Mr. Yeats said that was correct.

Council Member Morton asked whether the cost of \$5,000 and \$10,000 to obtain updated data on the number of employees in Palo Alto was an accurate amount.

Mr. Yeats said the \$5,000 to \$10,000 was the amount needed to collect enough information for staff to create a model for a business license tax.

Council Member Morton said the BID fee had been in place for the last year. He asked what data had been gleaned since its implementation and how was the data used.

Mr. Yeats said the data had been collected by the BID, and staff had not used it.

Vice Mayor Kishimoto asked whether there was any legal framework to mandate the offering of data.

City Attorney Gary Baum said staff had not looked into it; however, if the Council passed an ordinance for the business registry, it would most likely be enforced and mandatory.

Vice Mayor Kishimoto asked how staff anticipated building the business registry.

Mr. Yeats said staff would purchase a business licensing or registry application, link it to the City's GIS system, and then process the returned data. The process could be implemented on the City's website; however, most cities were still operating in a form-based paper environment.

Council Member Drekmeier observed one of the biggest burdens on businesses was the high cost of rents in Palo Alto. He would like to alleviate that burden so a business license tax or registry fee would not be a drain on businesses. He asked whether the City had any programs or services in mind that would create a nexus between a fee being imposed, and businesses getting something in return.

Mr. Yeats said staff intended to take the information from a business license tax or registry fee and create a webpage to allow a resident or business to search by categories, such as the type of vendor, business, or business category. Staff had not moved into the area of allowing businesses to advertise on the City's webpage; however, it would provide a way of allowing business data including the location, hours, and telephone number.

Council Member Drekmeier said a business license tax would require voter approval. He asked whether the City was prepared to mount a campaign to win such an election.

Mr. Baum said the City was not permitted to advocate on behalf of an initiative once it was on the ballot. Polling would be permitted beforehand to

determine the need and what the response would be. A campaign could be done privately by individuals.

Council Member Cordell asked how soon a business license tax would come before the voters.

Mr. Yeats believed it should go on a General Municipal election ballot, which would occur in November 2007.

Council Member Cordell asked when the bond measure for the library and the police building would be placed on the ballot.

Mr. Yeats believed it would be the same exact time.

Council Member Cordell asked which city had a business registry fee.

Mr. Yeats said Diamond Bar, which was located in southern California.

Council Member Cordell asked whether it was safe to assume the cities that did not have a business registry but had a business license tax, generated the same data a city would get from a registry.

Mr. Yeats said yes.

Council Member Cordell asked if staff knew whether Diamond Bar had effectively gathered data using the business registry fee.

Mr. Saccio said staff did not have that information, but it was easy to obtain.

Council Member Barton asked whether a revenue neutral fee required voter approval.

Mr. Baum said he did not believe so; however, it would have to be revenue neutral.

Council Member Klein asked if there was a clear distinction between a business registry fee and a business license tax.

Mr. Yeats said the distinction was the intent. He believed the rate on a business license tax could be raised without voter approval.

Mr. Baum clarified a business license tax in any community, since approval of Proposition 218, required voter approval to increase the rate. A business registry was not a tax, but a fee that paid for services rendered.

City Manager Frank Benest said decades ago a number of communities established a business license tax to generate revenue. Because of the voter approval requirement, those same communities had not raised the rate causing them now to be revenue neutral.

MOTION: Council Member Morton moved, seconded by Mossar, that the City Council not proceed with the institution of a Business License Tax or Business Registry Fee.

Council Member Morton said the City had a list of major projects coming before them which required the support and cooperation of the business community. The Downtown BID had only been in effect for the past year. He did not believe there would be significant gains achieved by going forward. He favored spending \$10,000 to update the business employment level information.

Council Member Mossar said the implementation of a business license tax or registry fee did not center around what such a tax might do to benefit the business community, but what the City could spend the money on. She believed the Council needed to remain clear on the priorities.

AMENDMENT: Council Member Klein moved, seconded by Mayor Kleinberg, to split the motion into two parts; not proceeding with a Business License Tax and not proceeding with a Business Registry Fee.

AMENDMENT PASSED 7-2, Morton, Mossar no.

MOTION: Council Member Morton moved, seconded by Mossar, that the City Council not proceed with a Business Registry Fee.

Council Member Beecham expressed opposition to the motion. He said the Council could pass a business registry fee by ordinance. There was no reliable data on employment if the City did not collect it. The analogy of businesses leaving town if a registry fee was implemented should be taken cautiously. Agilent, for example, had left Palo Alto because it was consolidating not because of any fear of a business registry fee.

Vice Mayor Kishimoto recalled the Finance Committee recommended not to proceed with the business license tax or registry fee but to take the next step to survey local businesses at a cost not to exceed \$10,000, by type, employment levels, etc. to have better numbers to evaluate, which would provide direction on whether to move forward with establishing either concept. She asked staff to provide more concrete examples of how the data would benefit the City in meeting its other goals, such as ABAG housing issues and transportation. She encouraged staff to take into consideration suggestions made by the community about how to make the fee less costly

and inconvenient. The City needed to improve communications and support of the business community.

Council Member Klein was opposed to the motion. He believed the business registry fee was a pro business proposal because the amount of information obtained would be helpful and the cost was nominal.

Council Member Barton concurred with the comments of his colleagues.

Mayor Kleinberg was opposed to the motion. If the fee was low enough, it would not be a burden on businesses.

MOTION WITHDRAWN BY MAKER AND SECONDER

Council Member Morton clarified a business registry would then be a cost recovery fee.

Mr. Yeats said that was correct.

Council Member Morton asked whether rental properties would also be included as businesses.

Mr. Yeats said staff would first need to conduct an analysis and then bring it back to Council.

MOTION: Council Member Beecham moved, seconded by Cordell, that the City move forward with the development of a fee based business registry.

Council Member Beecham said when the item returned to Council he encouraged his colleagues to look at how to minimize the impact on the smallest businesses.

Mayor Kleinberg suggested that staff look at ways to exempt non-profit organizations.

MOTION PASSED 7-2, Morton, Mossar no.

MOTION: Council Member Morton moved, seconded by Mossar, that the City Council not proceed with a Business License Tax.

Council Member Morton said a business license tax was a poor way of raising a small amount of revenue.

Council Member Klein said a business license tax failed the three tests of what a tax ought to be: 1) the cost of administering the tax was too high; 2) the horizontal equity of treating people who made the same amount of money the same; and 3) the vertical equity of taxing people who made more

money with more tax, and those who made less money with less tax. The City should not pass taxes that did not make sense. He expressed support for the motion.

Council Member Beecham expressed support for the motion. He hoped to find ways to increase the City's tax base while decreasing further expenses to fund projects that needed to be addressed within the City.

MOTION PASSED 8-1, Drekmeier no.

MOTION: Vice Mayor Kishimoto moved, seconded by Barton, to direct staff to evaluate increasing the Transient Occupancy Tax by up to two percent.

Vice Mayor Kishimoto said the Transient Occupancy Tax (TOT) was a tax that was inexpensive to administer, would have less of an impact on businesses in Palo Alto, and would increase the City's revenue base. She suggested directing staff to evaluate increasing the TOT because Council did not have recommendations on the potential impacts.

Council Member Barton said he favored the motion. It was worth directing staff to conduct a modest amount of work to study the advantages and disadvantages of a one or two percent TOT increase.

Council Member Cordell understood the item was before Council to provide direction to staff on how to proceed. That was not what the motion indicated.

Council Member Drekmeier said he was prepared to support the motion or vote on moving forward with a TOT that evening.

SUBSTITUTE MOTION: Council Member Drekmeier moved, seconded by Klein, for Council to move forward with an election in November 2007 for a two percent increase in the Transient Occupancy Tax.

Council Member Drekmeier said a TOT would generate revenue upwards of \$1.2 million per year. He did not believe it would hurt the business community to such a degree that it made a difference.

Council Member Klein said at the Council Retreat of January 21, 2006, the goal was to find an additional \$3 million to transfer to the City's Infrastructure Reserve (IR). One-third of that could come from the two percent increase in the TOT, while the other two-thirds would primarily come from a reduction in expenses.

Council Member Mossar asked for clarification of whether the motion, if passed, was Council's approval of the item or Council's approval to move forward with the item.

Mr. Baum said Council's approval of the motion would direct staff to return with language to place the item on the November 2007 ballot. It would require a 50 percent plus one vote unless designated as a special tax, which increased the requirement to 66 percent.

Council Member Mossar opposed to the motion. She felt it was precipitous to expect voter approval when there were potentially other items on the November 2007 ballot.

Council Member Barton agreed the timing was wrong to move forward with placing the item on the ballot. Studying the idea of increasing the TOT made better sense.

Council Member Beecham concurred with the comments of Council Members Mossar and Barton.

Council Member Morton encouraged his colleagues to think the matter through before deciding to place it on the November 2007 ballot. He was opposed to the motion.

Council Member Klein said he was not worried about having the TOT on the November 2007 ballot when there may or may not be the bond issue. He believed it was advantageous to show the community there was a comprehensive infrastructure plan.

SUBSTITUTE MOTION FAILED 3-6, Cordell, Drekmeier, Klein yes.

Council Member Beecham expressed support for the original motion. There was plenty of time between now and the November 2007 ballot. It was important to conduct outreach to the business community to ask their support or solicit information.

Mayor Kleinberg concurred with the comments of Council Member Beecham.

MOTION PASSED 9-0.

RECESS: 9:20 to 9:27 p.m.

COUNCIL MATTERS

6. Colleagues Memo from Mayor Kleinberg and Vice Mayor Kishimoto re Quimby Act Regarding Adoption of Park Fees

MOTION: Council Member Mossar moved, seconded by Kishimoto, to direct Staff to return with a draft parkland dedication ordinance, as provided for under State law, no later than five months. Staff should also evaluate and recommend the possible adjustments of other fees, such as the current Park and Community Facilities fee to ensure that Palo Alto's fee structure remains competitive and is economically feasible.

Council Member Mossar said she was keenly aware of the need for funds for park acquisition and hoped approval of the Quimby Act was an effective vehicle for the Council to pursue.

Vice Mayor Kishimoto said the park fee previously put in place was inadequate to help maintain Palo Alto's quality of life. She supported moving forward with the motion.

Mayor Kleinberg concurred with the comments of Council Member Mossar and Vice Mayor Kishimoto. The Quimby Act was something that would be used in the future for new parkland and/or in lieu fees, and would add to the City's ability to help increase the expected residential density.

Council Member Barton asked whether the item was a fee or tax that required voter approval.

City Attorney Gary Baum said it was a fee that could be adopted by the Council. It would require staff to prepare an ordinance. He believed a nexus study was needed in order to adjust the park fee.

Council Member Barton said it would be helpful to know how the park fee might affect affordable housing issues, especially for developers who desired to target their project to minimize fees.

Director of Planning and Community Environment Steve Emslie said the City's impact fees provided an exception for affordable housing, and the same analysis would be done in recommending the park in lieu fee.

Mayor Kleinberg referred the Council to the last paragraph of the Colleagues Memo, which recommended staff return with adjustments to other fees to ensure Palo Alto's fee structure remained competitive and economically feasible.

Arthur Keller, 3881 Corina Way, expressed support for the motion. While he agreed a nexus study would identify the costs incurred in parkland for new housing, he had not heard the amount incurred in capital costs for libraries, other community facilities, police, fire and related services as a result of new housing. He encouraged the nexus study would identify those numbers as part of the process.

MOTION PASSED 9-0.

7. Policy and Services Committee Recommendation Regarding Council Review of Responses to Audit Report Recommendations on Restructuring Efforts and Management Span of Control

City Auditor Sharon Erickson said the purpose of the City Auditor's Audit of Restructuring Efforts and Management Span of Control was to: 1) conduct an independent review of General Fund and Internal Fund staffing changes and restructuring over the two years prior to April 2004; 2) to assess the feasibility of additional reductions through attrition; 3) to evaluate supervisory span of control and the ratio of managers to line staff, as well the number of levels of management review; and 4) to review the job duties of managers and supervisors with four or fewer direct reports. Staff's report included a total of 17 recommendations to improve controls over staffing and to actively manage the City's organizational structure. The Palo Alto Municipal Code (PAMC) required the Auditor's Office to prepare a status report on open audit recommendations, which was heard by both the Policy and Services (P&S) and Finance Committees. The P&S Committee recommended staff return to the full Council with Restructuring Efforts and Management Span of Control, Items 2, 3 and 5. The Auditor's Office recommendation for Item 2 was due to a concern that although the City had reduced the number of employees to control personnel costs, additional reductions might be necessary. As of September 2005, staff reported an ongoing pursuit for restructuring recognizing that safety function, risk levels and appropriate levels of authority were different throughout the City organization. Staff further stated during the upcoming budget process, each department would be asked to review their departmental organizational charts and business operations, analyze short- medium and long term opportunities to expand the span of control, and reduce layers of management through restructuring. The recommendation for Item 3 was made with the goal of reducing costs, but also to enhance organizational efficiency and effectiveness. Appropriate ratios would depend on the specific circumstances of each department and workgroup. Staff indicated guidelines would be established to review spans on a regular basis, including an ongoing review and updating of departmental organization charts, showing reporting relationships, and the review of organizational charts would be incorporated into the 2006-07 budget process and when staff was replaced. The recommendation for Item 5 was made to flatten the organization and in order to reduce costs, and enhance organizational efficiency and effectiveness.

City Manager Frank Benest said the key follow-up activity was that staff would conduct, as part of the mid-year and budget review for the coming year, a review with all departments of how to further streamline as they moved forward.

Arthur Keller, 3881 Corina Way, suggested the Council think about improving its efficiency of services through automation before outsourcing them.

Council Member Morton asked how staff handled issues where the span of control involved non-staff, such as volunteers.

Ms. Erickson said hourly and temporary employees were included in the organizational chart, which was one reason why setting a ratio was not possible. Targets were established for each workgroup, department or division.

Council Member Morton clarified the standard was adapted and set for each department or project.

Ms. Erickson said that was correct. The goal of the Auditor's Office was to actively manage the organizational structure, which was done on an individual department or workgroup basis.

Vice Mayor Kishimoto said the discussion on restructuring and streamlining was critical to achieving the Council's priorities. The Council should think of more proactive ways to regularly review the departments. She suggested in-depth reviews of one or two departments every year.

Council Member Cordell said the Policy and Services Committee felt the Auditor's recommendations were significant enough that the full Council should provide feedback. She hoped any future recommendations from the Auditor's Office would come before the entire Council as they were critical in meeting the Council's priorities.

No action required.

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Council Member Mossar noted, as an ABAG representative on the Bay Area Water Forum, which is working on the development of the Integrated Regional Water Master Plan (IRWMP), she invited her colleagues to attend the scoping meeting on the IRWMP to be held on February 28th at the San Francisco Main Library. She noted the San Francisquito JPA Board is looking forward to the joint study session at the Council Meeting next Monday evening.

Vice Mayor Kishimoto requested an update on the Bike Station.

Mr. Benest reported the seismic retrofit work has been completed at the Station and improvements have been authorized and should be completed

within two months. Staff is working with Stanford and the VTA to deal with operational deficits of the bike station.

Mayor Kleinberg announced Emergency and Disaster Response Preparedness was named as one of the top priorities at the Council Retreat on January 21. She also reported that January 28th will be the first Sandbag Day at the Municipal Services Center from 10 a.m. to 4 p.m.

FINAL ADJOURNMENT: The meeting adjourned at 9:53 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.