



# **POLICY AND SERVICES COMMITTEE MINUTES**

Special Meeting  
September 23, 2014

Chairperson Price called the meeting to order at 6:00 P.M. in the Council Conference Room, 250 Hamilton Avenue, Palo Alto, California.

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

Absent:

## Oral Communications

None.

## Agenda Items

### 1. Report on the Status of Audit Recommendations (June 2014).

Harriet Richardson, City Auditor, reported as of June 30, 2014 86 recommendations from 10 audit reports remained open. During the past year, Staff completed 38 of 50 recommendations open as of June 30, 2013. Four of 36 recommendations made in audits issued in Fiscal Year (FY) 2014 were completed. Staff made progress on 39 of the open recommendations but had not begun implementation of five recommendations issued late in FY 2014. Departments expected to complete 37 of 44 remaining open recommendations by the end of Calendar Year 2014 and the remaining 7 by the end of FY 2015. Audit Staff reviewed Department responses for all completed recommendations to ensure implementation met the intent of the recommendation. In some instances, Departments implemented alternative measures to accomplish the intent of a recommendation, which Audit Staff also verified. The Finance Committee requested a detailed update regarding the Inventory Management Audit, and Staff from several Departments would provide that update on October 7, 2014.

Council Member Klein inquired whether the number of closed recommendations was good, bad, indifferent.

# MINUTES

Ms. Richardson indicated that closing 76 percent of open recommendations represented good progress. In the prior year, only 16 recommendations had been implemented. Significant progress was made on recommendations from audit reports issued in 2008, 2010, and 2012. All recommendations from the Utilities Reserves Audit of the prior fiscal year were implemented. Within the past year, all recommendations from the Employee Benefits Audit were implemented. Significant work was being performed on all open recommendations.

Council Member Klein noted some recommendations were more important than other recommendations. He asked if any important recommendations were lagging.

Ms. Richardson answered no. Some of the highly important recommendations were contained in the Inventory Management Audit. A great deal of work to implement those recommendations had been completed since June 30, 2014. With respect to the Ethics Policy, the Executive Leadership Team had reviewed a draft Ethics Policy. The SAP Security Audit had only one remaining open recommendation.

Chair Price requested Staff explain status, original target date, revised target date, and status columns contained in Attachment A.

Ms. Richardson advised that a current status of complete indicated the recommendation was closed. The original target date was the date provided in the audit response. "N/A" in the revised target date column indicated the audit was complete. The 2014 update column indicated the date of the status report.

Chair Price was confused by the current status indicating complete, yet the 2014 update contained narrative.

Ms. Richardson explained that the 2014 update indicated actions taken to complete or implement recommendations.

Council Member Schmid noted that 42 recommendations were completed during the year and anything remaining open would be completed by the end of FY 2015. Efforts to close recommendations were noticeable. Three of the ten audits with outstanding recommendations were at least four years old. In the Contract Oversight Audit, detailed responses allowed a reviewer to see the steps taken. The Employee Health Benefits Audit did not provide the same detail. He asked how the Policy and Services Committee (Committee) should interpret that difference in terms of audit oversight.

# MINUTES

Ms. Richardson explained that previous updates were summaries taken from old status reports, and Staff carried those forward. For 2014, Audit Staff focused on providing sufficient detail for a reviewer to understand that the recommendation was fully implemented. Departments provided a large amount of detail. Audit Staff determined what to include in the report based on the City Auditor requesting Audit Staff to write a brief summary of each recommendation.

Council Member Schmid asked if future reports would contain more statements.

Ms. Richardson answered yes.

Council Member Schmid noted that risk assessment was the City Auditor's responsibility, yet the Auditor requested the Information Technology (IT) Department to perform a risk assessment of itself. The IT Department confirmed that the security risk assessment would be completed. He inquired whether the City Auditor's oversight had occurred.

Ms. Richardson replied no. If a recommendation had not been completed, then Audit Staff had not verified actions taken. Auditors performed risk assessments for one purpose; however, the standards for internal control required management to perform risk assessments of its own function. Having the IT Department perform a risk assessment of its function was a commendable practice. The IT Department would attempt to identify the controls it needed to implement in order to mitigate risks. New internal control standards were recently released.

Council Member Schmid asked how Audit Staff would determine the IT Department's risk assessment was accurate.

Ms. Richardson advised that the Audit Plan included training regarding internal controls. Audit Staff would train Departments on implementing good internal controls. As Audit Staff performed risk assessments in the future, they would ask questions based on the revised standards that would help assess areas for an audit.

Council Member Schmid felt the Committee viewed the City Auditor as the major operator in performing risk assessment.

Ms. Richardson indicated new standards were issued two weeks previously.

Council Member Schmid referred to the Fleet Utilization Audit where Finding Number 1 reported the City recently avoided spending \$2.5 million. The City implemented a major change in vehicle use and replacement.

# MINUTES

He reviewed the Budget for an impact from the reorganization; however, he did not find a substantial change over the past five years. He asked why an impact was not demonstrated in the Budget.

Ms. Richardson clarified that the finding indicated the City avoided spending money in the future to replace vehicles. Avoidance of an expense might not be shown in the Budget.

Council Member Schmid explained that if expenses were flat or increasing, he would expect to find a reduced rate of increase or reduced total expenditure.

James Keene, City Manager, wished to understand Council Member Schmid's analysis before attempting to answer the question. Decreased costs in one area could have been offset by increased costs in another area. Staff could review Council Member Schmid's question and the Budget and provide an answer in writing.

Council Member Schmid advised that the FY 2007 total budget of the vehicle replacement fund was approximately \$7 million. In addition, he reviewed FY 2008, 2010, 2012, 2014, and 2015 Budgets. In FY 2014 the rate of growth was consistent with the overall Budget rate of growth. He also reviewed the Capital Improvement Budget and salaries and benefits over the same periods of time. He could not find anything in vehicle expenses that would demonstrate a change in the pattern of uses, whether capital investment, maintenance costs, or outside contracts. The audit seemed to promise a change in vehicle replacement and utilization.

Mike Sartor, Public Works Director, reported Staff had thoroughly reviewed underutilized vehicles and deemed a number of vehicles as surplus since the audit. Another group of vehicles was placed into pools, and a number of vehicles were eliminated. The City recently purchased a fire ladder truck at a cost of approximately \$1 million.

Council Member Schmid attempted to find an impact in the Budget.

Mr. Sartor would work with the Fleet Review Committee to provide a written response.

Council Member Schmid asked if the City owned and operated fewer vehicles.

Mr. Sartor had reduced the number of fleet vehicles. Staff was also revising the policy for vehicles assigned to individuals and/or taken home in an effort to reduce the number of those vehicles.

# MINUTES

Another possibility was leasing vehicles rather than replacing them. The review of fleet vehicles was moving slowly, because the Fleet Manager position had been vacant for two years. The City recently hired a Fleet Manager who would aggressively pursue changes. In addition, Staff submitted a requisition to purchase three electric vehicles and two hybrid vehicles.

Council Member Schmid wanted to see an impact from the audit decision.

Council Member Scharff inquired about the delay in hiring a Fleet Manager.

Mr. Sartor explained that Staff selected an applicant approximately a year ago, but the applicant declined the City's offer of employment. Staff did not believe the remaining applicants were well qualified. In a second recruitment, the requirement for municipal experience was changed. The new Fleet Manager had 25 years of experience as a Fleet Manager with UPS.

Mr. Keene felt the change in requirements was an adjustment to the marketplace.

Mr. Sartor anticipated the new Fleet Manager would perform well for the City.

Council Member Scharff referred to Recommendation 14 on packet page 12 that originated in 2008. The 2014 management update seemed to indicate the recommendation was complete. He inquired about remaining steps to be taken.

Mr. Sartor advised that the Department upgraded its software in 2013 to a fleet-focused program. Staff had completed the update as recommended in the finding.

Council Member Scharff asked why the target date for completion was June 30, 2015.

Mr. Sartor explained that ongoing updates were needed.

Council Member Scharff inquired whether the recommendation would ever be complete because updates would always be needed.

Mr. Sartor did not know why the target date was June 30, 2015.

Ms. Richardson used the date provided by the Department when the Department indicated it was not complete.

Mr. Sartor would review the matter and report to the Committee.

# MINUTES

Council Member Scharff remarked that the issue of Departments completing recommendations was almost resolved. Later audit recommendations were being implemented timely. The annual status report to the Council resulted in a lack of oversight.

Ms. Richardson reported that Staff was now required to report on open recommendations six months from the date the audit report was approved and every six months thereafter until complete. Current pending audits would be reviewed six months from September and every six months thereafter. Staff could report sooner if they completed recommendations.

Council Member Scharff inquired whether Audit Staff and Departments agreed on target dates.

Ms. Richardson was working closely with Departments to ensure recommendations were feasible. Those discussions included identifying a timeframe for taking action. If action would require a lengthy time period to implement, then Audit Staff and Departments determined reasons and interim steps to mitigate issues.

Council Member Scharff asked if the City Auditor had reviewed all target dates and determined they were reasonable.

Ms. Richardson advised that completion dates of the end of calendar year 2014 were reasonable. Those target dates of the end of FY 2015 resulted from Staff requesting sufficient time to complete recommendations.

Council Member Scharff commented that other Staff work could take priority over responding to audits. The issue was ensuring items were not lost. He appreciated Audit Staff's efforts to resolve outstanding audit items.

Chair Price felt more frequent status updates would be helpful. She inquired whether there was a target date for completing training on internal controls and whether training would include all Departments.

Ms. Richardson had not developed training as she was waiting for new standards to be released. Training would likely begin in January 2015. She would work with the Administrative Services Department (ASD) to prioritize Staff for training.

Chair Price was pleased by Audit Staff discussing the feasibility of recommendations and working with Departments.

# MINUTES

Ms. Richardson believed Audit Staff working directly with Departments along with the City Manager's encouragement for Departments to complete recommendations were responsible for the positive report.

**MOTION:** Council Member Schmid moved, seconded by Council Member Klein to recommend to the City Council acceptance of the Status of Audit Recommendations Report as of June 30, 2014.

Council Member Schmid encouraged the City Auditor to continue including detailed actions taken in the report.

Council Member Scharff could support the Motion if Item Number 14 was revised to explain actions to be taken in the update section or to modify the target date. Without that information, the report was not complete.

Mr. Keene remarked that the City Auditor focused on practical recommendations and discerned recommendations that provided a greater return on investment. That would result in greater efficiency for completing recommendations and a more trusting relationship between the Audit Staff and Departments.

**MOTION PASSED:** 4-0

**MOTION:** Council Member Scharff moved, seconded by Council Member Schmid to take up Agenda Item Number 3 before Agenda Item Number 2.

**MOTION PASSED:** 4-0

3. Recommendation to Council On Fees and Fee Exemptions for the Alma Plaza Community Room and Other Community Services Department Facilities.

Greg Betts, Community Services Director, reported Council Member Holman questioned the reason for charging a fee for the Alma Plaza Community Room when the Community Room was provided as a public benefit of the development. Staff believed the Co-Sponsorship Policy was working well and allowed groups to utilize facilities. Staff recommended the Municipal Fee Schedule remain the same as passed by the Council in June 2014. Fees charged for use of a facility were divided into four classes as noted in Attachment A. Class 1 pertained to City use and City sponsored or co-sponsored activities. There was no charge for Class 1 activities. The Community Services Department recognized 100 co-sponsored activities.

# MINUTES

Class 2 pertained to nonprofit organizations or 501(c)(3) tax-exempt organizations. Fees were reduced by 50 percent for Class 2 organizations. If the City co-sponsored an event with a nonprofit organization, no fee would be charged. Class 3 pertained to family events, commonly called exclusive use because the public was not invited. Full fees were charged for Class 3 activities. Class 4 pertained to activities for which fees were charged or which resulted in a profit for the user. The full fee plus 70 percent was charged for Class 4 activities. The City Council approved a use agreement for the Alma Plaza Community Room that included the City's right to charge fees for use of the Community Room. Use of the Community Room would incur charges as outlined in the four classes. Many uses of the Community Room fell into Class 1 or Class 2. The City charged fees for use of the Community Room because Staff scheduled events, provided a key, notified Alma Plaza for security, and cleaned the facility. Fees were based on square footage and intended to cover costs. Fees charged for the Alma Plaza Community Room were less than fees charged for the Jewish Community Center (JCC), the Elks Club, and the Women's Club of Palo Alto. Staff worked with City co-sponsors to provide publicity and to help in other ways.

Council Member Scharff asked if events co-sponsored by the City were free.

Mr. Betts replied yes.

Council Member Scharff inquired whether a neighborhood association meeting would provide a community benefit.

Mr. Betts answered yes. Sheri Furman of Midtown Residents questioned whether Midtown Residents could use the facility; Midtown Residents had previously utilized Community Services facilities at no charge.

Council Member Scharff inquired whether a Boy Scout event open only to the Scout troop would fall under Class 2.

Mr. Betts responded yes.

Council Member Scharff asked if a lecture on climate change that was open to the public would be charged full price.

Mr. Betts advised that the City partnered with the Bay Area Bird Photographers to offer a free photography class, and the City charged no fee for use of the Nature Center. The group used the Nature Center; the City received the group's expertise; the public received a good, professional class.

# MINUTES

Council Member Scharff inquired whether pricing encouraged high use of facilities while covering costs.

Mr. Betts indicated fees were reasonable and provided value to users of the facilities. Staff did not deny many applications. Use of community centers was approximately 80 percent.

Council Member Scharff recalled Mr. Betts stated applications were submitted at Cubberley and asked if Staff was moving to online applications.

Mr. Betts reported Staff was testing new software for online registration for five facilities.

Council Member Schmid inquired about the frequency of use of the Alma Plaza Community Room.

Mr. Betts remarked that use was somewhat limited because of the hours it could be utilized. The Homeowners Association utilized the room nights and early mornings. Community use was limited to afternoons and early evenings. In the last year, 30 classes and individual rentals occupied the Community Room.

Council Member Schmid felt that was not frequent usage.

Mr. Betts clarified that some of the classes were held weekly at the Community Room.

Council Member Schmid noted the Community Room was somewhat isolated and parking was a problem. The developer provided the Community Room as a public benefit to offset the loss of a community center. Most public benefits were open to the public; yet, the City charged a fee for the Community Room. The Community Room was 20 percent more expensive than the Fireside Room at Lucie Stern.

Mr. Betts advised that the Community Room contained 1,100 square feet.

Council Member Schmid asked if there was a need for incentives to make the public aware of the Community Room.

Mr. Betts commented that the new Mitchell Park Library would provide the public with one-stop shopping of all facilities.

Council Member Schmid asked if alternative uses could increase the flow of people to the Community Room. Perhaps an afterschool tutoring or music program could use the facility.

# MINUTES

Mr. Betts indicated a music program was held at the Community Room. He would consider possible uses and provide suggestions.

Council Member Schmid suggested a community work space could be a possibility. Perhaps Staff could change fees, change uses, or obtain a partner to utilize the space regularly.

Mr. Betts reported that those types of activities occurred at the Ventura auditorium. The only problem would be maintaining security during use of the Community Room.

Council Member Schmid commented that volunteers with the user could provide security.

Council Member Klein inquired about the number of hours per year the Community Room was utilized in comparison to other facilities. While 30 users appeared to be a small number, the actual number of meetings or classes was considerably larger.

Mr. Betts would provide that information in the Staff Report to the Council.

Council Member Klein did not believe the Community Room should be distinguished from other City facilities simply because it was provided through a public benefit. The goal was to maximize its use. He questioned whether pricing should be the same for all facilities. The City could charge reduced fees for underutilized facilities. The email from Norman Beamer appeared to contradict Mr. Betts' statements.

Mr. Betts was reviewing Mr. Beamer's assertions. There had not been a change in policy. A neighborhood association was not required to have nonprofit status.

Council Member Klein asked if Mr. Betts would respond to Mr. Beamer.

Mr. Betts replied yes.

Mark Weiss suggested Staff scrutinize use of the Community Room. The City should charge market rate for the facility.

Council Member Scharff requested Staff also respond to Ms. Furman.

Mr. Betts would do so.

Council Member Scharff concurred with Council Member Klein that the Community Room should not be distinguished because it was a public benefit. He too was interested in utilization of all City facilities.

# MINUTES

Fred Balin related the history of the development of Alma Plaza. The public benefit disappeared over time.

Chair Price recalled that fees were charged to cover City costs.

Mr. Betts reported direct and overhead costs determined the amount of fees charged.

Chair Price remarked that lower fees would not recover costs related to administration and maintenance.

Mr. Betts concurred.

Chair Price assumed Staff would address marketing efforts if the Policy and Services Committee (Committee) recommended approval of the item. She inquired about the length of time the facility had been available.

Mr. Betts recalled that the Council approved the use agreement with the developer in 2009. He seemed to recall the Community Room opened in 2010. He would confirm that information and provide it in the Staff Report.

Chair Price asked if usage had increased over the past few years.

Mr. Betts responded yes.

Chair Price felt Staff should increase efforts to heighten community awareness of the facility.

Council Member Scharff inquired whether it was necessary to forward the Item to the Council if the Committee recommended the policy remain the same. He wanted Staff to return to the Committee with additional information he and Council Member Klein discussed.

James Keene, City Manager, believed an informational item could be presented to the Council if the Committee approved the Staff recommendation.

Molly Stump, City Attorney, reported a response to the Council was not required unless the Council's Motion directed a response. She did not recall a direction for a response.

Council Member Scharff indicated the referral was an Amendment to a Budget Ordinance.

Chair Price understood the Committee's practice was to respond to the Council.

# MINUTES

Mr. Keene advised that that was the usual procedure when the Council was required to act. The referral did not require the Item to return to the Council for authorization. Staff could share information with the Council in public.

**MOTION:** Council Member Scharff moved, seconded by Council Member Klein to have Staff return to the Policy and Services Committee with utilization information, options to adjust fees based on usage, and costs associated with the room. Additionally, confirm that the City does not charge Neighborhood Associations, Community Services Use Fees, regardless of an Association's incorporation status.

Council Member Klein wished to broaden the information requested. The Agenda Item included fees and fee exemptions for all Community Services Department facilities. That allowed the Committee to discuss market pricing for the Community Room and to calculate costs. Hopefully Staff could return the following month with requested information.

Chair Price asked if the Municipal Fee Study included the basis for rental fees.

Lam Do, Senior Management Analyst, reported the Cost of Services Study included rental fees for facilities as a group rather than individually.

Council Member Schmid inquired whether the Motion directed Staff to provide the hours of use of the Community Room, utilization rates of other public spaces, and possible alternate pricing and uses of the Community Room.

Mr. Keene asked if all facilities would be compared to the Community Room.

Council Member Schmid answered no.

Council Member Klein felt utilization rates could demonstrate one facility was operating at 105 percent capacity while other facilities were operating at 40 percent capacity.

Mr. Keene understood the discussion concerned the overall policy related to all facilities. Information could demonstrate that a facility was performing worse than the Community Room.

Council Member Scharff wanted to review all facilities.

Council Member Klein wanted to review meeting rooms only.

# MINUTES

Chair Price noted different facilities had different markets which complicated matters.

Mr. Betts advised that the new Palo Alto Room at the Mitchell Park Community Center was designed to be a large ballroom for use by 300-500 people.

Council Member Klein suggested Staff include capacity information for each room. In analyzing the Community Room, he would consider facilities that were 500-1,500 square feet.

Chair Price inquired whether Staff understood the information requested.

Mr. Betts replied yes.

Council Member Scharff wanted to know when the Boardwalk at the Baylands Interpretive Center would be repaired.

Mr. Betts reported the Water Board had jurisdiction over those repairs. Repairs were located within the habitat of the endangered clapper rail.

Ms. Stump suggested repairs to the Boardwalk be agendized for another meeting.

## **MOTION PASSED:** 4-0

2. Review and Recommend to City Council Changes to the Scheduled Release of Council Agenda Packets and Other Matters Related to Agendas, Reports and Minutes.

Donna Grider, City Clerk, advised that for the past year the Executive Leadership Team had discussed an early release of Council packets. Currently packets were released on Wednesday for the following Monday's meeting. Staff proposed transitioning early release over the Winter Break and implementing it in January 2015 with packets issued two weeks prior to the Council meeting. Under the current schedule, Agenda development and report writing typically began four to six weeks in advance of the Council meeting. Notice of a Public Hearing was submitted to the newspaper four to five weeks prior to the Council meeting. The public could be confused by having two packets available concurrently. Council Members should resist changing or adding to the packet because of the perception of having time to do so. Council Member questions should be submitted the Friday prior to the Council meeting rather than the Monday of the meeting to allow Staff more time to respond. A survey of surrounding cities revealed that the majority utilized action minutes.

# MINUTES

Currently three to four weeks were needed to prepare sense minutes. The Attorney's Office had concerns that sense minutes did not accurately reflect Council discussion.

Molly Stump, City Attorney, explained that an administrative person not familiar with complex subject matters was asked to listen to a recording, decide important points, and summarize comments. She preferred action minutes along with the video.

James Keene, City Manager, did not believe his comments were characterized accurately in minutes. At times the Council felt it was premature to act because it did not have minutes. In order to prepare accurate minutes, a court reporter could capture all statements as spoken.

Ms. Grider advised a Colleagues' Memo to place an item on the Council's Action Agenda required two votes. One Standing Committee Member could place an item from the Standing Committee on the Council's Action Agenda.

Ms. Stump clarified that one Council Member in a Standing Committee meeting could dissent from the majority vote and cause the item to be placed on the Council's Action Agenda. Other processes for moving an item to the Action Agenda required higher thresholds.

Council Member Klein remarked that a Colleagues' Memo started a process; it did not advance an item to the Action Agenda.

Mr. Keene indicated three Council Members had to support removal of an item from the Consent Calendar. Sometimes one member of a Standing Committee would intentionally dissent to ensure the item was placed on the Action Agenda. Different methods for placing items on the Action Agenda had different thresholds.

Council Member Schmid suggested the Policy and Services Committee (Committee) discuss each of the five proposals separately.

Chair Price concurred.

Council Member Scharff inquired about the five proposals.

Mr. Keene responded early release of the packet and supplemental reports.

Council Member Schmid added Council Member questions to Staff and action minutes.

Council Member Scharff wanted to discuss the proposals concurrently.

# MINUTES

Council Member Schmid noted the final proposal was requiring two votes rather than one from a Standing Committee to place an item on the Action Agenda.

Council Member Klein recommended the Committee discuss proposals together but propose separate Motions.

Council Member Scharff agreed with the process.

Chair Price also agreed.

Council Member Schmid believed early release of the packet would allow the public to absorb and discuss information and prepare comments for the Council. He inquired whether materials such as minutes of Boards and Commissions and letters from the public would be issued as a supplemental packet.

Mr. Keene assumed the current practice of at-places information would not change.

Council Member Schmid explained that such supplemental material could be provided in the packet released the Wednesday before the meeting. The City Manager and Staff Report would not be supplemented.

Mr. Keene indicated that could create a multistage distribution for the City Clerk.

Ms. Grider agreed. She wanted to differentiate packets so that Council Members and the public could easily determine which meeting the packet applied to. Perhaps packets could be a different color or be bound separately and state the meeting date. Staff should not retain correspondence until the night of the meeting. Supplemental, revised, amended, or corrected reports would only confuse everyone.

Council Member Schmid suggested printing the date of the meeting across the top of the packet in bold or a different color. Council Members submitting questions on Friday would provide sufficient time for Staff to respond and to carefully consider their responses. Council Members had no time to read and absorb answers provided at-places. Council Members could submit questions on Thursday or Friday with the agreement that Staff would respond on Monday.

Mr. Keene commented that answers often were provided to the Council or the public at the meeting. If questions were submitted on Friday, then he could review the status of responses on Monday.

# MINUTES

Council Member Schmid opposed the use of action minutes. Action minutes from meetings of the Utilities Advisory Commission (UAC) were virtually useless in providing a sense of action from the meeting. Verbatim minutes from meetings of the Planning and Transportation Commission (P&TC) were a valuable resource. Verbatim minutes were necessary for an open, transparent, democratic process. A Colleagues' Memo required two votes or 22 percent of Council Members. One dissenting vote from a Standing Committee Member was 25 percent of Standing Committee Members. Removing a Standing Committee item from the Consent Calendar required a higher percentage of Council Members than a Colleagues' Memo. In addition, the Standing Committee could not report an item to the Council on a 2-2 vote. He would not support Item 3 or Item 4.

Council Member Scharff supported early release of packets. He was not concerned about having two pending packets. He inquired whether color printing of the packet was possible without adding a great deal of cost.

Ms. Grider reported color would add some cost but was possible.

Council Member Scharff recommended the date be printed in big, bold, red letters. He did not like sense minutes because Motions as amended and with incorporated language were not stated in one location. Sense minutes could hurt the City in litigation.

Ms. Stump related her experience with having to testify in court that minutes were an official City document when she did not believe comments attributed to her in the minutes were accurate.

Council Member Scharff recommended the Committee support either verbatim or action minutes. He asked if verbatim minutes were more expensive.

Ms. Grider answered yes.

Council Member Scharff inquired about the additional expense.

Ms. Grider could not provide an amount at the current time.

Council Member Scharff inquired about the amount of money saved by changing to action minutes.

Ms. Grider explained that the City would not have to contract for transcription of minutes if the action minutes were utilized. That would save approximately \$50,000.

# MINUTES

Council Member Scharff assumed verbatim minutes would not cost much more.

Ms. Grider did not research the cost of verbatim minutes.

Council Member Scharff agreed with Council Member Schmid that transparency concerns outweighed a \$50,000 cost. He would support the use of verbatim minutes as well as outsourcing transcription of minutes. He supported the process of one Standing Committee Member being able to remove an item from the Council's Consent Calendar. That prevented three Standing Committee Members from forcing an issue and provided weight for a unanimous vote not to be removed from the Consent Calendar. Council Members would need to submit questions by Thursday or Wednesday because of 9/80 Fridays.

Chair Price clarified that Council Members would meet on Monday, submit questions by Wednesday, and receive the first round of packets Wednesday afternoon.

Ms. Stump added that packets would arrive a week earlier.

Council Member Scharff indicated Council Members could still ask questions at the meeting. The purpose of submitting questions was to reduce the length of Council meetings; however, shorter meetings did not occur. The Council should have a policy for Council Members to submit questions that would be difficult to ask during a meeting. A Council Member should be able to remove an item at the Council meeting. That created some difficulties for Staff, but items could be rescheduled.

Council Member Klein agreed with comments regarding Standing Committee votes. The present procedure was acceptable. He questioned whether the proposal should be presented to the Council as it was a Staff initiative.

Council Member Scharff answered no.

Ms. Stump reported that the Council did not need to hear the proposal. Staff provided it as a potential idea.

Council Member Klein recommended the process of Council Member questions be reexamined. Questions during Council meetings were educational for the public. Written questions and responses did not save time or inform the public.

Council Member Scharff asked if Council Member Klein was advocating for eliminating questions.

# MINUTES

Council Member Klein responded no. Staff's preference for written questions was misguided.

Mr. Keene stated intuitively answering questions in advance created work. The original intent of submitting questions in advance was to preclude those questions being asked at the meeting. Meetings were not shorter because of submitting questions, and Staff would be happy to eliminate them.

Council Member Klein would not change the process for removing items from the Consent Calendar. Quite frequently members of the public did not read the packet until the weekend before the meeting. He supported early release of packets. In addition to different colors, he proposed Agenda Items be numbered 1-1,000. There would be less confusion if the current week's Agenda began with Item Number 1 and the following week's Agenda began with Item Number 20.

Mr. Keene expressed concern that early release of packets would lead to Council Members requesting Staff provide supplemental reports or respond to public comment. Staff would not provide interim updates to the upcoming packet in response to Council Member questions.

Council Member Klein suggested Staff adhere to the Council rule that a Council Member question could not require more than one hour of Staff time. The Council could not act on the question, because it was not an Agenda Item.

Council Member Scharff recalled the City Attorney indicated that was not an agenda issue.

Ms. Stump explained that the Brown Act exception applied to new topics the body wanted to place on a future Agenda.

Council Member Klein seemed to recall the Council had verbatim minutes at one time.

Herb Borock reported City Clerk Gloria Young recommended the Council save money by changing to sense minutes. The quality of minutes varied depending on the cost.

Council Member Klein disagreed with Council Member Scharff's estimate of only \$50,000. A court stenographer was not cheap.

Council Member Scharff added that the Council did not need a certified court reporter.

# MINUTES

Ms. Stump inquired whether a court reporter attended Planning & Transportation Commission (P&TC) meetings or the recording was sent out for transcription.

Ms. Grider indicated the P&TC sent the recording out to be transcribed.

Council Member Klein inquired about the qualifications of the transcriptionist.

Ms. Grider advised that the same firm transcribed both P&TC and Council minutes. They were not court reporters.

Council Member Klein added that verbatim minutes would require more time to transcribe. He questioned whether verbatim minutes could be transcribed in time for an item to return to the Council in one or two weeks. He would support either action or verbatim minutes but wanted to review cost and transcription time. Court reporters could provide a transcript the same day.

Ms. Grider noted the cost was substantially higher.

Council Member Klein requested Staff provide an array of costs and timeframes for transcription.

Council Member Scharff suggested transcription of a particular item could be expedited if the Council directed Staff to return with that item the following week. The cost could be less expensive. As an alternative, the City could use action minutes on the one item.

Council Member Klein believed using more than one style would open the City to criticism.

Fred Balin commented that the Council should continue with sense minutes or change to verbatim minutes. Council questions and Staff responses were the result of a lawsuit with the San Jose *Mercury News*, as noted in Council policies and procedures. Staff had not posted any responses to the City's website since the end of June 2014. The purpose of submitting questions was to have a more informed and efficient discussion at the meeting.

Herb Borock indicated Council Members did not submit questions 15 years ago. Prior City Managers had initiated many changes in procedures. Arthur Keller's communication summarized the need for sense minutes rather than verbatim minutes. Fifteen years ago any item on the Consent Calendar could be removed by one Council Member. All Planning items had Public Hearings. The Council made all referrals to Standing Committees.

# MINUTES

The Lease among Stanford, the City, and Santa Clara Valley Transportation Authority (VTA) appeared on the Committee's Agenda at the end of March 2014. A quorum was not present at that meeting; therefore, the item was continued to the next meeting. The subsequent meeting was canceled.

Chair Price talked with the City Manager regarding rescheduling the lease among Stanford, the City, and VTA. The Council would hear the item at some point. She favored an early release of the packet. She requested Staff ensure digital packets were clear as to the date of the meeting. Questions to Staff should be submitted on Thursday. She was not convinced that submitting questions would reduce the number of questions asked at the meeting; however, she was uncomfortable eliminating that option. She needed additional information regarding minutes, but she was inclined to favor sense-plus minutes as they would provide more detail and utilize less paper.

Council Member Scharff requested a definition of sense-plus.

Chair Price explained those minutes were more detailed than the current minutes.

Ms. Grider reported the choices were action, sense, or verbatim. The City Manager and Attorney would have the same concerns with sense-plus minutes. For complete accuracy, the City should have verbatim minutes.

Chair Price requested additional information. She concurred with the current practice of a Colleagues' Memo, removing items from the Consent Calendar, and going through Standing Committees.

Mr. Keene advised that the Council had more Standing Committees than before and the effectiveness of Standing Committees had improved greatly. Staff and the Council were interested in responding to public requests to issue information earlier. Council Member questions to Staff were required to be distributed and shared publicly. That would not change. Council Member questions related to the Agenda had to be published as well. Staff proposed the topics in the spirit of identifying ways to increase meeting efficiency.

**MOTION:** Council Member Schmid moved, seconded by Council Member Scharff to recommend the City Council: 1) approve the early release of packet; 2) Council Member questions to be submitted to the City Manager by the Thursday prior to the meeting; and 3) Staff to return to Policy and Services Committee with additional data on the cost of sense, verbatim, and action minutes.

# MINUTES

Council Member Scharff suggested close of business on Thursday was the wrong deadline for submission of Council Member questions because of 9/80 Fridays. The deadline should be close of business Wednesday.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** that Council questions are to be submitted by close of business on Wednesday rather than Thursday.

Mr. Keene acknowledged that some circumstances could prevent Staff from providing answers to Council Member questions on Thursday. Staff would provide those answers over the weekend or by Monday morning. Staff would not issue supplemental Staff Reports in response to community chatter.

Council Member Schmid inquired whether the early packet release would add a week to Staff returning to the Council with supplemental information.

Ms. Stump reported once procedures and timeframes were set, they would apply to everyone including Council Members preparing Colleagues' Memos.

Council Member Schmid clarified that the Council could direct Staff to return with new information the following week.

Mr. Keene would resolve that issue when it arose.

Chair Price noted Council Members would have to act sooner because of the early release packets.

Ms. Stump explained that adding an item to the following week's Agenda would not be possible as the Agenda for the following week had already been released.

Council Member Scharff suggested Staff return with minute information while the Committee recommended Council approval of the remaining proposals.

Council Member Schmid stated the Motion directed Staff to return to the Committee.

Council Member Scharff wanted to bifurcate minutes information from other items to prevent a delay of the other items.

**MOTION AS AMENDED PASSED: 4-0**

# MINUTES

## Future Meetings and Agendas

Chair Price wished to review the status of items for the Policy and Services Committee (Committee). The list included five or six items referred to the Committee over the past few weeks. Meetings were scheduled for October 14 and 21, 2014. The Agenda for the October 21 meeting contained several items.

James Keene, City Manager, spoke with both Avenidas and Stanford Hospital regarding the Health and Safety Funds. An update of Project Safety Net was another issue. The items could be separated; however, the Committee could prefer to discuss all three topics prior to making recommendations. A discussion of Stanford funds would require more than one meeting.

Council Member Scharff requested the meeting begin earlier.

Chair Price understood the Committee suggested the update of Project Safety Net be presented to the Council. The lead person for Project Safety Net resigned.

Mr. Keene reported meetings between the leadership group and Project Safety Net had occurred. The Committee had some questions whether the \$2 million earmarked for Project Safety Net was the correct amount. The Committee would be better served by hearing the Project Safety Net update in conjunction with other topics.

Chair Price suggested she and another Committee Member draft Guiding Principles, Mission Statement and Objectives for Health and Safety Funds as a means to beginning a discussion.

Council Member Klein advised that Chair Price did not need Committee approval to do that.

Chair Price offered to take the lead on a first draft so the Committee could have a discussion related to Guiding Principles, Mission and Objectives related to Health and Safety Funds.

Council Member Scharff asked why she did not allow Staff to prepare the draft.

Chair Price was interested in preparing a draft and it would facilitate moving forward more quickly.

Council Member Klein did not want to encourage Council Members to take over Staff's role.

# MINUTES

Council Member Scharff indicated Chair Price could prepare a draft and provide it at the meeting.

Council Member Schmid felt Guiding Principles were an important starting point.

Mr. Keene recalled that the Committee raised important questions during the prior discussion. The Committee should refrain from finalizing Guiding Principles, Mission, and Objectives in advance of the next round of discussion from stakeholder groups.

Chair Price did not assume aspects could be discussed in one meeting.

Council Member Scharff expressed interest in Chair Price preparing draft Guiding as well as Staff.

Chair Price would prepare a list of issues for the Committee to consider. The Committee may not take up all items scheduled for the October 21 meeting.

Council Member Scharff wished to begin the meeting earlier.

Chair Price inquired whether 5:00 was agreeable.

Council Member Scharff answered yes.

Chair Price announced the meeting scheduled for October 21, 2014 would begin at 5:00 P.M. Agenda items included health and safety needs in the community. Perhaps Staff could develop a similar method for Stanford Hospital and Avenidas to provide information to the Committee.

Council Member Scharff did not believe the Committee would discuss the two items labeled TBD in 2014.

Mr. Keene concurred.

Council Member Scharff inquired whether the purpose of the list was to track all topics or topics for 2014.

Mr. Keene remarked that the Committee had added another item regarding minutes.

Council Member Scharff indicated Staff should return with that information soon.

Molly Stump, City Attorney, advised that Item Number 20 involved a major public outreach issue. It should be continued to 2015.

# MINUTES

Chair Price would consider another meeting in either November or December to keep the Agenda moving.

Mr. Keene would talk with Staff concerning items on November and December Agendas to determine issues and timeliness so items could be rescheduled if necessary.

Herb Borock spoke regarding the lease item with Stanford and VTA. Once an item was on a Committee Agenda, the Committee determined what happened to the item. The Committee met on March 25, 2014, continued the item to April 8. The April 8 meeting was canceled. The item should remain on the status report until the Committee decided what to do with it.

Mr. Keene could add a status report to one of the lists so that the Committee could issue directions to Staff.

ADJOURNMENT: Meeting adjourned at 8:51 P.M.