



POLICY AND SERVICES COMMITTEE

Special Meeting
December 14, 2010

Chairperson Yeh called the meeting to order at 7:03 p.m. in the Council Conference Room, 250 Hamilton Avenue, Palo Alto, California.

Present: Yeh (Chair), Holman, Shepherd, Price

Absent:

1. Oral Communications

2. Procedures and Protocols from City Council 11-22-10.
 - Procedures and Protocols comments, letters, and email communications received from the City Council 11-22 (information only)

 - Developer late submittals, quasi-judicial hears and ex-parte communications

Interim City Attorney Don Larkin spoke regarding the letter he submitted to the Finance Committee. He said it was not intended to be a Staff Report but rather a response to questions discussed at prior Policy and Services Committee meetings. He discussed whether it was possible to disallow ex-parte communications with the public. He stated that members of the public must be allowed to discuss quasi-judicial matters with their Council. It could, however be discouraged during the meetings and as a matter of practice any should be disclosed. He said Staff contacted municipalities across the state to compare policies. No city prohibits all ex-parte communications. Some cities discouraged some gathering of information under certain circumstances. He said that quasi-judicial is defined by the law as a decision that impacts property rights, interested people have a right to due process under the law. The matters that Council reviews most often come up on the Consent Calendar, though there are exceptions. It is an internal policy to treat Planned

Community (PC) applications as quasi-judicial but it is not defined as such under the law.

City Manager James Keene spoke regarding Staff's attempts to consolidate the various concerns into concise language for both ex-parte communications and late submittals being the focus for the current meeting.

Mr. Larkin said that Staff attempted to respond to Council Members comments from the November 22, 2010 Policy and Services Committee meeting as well as those received subsequently.

Council Member Price asked if the first section on page 4 of the letter where it stated "discouraging communications prior to ARB and PTC recommendations" was intended to be conceptual about PC zones. She wanted to know if this revised language would prohibit a Council Member from going to neighborhood meetings regarding the applications or having a discussion with someone in a grocery store.

Mr. Larkin said that the intent was that Council Members may attend public meetings however a casual discussion at a grocery store would be discouraged under the policy.

Council Member Price confirmed that this would discourage but not prohibit this type of casual meeting.

Mr. Larkin said that was correct as the City could not tell a citizen they may not speak to a Council Member.

Council Member Price spoke about a Colleagues Memo regarding an upcoming item at a Planning Commission meeting that she wanted to know more about. She observed that there were two bodies examining similar topics. She said it would be useful for the Council to know what transpired at the Planning Committee meeting.

Planning and Community Development Director Curtis Williams said that the item Council Member Price was referring to was reviewed on November 10, 2010 and rescheduled for the Planning Committee meeting the following day. The affect of the action would be to allow the Planning Commission more flexibility to meet with applicants and public relative to quasi-judicial materials. He said they currently had a policy that strongly discouraged communications between Planning Commissioners and applicants outside of public meetings. He said the action pending the following day, if taken, would delete that sentence. It would also add a handful of disclosure rules.

Council Member Price voiced concern about discussing the same topic with the two bodies not being aware of the others concerns.

Mr. Williams said the Planning Commission knew the City Council was discussing the issue and considered waiting until the Council made a decision.

Council Member Price said this was a significant piece of information. She said the Colleagues Memo created a more moderate approach. She confirmed that it clearly recommended some flexibility in terms of engagement. She requested confirmation that the policy would clearly provide guidance for disclosure.

Mr. Williams agreed that it did.

Mr. Keene said that the issue did not need to be too complex. He stated that the Planning Commission was ancillary to the Council and advisory to them. These are ultimately the Council decisions. He recommended the Council determine how they want to proceed with these issues and the Planning Commission can take their queue from that rather than Council basing their choices on the Planning Commissions decisions.

Council Member Holman asked if site and design projects were quasi judicial.

Mr. Larkin said they were. It was not his intent to exclude them.

Council Member Holman asked about disclosures. She said the agendas are not indicating which items are quasi judicial so they are not being asked for disclosures and they are easy to forget.

Mr. Larkin said Staff would designate quasi-judicial items.

Mr. Keene said if the Policy and Services Committee recommended that agenda's indicate which items are quasi judicial Staff would implement it.

Council Member Holman said that study sessions were rigid. She suggested Staff develop methods to make the sessions more informative.

Mr. Keene said that this was not directly connected to the topics on the agenda. He stated it was a larger issue.

Council Member Holman stated that it was pertinent as one argument regarding ex parte communications is that study sessions need to provide better information for the public.

Mr. Keene said they could have a study session on social service needs that might be structured differently than a land use hearing. The setting the study sessions were conducted in could change the nature of them. He also said that defining when a study session occurs with land use items could affect the sequence of when these items come to Council. The Policy and Services Committee could direct Staff to review options.

Council Member Holman said that the Planning Director should also respond to pre-screenings.

Mr. Williams said that projects don't often have study sessions. He said that Staff had discussed changing the approach to study sessions. They will continue to work on refining the format. Study sessions would need to be separated from regular Council Meetings in order to be effective.

Mr. Larkin said the rules would not have to change as the Council already has flexibility to change the study sessions.

Council Member Holman said it would be helpful to know what is appropriate versus inappropriate in an ex-parte communication.

Mr. Larkin said that it is concerning when there is a perception of back room deals. It is inappropriate to not disclose information to the public. Secondly where a Council Member has become so invested in a project based on meetings with applicants that when the project comes before the Council that Council Member is no longer objective. Council Members should not help design a project or be so involved to interfere with objectiveness. It's not a black and white question rather it's a question that requires judgment.

Council Member Holman asked what could be accomplished in a private meeting that can't be in a public meeting.

Mr. Larkin said an example would be if a Commissioner visits a site with an applicant. As long as the tour and any learned information is disclosed there is no legal problem in that. Council has the ability to create a more transparent process.

Council Member Holman said site visits can be public meetings.

Mr. Larkin said there are Brown Act issues with meeting in an open space. It is difficult to have a public meeting in a setting where Council and attendees can be spread over a wide area and not hear all communications. He said it is not conducive to the public's needs.

Council Member Holman said that it made sense for the Council to make a decision regarding ex-parte communications prior to the Planning Commission. There was concern with having ex-parte communications at Planning Commission meetings. Applicants can convince Commissioners based on appearance. By the time the item gets to the Council what is approved is a document that has not been amended by the Commission.

Council Member Shepherd said that making deals before an item was voted on was a problem. She asked if it were possible to give the Policy and Services Committee clear guidance so they have an understanding of what they are allowed to do and what type of information must be disclosed. She had found it helpful to understand the project through direct communication with the applicants.

Mr. Larkin said it would be possible to provide examples of ex-parte communications.

Council Member Shepherd said the liaison tended to clarify the statement.

Mr. Larkin said it was important to understand those conversations are what this language was intending to discourage. He reiterated that Staff would include examples of what is and is not discouraged. Emails and site visits without the applicant are information gathering outside of a public hearing. Yet emails are not discouraged too strongly as they can be forwarded and included in public information.

Council Member Shepherd asked if it was the City Attorney's responsibility to stop ex parte communications from taking place during a meeting.

Mr. Keene said this was not related to the topic.

Council Member Shepherd asked about the difference between a protocol and a procedure.

Mr. Larkin said the context of the two different documents was that procedures defined how the Council conducts itself and the rules by which it relates to the community. The protocols defined how the Council operates internally.

Chair Yeh said it was important to understand that ex parte communications involved an honor system among Council Members. It was important that the language not prohibit first amendment rights of the public to communicate. He said there had been times where it had been helpful to hear the public's perspective. He said the language addresses that issue and he would be supportive of it. He did not want to rewrite the document word-by-word.

Mr. Larkin added that when the ex parte communications began to impede the impartiality of Council Members was when it became a problem.

Mr. Keene suggested the verbiage state "a Council Member" instead of just "Council" when referring to restrictions on communications outside of publicly noticed meetings. He added that there were many roles and responsibilities for Council Members including a quasi judicial role, and a role as an accessible public official.

Council Member Shepherd asked if they were going to accept the language provided by the City Attorney.

Mr. Larkin said the language revisions on the second item were based on what the Committee had previously approved. He said they could address the language regarding late submittals. There were differences between clarifications and changes in the publications. There was some language regarding what makes Staff change the timeline on applications. The Council needed to decide what they wanted to have further conversation on. He said Staff's recommendation was that everything that goes before Council should come to the packet five days before. He said the language should reflect that items delivered after this date would trigger an analysis by Staff. Staff was not comfortable determining what was important to Council; the direction should come from Council. There was some other language proposed by members of the public. He said Staff had not had an opportunity to study the legal impediments to the public's suggestions. They were open to further revisions. Staff was comfortable with the Committee suggestions already made. He clarified that they might want to add a clarifying sentence regarding applicants and members of the public always having a right to address Council. He was uncomfortable with the previous verbiage because it implied that it was constrained in other places. He suggested "Nothing in this policy is intended to restrict the right of applicants or other interested parties to respond to information contained in or included with the Staff Report."

Council Member Holman suggested "If any correspondence or other information is submitted after the deadline and Staff determines additional review is needed

Staff will reschedule the item to a future Council Meeting.” She asked, if Staff was uncomfortable making that decision, how it should be made.

Mr. Larkin said he was comfortable with the way it was written. Staff can determine if new information changes the project and requires postponement. The next sentence about Staff analyzing significant changes was his concern as it is Council's decision.

Council Member Holman asked if the option for Staff to return an item to the Architectural Review Board or to the Planning Commission ought to be provided for.

Mr. Williams suggested the City Attorney would have to comment on the legality of that.

Mr. Larkin said in most cases it would be the City Council's decision.

Council Member Holman asked if language should be added granting that ability to Council.

Mr. Larkin said it could clarify it.

Council Member Holman said she had seen Council struggle on the dais because they felt they didn't have the ability to send an item back to the Planning Commission.

Council Member Price said that she was concerned about being too prescriptive. The issue of the authority of the Council to return a project is widely understood. The language as already stated is well written and clear. They must recognize both Staff's expertise and the Council's authority.

Mr. Larkin said his concern was that commenting on a Staff Report is not a right given by this policy. It is already a Council right.

Council Member Holman said she didn't believe Council was comfortable with that.

Mr. Williams said Council was clear on their authority, even if they have never exercised that specific right.

Council Member Holman disagreed.

Council Member Price suggested this was a training issue.

Council Member Holman said she wanted it clear that this exercise was to provide good process, transparency, and fairness to all parties.

Chair Yeh said the intention was to clarify. He would support the last addition mentioned by the City Attorney.

Jean McCown of Palo Alto spoke regarding encouraging communications with the public. The language "strongly discourage" sent a negative message. Council should be trusted to gather information without forming a bias. She said the Planning Commission Colleagues Memo was very positive. She added that in her tenure on the City Council they had full disclosure. She would ask the public not to speak with her until after she read the Staff Report.

Council Member Holman asked Ms. McCown if she was indicating that Council should only be allowed to speak with applicants after they read the Staff Report.

Ms. McCown said it does not need to be in writing. This language revision felt like a solution looking for a problem.

Fred Balin of Palo Alto said that according to the City Attorney Council communications outside of quasi judicial hearings were legislative. But the handbook defines it as other matters determined by the City Attorney. Council Members should refrain from ex parte communications related to quasi judicial items until after Council makes a final decision. He also spoke regarding confusion on late submittals with the City Attorney's revisions. The suggested revision narrows the focus to the Staff Report.

Bob Moss of Palo Alto said that Planning Commissioners often will stop members of the public from speaking to them off-line. They should allow sending it back to the Planning Commission. However if it is not put in writing no one will remember it in five years. Clear standards, understood by all, were important and that was what these documents were. PC's are different than every item and should be handled more restrictively clear. Restricting the time and manner of the public communicating with Council was not restricting members of the public's right to communicate.

Tom Jordan of Palo Alto said regarding ex parte communication, there were six public letters in favor of the policy and was distributed to everyone. He stated that not defining a policy was like when the financial community said they didn't need a policy. Rules were important and they had not been followed.

Speaking to the applicant prior to the Planning Commission decision undercuts their decision.

Council Member Holman commented that appearances were important. These recommendations were to suggest that our standards are high and appearances matter. Restraining ourselves until after the Commissions make their decisions eliminates that imposition and perception that decisions had been arrived at earlier. She said that much of the procedures and protocols were intended to provide clarity and adding new items for the purpose of clarity would not be a problem. The quasi judicial hearings, Procedures Handbook IV-I, used the word "autonomy" which concerned her. She suggested instead "the integrity of the Boards and Commissions process in making recommendation to Council will support the independence of. . ."

City Clerk Donna Grider said that this was not on the agenda.

Chair Yeh agreed saying they could discuss that at a later meeting.

Council Member Holman said regarding ex parte on page one of City Attorneys letter the last paragraph regarding restrictions on Council communications "outside of quasi judicial and PC hearings it is the policy of the Council to strongly discourage the gathering and submission of information by Council Members outside of any noticed public meeting including prior to final recommendations by Architectural Review Board or Planning and Transportation Commission."

Mr. Keene suggested it state "when such information may interfere with the impartiality of Council Members."

Council Member Holman said she was omitting that based on a suggestion by Council Member Klein. He suggested that the entire purpose would be negated if it does not impair a Council Members judgment. So she suggested removing the line. She did want to leave the last line the document.

Mr. Keene said he thought Council Member Klein was saying the Council Member would be exercising their own judgment whether it affected them or not.

Council Member Holman said she thought Council Member Klein was saying that no one is going to compromise a Council Members judgment.

Council Member Price agreed with the City Manager.

MOTION: Council Member Holman moved, seconded by Chair Yeh to recommend the City Council change the City Council Procedures Handbook Page IV-10, section B-2 to read "Restrictions on Council Communications Outside of Quasi-Judicial and Planned Community Zone Hearings. It is the policy of the Council to strongly discourage the gathering and submission of information by Council Members outside of any noticed public meeting, including prior to final recommendations by the Architectural Review Board or Planning & Transportation Commission. The following procedural guidelines are intended to implement this policy, but shall not be construed to create any remedy or right of action."

Chair Yeh said he supported the Motion based on the independent review.

INCORPORATED INTO THE MOTION WITH THE PERMISSION OF THE MAKER AND SECONDER to delete the word "including."

Mr. Keene said that as it as worded it seemed to say that the policy is to strongly discourage the gathering of information including prior to final recommendations period. It did not indicate that there could be any exceptions. The language discussing impairing the Council Members impartiality opens the door to an individual Council Member to have something articulated stating that's what they should do.

Council Member Holman said the City Attorney said they were on the more restrictive end of policies compared to other cities. She disagreed. No Council Member refuses to meet with applicants. It is not restrictive.

Mr. Larkin said the Palo Alto Council did not act any differently than any other council. His research implied that Palo Alto's language was more restrictive than other cities, but the Council acts the same.

Council Member Holman said there were cities that discourage ex parte communications.

Mr. Larkin said there were some that discourage.

Council Member Shepherd argued against using the word "strongly" and would prefer to remove it. Discourage was strong enough.

Chair Yeh said this is ultimately an honor code and agreed to remove the word from the Motion.

Council Member Holman disagreed.

Council Member Price suggested moderation and thought “strongly” should be removed. She said Council Members should have a clear understanding of disclosure.

Mr. Larkin said that Staff was suggesting changes regarding disclosure.

Council Member Price said she agreed with the language and intention of the rest of the Motion.

Council Member Holman accepted removal of the word strongly.

INCORPORATED INTO THE MOTION WITH THE PERMISSION OF THE MAKER AND SECONDER to delete the word “strongly.”

Council Member Shepherd asked, if a developer wanted a PC, how they would search for good information to submit a sound proposal.

Mr. Williams said there was a more formal process with prescreening where the Council provided input. He said there was not much feedback from study sessions, which can be problematic.

Council Member Holman said it was similar to CEQA. She suggested the prescreening process that was in place was important to provide input to applicants. She said she would make a Motion to have staff come back with suggestion for prescreening and study sessions so they could be more helpful to everyone and that there will be an action item after the session. That preliminary stage doesn’t need guidance.

Chair Yeh asked for comments regarding the Motion on the floor.

Council Member Shepherd asked if PC hearings were quasi judicial.

Mr. Larkin said they were not, though Council treated them as such.

MOTION RESTATED AS AMENDED: Council Member Holman moved, seconded by Chair Yeh to recommend the City Council change the City Council Procedures Handbook Page IV-1, section B-2 to read “Restrictions on Council Communications Outside of Quasi-Judicial and Planned Community Zone Hearings. It is the policy of the Council to discourage the gathering and submission of information by Council Members outside of any noticed public meeting, prior to final recommendations by the Architectural Review Board or

Planning & Transportation Commission. The following procedural guidelines are intended to implement this policy, but shall not be construed to create any remedy or right of action."

Mr. Keene asked what this meant for communication post ARB or PTC direction. He assumed there were no restrictions on this.

Council Member Shepherd asked if Council Members could still attend PTC meetings.

Mr. Larkin said that was a public hearing and Council Members were free to attend.

Council Member Holman said they were still subject to disclosures as the City Manager pointed out.

Chair Yeh said he would be more comfortable discussing that with late submittals.

MOTION AS AMEDED PASSED 4-0.

Council Member Holman suggested the following verbiage be added to the Procedures and Protocols document on Page II-4/II-5 "Late Submittal of Correspondence or Other Information Related to Planning Applications. In order to allow for adequate Staff review and analysis, and to ensure public access to information, all plans, correspondence, and other documents supporting or commenting on planning applications being heard by the City Council must be submitted not later than noon five working days prior to the release of the Council Agenda Packet. If any correspondence or other information is submitted after this deadline and Staff determines additional review is needed Staff will reschedule the item for a future Council meeting. The City Council can determine continuance or referral if significant changes to a project, or significant new information becomes known."

Mr. Larkin suggested adding to the end "nothing in this statement is intended to restrict the rights of applicants or other interested parties to respond to information contained in or included with a staff report."

Council Member Holman agreed with Mr. Larkin's suggested verbiage, but added "related to this item."

Mr. Larkin said the verbiage could state "attached to the Staff Report."

Council Member Holman repeated "The City Council can determine continuance or referral if significant changes to a project, or significant new information becomes known."

Council Member Price said she didn't think that statement was needed.

Council Member Holman said it was not always understood and should be added.

Mr. Larkin suggested the sentence be rewritten to say "The City Council can determine whether to continue or refer the item to the appropriate Board and/or Commission if significant changes to a project or significant new information become known."

Mr. Keene suggested the statement read "At the meeting the City Council can determine whether to continue or refer the item to the appropriate Board and/or Commission if significant changes to a project or significant new information become known."

Mr. Larkin changed "can" to "may."

Council Member Holman agreed to the rewrite. She stated that this new verbiage would lead to better outcomes.

Council Member Price agreed.

MOTION: Council Member Holman moved, seconded by Council Member Price to add a Section C on Page II-4/II-5 in Procedures and Protocols be changed to "Late Submittal of Correspondence or Other Information Related to Planning Applications. In order to allow for adequate Staff review and analysis, and to ensure public access to information, all plans, correspondence, and other documents supporting or commenting on planning applications being heard by the City Council must be submitted not later than noon five working days prior to the release of the Council Agenda Packet. If any correspondence or other information is submitted after this deadline and Staff determines additional review is needed Staff will reschedule the item for a future Council meeting. At the meeting the City Council may determine whether to continue or refer the item to the appropriate Board and/or Commission if significant changes to a project or significant new information become known. Nothing in this statement is intended to restrict the rights of applicants or other interested parties to respond to information contained in or attached to a Staff Report.

Mr. Larkin stated that originally the submission was for materials from applicants. He said the same behavior from applicants and opponents should be treated the same. This also applies if Staff has a lengthy environmental report to submit.

Council Member Holman said it is important to support Staff and this was one of the objectives for adding this verbiage.

MOTION PASSED: 4-0

Mr. Keene stated that late submittals can come after the five day period but it's the earlier ones that are received in time to inform the public. The Council has a right to let people speak to an item, even if it is delayed because of late submittals.

Council Member Holman said the public would prefer to show up a second time rather than have incomplete information.

Mr. Keene said that once this policy is in effect the behavior will change and late submittals will decrease.

Council Member Shepherd said that there are times when the Mayor will let them speak, but not again at the next meeting. And the wording in the Motion was "and" not "or" giving some flexibility.

Mr. Grider said that additional information might necessitate a second public hearing notice, making it less desirable to take public testimony at the first meeting.

Council Member Holman asked about study sessions and asked if they could give direction to Staff.

Mr. Larkin said they will bring those study session and prescreening items back. There were other items that could come back as well.

Council Member Holman asked if these additional items could go to straight to Council or if they could at least inform Council there are outstanding items.

Mr. Larkin said they would let Council know the process was not complete yet.

Human Resources

- **Staffing flexibility: Changes for changing environment**

James Keene City Manager stated that this item was mainly informational. Staff's intention was to discuss these issues with the Policy and Services Committee prior to reviewing them with Council. The Management and Professional Comprehensive Plan may address some of it once it goes to Council. He said that a prior Council directed Staff to include with the Adopted Budget a Table of Organizations. Any reallocating of this Table had to be approved by Council. This created a time consuming process and a lack of flexibility. Staff would often use a Management Specialist title to temporarily slot a Staff Member into a needed position. Budget allowing, the City Manager should be able to approve personnel changes to create flexibility within the organization. He suggested one approach was to allow, within existing positions, with existing budget, with City Manager approval, and within approved Full Time Employee (FTE) positions, Staff can hire temporary employees on contract for up to one year. Anything beyond that must be approved for the budget cycle, as a permanent position, by the City Council. There could also be a cap on how many of these positions can happen during the course of a year. He said that another issue was more flexibility was needed to move Staff and the funding for them between departments. He said this might be more complicated due to funding levels and such. He recapped the current problem stating that the City could not currently bring temporary Staff in even using existing positions and we can't shift Staff around departments without agenizing an item for Council. He felt those processes were not aligned with Council's expectations for Staff's responsiveness.

Donald Larkin Interim City Attorney said that at a minimum there needed to be some revision to the two provisions that give the City Manager back the control to appoint these positions. He also spoke to the redundancies in the Table of Organizations as it was bound by the memorandum agreements.

Mr. Keene said that, as an example, there was no easy way to bring someone in for the High Speed Rail (HSR) Project.

Russ Carlsen Director of Human Resources stated that over years an organization builds in new processes and over time they turn into redundancies and inefficiencies. He said this doesn't limit Council's control over the number of positions, it just offers Staff the flexibility to respond quickly to changing needs.

Mr. Keene said there was nothing to prohibit Staff from reporting to Council when they were making these changes. He said they could report quarterly, or how ever often needed.

Mr. Carlsen said there were other documents that were very clear about requirements and classifications such as labor agreements.

Council Member Price asked for clarification about what the Management Compensation Plan was.

Mr. Carlsen said it was the same document that describes the plan Council approves annually as the rules of the road for the Management and Profession group it includes another Table of Organization along with salary ranges.

Council Member Price asked if Staff discussed these concepts with the Management group.

Mr. Carlsen said they have had informal conversations about it and will discuss it with them on Thursday.

Council Member Price was concerned about the involvement of Staff in the discussions. This will go to Council after Policy and Services.

Mr. Keene confirmed it would go to Council at some point.

Mr. Larkin said it required a code change.

Council Member Price said as it relates to existing Memorandum's of Understanding (MOUs) her recommendation would be to clarify the reference to the implications related to MOUs. She added that asking for flexibility within an existing budget created concerns. She wanted to know if that meant Council could assume Staff would not seek an outside person when there is someone inside that can fill the job.

Mr. Keene said this was a challenge. He said this discussion was a conceptual preview. By the time it went to Council they would have more details. He said that when he hires Staff his job is to get the best person for the job and being open minded about internal employees is important.

Council Member Price said HSR was an excellent example. She said the issue of transparency was extremely important. If it were to move forward they would have to be very clear how this may play out to allow any member of any unit and Council to have an understanding of what happened. From an employees point of view the way this is examined would be very important. The process is for the well-being of the organization and it needs to recognize the value of the employees. There may be professional development opportunities for those within the organization.

Mr. Keene said that the chart is inaccurate as it states at the beginning how many people we have. The chart is quickly stale every time someone retires. He said Council needed to delegate tasks such as this to the City Manager, it was his job.

Council Member Price asked how other cities manage this challenge.

Mr. Keene said Palo Alto was generally more bureaucratic than most cities.

Mr. Larkin said that they have several Deputy City Attorney vacancies but they can not bring in Deputy City Attorney's to replace them, they have to bring in Management Specialists. Most Attorneys' do not want to put "Management Specialist" on their resume.

Mr. Keene reminded the Committee that they were discussing a very small percentage of the organization. He said the City Charter sets up the City Manager functions.

Council Member Holman wasn't clear how changes in Staff would go to Council.

Mr. Keene thought a periodic reporting would be more practical than every time a change happens.

Council Member Holman asked about financial impact.

Mr. Larkin said they had to show that it would not affect the budget.

Mr. Carlsen said they were restricted by the budget.

Council Member Holman voiced concern about how personnel would be allocated if different departments need the same person.

Mr. Carlsen said the leadership group works as a team to find solutions to those types of problems. It's part of their job as leaders.

Mr. Keene said he had the power already to not allow a department to fill a vacancy on to save costs. He did not have the power to bring someone on even if it saved costs.

Council Member Holman said she just wanted to make sure one department wouldn't lose a key Staff Member and suffer to help another.

Mr. Keene said they potentially could. That happens negatively now.

Council Member Shepherd said bringing efficiencies into the organization should always be encouraged. She suggested design team integration into the culture.

Chair Yeh said it was an exciting direction. He it was a good step toward creating a dynamic work environment. He said the employee's needs and interests needed to be a big consideration.

Mr. Keene said he saw this as a way to help people have more opportunities.

Herb Borock from Palo Alto opposed Staff's recommendation. Budgetary changes between departments require a budgetary ordinance. He cited historic precedence. He said that organizational changes should go before Council. He said this proposal requires a Charter Amendment. Staff should provide the Committee the Charter sections, the Merit Rules and Regulations that this suggestion affects.

Nick Raisch with SEIU spoke regarding flexibility with Staffing. He said there could be concerns about the voluntary nature of it particularly if workers would be forced to change work locations. The City Council states their priorities in part through the setting of the FTEs. He did not elect the City Manager to make Council Priorities.

Council Member Price said they needed to understand what specific items would have to be revised. She asked Staff if they would bring models forward.

Mr. Keene said he wanted the Committee to be aware of the challenges by identifying some processes that needed to be explored. The scale of changes still needed to be reviewed. He said the entire idea was to be productive and be open to opportunities. Moving an employee into a job they don't want is not productive.

Mr. Larkin said that wages, hours, working conditions would have to always be considered.

Mr. Keene said they understood the potential issues. As they progressed with the project they would be more detailed.

Council Member Holman said that changes like this do make sense, but procedures should not be person specific. They should be organizational. Making the process transparent was important. Developing safeguards would be helpful.

Mr. Keen agreed with Chair Yeh's comments about the challenge they face with recruiting. It was important to make the jobs interesting. He added that this issue was big. He said Staff would return to Policy and Services with this item.

4. Discussion for Future Meeting Schedules and Agendas

Donna Grider City Clerk said the January 11, 2011 Policy and Services Committee meeting would have to be cancelled because the Reorganization schedule.

Council Member Holman said she wanted the list of low hanging fruit added to the agendas.

Council Member Price confirmed there was no tentative date for another meeting.

Ms. Grider said the next tentative date would be February 8, 2011.

Council Member Price said it had been an interesting year.

Chair Yeh said they could agree that the next meeting date was to be determined. He thanked Staff and his Colleagues for the work in the past year.

Council Member Shepherd asked if when this went back to Council if they could have the changes redlined in the complete book instead of a recap.

Ms. Grider said Staff had been providing both the redlined book and a recap.

Council Member Shepherd said last time was more difficult because there was a lot of little changes.

Ms. Grider said she would look at it.

ADJOURNMENT: Meeting adjourned at 10:09 p.m.