



POLICY AND SERVICES COMMITTEE

Regular Meeting
May 11, 2010

Chairperson Chair Yeh called the meeting to order at 7:08 p.m. in the Council Conference Room, 250 Hamilton Avenue, Palo Alto, California.

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

Absent: none

1. Oral Communications

None.

2. Recyclables and Compostables Ordinance Development

Solid Waste Manager, Rene Eyerly offered some background on the Zero Waste Taskforce and program. She said the goal was to reach zero waste by 2021. A range of programs had been adopted previously by Council, which included a request to look at mandatory participation as a method of reaching the goal. She said the Climate Protection Plan was another key element. Most of the green house gas emissions in Palo Alto were caused by recyclable material going to the landfill. If that material was harnessed and recycled, the community would reach its first 2012 goal. She said that like many mature programs, it has reached a plateau. Staff has proposed an ordinance to restrict the recyclables that end up in the landfill and to maximize the existing resources. She said Staff has been working with the community to develop a plan. She said they also evaluated communities that already had mandatory programs in place. She said the ordinance had two components. One was educational to inform the community. Second was compliance. She said that implementation would be phased and residential would be separate from commercial. The first two years of the residential program would focus solely on education with no compliance requirements. For the commercial program, the compliance process would take affect after a 12 month educational component. The education component would involve traditional tools and site specific tools. Traditional tools include advertisements in newspapers, cart labels, residential guides, etc. Site specific tools would include cart tags. She

said it was a quick visual check; drivers would not open bags or individually audit customers. Staff was asking to defer the compliance component of the program, by not fining residents for 24 months. Staff would conduct surveys at the 12 and 24 month marks to determine if there has been significant progress. If there had not been, they would return to the Committee with further recommendations. She said that 95% of the residents put out some recycling. The concern was that 43% of the recyclable materials are being put in the garbage bins. She said that for commercial customers they would implement a compliance piece 12 months after starting an education program. The education would again involve tagging cans before any fines would be assessed. The fines would be minimal. She said that almost 80% of the material found in the garbage bins of commercial customers is recyclable and not being recycled.

Council Member Holman asked for clarification on how the waste diversion rate had stayed the same over the prior decade. Her understanding was they expanded the commercial recycling program.

Public Works Director Glenn Roberts said some gains had been made. The time frame of the implementation of the Zero Waste Plan had been over that same time frame. He said a number of programs had been implemented but not fully matured yet.

Ms. Eyerly said the new contract with Green Waste included many components to gain improvement but it had only been in place for a year. She said multi-family customers are a main focus for Staff. The Salvage component is important, but it was off due to a low number of development projects even though a higher percentage was being collected.

Council Member Holman how Construction and Demolition (C&D) waste was calculated.

Mr. Roberts said the methodology for calculation was a state mandated formula based on determining a base year. When the economy died suddenly, the calculations being made against the base year appear low or flat.

Council Member Holman asked about the options for recycling for business customers.

Ms. Eyerly said the Outreach Coordinators will work with each business to provide them with information about reducing overall garbage needs.

Council Member Holman asked why they were not more assertive rather than an opt-in situation.

Ms. Eyerly said they have no means to demand the program at the moment. Staff was trying to get an ordinance put in place to cover that.

Council Member Holman said that if they were not going to audit each can, why wouldn't everyone put their garbage and recycling in plastic bags and place them in the bins.

Mr. Roberts they would have to pay a higher price for a bigger can to contain both garbage and recyclables.

Ms. Eyerly said the intent of the ordinance was not to open the bags for reasons that respect privacy. Other communities use similar visual checks. The existence of the ordinance, coupled with the education seems to motivate the community into properly sorting.

Mr. Roberts said there had been concerns voiced by the community about their privacy if the City was auditing their garbage cans. He said it was clearly not their intent to go to that level of scrutiny. It costs too much money and time for the drivers to do those checks. He said it was important to note that the garbage processing facility in Sunnyvale did open the bags and review the content for further recyclables. There was no guarantee of absolute secrecy all the way to the landfill because garbage is in a plastic bag.

Council Member Price asked if Staff had conducted focus groups with the commercial property managers to determine why they were not participating. She asked if Staff had reviewed successful commercial programs in other communities and what their models were.

Ms. Eyerly said some focus groups had been conducted with the commercial customers. One main issue is that it was site specific. Often businesses were willing but it was very low on their list of priorities. Working with them on their in-building systems to make it as simple as possible to keep their employees on the program was also a priority for Staff. Many customers say that their Janitorial Staff needed to be trained, but there was a high rate of turnover on those teams that made it difficult to keep them trained, so City Staff was working on that issue as well.

Council Member Price asked if the Waste Composition Study was covered in the resources allocated for the program.

Ms. Eyerly said it was.

Council Member Price asked if it was typical to go to committee with ordinance concepts.

Mr. Roberts said that due to the sensitivity of this issue, the City Manager suggested Staff review the concept with the Policy and Services Committee, but it was not a normal process.

Assistant to the City Manager Kelly Morariu said it had been done before on occasion.

Council Member Shepherd encouraged Staff to keep reaching out to the community. She suggested a "pretend" ticket should be issued to those that refuse to participate during the educational time frame. She felt that there were some people that opted intentionally to not participate, regardless of educational efforts. A "pretend" ticket might help them opt in. She asked if part of the non-compliance was that some things are recyclable now but were not until recently. She also said she wasn't sure why they had to have a 24 month education time line for residential customers. She wanted to have a quicker educational period. She also wanted to know what would happen if someone throws everything in the recycle bin.

Ms. Eyerly said the recycling carts were currently being checked and they get tagged. She said they increased the time-line based on some strong concerns from the community. She said she'd be happy to evaluate it after the 12 month period.

Council Member Shepherd said that if 10% of the garbage needed to be in the recyclables, the community didn't seem to get that message. She recommended a chart on the cans.

Mr. Roberts said that they had been fairly successful at minimizing the contamination. The different time lines are open to change. Resources however, are limited and the time lines are at least in part as result of that.

Council Member Shepherd said that when they implemented the new color coded parking downtown, despite the educational outreach, most people learned about it when they received their first ticket.

Chair Yeh asked what the highest commercial participation rate was in the other communities they reviewed.

Ms. Eyerly said it was San Francisco at a little over 75%.

Chair Yeh asked how long it took them to get to that 75%.

Ms. Eyerly said she thought it was about a year, but she would need to double check.

Chair Yeh asked if it was achieved through mandatory aspects of the program.

Ms. Eyerly said it was.

Chair Yeh asked if additional Staff had been required to implement the program.

Ms. Eyerly said it was similarly designed; their hauler was the primary observer of compliance. They do most of the outreach.

Chair Yeh asked about the site specific issues, and if they were the same barriers other cities had and once the ordinance was up more people would comply.

Ms. Eyerly said that had been the findings.

Chair Yeh said that he did raise the ideas about garbage audits. He said that when the City tells people there will be a visual check and a 10% tolerance; it makes people think the only way to figure that out would be through audits.

Ms. Eyerly said the threshold was set, but because it was just a visual check, the actual number would be higher.

Chair Yeh asked how often the tags for hazardous waste were being used now.

Ms. Eyerly said it was low, but she would have to verify the data.

Chair Yeh said if there was an increase in the tags it would raise further concerns about people going through the trash.

Ms. Eyerly said that's part of why they decided to slow down on the residential component.

Chair Yeh asked how the rate structure would factor into the businesses' decisions to participate.

Ms. Eyerly the rate structure was set to encourage commercial customers to recycle.

Council Member Price asked if that would also apply for residential.

Ms. Eyerly said it would.

Chair Yeh said that it was going to be a large change and may be difficult to accept by the community. Rate structure steps might be an easier change.

Ms. Eyerly said Staff was looking at that. They will communicate that it was not an audit.

Mr. Roberts said that on the possible future direction as a result of the study, this was also mandated by State law which was driving some new rate structures.

Chair Yeh said that fines become a primary driver for change. He asked how they would achieve the same successes without them and what other ways they could create incentives.

Council Member Holman asked if there was the ability to distribute or post online tags that people could use to identify the program in commercial buildings.

Ms. Eyerly said that Staff was looking at that.

Council Member Holman said the rate structure was difficult. She puts out a mini can once a month and it cost her barely less than someone that put out a giant can every week. She said that a bigger incentive was needed.

Mr. Roberts said that the mini can was \$15 and the big can was \$30. He said it was a challenge they would have to work through.

Council Member Holman said that touring the Smart Station changed her mind toward separating the recyclables. She said if they could expose everyone to that experience, they would comply. She asked if they could leave the unsorted garbage rather than take it away and leave a tag on it.

Mr. Roberts said there was a health and sanitary issue, but they could consider it.

Council Member Holman said that she also agreed that they should not wait two years for residential compliance and there should be some kind of downloadable label to identify the program.

Ms. Eyerly said she anticipated that would be part of the education process.

Council Member Price asked if it was feasible to do everything they were asking.

Mr. Roberts said that Ms. Eyerly only had two Staff Members, one for Commercial and one for Residential. Only position was currently filled. He said Staffing was one reason they were recommending Commercial service roll out first. Chair Yeh asked if they needed a motion.

Ms. Morariu said the recommendation was to accept the report and direct Staff to continue the process.

Chair Yeh asked about the timing of the Cost of Service Study and how that matched up with the time line of the roll out.

Mr. Roberts said they would match up. The Cost of Service Study process was underway. The work would be done into the winter, and completed in time for next years budget process.

Chair Yeh asked them to consider incentive based programs.

3. Discussion and Feedback to Staff on Colleagues' Memorandum Related to the Early Release of Council Meeting Agenda Packets

Assistant to the City Manager Kelly Morariu said Staff was looking for recommendations. The release date had already moved up to Wednesdays.

Jeff Greenfield, 3476 Waverley Street, said that with respect to Alma Plaza, Council and the public were not clear on what could be done and when. He requested that current guidelines should be clarified and published. He said that during the Alma Plaza process, the impression was that Staff was working with the developer. He said it reflected poorly on the process. Council should review Staff conduct and put guidelines in place or request that current guidelines be followed. He said that the Staff and the Council as public servants needed to show respect to the public.

Tom Jordan, 474 Churchill Avenue, spoke on behalf of the Palo Alto Neighborhoods group (PAN). He said this was a citizen's issue and Staff should have little to contribute. He said in San Jose they had a process that successfully allowed for release of agendas 10-14 days prior to any action by the Council. He said this was not rushing Staff, they do their work and then there was a delay. He said late application submissions should have a set date one to two weeks prior to being completed. Anything submitted after that should be returned to the applicant. Procedure should not allow changes during the meeting. He added that should Council bargain with the client after the public hearing was closed, no action should be taken for two weeks to allow for Staff and Public comment.

Len Filppu, 3621 Ramona Circle spoke in favor of Staff's recommendations. Lack of access to information was an abuse of power. He said that last minute changes by the applicant in the Alma Plaza project were not vetted, but were pushed through anyway. He suggested the awards during Council Meetings should be done during business hours, not during public time, in order to make sure the public gets proper speaking time.

Doria Summa, 2290 Yale Street, spoke in favor of the changes recommended in the public hearing process. She recalled her experiences with the application for 2180 El Camino Real. She said that it had multiple preliminary reviews, was rejected by the Planning Commission, and appealed to the Council by the Applicant. Staff completed a neutral report to submit to Council. The day before the Packet was released the Applicant submitted a 36 page document. Staff hastily reviewed the document and added a memo to their report now recommending the project. The document was not available in printed format for the public; they could only access it at the end of a 300 page download. She said the applicant had regular conversations with Staff and Council that the public was not privy to.

Fred Balin, 2385 Columbio Street, agreed with the previous remarks. He recited San Jose's Agenda Packet Schedule indicating a time line between 14 days up to four days prior to the meeting. There were rules for exceptions, but they were not often required. He said Staff should have in place a clear administrative deadline to address late applicant submissions. Post packet materials submitted to the Council should be disregarded. "What if" scenarios after public input were a form of bargaining and should be subject to public comment or not allowed.

Ms. Morariu said Staff was very supportive of exploring early packet release. She said getting the packet out a week early was an organizational culture change which would take time. She said that earlier packet release allows for more back and forth with questions and answers between Staff and Council, which could be helpful. It could also create a need for frequently revised reports which could then cause confusion among the public.

Ms. Grider agreed. She added that the packet change to Wednesdays happened without too much problem. Revised agendas and reports could cause issues and needed to be managed.

Ms. Morariu said they were in the process of implementing an electronic agenda management system. It would bring a great deal of efficiency to the process. Moving the packet to an earlier day and shifting to an electronic routing process at the same time would be more efficient than separate steps.

Council Member Holman said this proposal would support both public participation and Staff. She said she would like to see Staff determine the appropriate deadline for materials to be turned in, and Council would support that process. This would allow better, timelier Staff Reports and better public access and transparency. San Jose's model should be reviewed. Council protocols and policies had been referred to, but a late submission accommodates no one and was a critical issue. She agreed that the process should be posted at an early stage. She said it would also help keep the City from deviating from its own process which led to confusion, bad process, and bad outcomes creating much frustration.

Council Member Price agreed that it would be wise to look at the San Jose model. The earlier the packet was released the more sense it made, with two exceptions. She said modified reports were a big concern that would need to be addressed. Also, proper noticing would need to be addressed. Substantial changes triggered requirements that affect the noticing. She said the relationships between the changes and the notifications would have to be clarified. She said transparency needed to be considered and substantial changes to an application should cause a change in schedule. She said there were roles and responsibilities of the various commissions that were already in the Municipal Code. However there was nothing that addressed the process anywhere. A clarification was needed in the process. She added that the Council directed Staff according to elements, but they did not draft the new procedures.

Council Member Shepherd said there was time to breathe on this due to the current financial process. She asked the public if this was tied into the planning process. She asked for other venues that could be used to describe the process.

Mr. Jordan said it was mainly land use. He said early packet release would apply to that as well.

Council Member Shepherd said the Alma Plaza was the closest one to her. Some of the concerns she shared were that the process may not have been simple enough. She used the High Speed Rail as an example of a project that had no process. She said she wanted to understand how these items moved forward with out proper process. She asked about efficiencies in permitting, clarity for applicants, and the committee process. She suggested another step in the process that two Council Members can suspend an item to the next Council meeting.

Chair Yeh said Staff should be integrated into the processing. Council should hear Staff's opinions on time lines, and other existing policies. He said there could be a concurrent analysis with the planning process. Chair Yeh said that with the issue of modified reports, they could look at processes used for Council Questions. He asked why reports had to be modified and where the new information was coming from.

Ms. Morariu said that Staff would look at that. Different agencies had different methods, and Staff would have to look at their processes.

Tom Jordan said that Council should adopt a deadline for Council Questions, such as 8am Monday morning as well as a deadline for the answer.

Chair Yeh said that necessitated a moving up of the packet date.

Council Member Price said that the questions might be great, but at the dais she didn't have time to read and absorb any of it.

Chair Yeh said Council needed discipline to abide by any set guidelines as well.

Ms. Grider said that colleagues' memos are due Wednesday afternoons, which doesn't work now that packets go out on Wednesdays. Members of the Public can get letters in by Wednesdays at noon and they will go in the packet. She said they needed to review all the different components of early packets. She also added that realistically packets could not go out Tuesdays after Council Meetings that end at 1:00 am.

Ms. Morariu agreed that Wednesdays were probably the only day packets could out earlier, perhaps a week earlier on Wednesdays, but not Tuesdays.

Council Member Price suggested Staff use the community members' comments for the basis of areas that needed to be addressed.

Ms. Morariu suggested the Committee recommend Staff do some further research on the early packet release, review some other municipality processes, review timelines around items such as colleagues memos, and begin work on the process for late submittals sooner rather than later.

Council Member Shepherd said she wanted to make sure everyone understood it was the process being discussed here not Staff.

Council Member Price said that Council needed to give Staff the right to say no.

Ms. Morariu said that major items used to be released a week early, and it might be a good idea for Staff to get back into that habit to give the Public and Staff more opportunity to review the projects.

Council Member Holman said they also needed to address the protocol issue. She suggested a morphed recommendation to Council that included a required Pro forma. With many of the projects mentioned tonight, the applicants said they were doing all they could afford to do. The process should require a certain amount of return. She said they do have process but they deviate from it too much. There was no consistent review. She would like to see for the sake of transparency, Staff being empowered in more ways than just setting deadlines. They should be more proactive than reactive. She said she thought they had protocols already regarding Staff and Council's interaction with the Public or Applicants, but it needed to be upheld. Ex-parte communications needed to be eliminated until after all the review body recommendation meetings had been held. She said she was interested in knowing when the recommendation would go to Council and come to agreement about what would go to Council.

Ms. Morariu said it depended on what was going to Council. Some items could come back in July. Early packet release could be more of a conceptual buy in from Council.

Council Member Price asked for clarification about breaking the process into two parts, which made sense. She asked if it would be more of a recommendation of procedures.

Ms. Morariu suggested it might be more of a workplan to identify what needed to be done.

Council Member Price said there could be a software approach that would take longer, but there were some more immediately implementable items as well.

Ms. Morariu suggested publishing larger items earlier was something that could be done immediately.

Council Member Price said it could be broken into multiple pieces with out necessarily rewriting everything. She agreed in concept with the ex-parte idea, but she thought that Applicants should have the same opportunities as citizens to express their concerns.

Council Member Holman said there should not be a preference between interested parties, which included both the Applicants and the Public.

Council Member Price said that on the Pro forma it should be a discussion point. She wanted to know how common it was.

Council Member Shepherd asked for clarifications on the policies and protocols as she wasn't sure if they were going to look at everything together.

Ms. Morariu said it might be a good idea to bring back to the committee in June a list of the procedures that were related to the packet with priorities. It would be similar to a workplan. She also clarified that large items could be released a week prior to the regular packet date.

Council Member Price said she was concerned about complex projects not being moved on early enough. She asked if there was a way to fix the late planning submittals issue.

Ms. Morariu suggested the late planning submittals would be a top priority. There were other suggestions that could be addressed easily such as the deadline for letters from the public.

Council Member Shepherd asked for clarification on whether or not a client could have a ten minute presentation if they applied for it.

Council Member Holman said that was correct.

Council Member Shepherd said that if a group wanted to get together and submit an argument they should be allowed to. She said, regarding ex-parte, she would rather know during the process if something wasn't working. They needed to talk more, but Council needed to be careful not to have their votes ready.

Council Member Holman agreed. She said if something wasn't working, it didn't require direct communication from the applicant or the public. A letter could be submitted to the entire Council. That ensures all communications were public.

Council Member Shepherd said her concern was that the Council needed to remember who their duty was to. The process should be transparent, and should not cost applicants extra money by having to resubmit applications regularly.

Chair Yeh asked the Committee if they should revisit the subject at the June meeting so they could review a proposed prioritized list in more depth.

Council Member Holman supported the idea, saying the packet was going to address all the issues, not just the narrow scope of the memo. She also

requested that they schedule it with enough time for the minutes to get to Council with the recommendation.

Ms. Grider said there was a four week turn around time. Staff required two weeks. Then the Committee Liaison needed to review it. Then the packet went out a week early, so four weeks between the Committee meeting and the Council meeting were needed to have minutes ready.

Council Member Holman asked if Staff could bring back a recommendation from Planning on how to require as part of the process a draft plan.

Council Member Shepherd said that was part of the memo.

Council Member Holman said they get proposals but they don't know how the budget would be subdivided which had major impact on the project.

Chair Yeh said because this was going to come back, they might take the priorities off first and let the Committee delve deeper into the other pieces.

Council Member Holman said that was fine, but the question should be asked.

Chair Yeh agreed.

Ms. Morariu said it could be added to the workplan to be discussed in June.

Council Member Holman said it was part of the Council Priorities.

Chair Yeh agreed with the prioritized list being presented to the Committee in June.

Council Member Holman asked if Staff could start releasing larger project packets immediately.

Ms. Morariu said they could. She clarified Staff's interpretation of larger projects as anything that was a discussion type item such as the Composting Facility. Anything that would have a lot of public input such as major studies and land use issues.

Council Member Holman said it would be good to also consider dollar amount when making the determination of whether a project should be released early or not.

4. Recommendations Regarding Colleagues' Memorandum on Infrastructure Blue Ribbon Commission

Assistant to the City Manager Kelly Morariu reviewed a few outstanding discussion items for the Infrastructure Blue Ribbon Commission (IBRC), including the IBRC deliverables, appointment process, and Staff Liaisons. She reviewed some recommendations that the Policy and Services Committee made at the previous meeting such as the scope of the IBRC, and what they would be reviewing. She said the Committee requested that the definition of infrastructure remain open to allow the IBRC to narrow it down into a scope that could be manageable. The enterprise fund infrastructure items should be discussed from an educational standpoint, but not as a funding mechanism. The IBRC would have a membership of 12 with three alternates, all with diverse backgrounds. The IBRC might be able to continue work after their recommendation to Council, particularly if a bond measure is suggested. She said the Commission should be Council appointed and subject to the Brown Act. She said the schedule, appointment methodology, and Staff resources still needed to be discussed.

Council Member Shepherd questioned the number of Commissioners that would serve.

Ms. Morariu said the appointment methodology had not been determined. Staff thought they heard the recommendation of 12 Commissioners.

Chair Yeh asked if there were comments on what had already been drafted. The other items should be reviewed one-by-one.

Council Member Price said the definition of infrastructure was open ended. There had been much background work already done. She asked how much input Staff would like the Policy and Services Committee to offer.

Public Works Assistant Director Mike Sartor referred to the draft report.

Ms. Morariu said they had discussed categorizing infrastructure into three groupings.

Mr. Sartor said certain projects had not been identified as infrastructure items, but they might be something the Committee would review.

Council Member Shepherd asked if they could ask the Committee to work on specific projects.

Mr. Sartor agreed and added that the Enterprise Infrastructure would be an educational subject as they were self-sustaining items.

Council Member Holman asked for confirmation on whether those projects were included.

Mr. Sartor he said they were not.

Mr. Roberts said it included the main back log of maintenance issues.

Mr. Sartor said yes, street, building, and park maintenance would be included.

Council Member Price confirmed that they were then including capital and operating issues.

Mr. Sartor said they were discussing the capital expense to keep the infrastructure in good shape. He said it was a maintenance activity but it was a cost back expense.

Council Member Holman said the Enterprise Funds projects were self-sustaining and self-funded. There were some Enterprise Funds transferred to the General Fund about a year ago.

Mr. Sartor said it was being transferred on an on-going basis.

Mr. Roberts said the Enterprise Funds pay for example rent to the General Fund for Utilities locations.

Council Member Holman asked what specifically the transfers could be used for.

Mr. Roberts said it wasn't an infrastructure related issue.

Chair Yeh said there was a lot of flexibility with what those funds could be used for.

Ms. Morariu mentioned the return on investment and equity transfer as well as allocated charges.

Council Member Holman asked if the Infrastructure Blue Ribbon Committee should look at the Enterprise Fund projects as a way of accomplishing projects on the General Fund infrastructure back log.

Chair Yeh said this was a new methodology that had just been implemented by the Utilities Department and Public Works. There was a formula based on taking the value of the total physical assets and using several multipliers. The challenge to the process was Proposition 218. If there were some type of

transfer that was not based on this type of equity transfer, it could be open to legal exposure.

Council Member Price said part of their charge was to identify a variety of funding mechanisms.

Ms. Morariu said Staff would note that.

Mr. Sartor said Enterprise Transfers could be considered a revenue source.

Mr. Roberts said that at the time that money went into the City Operating Budget.

Mr. Sartor said it was a fair question, and the Commission should be educated about it.

Council Member Holman asked about the Comprehensive Plan. She said because it wasn't done yet, she wasn't sure how they had set benchmarks toward it for the new Commission.

Mr. Sartor said recommendations were referring to the current Comprehensive Plan. He said there were a number of unfunded projects in the current plan.

Council Member Holman said the recommendation specific addressing future changes, so she assumed it meant the revised Comprehensive Plan.

Council Member Price said that that meant High Speed Rail and other similar projects. There were major items that would need to be considered.

Ms. Morariu said that may be part of what the Commission would need to determine for their scope of work.

Council Member Holman said it would be difficult to plan for that as it wasn't known what form the High Speed Rail would take yet, nor was it known how the revised Comprehensive Plan would address it.

Mr. Sartor said a good example was that last year the committee asked the Council to add a project to the CIP in response to the Comprehensive Plans element connecting the Baylands to the outer communities. Council added the Highway 101 feasibility study to the Comprehensive Plan as a reaction to that request.

Chair Yeh said this raised the financing aspect of the issue. He asked if a financing mechanism was needed to address these issues. He said the way the

Enterprise Funds was listed it could be expanded some. He said different projects should be a greater focus.

Mr. Sartor said the way the Enterprise Fund provided revenue for the General Fund should be of interest to them.

Council Member Price said they should also review other cities that may have similar models. They also needed to focus on multiple funding mechanisms.

Council Member Holman added that impact fees needed to be reviewed as well as they were set too low.

Council Member Shepherd asked if the issue would move into another task force to resolve the funding issue. She thought that would determine two different types of appointments.

Ms. Morariu said the intent was for the Commission to look at both issues. Perhaps the separation could come through sub-committees.

Mr. Sartor agreed. He said they discussed the Public Safety Building Task Force that had been broken into sub-committees to work on the various components of that project's needs.

Chair Yeh said that once the minutes are reviewed they would be better able to understand the topics. It would be falling into the structure section to start discussing sub-committees.

Council Member Price asked if they could have the entire scope of information ready by Monday or Tuesday.

Council Member Shepherd said that was the problem they had last time they discussed it. It should be kept simple at this point.

Chair Yeh said his issue was that the same topics might be discussed at the full Council level.

Council Member Holman offered a solution to address the issue was to do some bullet points.

Ms. Morariu said she had her own notes from the meeting and could find some draft minutes to create some bullet points to more clearly reflect the last conversation.

Council Member Holman said they should look at the perception in the community with projects that cost a lot. They should review how Palo Alto's projects compare in cost to other communities' projects.

Mr. Sartor clarified that she meant what comprised a project costs compared to construction costs.

Council Member Holman said it was important for the community and to garner public support.

Council Member Price clarified that this review should be within the context of the committee. She said that early on the costing methodology conversation needed to take place.

Council Member Holman suggested the Committee should understand that the City projects would be costed at a rational basis.

Mr. Sartor said they would need to be walked through how the project costs were developed.

Ms. Morariu said that part of the Library Bond process was to compare similar cities. That process could apply here as well.

Council Member Holman said it shouldn't be a reflection of the project but the cost of it. She gave the example of Lytton Plaza. She didn't understand the cost of that project and where it came from.

Mr. Roberts said that was not a good analogy as it was a private sector job.

Council Member Price said it could be an educational thing without starting from the beginning again.

Council Member Holman said it was one of the most critical components to garnering public support.

Chair Yeh suggested they move on to the Task Force structure.

Ms. Morariu said they needed to discuss the appointment methodology and the liaisons.

Chair Yeh said they had discussed every Council Member having two appointments.

Council Member Holman said she didn't think 18 was too many because there was always attrition. She also said that the core membership should have members of the UAC and other Committees. Selection of those could be each Council Member gets two votes or Council Members nominate however many they want to and then the Council votes on them.

Council Member Price said with nine Council Members conversations can get extended. With 18 Committee Members, she said it would be difficult to manage. It would be a large task for Staff to manage 18 Committee Members as well.

Council Member Shepherd added that a smaller Committee could be more efficient. She said it was a lot of Staff work to fill the Committee's. She thought nine would be an efficient amount of members with three alternates.

Chair Yeh said he thought the number of committee members was secondary to the perspective. He mentioned the Form 700's. Having them all already filled out by existing Commissioners if they move toward reviewing the financial impacts would be important. He said the members that wanted to would step up. He recommended looking at other Boards that have capital needs such as Parks & Recreation.

Council Member Shepherd asked about how the meetings would be convened.

Chair Yeh said it lent itself to the appointment methodology. If the Commissioners self-select, they will already have the buy in. This would be important when dealing with 12-18 different Commissioners and their schedules. The community groups should also be able to appoint.

Council Member Price said it was critical to have members with the right expertise. She said that to reach the charge of the group there had to be a balance between experience with the process by selected existing Commissioners or bringing in new people with new expertise who could add to the comprehensive conversation.

Chair Yeh said there was a middle ground. With a task force it was important to have people that can continue the process. There can be a disconnect late in the game.

Council Member Price asked if it should be a bigger group.

Chair Yeh said it should, but it brought the question of how many should have a financial background.

Council Member Holman asked if Chair Yeh was referring to the Utilities Advisory Commission, Planning and Transportation Commission and the Parks & Recreation Commission or if there were others.

Chair Yeh asked about Liaisons.

Council Member Shepherd said they didn't have liaisons. She was also cautious about burdening people that were already sitting on Commissions.

Chair Yeh asked if there were concerns about the Form 700s.

Mr. Roberts said that Council appointed commissions would have to fill it out anyway.

Council Member Holman said if current Commissioners sitting on the IBRC would take some of the work load off of Staff because they were already familiar with the Capital Improvement Projects.

Council Member Shepherd asked if it would turn into politicking for their agendas.

Chair Yeh said it should go to the General Fund rather than individual projects.

Council Member Holman said that using people that have been seated for a while would be beneficial because they've already experienced the challenges. She added that the recommendation suggested the composition should include the categories of community engagement and marketing. Those should not be part of this committee's charge.

Mr. Sartor said that recommendation came out of the International City Management Association (ICMA) study. They recommended that when a municipality was considering any type of bond elections, they should have a large component of public outreach.

Ms. Morariu said it was part of the advocacy component.

Mr. Sartor said it was not intended to be the priorities of the financing plan, but it might be one component that would lead to a successful campaign down the road.

Council Member Price asked for clarification regarding a bond committee that would be charged with that. This was more of a technical committee.

Ms. Morariu said there were two pieces to that. There would be a bond committee. There would also be a part for the City to partake in as well to support the effort without campaigning.

Council Member Price said that given the nature of the discussion, the general meetings were not going to be 18 people.

Mr. Roberts gave an example of another committee that had been reduced to 12 people.

Ms. Morariu asked if there was consensus on 18 members.

Council Member Price said she was guarded about it. Perhaps a range should be given. She said it was difficult to have functionality with that many members.

Ms. Morariu suggested the Policy and Services Committee should make a clear recommendation to Council.

Council Member Shepherd said that when personalities clash, people stop going to meetings.

Council Member Holman said that could happen in a smaller group. She said she supported 18.

Council Member Shepherd said she was having a difficult time with that number.

Council Member Price said 18 was too large, but she didn't want to make too big of a battle out of it.

Council Member Shepherd said she was concerned with timing. She wanted efficiency. She asked that if they started with nine people if Staff thought they could hold all nine throughout the process. Or should they start with 18 and end up with nine.

Mr. Roberts said it was difficult to know, but he would guess somewhere in the middle.

Mr. Sartor said people would drop out regardless of how many start.

Council Member Shepherd so if they start with nine and three alternates they might run into issues. She asked if they vote.

Mr. Roberts said they would vote for consensus.

Council Member Price asked about a range.

Ms. Morariu said the issue with that is it would become a discussion item at the Council.

Council Member Shepherd said it would be a discussion item one way or the other.

Chair Yeh proposed the IBRC should be composed of four members from Boards and Commissions. A memo would be sent to all Boards and Commissions notifying them that among all of them, they would each self appoint members. To be fair they would only have one from each Boards and Commission. Additionally, the Commission would have 9-12 community members with two of those from Palo Alto Neighborhoods, two from the Chamber of Commerce, two from the non profit community, and four with financial backgrounds.

Ms. Morariu asked if he wanted to make it broader than the Chamber.

Mr. Roberts asked about the engineering-construction community.

Council Member Price asked about architects.

Council Member Holman said that architects would be less necessary than construction and engineers.

Council Member Shepherd said this was just for vetting infrastructure projects. She asked why it was being turned into a construction project.

Mr. Roberts said that wasn't their intent. They would be able to speak to vetting the costing methodology and that the projects were being accurately represented.

Mr. Sartor added that they would also bring expertise in project priority evaluation.

Council Member Shepherd asked if they were going to be vetting the numbers to determine if a parcel tax was going to be called for. She added that she would like to keep it simple. They needed to know what the infrastructure situation was.

Mr. Sartor said the infrastructure consisted of fairly specific needs, especially regarding maintenance, that had already been quantified. There were also the unidentified funding needs for projects such as the public safety building, new fire houses, etc. In addition to the financial expertise, the Boards and Commissions would be able to provide some technical expertise to sort through \$500 million worth and then develop a top 10 priority list.

Council Member Shepherd said she was expecting Staff to prioritize the list.

Mr. Roberts said questions regarding accuracy always rose. He suggested the committee could provide suggestions to Council independent of Staff.

Council Member Price said it should include a representative of design, architecture, engineering, and construction because there was a perspective of urban design. People that fall within those categories have proper expertise.

Council Member Holman agreed. She said that she would look for an economy of scale. The engineers might be able to say that if certain projects were grouped they could be completed more economically.

Chair Yeh said it would be four from Boards & Commissions, two from Palo Alto Neighborhoods appointed by PAN, two business community members who could be facilitated by the Chamber, two non profits, three from financial and three with technical backgrounds of engineering, design, architecture. He said he wasn't sure how to select the non-profits.

Council Member Price suggested that rather than PAN specifically they refer to the neighborhoods.

Chair Yeh said if they create the categories and then say that each Council Member can appoint they would have to direct Council to specific categories.

Council Member Holman asked what the perspective of the non-profits was.

Council Member Shepherd suggested they were public-private partners.

Council Member Holman said she thought they should limit the Boards & Commissions to the ones they suggest rather than opening it up to all of them. She didn't think they would be served well by having someone from a Commission such as the Library Advisory Commission since they had their own funding.

Ms. Morariu indicated that P&TC, UAC, and PARC had been identified. She asked if the fourth one was HRB or ARB.

Council Member Shepherd said the ARB were all architects but they had their own structure.

Council Member Holman said she would prefer HRB because it was an underrepresented group in the community. Many of the projects on the list were old buildings so they would be good experts.

Ms. Morariu clarified that the Commissions would self select.

Council Member Price asked about the financial appointments.

Ms. Morariu clarified there would be four members self-selected from the PTC, UAC, PARC, and HRB, two appointed by Palo Alto Neighborhoods, two from the non-profit friends groups, two from the business community, facilitated by the Chamber, two from Financial, three from the design, architecture, engineering, and construction.

Chair Yeh asked how the last groups would be appointed.

Council Member Price said it could be difficult.

Ms. Morariu suggested having people apply.

Council Member Price said as long as they were clear about the categories that would work.

Mr. Roberts said they could all go out to experts in the community and encourage them to apply.

Chair Yeh said that given the time line, the application process took a long time.

Ms. Morariu said that the application process would take 4-6 weeks which would fit into the timeline laid out for Staff to start the project anyway.

Chair Yeh said self selecting could help avoid some of the sensitivity.

Council Member Price said they could encourage the right experts to apply as well.

Council Member Shepherd asked if applications meant they had to do the entire process.

Ms. Morariu said she wasn't sure if there was a requirement to interview.

Ms. Morariu said they could decide to have Policy & Services interview and then recommend applicants to the Council.

Council Member Shepherd said if they were determined to get up to 18 then Council could just appoint while being mindful of the credibility. If they went through the entire application/interview process it would take awhile.

Council Member Price asked if it could be expedited.

Ms. Morariu said she wasn't sure about the requirements.

Council Member Holman asked for a clarification about the business community members being selected by the Chamber. She didn't think that was the intention.

Chair Yeh said if they go with the application process then it wouldn't matter.

Council Member Holman said they should be mindful of regional representation.

Council Member Shepherd said the diversity was important.

Council Member Holman said the expertise was important but they didn't want everyone on the Committee to be from one neighborhood.

Council Member Shepherd agreed.

Chair Yeh said this could be pushed up to the Council for final recommendation.

Council Member Shepherd asked if they interviewed for the public safety building committee.

Mr. Roberts said they did not. It was not Council appointed but rather City Manager appointed.

Ms. Morariu said the IBRC had to be Council appointed.

Council Member Holman agreed that it should be Council appointed for accountability.

Council Member Shepherd said appointing 18 people through the application process would not be completed by July.

Council Member Price said perhaps the end of July was possible.

Council Member Holman said that if there were 16 positions, four of which were Boards & Commissions and thus not requiring interviews or applications, that would leave 12 positions to appoint. An application process without interviews might be possible.

Council Member Shepherd said the interviews for other commissions had been very helpful for her.

Council Member Price suggested interviewing in smaller groups of Council Members.

Mr. Roberts said they would have additional time since Staff wouldn't be able to start any significant activity on this until July anyway.

Chair Yeh asked if they should assign specific Council to specific categories. For example, two Council would only interview neighborhood candidates, two would only interview non-profit candidates, etc.

Ms. Morariu reiterated that four positions would come from Boards & Commissions, two from neighborhoods, two from non-profits, two from friends, two from business community, three with financial background, and three with a design or architecture background. That's five categories; two Council members could interview each category.

Chair Yeh said that was correct and they should discuss the schedule now.

Ms. Morariu said the original memo referred to a November 2011 election. She said that according to the City Attorney a special purpose bond can go on any election. They don't have to wait for a general election. She said this gave them the flexibility to allow the IBRC to make a recommendation regarding the timing.

Council Member Shepherd said that determining the meeting schedule was important as well.

Mr. Sartor said it was critical to the appointment process to know how often the IBRC would meet.

Ms. Morariu said they could determine it once they convene. She said the Council appointed Composting Task Force was allowed to determine their own schedule for meetings. They were told to do so within six months. It may be helpful to offer similar parameters.

Council Member Shepherd said that by asking existing Boards & Commission Members to sit on the IBRC, there are already many nights where they can not meet. She said she would rather just have Commissioner Liaisons for that reason.

Ms. Morariu asked if the Policy and Services Committee wanted to assign duration to the IBRC.

Council Member Price suggested six to nine months.

Council Member Shepherd suggested March 31st or seven months.

Mr. Sartor said he wasn't sure if the IBRC had August off.

Council Member Holman said they would.

Council Member Shepherd said that January through March were the most productive months.

Council Member Price said a spring cut off would be appropriate.

Council Member Holman agreed.

Mr. Roberts said the frequency of meetings should be addressed as they will have to meet at least twice a month plus sub-committee meetings.

Ms. Morariu said she would add information about meetings. She asked about deliverables. She suggested a report to Council at the end of the timeline.

Mr. Roberts said the scope of the report should include recommended infrastructure improvements, the estimated cost, and financial mechanisms.

Council Member Holman added there would be a variety of financial mechanisms.

Mr. Sartor said it should be priorities and costs.

Mr. Roberts asked if the Council was going to want the IBRC to make the cutting decisions or offer Council the options for them to decide.

Council Member Price said that was going into the next phase.

Mr. Roberts said that the Storm Drain Committee brought the big picture to the Council, and were asked to resize it.

Chair Yeh said the general consensus was that the IBRC should break it down into smaller modules.

Ms. Morariu said that Staff resources were going to be challenged. Some other projects may need to be reprioritized.

Council Member Price said they would need to evaluate the trade off.

Ms. Morariu said they would discuss a budget for it where they would determine how many resources would be needed.

Council Member Holman asked if there needed to be availability for the City Auditor to comment on an as needed basis.

City Auditor Lynda Brouchoud said they would follow up with the IBRC.

Council Member Holman asked if the City Auditor would suggest a more formal process.

Ms. Brouchoud said she would want to evaluate it as it starts. She said they were pleased that the process was happening. There were a series of audit recommendations in the report. Staff would need to be involved with much of it, such as establishing policy. She said it might be helpful to have some discussions at the beginning so Staff could incorporate the audit recommendations into the process.

Council Member Price asked about the resource impact.

Council Member Holman said that would be less once the IBRC was underway.

Ms. Morariu said there was also much pre-work Staff would have to accomplish, such as the orientation process.

Council Member Holman asked if they would automatically incorporate the audit recommendations into the process.

Ms. Morariu said they would automatically incorporate the audit recommendations as well as any from the City Attorney or the City Clerk. For example, if the IBRC were to have a discussion about elections the City Attorney and the City Clerk should be brought in as the experts.

Ms. Brouchoud said there needed to be some type of flag so their office was aware of these items as they came up.

Council Member Holman said she would like to see an estimate of hours.

Chair Yeh asked if they had consensus that a Council Liaison should be appointed.

Council Member Shepherd said that would mean two more meetings a month for a Council Member.

Council Member Price asked what the added value was.

Council Member Shepherd said she thought Staff was going in another direction.

Council Member Holman said the City Manager should be the Liaison. She added that any Council Member can attend any time they want, so perhaps a formal Liaison wasn't needed.

5. Discussion for Future Meeting Schedules and Agendas

Assistant to the City Manager Kelly Morariu said there was a conflict on the 25th. She suggested moving the meeting to June 1st.

Council Member Holman asked for some clarification about whether or not they could have minutes ready from Policies & Protocols ready in time.

Ms. Morariu said it was only one week difference. She added that they also had to prepare all the Finance Committee minutes as well.

Chair Yeh said they should follow up with the City Clerk to determine if the minutes from the current meeting could be available by June 1.

Council Member Shepherd said she didn't understand why they needed them.

Council Member Holman said while it was helpful to have minutes from the current meeting, she said she was referring to having the minutes from June 1 for the June 22nd meeting.

Ms. Morariu said it was clean up items.

Council Member Holman said they were interlaced and would be good to have.

Ms. Morariu said the other option was to consolidate the procedures and policies conversation to June 22nd.

Chair Yeh clarified that June 1st was Council Priorities, Workplan and Social Media, and June 22 was Early Packet, Procedures and Protocols.

Council Member Price asked if there would be a memo about social policy.

Ms. Morariu said there was a draft policy being worked on.

Mr. Keene said they've reviewed a lot about liability and such.

Chair Yeh said some Committee Members have said they would like to offer some individual input on the Priorities Workplan.

Ms. Morariu said that would be welcome and added that Staff would be traveling to Sunnyvale shortly.

ADJOURNMENT: Meeting adjourned at 11:17 p.m.