



POLICY AND SERVICES COMMITTEE

Regular Meeting
June 14, 2011

Roll Call

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

Present: Burt (arrive 7:15), Klein, Holman, Price (Chair)

Absent:

Oral Communications

None

Agenda Items

1. Discussion and Recommendation for Approval of an Electronic Packet for Council.

City Clerk, Donna Grider stated that Council had asked Staff to look into ways to save money and improve sustainability by reducing the number of packets produced each week. Last fall the City Manager and City Clerk's Offices undertook a pilot program using iPads to receive electronic versions of the packets. In a collaborative effort with the City Manager's office, the City Attorney's office, Administrative Services Department, and the IT Division, the City Clerk's Office reviewed the process for producing an electronic packet. She stated electronic distribution of the packet to Council would lessen but not eliminate printed packets as paper packets would still need to be produced for the libraries for members of the public who do not have or are unable to use computers. The number of paper copies would reduce from 22 to 11. She stated that Staff was trying to reduce the costs incurred by delivering the packets overnight and have them delivered during the workday instead. The Administrative Services Department completed a cost analysis and in comparing the paper packet with the electronic packet they found that the costs would break even after the first year. The largest cost would be in the first year due to

the purchasing of the iPads, and the other costs would be the data plan and the applications; the applications were a one-time cost. In three years the City would save approximately \$28,000. She reviewed the three policy decisions that Staff was bringing forward to the City Council: 1) The City would incur all of the costs, and will perform the training and updates on all the applications. 2) Council Members would purchase their own devices and the City purchases the applications and the data plans. 3) Council Members incur all of the costs. She explained that the City Attorney's office did not have any major concerns with the proposal.

City Manager, James Keene spoke about automating the agenda preparation process and how to produce the packet in an electronic format rather than a paper format and talked about the benefits of using an iPad for the packets. He talked about the benefits of having 3G added since Wi-Fi was not always available where 3G was and it was not a prohibitively large expense. He spoke of further benefits such as the electronic distribution of agenda updates. The software would allow them to add and or search features in the packet to find an item quickly.

Council Member Klein stated that the data provided by Staff indicated that the iPads would cost about \$800 each. His understanding was that iPads cost about \$500 each at the Apple Store.

Mr. Keene explained that the prices differ depending on the size of memory purchased. He further explained that a lot of memory was not necessary as most items were on the server and accessible that way.

Joel Dino, Technologist, explained the model the IT Division was looking at was the least expensive of the 3G version of the iPad. He further explained that the \$499 was the Wi-Fi only 16 GB iPad, with the built-in 3G and Apple Care (3-year warranty) it came out to \$629.

Council Member Klein mentioned that the iPad had competitors and asked if there was a potential savings there.

Mr. Dino stated that the closest competitor would be the Motorola Zoom which was \$599 with a data plan.

Mr. Keene stated the iPad was the leader of the pack. He also stated if the City provided the hardware there would be more standardization among the devices rather than if they were purchased individually by Council Members.

Council Member Price asked about benefits and difficulties other cities have

experienced with the proposed process.

Ms. Grider stated that her department researched other Cities that were using electronic packet delivery for Council. Generally speaking most of the City Clerks spoke favorably of the process as it was an easier format to get the packet out. She stated that not all Council Members embraced the electronic format. She further stated that the feedback they had received in their research was positive.

Council Member Price asked if the research had been mostly in California.

Ms. Grider stated the research was not done outside of California.

Council Member Price asked if there was any kind of anecdotal information beyond California.

Mr. Keene stated he had heard good things from other cities outside of California.

Ms. Grider explained the process involved learning and change, but it had been a good experience.

Mr. Keene stated that if one was willing to be adaptive it was easier.

Council Member Holman stated she noticed that when there were electronic devices up at the Dais they caused frequency interference with the microphones.

Mr. Keene explained that the static was probably due to the cellular interference with the antenna on cell phones, he noted that Wi-Fi worked the same way.

Ms. Grider explained that the Dais would need to be configured with power to keep the Council Members iPads charged. She stated that there was a one-time, first year cost to get the Dais set up.

Council Member Holman asked about writing notes in the margins of the packet using the iPad. She also asked about storage of files and what it would take to get up to capacity.

Mr. Keene stated that it would not be an issue. He explained that users could either type notes onto the documents in their iPads, or they could handwrite them using their fingertips or a stylus.

Council Member Holman asked if storage would be an issue.

Mr. Keene stated that storage would not be an issue and archiving would actually be better than with paper.

Council Member Holman asked how they would go about finding a file; if it would be the same way they find a file now, by title.

Mr. Keene stated that right now you could go in your Dropbox account to save and retrieve files. He explained that the next phase of the software that they had, once implemented, would allow you to search with keywords.

Council Member Holman stated that you could search by keywords now on the server, but you get all documents that have that keyword in it, not necessarily the exact document you were looking for.

Mr. Keene stated that he was not familiar with the navigation of the search function, but when the software was being evaluated by the City Clerk team and others it had a better search function.

Council Member Burt suggested that the Municipal Code and other frequently referenced documents could be pre-loaded onto the memory of the iPad.

Council Member Holman asked if packet completion and delivery could be moved up to the prior Tuesday or Wednesday at noon.

Ms. Grider stated that Tuesday's were very difficult because of follow up work from the Council meeting the night before.

Mr. Keene stated that there was no way that Tuesday's could be accommodated.

Council Member Holman stated that she did not want them to go backwards when it came to access to the public or the press.

Mr. Keene stated that the public would still have electronic access.

Council Member Holman stated that people who rely on paper would not have access until Thursday evening.

Mr. Keene stated that they could go to the library and get on the free computer to look them up and print pieces that they wanted.

Ms. Grider stated that some paper copies would still be put in the Council Chambers. She explained that they were trying to save costs and not have to

pay overtime to have a Staff Member waiting for a packet to be completed so it can be delivered.

Council Member Burt stated that he did not think they broadcast the Wi-Fi access and that it could be announced to the public that there was Wi-Fi access and guide them to accessing the packets online.

Herb Borock voiced concerns relating to the Brown Act. He stated that this was one of a number of issues that was being presented to both Committees and the Council, creating a situation with Staff acting as an intermediary of with a majority of the Council meeting on something that was not a noticed and open meeting of the City Council. He stated that Council should give direction that this should not be done. The second Brown Act issue that he mentioned was the potential for abuse of having a device on which you can communicate. He explained that there were devices that were essentially read only and that possibly they could have such a device available at the meetings. He mentioned that the policy that was attached to the Staff Report stated that City Staff reserved the right to look at anything on City devices, and he stated that what was annotated on a Council Member's electronic documents was private to them. He stated that the library was not open on Thursday mornings. He also stated that the copies at the library were not always there because someone on the Staff might use them.

MOTION: Council Member Klein moved, seconded by Council Member Price to recommend to the City Council to adopt Option A of the iPad proposal as recommended by Staff.

OPTION A

City Purchases 9 iPads for the Council Members to receive and read the packets. The City installs the appropriate applications, pays for the monthly data services fees, and provides all maintenance and service. Council Members will return the devices to the City when they leave office. Option A will cost the City approximately \$16,942 at onset of the project, and \$61,419 over the life of the devices (3 years). The annual savings for the City in year one will be approximately \$9,333, and over the life of the devices will be \$28,000. This option allows City Staff to offer training for Council Members because the process will be consistent. The City will be able to maintain City owned devices. Staff would be able to monitor the devices for needed updates and repairs. Staff would be able to provide a backup device in the event one is needed. Program functions associated with the iPad would include the ability to highlight text, save annotations to the document, bookmark pages, and search for text. The City Clerk's Office would work with the

IT department to design a training program for Council Members. Council Members would follow City Policy 1-08, the Employee Telephone, Cellular Phone, and Wireless Device Use Policy (Attachment C) and City Policy 1-40, the Employee Computer Use Policy: Passwords, Internet, Intranet, E-Mail, and Information Resources Policy (Attachment D).

Council Member Klein stated he attended a number of regional meetings monthly and he found more frequently his colleagues were using the iPad services as mentioned by the City Clerk and City Manager. He felt it was appropriate for the City to pay for the equipment and services while lending the devices to the Council. The term lend was used to emphasize once a Council Member left service the iPad remained with the City and therefore they would not upload non-City applications. He saw the iPad evolution as a win-win for the City where the information was released in a more efficient and cost effective manner.

Council Member Price stated that she believed it was environmentally responsible and introduced efficiencies. She stated that if the iPad proposal were to pass it would still be optional for Council Members to have electronic devices.

Council Member Holman mentioned concerns about Staff providing training to Council Members, maintaining City-owned devices, monitoring the devices for needed updates and repairs, and providing a backup device. She asked how the Staff effort compared cost wise. She stated that she was not against this, but they were looking at financial savings as well as paper savings, and wanted to know how the labor costs compare to what's being expended now.

Ms. Grider stated that training was mostly at the beginning of the process. She stated that she did not believe that it would be labor intensive.

Mr. Dino stated with the development of the iCloud a lot of things were able to be updated effectively.

Mr. Keene stated that he had not had issues in the two years he had been involved with iPad.

Council Member Holman asked if all of the Council Members were going to want to do this.

Ms. Grider stated she had polled the Council and in the feedback there were some concerns regarding the continuance of paper for large items such as Environmental Impact Reports (EIR's) and maps, but approximately 90 percent were in favor of it. Staff concurred some large items would still be delivered.

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER to include a policy recommendation that was comparable to the City of Saratoga Policy with respect to transparency.

Ms. Grider stated that she agreed with the Saratoga Policy. The City Attorney's office felt the language existed in a number of other Palo Alto policies.

Mr. Keene suggested that they ask the City Attorney how they would incorporate Saratoga's policies within Palo Alto's existing framework.

Council Member Klein stated his willingness to accept Mr. Keene's suggestion. He also stated that the iPad was not creating the problem; if someone wanted to violate the Brown Act they could use a pencil and paper and pass notes.

Council Member Holman stated her agreement and suggested being as forthcoming as possible.

Council Member Klein stated he wanted to be clear that he did not wish to set the focus on the iPad as what may cause a problem.

Council Member Burt asked for clarification on the amended language.

Council Member Holman stated the Amendment was to incorporate policy language from the City of Saratoga policy that would address the concerns of Brown Act violations while using iPads.

Council Member Burt stated that the issue should be focused around reconfirming prohibition of communication among Council Members or Applicants or members of the public from matters before them. He stated that he did not know why there would be something that goes beyond that. He also stated that there was no prohibition that you cannot read another piece of paper at a Council meeting, or that you could not turn to a Colleague and mention something that has nothing to do with the Agenda. He stated that Saratoga's requirement would say, "As regarding electronic communication, you're forbidden to look at telecommunication." He felt that this was an unnecessary rule and was suddenly popping up because there was an additional means of communication now. He stated he would not support Amendment as proposed; although, he would support a policy which clarified there could be no electronic communication of any kind among Council Members or between Council Members and members of the public or anyone with matters before the Council during the meeting.

Council Member Holman stated the intention of the Amendment was not to copy Saratoga's policy but to address the issues that if there were iPads at the Dais, that there was a policy in place that the public could see that the electronics issue had been addressed.

Council Member Burt stated that was not the stated Amended language and felt a different Amendment was in order.

Council Member Holman stated the Amendment had already been accepted.

Council Member Burt stated if Council Member Holman did not intend her Amendment to be what she stated there was an issue.

Council Member Klein stated Council Member Holman could make a proposed Amendment that might get some support.

Council Member Holman withdrew her Amendment which was incorporated and restated when the iPad matter moved forward to the full Council that the City Attorney's office would provide language that would address transparency issues that might be heightened by the presence of electronic devices at the Dais.

INCORPORATED LANGUAGE WITHDRAWN

Council Member Klein added that if in the City Attorney's professional judgment she deemed the language necessary. He stated he believed the existing policies already covered the transparency concern.

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER that the City Attorney evaluate if they need to provide Council with a policy addressing transparency issues heightened by having e-devices at the Dais.

AMENDMENT TO MOTION: Council Member Holman moved for Staff to review ways to provide earlier Wednesday delivery or the day before, not Tuesday, and that large items be out two weeks ahead of time.

Council Member Klein stated he did not accept the proposed Amendment.

AMENDMENT FAILED DUE TO LACK OF A SECOND.

Council Member Burt stated he believed that Council Member Holman's concern was that they were going backwards. He asked why the hard copies could not be out by Wednesday afternoon.

Ms. Grider stated that the new program was effective as it allowed Staff to follow the process for approval and without printed copies. She also stated that the electronic method had increased workload in her department.

Council Member Burt asked what changes would be difficult to manage if the City went to the electronic method.

Ms. Grider stated whether the packet was electronic or paper it was still the same amount of work for her department.

Council Member Burt stated there was nothing that caused the need to move to Thursday delivery .

Ms. Grider stated that there was because she and her management Staff could stay if the reports were running late and distribute them electronically without waiting for the print shop.

Council Member Burt stated that was the case now.

Ms. Grider stated Staff was trying to move away from the overtime. The overtime occurred with the Administrative Services Department Staff delivering the packet.

Council Member Burt asked what situations the electronic packet created that made it more difficult to release on Wednesday afternoon or evening than at present.

Ms. Grider stated that there were times when the packet process was running late that the libraries were getting them on Thursday.

Council Member Burt stated that if they stayed with the same practice and all due efforts were made to get the packet out by the end of the day Wednesday, the workload did not increase. He asked why the Council Direction to release the packets on Wednesday should be revisited just because they were going electronic. He stated that there was no relationship between going electronic and needing to go to Thursday morning if nothing changed for the workload by going electronic.

Ms. Grider stated that they were also trying to look at cost savings at the same time.

Council Member Burt stated that was an issue when they adopted the policy to

get the packets out on a Wednesday. He further stated that if on a separate issue Staff wanted to come forward and discuss with the Council the policy of getting the packets out on Wednesday was creating a burden on the City Clerk's office then they had a discussion, but that had nothing to do with this.

Council Member Price stated that they were not making any modifications to the existing policy practice.

Council Member Burt stated that as Option A was written, they could not use the iPads for personal matters or other work matters, so they would have to have two iPads. He further stated that the Motion did not allow them to use their own iPad and they should look at Option B, where the Council Members pay for their own device and have one device to use for personal and City business.

Council Member Klein stated that if individuals want to buy individual applications for the iPad they were free to do so.

Council Member Burt stated that he was assuming there were certain restrictions on use of City devices.

Ms. Grider stated that was correct.

Council Member Burt stated that he wanted to be able to use a device without restrictions and that he would be willing to buy his own device.

Council Member Price stated that she assumed that the Motion did not preclude a Council Member from using a personal iPad.

Council Member Burt stated it did.

Council Member Price stated the Motion could be modified to indicate the policy did not preclude personal use of personal iPad devices.

Council Member Burt stated he did not understand the basis on which Council Member Price assumed that to be true.

Council Member Klein stated the Motion did not say anything to the contrary.

Council Member Burt stated that his Amendment would be that alternately Council Members may elect to purchase their own iPads.

Mr. Dino stated if the City issued the iPad and they were maintaining the applications; the applications were tied into the account that the City would own.

He stated if a Council Member wished to download an application for their personal use, that would conflict with the account and the next time the iPad was updated the process would erase their personal applications. He stated there was an issue with which account would be used to install the software. The City could reimburse the Council Members after they use their own account to install the applications.

Ms. Grider stated that Council Members do not have to take the iPad purchased by the City.

Council Member Burt asked if Mr. Dino's explanation of the process would fall under Option B.

Ms. Grider stated it was possible to morph Options A and B to achieve the greatest goal. She clarified at the present time the City offered to provide the Council with cellular phones and service although a number of Council chose to supply their own phone and service; the same option would apply to the iPad.

Council Member Burt stated Staff and the Committee were in agreement on the intent and asked what the correct wording would be to reflect that intent in the Motion.

Council Member Klein asked if a Council Member wanted to use the iPad for other purposes, was there anything in the City policies to prevent that from being done.

Ms. Grider stated if it was a City issued phone or iPad, per this policy, it could not be used for personal uses.

Council Member Klein stated it was not the same thing as buying applications and asked how this was enforced or if it should be.

Mr. Keene stated that the policy statement intention was that it was City property so it was just used for City purposes and there was not necessarily enforcement. He stated the intention of the rule was constraining and there was not necessarily added cost to run a personal application. There was the cost to purchase the hardware and the software so there was no marginal cost increase to running a personal application unless there were issues of maintenance on the Staff for uploading or changing things. He stated that by having his own personal cellular phone for City use there was no cost to the City but added value, and the benefit to him was not having to deal with the policies. He stated if there was a stipend that could be provided, which would be taxable, but an amount that could supplement the cost.

Council Member Klein stated he thought the cellular policy indicated that the carrier could have personal calls.

Mr. Keene stated Staff needed to review the policy to see whether there were necessary changes to allow for a reasonable amount of personal use in order to have efficiency, as it was not costing the City anything for it to be used for personal use.

Ms. Grider stated that under existing Policies and Procedures 1-08 read: "Personal use of such City devices is prohibited."

Council Member Holman asked for her Colleagues thoughts on the idea of a stipend.

Mr. Keene stated that the stipend would have to be increased by 30-35 percent because it would be treated as increased compensation.

Council Member Klein stated the Charter would need to be amended if there was an increase in compensation for Council Members.

Council Member Burt offered an Amendment that Council Members who elect to purchase their own iPad will have the data service supplied by the City but otherwise not be subject to City Policy 1-08.

Ms. Grider asked for clarification on whether the City would supply the data service and the applications.

Council Member Burt stated yes.

Council Member Klein stated he did not accept the Amendment because he felt it would not get the job done. He would like for Staff to look into how other cities were handling the situation.

Mr. Keene asked if there could be a Motion that favors the City supplying the hardware and the data plan to Council Members recognizing the cost savings to the City providing that service, but at the same time directing Staff to look at how other cities have their policies on personal use.

Council Member Klein asked what the policy was regarding desktops at the City.

Council Member Holman felt some of the existing policies were dated and most of them did not apply to Council Members although they were employees.

Council Member Price asked if it would be appropriate to separate this into two separate Motions; 1) being the item before the Committee in the Staff Report and 2) to direct Staff to examine the policies regarding personal use of City issued devices. She asked Staff what made the most sense from their perspective.

Council Member Burt stated he would accept separating the Motions but felt it would not be appropriate to forward to the Council without a resolution to the second Motion.

Mr. Keene agreed the second Motion would need to be resolved.

Council Member Klein stated Policy and Procedures 1-08 had conflicting statements. One sentence stated that personal use of City provided devices was discouraged and employees must accept the financial responsibility for non-city calls; while the next sentence stated the personal use of City provided devices was prohibited. He stated General Procedures were that the regular work time of employees should not be used for non-City calls, texts or other communication.

Council Member Price asked if it would be appropriate to defer action now and have the Staff come back with a clarification on policies and the discussion could be continued at the next Policy and Services meeting.

Mr. Keene stated that the intention of the Council would be to recommend that the City provide the equipment and the data plan. He stated the unresolved matter was how the use of the hardware and the data plan was restricted. He stated the best route would be to have possible Amendments to the existing policies before forwarding to the Council.

Council Member Burt stated if amending Policy I-08 became overwhelming, allow the Council Members to choose between Option A and Option B may be the best solution.

Council Member Klein stated he was comfortable with the modifications suggested by the City Manager.

Mr. Keene stated the Committee would move Option A and bring back options related to City policies as to how the use of the hardware and data plan was regulated before forwarding it to the Council. He felt there was a lot to be had by modification of the policy which was created in a different time.

Council Member Klein stated the Motion was to approve Option A, holding it in

Committee subject to Staff coming back with recommendations with regard to what non-city use can be made, if any, of the hardware and software.

Council Member Price stated her thought was the Committee wanted to move the recommendation forward and then the other piece would be resolved and her understanding now was they were coupled as one.

Mr. Keene stated that it would be better to complete it in Committee before presenting it to Council.

Council Member Holman stated there was the Amendment regarding the other policy.

Mr. Keene stated yes, the Amendment was to have the City Attorney review the policy language on transparency.

MOTION PASSED: 4-0

2. Review and Recommendation by the Policy & Services Committee on the Economic Strategic Plan Update

Manager of Economic Development and **Redevelopment**, Thomas Fehrenbach presented an updated Draft Plan. He stated that with the changes he was trying to incorporate the Plan's goals into the language of the document. He reiterated that the theme for this Plan was to highlight his team's dedication to being proactive, fostering innovation, cooperating with departments and promoting diversity.

Council Member Klein stated the Strategic Plan was a good start but needed more work. He discussed the economic development strategy related to pursuing innovations stating those types of businesses did not produce revenue whereas hotels produced both revenue and sales tax. He asked where the Economic Development Staff was spending their time. He appreciated that Palo Alto was a City of Innovation although he noted there would be a larger budget deficit if the Stanford Shopping Center was converted into something innovative. He stated he the strategy should begin with determining the difference between the brand of Palo Alto and the City of Innovation.

City Manager, James Keene stated concerns that the City had antiquated revenue structures that were locked in place and disconnected from the current economy. He said it could be difficult at times to adapt.

Council Member Klein stated they should have a discussion about whether or not more lobbying should be taking place.

Mr. Keene stated that there were restrictions on the revenue sources which limited their ability to increase the lobbying efforts. He stated that in a place as dynamic as Silicon Valley Palo Alto needed to be a community that adapted and changed. He stated there should be a discussion regarding Staffing resources.

Council Member Burt stated that he thought the Plan focused on businesses that generated revenue for the City. At the same time it acknowledged the in businesses that did not generate as much business. He discussed the Utility User's Tax that generated revenue from these types of businesses. He stated that there were many businesses that do not contribute significantly financially to the City. Most cities had a business license tax. He suggested that Palo Alto could have a more moderate business license tax than previously proposed. He mentioned that the overall economic vitality as a City versus other cities was related to Palo Alto being acknowledged as an innovation center. Companies pay a high premium for office space in Palo Alto. Even with high rents, the City has the lowest vacancy rate. He commented on the City's community values, it was a very pleasant place to live and the community valued the vitality of the community.

Council Member Klein asked where efforts should be put.

Council Member Burt stated that the focus is on understanding and meeting the needs of taxed revenue generating companies.

Council Member Klein stated there was nothing in the Plan that discussed where Staff time should be spent. He voiced concerns regarding focusing on time put into projects and how much income it produces for the City.

Council Member Burt asked if they were trying to be prescriptive. His preference would be to have this as a general policy and plan. He felt that this should be a document that reflected priorities but did not attempt to get prescriptive.

Council Member Holman stated that she felt that the document had greatly improved over the last version. She mentioned that she would like to see the Plan collapsed into fewer pages. She asked how the business directory was being used and for an update regarding the top 25 tax generators. She mentioned that she did not see recognition of the fabric that was Palo Alto, which had been part of previous discussions but was not in this Plan. She asked what and who the Land Use Committee was and said that there was already a Planning and Transportation Commission that could be utilized.

Mr. Keene stated that the Land Use Committee was an internal committee that had different Staff who met routinely, they were a problem solving and strategy team on the Staff side.

Council Member Holman asked what the purpose was and what some of the outcomes were.

Mr. Keene stated the committee focused on communication, strategy, and planning around issues.

Mr. Fehrenbach explained that before bringing an issue such as for example a digital billboard on Highway 101, there was much collaboration that took place across the organization.

Council Member Holman asked if outcomes of that Land Use Committee would go to the Planning Commission.

Council Member Klein stated that sometimes things could be solved at the Staff level.

Council Member Holman stated that it was not just public properties but private and emerging projects.

Mr. Fehrenbach agreed and gave an example of a building under construction on University Avenue and information sharing.

Council Member Holman stated that local businesses were interested in parking, clean streets, events, and signage. She mentioned there should also be a consistent theme to attract shoppers.

Mr. Fehrenbach stated that it was vitally important that there was a strong partnership with the different business associations. He mentioned that a goal of his was to work on marketing collateral to target different types of businesses. He mentioned the City needed to be more proactive in attracting businesses and getting businesses to expand.

Council Member Klein stated that a significant number of people come to Palo Alto because of the schools and there was no mention of the School District in the Plan.

Mr. Fehrenbach stated on page two of the Strategic Plan the Palo Alto Unified School District (PAUSD) was mentioned but could be expanded.

Council Member Klein stated his thought was as a result of the Stanford University Medical Center (SUMC) the City would start to see more medical start ups over the next 10 to 20 years. He asked what the City should be doing to get ahead of the curve. He stated it was not correct to say a significant portion of Palo Alto's Utilities User's Tax was passed through the PAUSD due to a grievance from the 1980's. He further stated that it was illegal and would get the City in trouble.

Council Member Price stated that it would be difficult to have a thoughtful policy discussion at this stage because the vitality of economic development and the goal to be innovative requires that the City have an extensive knowledge base. She appreciated the many action items on the work plan, but she did not see a relationship between the strategic objectives and some of the policy principles and how they defined the work plan. She asked what the priorities were and asked whether it would be better to be more focused on defining the goals. She stated that she did not have a clear sense of priorities.

Council Member Burt stated that the previous feedback moved this in the direction of differentiating between overall economic vitality and targeted focus. He stated that it needed to be clarified which team owned the plan. He stated that the Plan needed to be shortened. He felt there needed to be an additional evaluation of how the Comprehensive Plan aligned with the strategic objectives. He stated it would be useful to have a table showing how each plan fed into the other. He mentioned there was a trend toward life science companies. He mentioned a medical center in Cleveland where the city recently built two new hotels specifically for medical center visitors and medical conferences. He felt it was a mistake in the Stanford development to link the hotel to the shopping center rather than to the hospitals. He felt marketing hotels should be a strong strategic focus.

Council Member Holman concurred with Council Member Burt's comments regarding the Comprehensive Plan goals. She felt policies were missing and needed to be addressed. She had a procedure question regarding the bottom of page 1 of the Staff Report where it stated; this was going to Finance Committee and then going to the City Council in September. She stated that with the Stanford Development Agreement they were asked to make a Motion to recommend and she had thought that Finance had also been asked the same.

Mr. Keene stated he had asked the City Clerk to confer with the City Attorney for clarification and relay the information to both Committees.

Council Member Klein felt it was appropriate to have an addendum to the City

Comprehensive Plan goals to update them and modernize them as they were outdated.

Council Member Holman stated there should be additional goals although most did apply.

Council Member Klein stated the information was accurate, but there was no specific detailed direction.

Council Member Burt stated the goals could be changed without revisiting the underlying policies.

Council Member Klein the direction the Economic Development Manager was moving in should match the Comprehensive Plan update.

Council Member Burt stated that the Comprehensive Plan Update direction by Council was restrictive in terms of which aspects of the Comprehensive Plan could be reconsidered, so it had to be revisited.

Mr. Keene stated the Comprehensive Plan was the vehicle for clarifying what the City's values were. He stated the economic focus was business attraction and business retention and that the focus needed to be on revenue but also creating jobs to have a vibrant economy.

Council Member Price asked if they had the ability to deploy limited resources to make economic achievements and be seen as an innovative community. She asked how they were positioning themselves for opportunity in the changing economy through the twenty-first century.

Council Member Burt asked whose plan this was so they could determine if it needed to come back to this Committee.

Mr. Keene mentioned the effort around having a vital business sector in the economy that was not directly generating revenues for the City. He stated they needed revenue growth in the City and there needed to be a specific practical directive from the Council. He stated he would be against a Comprehensive Plan discussion.

Council Member Price asked if there could be a focused spot analysis of strength, weakness, opportunity, and threat that related to the strategic objectives and to all the parts of the work plan to shape it better.

Council Member Klein asked if this was an internal document between the City

Manager and a Staff person or a strategic plan for the City.

Mr. Fehrenbach stated he leaned more towards it being a City Plan. He felt if it was a City Plan then he had the buy-in from the Council as far as the work he was trying to do and the broader context of what they were shaping for the direction of the City's economic development.

Council Member Burt suggested that the work plan be divided by internal to Staff and the other as to what was City. He stated that when they looked at businesses that were not business to business sales tax generators, they contribute by driving business for the transit occupancy tax to the hotels. He mentioned that there were indirect revenue generators such as the relationship with the Utility User's Tax; property taxes were impacted by the demand side and over time increased the valuation; and retail sales were affected by the business community.

Mr. Keene stated that there was a need to align and focus Staff to make the best use of resources available. He stated they would have some discussions about what the strategic direction was they needed to have and then come back to Policy and Services.

II. Adjournment

ADJOURNMENT: Meeting adjourned at 9:34 p.m.