



## **POLICY AND SERVICES COMMITTEE**

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Regular Meeting  
May 12, 2009

The Policy & Services Committee of the City of Palo Alto met on this date in the Council Conference Room at 7:03 p.m.

Present: Barton, Espinosa (Chair), Kishimoto, Yeh

### 1. Oral Communications

None

### 2. Recommendation for Council Approval of the City's Legislative Action Program Manual

Assistant to the City Manager, Kelly Morariu, presented information on the City's Legislative Action Program Manual. She cited five important goals for the evening:

- 1) Review of the suggested Federal and State Advocacy Objectives.
- 2) Defining Council's role in the legislative process.
- 3) Getting comments from the Committee on the Legislative Action Manual.
- 4) Review of the Priority Development process for the legislative program.
- 5) Overall guiding principles presented to the Council on a revisit toward any additional changes, followed by a write-up on the Federal Appropriation requests.

She stated the City's legislative strategy was comprised of three levels which included Federal, State and Regional. Council's roles and goals were cited as protecting the City's interests as well as advancement of City interests. Staff noted the importance of the City's active role in the legislature. She discussed the primary goal in the Federal legislative efforts as involved with fund securement for City projects through the appropriations process. At the State level, the focus was on issue advocacy in the State legislature. She posed the question as to whether these were the only roles the City should play in advocacy or whether additional roles should be considered.

The Legislation Action Manual outlines Council's historical role in the process which included:

- 1) Establishment of legislative priorities.
- 2) Position-taking in Sacramento and Washington, DC regarding legislative issues.
- 3) Assumption of an advocacy role with the legislators at the Federal and State levels.

Ms. Morariu stated that areas that needed further discussion include the future roles of the Council in the legislative process.

Recreation Supervisor, Khashayar Alaei, spoke on the current Legislative Action Manual that outlines the internal coordination of the Legislative Action Program, defined the roles for Council, departments and Staff and provided clarity on the specific responsibilities. He stated the manual also provided guidelines for evaluating legislation, lobbying methods and letter-writing activities, with an outline on the Federal, State and City legislative timelines and process. Staff's goal was around the overall guiding principles from the previous year with priorities generated by Council and Staff to be brought forth on an annual basis.

He noted discussion would occur with Policy and Services with a referral to Council for adoption prior to opening of the Federal Legislative year. He summarized the guiding principles adopted by the Council in December 2009 as:

- 1) Protection of local revenue sources.
- 2) Protection and increase of local government discretion.
- 3) Protection and increase of funding for specific programs and services.

He noted recent activities in Appropriations and the Stimulus Package, continued work done by Congresswoman Eschoo and the submission of Federal Appropriations materials. He spoke on a handout regarding Palo Alto's American Recovery and Reinvestment Act projects. He stressed the daily changes made to the country's Stimulus Package and noted to date the receipt of funding for four projects for direct Federal Allocations in Transportation, Housing and Urban Development, Department of Energy and Efficiency and the Department of Justice.

Council Member Kishimoto asked if these were above and beyond what had previously expected in grant funding.

Mr. Alaei stated this was above and beyond any prior allocations. He outlined the potential list of projects brought to Council, who had approved this list, and also included Staff's analysis of the legislation in order to identify continued

opportunities. Five projects were identified as worth pursuit which included projects in:

- 1) The Department of Commerce for Fiber to the Home.
- 2) The Utilities Department and Environmental Protection Agency for Clean water and the Water Saver Volume Loan Fund.
- 3) The Police Department and the Department of Justice for community-oriented police services grants.
- 4) A second pursuit by the Utilities Department through the Clean Water Saver Volume Loan Fund for the recycled water project at Stanford Research Park.
- 5) The Fire Department and Homeland Security for assistance and grants in firefighting programs and to assist with new fire station construction.

He stated Staff had all but completed their analysis and applications for available grant opportunities, but would continue to receive and distribute the information regarding ongoing changes in the Stimulus Program. He noted the creation of the website [www.cityofpaloalto.org/recovery](http://www.cityofpaloalto.org/recovery) with daily and weekly updates.

Chair Espinosa stated cities do a good job at the local level but activity at the Federal level was usually in pursuit of additional funding. He stressed looking at the role Staff and Council might take in the future to increase their funding goal pursuits. He stated there was also a Request for Proposal (RFP) out there for a Federal lobbying group. The City released the RFP in reconsideration of the lobbying group in Washington, DC. He stressed this was a time for the City and the Council to step back and look at what necessary goals were in DC. At the State level, there were also concerns for the City and it is necessary for the City to be more vocal regarding interest. Organizations at the Regional level also have impact and the City has activity on several boards. However, the City could be more active with other organizations.

Council Member Barton agreed with the above-mentioned general points but specifically noted the need for Federal and State lobbyists. He suggested looking at comparable cities in order to pair up and increase the City's lobbying efforts. He stressed the need for ongoing efforts in looking at what more Staff and Council can do in terms of ramping-up lobbying efforts. He stated Council and Staff had a lot to do on a daily basis, but also stressed the value of having Council members in Sacramento and Washington for lobbying on issues.

Council Member Kishimoto was appreciative of the direction and comments made thus far. She noted a recent gap in the high-speed rail area and the need for a lobbyist on this issue. She stressed the importance of lobbying as well in the environmental and Fiber to the Home arenas at the State and Federal levels.

Council Member Yeh asked for clarification on the grant amounts from the Department of Justice for what appeared to be a one-police-officer position. He asked if there were other pieces to this.

Ms. Morariu stated staff would follow-up on this.

Council Member Yeh clarified that information would be available online on the Recovery website for public transparency. He asked if the annual meetings with legislators could be built into the Legislative Action Program Manual. He cited instances where it would be helpful to have a Council member and a lobbyist present for important issues and perspectives. He asked if issue advocacy could be added as a role on the Federal lobbying level due to various issues that did not necessarily deal solely with funding.

Council Member Kishimoto reinforced the need for both lobbyist and Council presence on key issues in order to provide a broad perspective. This dealt with their discussions on the Overall Guiding Principles. However, she suggested reference as to how this affected Council priorities.

Council Member Yeh suggested work on how to rephrase the reference to the Guiding Principles in order to take into account the balance of the Regional and local work and any conflict with Council priorities.

Council Member Barton agreed with the importance of dollar acquisition at the Federal level.

Chair Espinosa suggested inclusion of the language from the Request for Proposal (RFP) since this would more fully cover proposed goals at the Federal level.

Ms. Morariu asked if he had any particular wording in mind.

Chair Espinosa suggested calling all three, the Federal, State and Regional.

Council Member Kishimoto stated one example of the Regional concerns as SB-375 and its implementation over the next several years.

Chair Espinosa suggested laying out in the document what the process would look like if there was a controversial issue and how this would be dealt with organizationally.

Ms. Morariu asked if there was further specific language from the RFP or scope of services that should be included.

Chair Espinosa suggested pulling out the analysis and goal setting language to flesh out the higher level work that needed to be done.

Council Member Kishimoto suggested thinking proactively in order to get an understanding of the major legislative items at the Federal level and what is on the horizon that the City needed to follow.

Chair Espinosa asked if a lobbyist was something that the Committee would likely recommend or would Council or Staff consider hiring a lobbyist on the State level. He stressed a process was needed around this in order to delineate how Staff looked at filling this need on a full-time contracted basis or in some other form.

Council Member Barton stated hiring a lobbyist was not the most functional approach on an issue-by-issue basis. He stated things moved so fast legislatively that it was important to keep a lobbyist on board full-time.

Chair Espinosa asked if a full-time employed lobbyist made sense.

Council Member Barton suggested experimenting with a full-time lobbyist and the costs of this. He stated a lobbyist was not hired specifically to work for Palo Alto, but was hired more for what existed in their lobbying portfolio to which their work would be beneficial to the City.

Ms. Morariu stated the City had a State lobbyist in the past and this was discontinued.

Mr. Alae stated the lobbyist was discontinued as part of a Budget cut after the dot.com bust in 2001.

Ms. Morariu stated she had discussed this issue with the City Manager, based on Council's prior discussion. His experience was that a Federal lobbyist was the more effective choice versus a general State lobbyist. State lobbyists were typically hired on an issue by issue basis.

Council Member Barton stressed another reason to experiment with the State lobbyist option was for further leveraging on issues in view of the City Manager's past experiences.

Council Member Yeh stated Utilities had a lobbyist who was not technically on-contract with the City, but was available for pro bono work. He maintained an in-depth focus on the Utilities' issues to date. He noted this level of specificity was beneficial for the City in regard to utility issues.

Chair Espinosa suggested a future discussion with the City Manager, given his level of expertise on this, might be helpful in the different approaches at the State level for funding, high-speed rail, environmental and additional issues. He stressed the importance of having the right type of structure at the State, Federal and Regional levels. He asked what this looked like at the Regional level when deciding upon organizations or the different types of representation the City needed for regional bodies.

Council Member Barton stated that, on a Regional level, it would be on an issue-by-issue basis. He gave the example of high-speed rail where the issue was crafted as it progressed rather than through reliance on existing lobbying groups. He noted the lobbying work lay in trying to figure out which were Federal and/or State issues at the core level.

Council Member Kishimoto noted lobbying logistics for Fiber to the Home involved the same type of work in progress.

Chair Espinosa suggested their goal was to carve out how the City is already engaged, to see where the Federal government lobbying structure is going, and then a conversation as well about work at the State level. He noted the importance to segment these areas out identifying the necessary steps for more transparent view of the City's lobbying goals and efforts.

Council Member Yeh suggested a map of the existing Sacramento lobbyists, the DC lobbyists and then the ability to see the existing regional organizations thus far. He also agreed it was important to link with other cities and groups toward common lobbying goals as a proactive approach.

Council Member Barton stressed these groups were both reactive and proactive in their work.

Chair Espinosa suggested they move on to a discussion of Council's role in the legislative process. He stressed the importance of clearly identifying Council's roles in Study Sessions, potential issues, and how Council can aid the lobbying efforts. He was also interested in seeing roles more clearly delineated as to who really takes the lead at the State and Federal levels.

Ms. Morariu stated they also talked about creating, during the legislative season, a standing agenda item which could be brought to Council regarding pending legislative issues. She stressed their ongoing efforts to ensure Council's engagement and awareness of the pending issues.

Chair Espinosa agreed this ongoing dialogue and visibility of needs on the lobbying front was important on many levels.

Council Member Kishimoto noted the important role the League of California Cities plays as sort of a rapid response team to keep the City and Council abreast of issues. She stated the League was a great resource to the City and Council.

Ms. Morariu stated the League had legislative analysts and grass-root board coordinators on legislative issues.

Chair Espinosa noted the importance of talking with the City Manager about how to engage with these above-noted organizations to move forward on Palo Alto legislative issues.

Council Member Kishimoto agreed, and noted the City had not yet been as proactive in this engagement arena with these leagues and groups.

Council Member Yeh noted Council's role as delineated in the manual was that they do the groundwork for the City's legislative strategies in setting the Council Priorities. He saw the Council's Priorities as very proactive statement over a one- to two-year period. He was curious as to how the Comprehensive Plan can outlive Council tenures, and whether or not this should be factored into the reworking of legislative priorities or whether they remain locked into the current Council and its priorities.

Council Member Barton stated the Comprehensive Plan had no engagement at the Federal Level, realistically.

Mr. Alae stated Staff's intent was to develop some Overall Guiding Principles for the legislative year beginning in December, which would come close to the Council's retreat schedule, if not actually being part of this retreat. He stated that if Council's priorities had changed, the legislative priorities would be there at the retreat or at the next Council meeting in order to readjust and align priorities as they moved forward, keeping in mind the current Council's priorities for that particular year.

Council Member Kishimoto stated the current wording noted the process in which a City Council member brings up an issue, which included Colleague's Memos. She stated this process takes a length of time.

Ms. Morariu noted the Legislative Manual was definitely a work in progress. She stated there were certainly time sensitivities of suggested processes that were not taken into account, but noted that many of the manual guides were

more specific to longer term legislative issues as opposed to more pressing immediate issues moving through Council.

Council Member Kishimoto noted many items would be coming to Council in the very first place by usual process, which did not require a bulleted placeholder in the guide towards legislation. She reiterated that if an issue is brought to Council, if it is an issue that is outside of the box, then Staff had the authority to send a letter in any legislative case.

Mr. Alae verified the wording that would be removed in order to more concisely define the process in Council for controversial topics.

Chair Espinosa noted budget issues in which the previous City Manager had cut the lobbyist. He stated there was tension over Council members' participation and the costs associated with attending lobbying sessions in their advocacy roles. He asked if there was a way to include language that would prioritize outside funding for these trips, and if funding can be found outside the City of Palo Alto resources that would allow and pay for Council members' participation in lobbying efforts.

Council Member Yeh agreed that the City underwent scrutiny in situations such as this where City funds are spent for these trips and lobbying. At the Federal, State and Regional levels, he suggested a built-in transparency around the financial aspects of Council's engagement in lobbying efforts and travel that might include recommendations to go through associations which might cover these activities. He stressed transparency over the City's budget for these lobbying activities were absolutely necessary.

Chair Espinosa understood the approach towards this transparency but also noted the danger of large companies or corporations paying for these trips which may also send the wrong message to the public. He suggested wording to the point that the Council's actions and expenditures needed to be consistent with the value of the issue at hand including the tradition the City holds in monitoring this type of spending and the number of Council members who take part in the activities and travel for any one event.

Council Member Kishimoto suggested looking at how other cities handle this travel and these expenditures effectively. She also suggested Palo Alto may want to develop a strategic plan in this particular area.

Chair Espinosa stated since they were coming back for one more discussion over issues at the Sacramento level, and how that looks for the City, that they might benefit hearing from an expert in the field for a sense of what the best practice looked like in this particular arena. He stressed this would flesh things



out more thoroughly on the financial and legislative side of the issue of Council's involvement and how to best handle this. He noted a model for this lobbyist activity was necessary.

Council Member Barton spoke to the model for the Green Building Ordinance and suggested they could go to the state and point out this is how everyone should do it and/or the better alternative which was to be completely open about the ordinance and modeling their success for others to use. He noted there were a number of areas where the City was on the cutting-edge of issues and could help other cities to join in.

Chair Espinosa noted they were speaking about legislative agendas and moving certain legislations, and asked how his modeling suggestion and example related to this.

Council Member Barton gave the example that if many cities adopted the same Green Building Ordinance or a similar version, this would be consistent with many of the City's generalized goals. He also felt, if the City were out there proactively, this put them at the head of the class on additional topics. In this case, when they arrive in Sacramento, they are known and understood as to what they stand for and are willing to fight for.

Chair Espinosa noted it was key to have the City spotlight its ongoing best practices.

Council Member Barton cited this as the City basically striving to always be the best role model.

Council Member Kishimoto returned to her original comment about looking through the lens of asking about Federal and State legislative issues and priorities and where Council fits in.

Mr. Alae cited staff report CMR:241-09, page 11, as a place where there were several bullet points on procedures for the City Council and other elected representatives and their roles. He asked if these bullets needed to be fleshed out further or provided the appropriate perspective on those roles.

Council Member Yeh asked if this was essentially with regard to Council members and representatives.

Mr. Alae stated it involved supervisors, representatives and any other elected representatives as well.

Council Member Barton noted one item not included in the bullets was a scheduling of these activities at the appropriate times along the legislative timeline.

Chair Espinosa stated it was a great start but held issue with the fact that it focused more on process. He looked for more information on the Council's specific roles at all the levels of engagement. He noted what existed in the manual thus far was more with regard to Staff's timing with a small paragraph on the Council's role. He wished to see more language with regard to Council's role.

Council Member Barton stated Council's role, in many cases, was dependent upon the larger decision of whether they have a lobbyist or no lobbyist at the State level. In choosing to have a lobbyist, those directions would be given.

Chair Espinosa stated this was true as well in the conversations they would be having with the Federal lobbyists as well. He stated these conversations were well-dictated, but he stated there was also need for Council's role in order to have something that really spoke to their legislative strategy.

Council Member Barton stated some might argue that these roles would vary issue-by-issue. He was not sure there was a generalized approach or process available.

Chair Espinosa reiterated there was some process for the most part in order to guide Council, and this needed to be fleshed out further.

Council Member Yeh stated there needed to be more clear delineation or diagrams in the manual with regard to potential City Council or member interactions with the legislative body, but these were not necessarily clearly delineated in the diagram as to how this progresses. He asked if it was through the City Manager's office, and if it was, then was this the lobbying or getting in touch with the legislative bodies. He was looking for more clarity on these arrows and bullets.

Ms. Morariu reiterated that he was looking for the direct link between the Council and its activities with the legislative body.

Chair Espinosa stated it was a good model for Staff in talking about how they would ideally have the legislation come in. Although the reality was, this was not really a flowchart in that legislative issues and proposals for legislation can come in from many directions. If this was meant to be a flowchart of the process for work, it needed further discussion about what is entailed in each step along the way.

Council Member Barton stated it might work best on two charts, one where there is a reaction to the legislation and a second where there is support, drafting or sponsorship of the legislation.

Chair Espinosa noted a third category that would include dollars donated toward that end. He asked if there were any concerns or thoughts on the Priority Development Process.

Ms. Morariu offered, by way of context, that this was meant to go with the legislative schedule.

Chair Espinosa agreed the calendars were helpful but suggested this was definitely an area where they need to make sure they hear input from the lobbyists in DC and Sacramento and possibly checking in on the regional level as well to really make sure the timelines were appropriate.

Council Member Barton, on Protecting the City's Interests, was inclined to remove additional wording.

Council Member Barton noted this was particularly important. He stressed if the legislature passed an Ordinance, for example, banning polystyrene for every City, this took away the City's discretion but was consistent with the City goals. He noted, for this reason, that discretion and goals were two completely different concepts.

Mr. Alae noted this wording was not directly from the League, but was drawn from historical items Staff found. He suggested looking to the League for similar language.

Ms. Morariu suggested wording that was consistent with other Council priorities.

Council Member Barton suggested the wording "to retain or increase but generally not decrease the amount of local discretion."

Council Member Kishimoto stated the City wanted their discretion to be over any State standards.

Council Member Yeh was supportive of that general approach. He stated wording alluding to never was extremely definitive and they wanted to be careful about that.

Chair Espinosa asked if there were other bullets that needed alternative wording.

Council Member Barton noted with regard to the Overall Guiding Principles the wording "seeking new and alternative funding" was more appropriate.

Council Member Kishimoto suggested the wording "protect and increase government discretion" in balance with City values. She also suggested wording "to retain the right to exceed State standards."

Chair Espinosa did not have concerns about the prior wording. However, he was not sure that the wording captured everything that the City does in the legislative process.

Ms. Morariu suggested "proactively advocate on behalf of the City" which was more proactive wording.

Chair Espinosa noted also an item that was missing with regard to advocacy, general issue areas, or as maybe taking off some of the pressure at the Federal and State level because of the work done at the Regional level.

Council Member Barton suggested wording toward being proactive in the legislature in that they were not just reacting by acting or sponsoring legislation, as an example. He noted guidelines more in keeping with reacting to legislation and he sought wording of a more proactive nature.

Council Member Kishimoto, on page 1 of Attachment A, outlined specifics of a proactive nature.

Chair Espinosa noted the same wording could be used to capture this proactive nature in the Guiding Principles.

Council Member Kishimoto stated every year's guidelines needed to define the areas worth monitoring proactively. She noted they may not sponsor the legislation but were paying attention to high-profile issues such as high-speed rail as an example.

Mr. Alae asked if on their return meetings it would help if they brought back a list of area cities' over-riding principles in comparison.

Chair Espinosa stated it was helpful to hear the best practices while working on this more proactive agenda in their guiding principles. He asked if there were any other concerns over the guiding principles and found none. He moved the meeting toward discussion of the Priority Development and Guiding Principles. He thought, in terms of the priorities, as well as the guiding principles, that it was important to separate out the three areas they were working on since there

were very different approaches at the Federal, State and Regional levels in priority and process.

Council Member Yeh requested further information regarding organizations on which Council members serve on a regular basis. He suggested a check-in point to note Council's priorities at the Regional level. He noted this would ensure the public understands of Council's ongoing roles beyond the City in other advocacy areas.

Chair Espinosa stated it was important to look at area cost and benefit models as well for work done at the Regional level on up. He asked if there were any further particular directives going forward. He summarized the key points of their discussion as:

- 1) Looking at the best practices and approaches at all legislative levels.
- 2) Best practices and area models.
- 3) Wording and more specific changes to the memo.

Item continued to meeting on June 17, 2009.

### 3. Discussion for Future Meeting Schedules and Agendas.

Timing was discussed for the future meetings, possible meeting dates, as well as their content and the possibility of having noted speakers provide information on effective lobbying.

Next meeting scheduled for June 17, 2009

ADJOURNMENT: Meeting adjourned at 8:37 p.m.