



# POLICY AND SERVICES COMMITTEE MINUTES

Special Meeting  
April 22, 2014

Chair Price called the meeting to order at 6:07 P.M. in the Council Chambers, 250 Hamilton Avenue, Palo Alto, California.

Present: Klein, Price (Chair), Schmid, Scharff

Absent:

## ORAL COMMUNICATIONS

None

## AGENDA ITEMS

1. Recommendation to Council for an Expenditure Plan for Teen Programs From the Net Revenue Collected From 455 Bryant Street Rent.

Rob De Geus, Assistant Director of Community Services reported the Teen Services Team gathered feedback from the teen community and local partners in order to provide a recommendation. Teens were interested in self-directed recreation and socialization, visual and performing arts programs, and safe and welcoming spaces. Staff proposed funding three part-time Teen Activity Specialists and allocating \$24,000 for program and activity expenses. Teens wanted to participate in developing programs Teen leadership groups proposed ideas for programs and Staff would review and either approve or deny proposals. Program sponsors and Teen Activity Specialists were going to implement the programs and Staff evaluated the success of the programs. In its annual Study Session with the Council, the Palo Alto Youth Council planned on reporting regarding use of funds and impact of programs.

Jennifer Marsh, Staff representative for clickPA indicated clickPA began in 2012 with four high school students and was funded through a *Palo Alto Weekly* Holiday Grant.

Ally Gong, clickPA remarked that she joined clickPA as part of the Youth Collaborative and the teens decided to build a web site of events for teens.

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Ms. Marsh stated recent funding allowed Staff to reach a greater number of teens.

Fabian Garduno remarked that clickPA was now a powerful web site. The goal was to provide a calendar of events and opportunities for teens. With additional funds, clickPA bought posters and flash cards to advertise events.

Ms. Marsh advised that clickPA was comprised of six high school interns and two high school event bloggers volunteered. ClickPA was a one-stop activity center for high school students in and around Palo Alto as a means for students to remain engaged and to feel a sense of belonging. The web site provided opportunities for sharing of photos and reviews of events and a listing of teen jobs, internships, and volunteer opportunities. Ms. Marsh demonstrated the clickPA web site and Staff utilized social media to advertise the clickPA web site.

Ms. Gong added that clickPA held a monthly Instagram contest where teens could add an element to their Instagram posts that would automatically enter the post into the contest.

Mr. Garduno noted Facebook "likes", a submission of approval of a website, grew to 89. Most Facebook posts for clickPA reached more than 100 people. Teen interns were considering adding selected advertisements to the web site to increase views.

Ms. Marsh reported that advertising would be a good method to increase teen attendance at City-sponsored events. ClickPA was chosen as a finalist in the Palo Alto Apps Challenge.

Mr. Garduno explained that entering the App Challenge was a way to develop a mobile version of the clickPA web site.

Ms. Gong commented that a mobile version was a good way for clickPA to reach the target audience.

Ms. Marsh hoped the Policy and Services Committee (Committee) would continue to support clickPA. Funds purchased web hosting, printing, and ad sponsorships.

Mr. De Geus felt clickPA was a good example of how Teen Activity Specialists would continue to support students.

Council Member Klein inquired about the year of each student intern.

Ms. Gong stated she was a junior at Gunn High School

Mr. Garduno reported he was a junior at Palo Alto High School.

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Riley Burt reported the Teen Arts Council was based at Children's Theatre in the Lucie Stern Community Center. Forty-five teens worked a total of 2,900 community service hours. The Teen Arts Council hosted movie nights, middle school dances, film projects, and open mike nights. The Teen Arts Council was limited by a lack of chaperones and funds.

Mr. De Geus remarked that the Teen Arts Council grew considerably over the last few years. Judge Lucky supported more teen programming at the Children's Theatre. Teen Activity Specialists supported the Teen Arts Council as it continued to grow.

Council Member Klein asked why the Hurricane Music Festival was named hurricane when Palo Alto did not experience hurricanes.

Mr. Burt explained it was a creative name.

Karen Kienzle, Palo Alto Art Center Director reported that makeX was a mobile makerspace created by and for teens to respond to community need. Staff wanted to engage teens in a design-thinking process and to create an environment in which teen voices were heard and validated. Twenty-two teens, called designers, participated in the project. She requested teens provide their school information.

Nathan Kai stated he was a sophomore at Palo Alto High School.

Lawanya Mahadevan stated she was also a sophomore at Palo Alto High School.

Jeremy Trilling reported he was a freshman at Palo Alto high School

James Wong a sophomore at Palo Alto High School said designers visited local makerspaces to learn the skills needed to make an interactive and effective makerspace. On a visit to Innovation Design Engineering Organization (IDEO), designers learned about the design-thinking process. Designers documented the development process so that the process could be replicated.

Ms. Mahadevan indicated designers prototyped each plan and space because designers wanted a wide range of equipment for the makerspace; however, the budget limited their choices.

Mr. Trilling obtained materials and tools from the Palo Alto Arts Center.

Mr. Wong reported beta testing was an important stage as it allowed designers to identify and resolve problems.

Mr. Trilling reviewed furniture projects available in the makerspace.

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Ms. Mahadevan advised that the bouncing chair was the most popular furniture item.

Mr. Kai indicated that shelves contained projects made by participants and storage walls held makeX tools. MakeX was open Fridays 4:00 to 6:00 p.m. and Sundays 2:00 to 5:00 p.m. The current location was Cubberley Community Center. Dozens of teens designed projects at makeX. Teens could build designs offered by makeX or build their own designs.

Mr. Wong reported that designers facilitated teens with their designs and taught computer aided design software.

Ms. Kienzle stated the original goal was to create a starter makerspace. Funding was provided through a California State Library grant originally. She said additional funding could provide more Staff hours, increased hours of operation, more mentors, and more materials.

Mr. De Geus advised that Staff wished to support these types of programs and additional programs. Staff expected rental revenue to generate \$85,000 in the current fiscal year for teen programs. After a year, Staff would be able to determine whether programs were successful and interesting.

Council Member Klein supported Staff's recommendation. He inquired whether the Reserve Fund earned interest.

Mr. De Geus remarked that this was assuming the Reserve Fund was earning interest at the City's usual rate.

Council Member Klein wanted to know why Staff proposed expending only a small portion of the Reserve Fund.

Mr. De Geus believed the Reserve Fund should be utilized; however, Staff was determining how best to invest those funds.

Council Member Klein preferred the Reserve Fund be utilized rather than saved.

Mr. De Geus remarked that he could return with a plan to spend down the Reserve Fund.

Council Member Schmid understood the Committee was attempting to identify how extra funds would be used. He asked if teen leadership would be diminished by hiring three Teen Activity Specialists.

Mr. De Geus Clarified that Staff hoped to provide more programs by having Staff devoted to teen services.

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Council Member Schmid inquired about a goal for the number of teens involved in programs.

Mr. De Geus indicated the Services, Efforts and Accomplishments (SEA) report provided a goal of 1000-plus teens in terms of impact.

Council Member Schmid remarked that teens would design their own programs and presumably provide new ideas.

Mr. De Geus reported the core principle behind the recommendation was for students to lead programs and events. Staff wanted to surround teens with as much support and mentorship as possible.

Ms. Kienzle reported the grant proposal for makeX did not include contract staff because of the limited amount of funding available. MakeX was driven by teens; however, teens needed City Staff to navigate bureaucracy and to act as mentors. Teens requested a meeting with Staff every two weeks.

Mr. Garduno added that programs could progress much faster with an adult sponsor. Having someone to guide teens was beneficial.

Council Member Schmid suggested budgets for programs contain concrete examples of expenditures.

Mr. De Geus advised that expenditures would encompass simple things such as printing and materials for makeX. Teens were interested in internship and job opportunities. Being paid to work with a teen program was much more interesting than working at a local pizza parlor.

Ms. Kienzle indicated that makeX designers wanted a 3-D printer, which provided benefits to many people.

Mr. De Geus noted the program proposal form required a budget as part of the proposal.

Council Member Schmid noticed that five of the six teens present were from Palo Alto High School. He inquired whether teen programs were reaching all teens in Palo Alto.

Mr. De Geus explained that the different leadership groups had different mixes of students. The Teen Advisory Board was composed largely of Gunn High School students. The Palo Alto Youth Council was about half and half. The Teen Arts Council was composed of mostly Palo Alto High School students.

Ms. Kienzle added that the original 22 designers for makeX were a good mix of girls and boys from middle schools and high schools.

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Mr. De Geus reported Staff's review of a proposed program would include whether the program reached different types of kids.

Ms. Marsh commented that teen interns were more successful in reaching other teens than Staff. The core teen interns of clickPA committed to reaching out and to expanding their networks.

Council Member Scharff inquired about the review of expenditures for materials and supplies and whether teens had any input in spending decisions.

Mr. De Geus indicated that a proposal for an expenditure would have to justify the expenditure and provide a budget. Staff was willing to review that and determine if it was reasonable, weigh it against other interests and proposals, and either approve or deny it. The Teen Services Team then evaluated whether the expenditure met the intended outcome.

Mr. Garduno explained that the fundamental problem was that teens did not have specific items that they wished to purchase they did not plan events in the future, and they tended to think in the near-term. Teens wished to have funds available when they had ideas.

Council Member Scharff understood Staff would make expenditure decisions in collaboration with teens. He inquired about the skills Staff would require of the three Teen Activity Specialists.

Mr. De Geus believed they should be younger adults or college students, with an interest in the well-being of young people. Staff considered one full-time person because he would be more committed and more experienced. However, funding only supported one person. The three Specialists required interests in libraries, arts, and recreation.

Ms. Kienzle indicated all three positions would be unified by strong interpersonal and facilitation skills. For the Arts Center and Children's Theatre, Staff envisioned someone passionate about museums and Science, Technology, Education, and Mathematics (STEAM) education.

Council Member Scharff inquired about STEAM.

Ms. Kienzle explained that STEAM was an acronym for science, technology, engineering and math.

Council Member Scharff stated that in his experience, people interested in the arts were not necessarily skilled in sciences.

Ms. Kienzle viewed the Specialist positions as pulling together resources available within and outside the City. The Arts Center did not necessarily

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need someone well versed in science and engineering but needed someone who created opportunities for teens to be successful.

Council Member Scharff asked the teens if they needed someone with technical or interpersonal skills.

Mr. Burt preferred interpersonal skills. The Teen Arts Council independently operated all events. Generally it required assistance with bureaucracy or technology issues. It was helpful to have someone who could pull resources together.

Ms. Marsh reported her role with clickPA was to book rooms for meetings, to schedule meetings and then notify teens, and to create agendas. Basically her role was to keep the project moving and to help the teens target their vision and to stay on track. Three Specialists needed to have specific interests in the areas they represented, but they would also inform Staff of progress.

Council Member Scharff clarified that all three Specialists would have similar skills but interests in different areas.

Ms. Gong stated the difficult aspect of clickPA was creating a product that was visually appealing to teens. Coding, web design and marketing skills were helpful skills for a clickPA Specialist.

Mr. Wong added that the makeX team needed an adult mentor who could provide assistance with creating a program for donations for Wi-Fi services.

Mr. De Geus remarked that he would not search for a technical expert in a particular area, but a generalist, where students participated in the interview process. Staff searched for Specialists that could be mentors to teens.

Chair Price felt these programs were good examples of providing opportunities for creativity and innovation. With respect to college tours, she inquired whether Staff could partner with other groups who provided college tours.

Mr. De Geus indicated Staff was considering a partnership with the YMCA; however, the YMCA no longer provided college tours. College tours came out of the focus groups and surveys.

Chair Price asked if the bouncing chair could be fabricated.

Ms. Kienzle reported all designs for the makeX furniture were open source. Anyone was able to obtain the designs and have them fabricated.

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**MOTION:** Council Member Scharff moved, seconded by Council Member Schmid that the Policy and Services Committee recommend the City Council approve the expenditure of up to \$84,000 for FY2015 from the net revenue collected from 455 Bryant Street rent, of which 75 percent is committed to teen programs, to:

1. Allocate \$60,000 to hire three hourly Teen Activity Specialists assigned to the Library Department and one each to the Arts and Sciences and Recreation Divisions of Community Services Department to plan and coordinate events, programs and services for Palo Alto teens.
2. Allocate an expense budget of \$24,000 for the Teen Activity Specialists to support teen events, programs and services.

Council Member Scharff remarked that Staff provided an excellent outcome for the original Committee Motion. He was impressed with Staff's efforts.

Council Member Schmid felt Staff demonstrated their accomplishments and ongoing activities. He looked forward to having a similar presentation in a year.

Council Member Klein stated that academic research showed the important component was involving teens with adults to communicate the lessons of teamwork, hard work and innovation. Hiring specialists in their 20s was good because they had some knowledge to impart as well as be able to relate to teens. Mentoring was crucial. Involving as many kids as possible in programs was crucial.

Council Member Klein asked Staff to return with a plan for the use of the Reserve Fund.

Chair Price agreed with Council Member Klein.

Council Member Scharff did not believe the Committee should force Staff to spend the Reserve Fund. He preferred Staff create a great program and then request funding. Staff was going to utilize funds when they needed them.

Council Member Klein clarified that he did not direct Staff to spend money in a specific timeframe. Saving the Reserve Fund was contrary to the City's usual procedures in that it did not maintain large reserves. If the Reserve Fund was not going to be used, it should be returned to the General Fund. Staff should find additional ways to engage more kids, which caused people to really think about the money they were requesting. He pointed out that the Community was not overspending on the youth, and thought that people should be spending on the next generation.



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Mr. De Geus needed time to determine how to spend the Reserve Fund because of the pending opening of the Mitchell Park Community Center. The Mitchell Park Center would have a dedicated teen center and a great deal of programming. There could be a program there that Staff wanted to invest in. Staff did not intend for the Reserve Fund to be held for years.

Council Member Klein suggested a time limit.

Council Member Scharff proposed 18 months.

Council Member Klein countered with six months.

Council Member Scharff proposed 12 months.

Chair Price concurred with 12 months.

Council Member Scharff inquired whether 12 months was sufficient time for Staff and whether the time limit would begin with the opening of the Mitchell Park Community Center.

Mr. De Geus requested at least six months after Mitchell Park opened.

Council Member Klein concurred with six months after Mitchell Park opened.

Council Member Scharff inquired whether Staff was agreeable to that time limit. Mr. De Geus responded yes.

Council Member Scharff wanted Staff to spend the funds no later than six months after Mitchell Park opened.

Council Member Schmid believed the goal was not to spend the Reserve Fund, but to invest it wisely.

Council Member Scharff supported Council Member Schmid's comment. He disagreed with Council Member Klein that funds came from the General Fund; funds came from a special Fund.

Council Member Klein disagreed.

Council Member Scharff explained funds came from the Bryant Street Garage rent.

Council Member Klein indicated that Council action appropriated funds for teen activities.

Council Member Scharff understood the rent revenue was set up as an Enterprise Fund.

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**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to direct Staff to return to the Policy and Services Committee with a plan for the use of Reserve Funds within six months of the opening of the Mitchell Park Library and Community Center.

**MOTION PASSED:** 4-0

2. Ordinance Approving the Use of Online or Electronic Filing of Campaign Statements.

Donna Grider, City Clerk stated in January of 2013 the State of California approved the electronic filing of the Campaign Statements. She explained the City Clerk's Department was in contract with a firm, NetFile, for the electronic filing of the Statement of Conflict of Interest and now was the only State certified company approved to electronically file the Campaign Statements. She asked the Policy & Services Committee (Committee) to forward the proposed Ordinance to the City Council on the Consent Calendar to authorize the electronic filing of the Campaign Statements and mandate to follow the State's protocol for filing the Statement of Committee at the \$1,000 level. She requested there be an opt-in rule that once an electronic filing has occurred, the Committee remained filing electronic. She felt this was a positive move for City Staff and the candidates since they or their Treasurer were able to complete the form without office hour constraints. The public and newspapers had access to the information without needing to make an office visit.

Council Member Scharff asked if the Committee had a Campaign Manager or a Treasurer, were they able to file on behalf of the candidate.

Ms. Grider said the candidate provided access to their filings as they saw fit. The objective of the electronic filing was moving away from the printed version and the requirement of the blue ink signature.

Albert Yang, Senior Deputy City Attorney noted, as long as the filing was submitted by an authorized user for the candidate it was a legitimate filing.

Council Member Scharff asked how the system knew whether or not the filer was authorized.

Ms. Grider said the Statement of Organization, the Fair Political Practices Commission Form 410, which was mandated to be filed with the Secretary of State provided the authorized personnel.

Council Member Schmid asked about the confidentiality and security of the information.

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Ms. Grider noted the documents were public information whether they were filed in paper or electronic.

Council Member Schmid asked how to secure the electronic versions from being modified by an unauthorized user.

Ms. Grider stated there were a number of other cities utilizing the NetFile electronic filing system and in Staffs' research there had not been mention of security breach issues.

Council Member Schmid asked if the electronic filing system was more susceptible to a security breach.

Mr. Yang did not feel Staff had the technical knowledge to answer the question.

Council Member Schmid asked about the security of signatures.

Ms. Grider noted the purpose of the electronic filing system was the void of signatures.

Council Member Schmid asked how the system knew the statements coming in were from the candidate or an authorized source.

Mr. Yang stated although there was not a wet signature required the candidate was required to submit and affirm the information to be truthful and the submitter was authorized.

Council Member Schmid asked how the system would know if a false filing was submitted.

Mr. Yang noted it was possible for a false submission to occur in a paper filing; although, he did not feel the risk was high.

Molly Stump, City Attorney stated if there was an unauthorized submission it would come to light relatively quickly and would be brought to the attention of the Police Department or District Attorney for investigation.

Herb Borock noted a line on the Staff Report read "the system must be available free of charge to the filers and the public for viewing filings, and must include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury". He stated there must be a way to satisfy the signature requirements in the Staff Report.

Mr. Yang stated there was a Federal Law, the E-Sign Act, which authorized electronic affirmation signatures and did not require a picture type signature.

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In 2013 the City Council authorized the use of e-signatures for City documents.

**MOTION:** Council Member Scharff moved, seconded by Council Member Klein that the Policy and Services Committee recommend the City Council approve the first reading of an Ordinance approving the use of online or electronic filing of campaign statements.

**MOTION PASSED:** 4-0

3. Discussion and Recommendation to Council Regarding the Starting Time for Regular Monday Council Meetings.

Molly Stump, City Attorney reported the Council referred this Item to the Policy and Services Committee (Committee). By Code, the regular start time of Council meetings was 7:00 P.M. Over the last several years, Council meetings frequently began before 7:00 P.M., which was allowed by noticing the meeting as a Special Meeting. There was some interest in a policy discussion of whether the regular meeting time should be changed to 6:00 P.M. or some other time to reflect current practice. Changing the start time alleviated the practice of noticing Council meetings as Special Meetings.

Council Member Scharff supported changing the start time for Council meetings because 63 percent of Council meetings began before 7:00 P.M. It was a disservice to tell the public that meetings began at 7:00 P.M. when they often did not begin at 7:00 P.M. By changing the start time to 6:00 P.M., Study Sessions were most likely to be held at 6:00 P.M. Changing the time provided transparency.

Council Member Schmid believed a list of start times for the public meeting portion of Council meetings would indicate the vast majority of start times was 7:00 P.M. Usually a Closed Session or a Special Session, both of interest to a limited number of people, began at 6:00 P.M. If the goal of the start time was to indicate the opening of public business, then 7:00 P.M. was more accurate than 6:00 P.M.

Council Member Klein agreed with Council Member Scharff. Study Sessions were part of public business. Designating a meeting that began at 6:00 P.M. as a Special Meeting was not logical. He supported the Staff recommendation.

Herb Borock provided a brief history of Council meeting times and dates. In the prior year, the Council instituted estimated times for Agenda Items. He suggested the start time remain at 7:00 P.M. with Closed Sessions and Study Sessions occurring at other times or on other days.

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**MOTION:** Council Member Klein moved, seconded by Council Member Scharff that the Policy and Services Committee recommend the City Council direct Staff to prepare an Ordinance amending the Municipal Code to change the regular City Council meeting start time to 6:00 P.M.

**MOTION PASSED:** 4-0

Council Member Klein inquired whether the official Ordinance language would return to the Committee.

Ms. Stump noted the language would strike the "7" in "7:00" and replace it with "6." She recommended the Ordinance be presented to the Council.

Council Member Klein noted it would be placed on the Consent Calendar.

## FUTURE MEETINGS AND AGENDAS

Chair Price requested a list of tentative Agenda Items be provided at every Policy and Services Committee (Committee) meeting; Staff provided a list at-places. She inquired whether the City's lobbyists or the City Manager would present the Federal and State legislative update proposed for May 13, 2014.

Richard Hackmann, Management Specialist reported both State and Federal lobbyists would attend the meeting and provide updates. Staff also planned on providing updated Guiding Principles for the Committee review.

Chair Price asked if the criteria used to determine the Legislative Items on which the City took a position would be addressed in the context of reviewing the Guiding Principles.

Mr. Hackmann answered yes. That was going to be incorporated with the Guiding Principles, which directed Staff's actions regarding the Legislative program.

Chair Price inquired whether the State lobbyist would address legislation alerts created by the California League of Cities (League), whether they would present a list of Items for future consideration, or whether they would provide detailed information regarding various legislative Items the League was following.

Mr. Hackmann indicated Staff was working with the lobbyists to track Items referenced by the League. Staff wished to ensure Guiding Principles were updated.

Chair Price wanted to address the Community and Health Benefit category of the Stanford Development Agreement soon. Many nonprofit agencies were

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interested in being involved in the process. She asked if Committee Members had a preference for scheduling the Item.

Council Member Scharff suggested this be heard as quickly as possible. He also wanted to schedule the Smoking Ordinance revision as soon as possible in order to have it completed before the end of the year. He expressed concern about the Agenda Items designated as "to be determined." He felt as though Staff was not thinking about Agenda Items.

Chair Price commented that she would work with the City Manager to provide dates for Items. She inquired whether Mr. Hackmann was assigned as Staff Liaison to the Committee.

Mr. Hackmann relayed that he would attend Committee meetings concerning the legislative program.

Chair Price noted another Staff member would be assigned to the Committee.

Council Member Klein suggested adding "governance of e-cigarettes" to the Smoking Ordinance.

Council Member Scharff reported Chair Price and he concurred with adding e-cigarettes to the Smoking Ordinance.

Chair Price suggested adding "all tobacco products".

Council Member Klein stated Committee Members could schedule Items at a meeting as long as they did not take action.

Molly Stump, City Attorney reported cities were adding electronic cigarettes to locational restrictions. Council Member Klein's request was to add "electronic cigarettes" to the definition of smoking devices.

Council Member Scharff was agreeable to reviewing the Smoking Ordinance comprehensively to include all tobacco products.

Chair Price added that individual tobacco products could be deleted based on Committee discussion.

Council Member Klein noticed that the City Attorney had an Item regarding potential Charter changes.

Ms. Stump indicated that Item was scheduled to return to the Council.

Council Member Klein felt the Committee should consider all Charter changes. The City Attorney's Item was limited to term limits.

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Ms. Stump clarified that the Council directed the City Attorney to address two issues: term limits and the transitional time for Council Members taking their seats. Other Items, such as Council Member compensation and number of Council Member seats, were to be mentioned in the Staff Report.

Council Member Klein reiterated that the Committee should review compensation, number of seats, and direct election of Mayor. All Items should be reviewed by the Committee and then forwarded to the Council.

Council Member Scharff did not believe that was the Council's direction. He understood there was a specific meeting on the topic.

Chair Price stated it was on the tentative agenda.

Council Member Klein suggested the Council refer Charter Amendments to the Committee for comprehensive review

Council Member Scharff felt the Council should refer it to the Committee before the Committee discussed it.

Ms. Stump noted the deadline to place an Item on the ballot in the fall of 2014 was the first meeting in August.

Council Member Klein noted only two of the Items mentioned would be presented to the Council.

Ms. Stump planned to agendize the Item to give the Council sufficient flexibility to raise any additional issues related to Council Member seats. The Staff Report indicated that the Council could refer it to a Committee if they wished.

Chair Price remarked that she spoke with the City Clerk about the possibility of the Committee holding two meetings in one or two months prior to November 2014, in order to have sufficient time for all the tentative agenda items.

Council Member Klein stated the extra meetings would need to occur in either May or June, 2014 to place Items on the fall ballot.

Chair Price meant additional meetings could be scheduled for all Items, not just potential ballot Items.

Council Member Schmid recalled the City Auditor stating that roughly half of all audits would be presented to the Committee as well as the Finance Committee. Audits tended to be presented to the Finance Committee, yet the Committee reviewed the Auditor's quarterly report.

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Ms. Stump reported procedures discouraged two Council Committees from reviewing the same Item. Audits customarily were presented to the Committee, with the exception of Utility-related audits.

Council Member Scharff agreed that non-Utility audits should be presented to the Committee and asked if that had occurred.

Council Member Schmid noted the Inventory Audit was not presented to the Committee.

Ms. Stump explained that the Inventory Audit was a mix of Utilities, Public Works, and Information Technology (IT) issues.

Council Member Schmid noted that the previous audit also was not presented to the Committee and he requested that Staff review the procedure for presenting audits.

Chair Price believed several Items in the sustainability presentation held at the Council meeting on April 21, 2014 warranted Committee discussion.

Council Member Scharff suggested agendaizing a review of the Architectural Review Board's (ARB) role and responsibilities. The ARB's review of projects after they had advanced in the process was a problem.

Council Member Schmid agreed.

Council Member Klein expressed concern that the City was not receiving Transient Occupancy Tax (TOT) from Airbnb and inquired whether Uber was subject to taxi regulations.

Ms. Stump reported the Public Utilities Commission (PUC) issued a rule that Uber fell under PUC jurisdiction. Some jurisdictions were considering regulating around the edges; however, questions remained as to the regulation of those entities. Uber was not a taxi business subject primarily to City regulation.

Council Member Klein was more interested in Airbnb as it had the potential to cost the City money.

Ms. Stump indicated Staff discussed issues concerning short-term rentals and believed that the TOT applied to those activities; however, the City was not receiving TOT from that entity. Larger jurisdictions had begun assertive processes to obtain those tax receipts. She thought the City could increase its ability to enforce the TOT at the Ordinance level. A significant policy question concerned how the City wanted its Zoning Code to read, with respect to that type of activity. Some jurisdictions said it was not appropriate in R-1, single family residence neighborhoods, some allowed it



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unrestricted, and some allowed it within limits. The City's Code was not clear on those issues. The Planning Director was reviewing the issue, which required a great deal of outreach and discussion with homeowners and renters in Palo Alto. Most likely it was a 2015 work Item for the Planning Department.

Council Member Klein disagreed. With respect to taxes, it was an immediate problem. The Chief Executive Officer of Airbnb stated that the company was not subject to taxes.

Ms. Stump clarified that the larger policy question would most likely be address in 2015.

Council Member Klein believed the Committee should address the tax issue in May or June 2014, in order to make the public aware of the issue.

Ms. Stump remarked that agendizing the item was within the Chair's discretion.

Council Member Klein felt the Committee should begin the dialog of the policy question, as it could involve amending Ordinances.

Chair Price added that the issue of enforcement was critical.

Ms. Stump remarked that she would be prepared whenever the Committee agendized the Item.

Council Member Scharff inquired about the policy issue regarding amendments to the Fire Code. They needed to be placed on the Council's Consent Calendar.

Ms. Stump reported if the amendments aligned with Santa Clara County standards, then they were to be presented to the Council.

Chair Price requested future lists of tentative agenda items include a rationale for each Item.

Council Member Scharff was unsure whether the Committee should review the Palo Alto Green Building Ordinance.

Chair Price explained that the Committee reviewed past Ordinances because the community was interested in the Green Building Code.

Ms. Stump felt it was a discretionary item.

Council Member Scharff requested Staff check with the City Auditor regarding audits.

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Chair Price remarked that she would poll for additional meeting dates.

ADJOURNMENT: The meeting was adjourned at 7:58 P.M.