



POLICY AND SERVICES COMMITTEE TRANSCRIPT

Special Meeting
Tuesday, March 28, 2017

Chairperson Wolbach called the meeting to order at 6:05 P.M. in the Community Meeting Room, 250 Hamilton Avenue, Palo Alto, California.

Present: DuBois, Kniss arrived at 6:09 P.M., Kou, Wolbach (Chair)

Absent:

Oral Communications

Chair Wolbach: Ok, so for Oral Communications, do we have any speakers? It looks like not.

Agenda Items

1. Discussion of the Fraud, Waste, and Abuse Hotline.

Chair Wolbach: Should we move on to our one and only action item of the day which is a discussion of the fraud, waste, and abuse hotline. Harriet, do you want to start us off?

Harriet Richardson, City Auditor: Sure. Good evening Mr. Chair and Members of the Committee. Harriet Richardson, City Auditor. I'm here to discuss the fraud, waste, and abuse hotline protocols. You have in front of you a couple of the current protocols and a copy of the proposed changes and track changes. Then an At Places memo to change one title of – the title of Section 9 from discipline to corrective action. We changed the language in the paragraph but then we didn't change the title so that's everything you have in front of you. Plus, the PowerPoint that I'll be going through. I went through the protocols. I made some edits and I coordinated with the City Attorney's office and the City Manager's office on these changes. I think we are in good shape for the direction we're headed with them. For a little bit of background, the Council adopted the current Hotline Administration Policy along with the permanent hotline project in May 2013, after a 10-month pilot period. We have a third-party vendor that we contract with, that administers our hotline; [Navex Global]. It's available to employees only. External parties can't use it and it's available 24-hours a day, 7-day a week, 365-days a year. The original pilot program was based on an audit that was done by one of my predecessors back in 2008, on City of Palo Alto Employee Ethic Policies. That resulted in both the hotline pilot project and subsequently, the permit placement of the hotline. Also, the City manager's

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office developed an Employee Ethic's policy, which all employees got training on last year. When callers want – when someone wants to make a call to the hotline, they have the option of calling in anonymously or they can provide their name. Most people do prefer to call in anonymously but we have had some people provide their name. When a call comes in, it goes to the third-party administrator. Then they take the information about the call from the employee and what their complaint is. They try to get as much information about the issue as they can and then, it goes into a case management system. Then we get an email letting us know that there's a new case. Then we can log into the system and look at the case and then we have a Hotline Review Committee, which consists of me, the City manager and the City attorney. The three of us get together when a new case comes in. We look at the case and decide – first of all, does it meet the—does the description fall under the definition of fraud, waste and abuse. If it does, is there enough information to investigate it and then we would make a decision to investigate. If it doesn't fall within the – oh, here's Liz. I'll wait a second before I continue. If it doesn't fall within the definition of fraud, waste and abuse, we would decide either that – to send a response that it doesn't fit within the protocols of the hotline or we might refer it out to a department for review and action, which we have done in some cases. We don't ask for a response back in those cases but if it's investigated, then we would go through the process of investigating and reporting what the outcome was either substantiated or not substantiated. Since the hotline's inception in 2012, there've been 34 calls received. Six of those were received during the pilot period. One of the primary reasons we wanted to propose some changes is the main reason is that there's been a lack of clarity among employees about what the purpose of the hotline is. So, the majority of the calls that we receive don't actually relate to fraud, waste or abuse. A lot of them are just general disagreement with the management decision or something that we might classify as a personal issue or they just don't fit within the definition of fraud, waste and abuse. Several of those calls of those 34 calls that we, where actually multiple versions of single issues so we received 11 calls regarding one issue and 2 calls regarding another issue. That narrowed it down to 23 actual issues. Fourteen of those were investigated but only 2 of those were substantiated. The other reason that we wanted to revisit the protocols is that we had previously – when we had something that we wanted to have investigate, we would send it out to the departments and say please look into this and send us back the outcome. We would give them access to the case management system just for that case but what they were doing is they put information in – not substantiated, closed and we didn't get enough information to really know what they had done to investigate the case and whether if it really should have been closed. My office is responsible for reporting on the outcomes of the cases and I wasn't feeling comfortable that I could report and support

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that it really should have been closed. Moving forward, that's one of things that I'm addressing in some of the changes. Before we decided – before I decided what to look at actually changing, I did a survey of other jurisdictions around the Country and actually, Canada too, about how they use hot – their hotlines. It is common of the hotlines to be placed in the auditor's office. I actually received quite a bit – a few responses. Thirty-nine jurisdictions responded and from those I was able to identify a lot of common themes about what they do to inform employees about their hotline. Actually, 35 of those 39 employees allow calls from outside their employee base also, so residents can call in, contractors can call in. They – most of the jurisdictions have expanded it beyond just employees. Some of the things that I identified was that most of them do some sort of education of their employees to inform them what the hotline is and how to use it. The most common things are that they provide information at their new employee orientations. Several of them create posters that they hang around facilities that have information about what fits with in the hotline and they update those posters at least annually. Just to kind of refresh employees view of what they are seeing and just a little reminder. Some of them create and distribute brochures or little wallet cards. This is an example of a little wallet card that you might see some jurisdictions prepare. Then some of them put information on employee pay stubs. Just a little notice on there about what the hotline is and call if they see fraud, waste or abuse. They might do that generally two times a year. Some jurisdictions actually have a mandatory annual training or presentation that they do. Some do online training where they have a training video that people can log into their system and then they can actually see that and they are required to look at that periodically so that they can be refreshed about what the fraud, waste and abuse hotline is. Other jurisdictions provide information in all employee emails and several jurisdictions have dedicated internet or internet pages. Some of the common things I saw when actually looking at those, are sections with frequently asked questions so that employees can go in and see what's the definition of fraud, waste and abuse? What types of things do we investigate? What types of things don't we investigate? How do we handle a complaint once we receive it? A lot of common information that people would have questions about to help them understand what the purpose of the hotline is and what happens to their complaint once it's received. [Video recording ended]

Ms. Richardson: [Video picked up mid-sentence] ... City Manager and the Principle Senior Attorney. It seems like it made more sense to have a higher level of official like that rather than a senior performance auditor. If the – particularly, if the reason that we would be substituting, would be that the call out would be against CAO. I felt like that made more sense to update

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that. Then we also -- as I mentioned earlier, where we had issues with not being able to really tell what was happening with cases if -- when we gave access to the case management system -- limited access to the case management system so that they would submit the report to use, which the protocols already called for but it wasn't happening. Instead of giving direct access, we'd say that we want you to investigate this. Give us the report and then we can review the report and make a decision as the Hotline Review Committee about the outcome of it. In Section 6, that's a new paragraph about coordinating with Human Resources so we added that whole section so that when -- there's always been somewhat of a question about what's a personal issue? I think that we have an opportunity to really sit down and define what's fraud, waste and abuse. We put some high-level words in the protocols but we really don't have definition around those or examples and I think coordinating with Human Resources about what's appropriate for HR review versus what's appropriate for fraud, waste and abuse. That can help us with actually managing what HR does and what we do through the hotline. In Section 9, we added a paragraph about corrective action. This is the one that you have the At Places memo for. The title says discipline but we changed it to corrective action and just indicating that there may be some sort of corrective action taken if a case is substantiated. Then we also added a new section, Section 16 about advertising the hotline. I think that is one of the key things for helping us get the right kinds of calls and helping employees understand that the hotline is there when it should be used and what's appropriate to go through another avenue. Some of the things that I think would be help -- would be really helpful -- I think that we have right now, we have the perfect opportunity to improve the hotline because human resources are currently beta testing an advice line for employees. Where employees can call in and get advice through Human Resources for certain issues and I think it's the opportunity for us to say, this is the type of thing that goes through the hotline. This is the type of thing that goes through the advice line. They can always call the advice line and if it's something they would say is fraud, waste and abuse, we can refer it back to -- they can refer it back to the hotline. If it's something that comes through the hotline, then we have the opportunity to say, you can -- this isn't a hotline issue but you can go to the HR advice line and get some question answered. I really think the timing is good right now to be able to start working on that. I also think having some advertising materials, again, that would say, this is what the hotlines for. This is what the advice line is for and that would really help employees understand the purpose of both and help us get hotline appropriate cases into the hotline. Personal management types of cases into the advice line. Then, as I said, we can just refer people to the advice line as appropriate when needed. Just a couple of key conclusions. Through my research, one of things that I've really seen is that education is the key to a successful hotline. I don't think you can ever expect -- I don't know that you

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really want to generate a lot of calls. You want to think of it as sort of insurance, an extra line of defense against fraud, waste and abuse so that it's there if people see it and you want to encourage them to report when they see something. You also don't want to encourage them – you want to discourage them from using the hotline as a gripe line, which is somewhat what it has become. That addresses all of the things I had. What I am asking for tonight is just some direction about whether or not you want us to do some advertising and if so, some direction about what that would be. Then the motion to forward this to the full Council for approval. I can take any question that you have.

Chair Wolbach: Liz, you have a question? (Inaudible)

Vice Mayor Kniss: Harriet, this has existed now for not that long of time. Is there something in here about what it's costing us or am I just not seeing it?

Ms. Richardson: I didn't put the cost in there. We actually just – I negotiated the cost down because we pay a per employee fee and it was running about \$3,000 a year and I don't know where that originally...

Vice Mayor Kniss: \$3,000 an employee?

Ms. Richardson: No, \$3,000 total but it's based on a per employee number and so we recently got the bill for the next year and I saw the number on there and said I don't know where this employee count came from but it was way overstated by a few hundred. I worked with them and got the count down so it was about – I want to say it was about \$1,200 for this past year but we lowered the price quite a bit by correcting the employee count. That's typical – the typical way those hotlines service agency call – contract is that it's per employee charge.

Vice Mayor Kniss: Why didn't you – this was a controversial program to start with. I have a feeling that it's one of those that once you state it, you could never stop it because who's going to say that we want to stop the fraud, waste, and abuse hotline. I do remember that there was a good deal of discussion about our – at the beginning. You had some background on some of the other Cities. Do most of the cities in our county have this hotline?

Ms. Richardson: No, I did not find a lot – I believe San Jose has one but it's not run through the auditor's office. I think it's run through their city administrator. I believe Santa Clara County may have one but most of the cities in our little area don't have one. San Francisco has one, Oakland has one, Sacramento has one, Long beach, Los Angeles, San Diego...

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Vice Mayor Kniss: The big Cities, yeah.

Ms. Richardson: Yeah.

Vice Mayor Kniss: Yeah. Do you think it's a value for a small city like us?

Ms. Richardson: Well, we did have (inaudible) (crosstalk)

Vice Mayor Kniss: You can (inaudible) your answer here, Harriet.

Ms. Richardson: We do – we did have one – so back around...

Vice Mayor Kniss: The headlines today said that you got rid of an employee because of the hotline.

Ms. Richardson: That's right.

Vice Mayor Kniss: That was interesting.

Ms. Richardson: I was asked several months ago to do a presentation about – to a department about what our office does. I did that presentation and I mentioned the hotline. It was very shortly after that, that complaint came in and it came in from that particular department and that's the where the employee ended up resigning. I think that – to me, that just says that if you explain what it really is, you'll get the right kind of calls.

Vice Mayor Kniss: You're answer is hedged a bit, right?

Ms. Richardson: Yes.

Vice Mayor Kniss: Ok. If I were to say – if I were to be explaining it to someone else, I would say well, even though most small cities don't have this. We felt it was critical in our City to have this because...

Ms. Richardson: I think you – like I said, I think you think about it as an insurance policy. Some people aren't comfortable reporting through their management or they've reported to their management and then haven't seen something happen. They want that extra piece of assurance that I can go somewhere and report. The Ethics Policy does recommend going through the chain. Report through your supervisor/manager whenever you can but the hotline is there for people who feel that they need to be – report anonymously or feel like that they don't necessarily want to report anonymously but really feel its fraud, waste, and abuse and it needs to go through the hotline. I --

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Vice Mayor Kniss: Through the Chair, could I ask a question of the City Manager? City Manager, I'd be interested in your assessment of this. It's not a great deal of money but it is at the same time – I think it's always been a spirited discussion as to whether or not it really adds value in the City.

James Keene, City Manager: I would continue to be more on the -- as much on the half empty side as the half full side. Except for the fact that I think that the review that Harriet has done has been practical and well intentioned about how can we focus the effectiveness of the hotline better. A lot of things that have happened where things I predicted and I don't mean it in that way but the fact that we could get a lot of calls that were not relevant to the hotline. We got two substantiated calls out of ultimately 34 so that's about 6 percent. I agree with Harriet however, that say the one call that we got that clearly indicated a conflict that we were able to then deal with immediately, came in through – and so I think our focus on insurance is a good way to think about it. That being said and I want to come back to the positive aspects of the recommendations here. There is more than a cost of the direct cost administering the hotline. There is the cost of responding, on investigating, of investigating people who are wrongly accused by an anonymous complaint. That's a cost if you think about it yourself. We can even look through history of examples of societies where anonymous complaints had been able to put innocent people under a lot of stress. What I think though, what Harriet has tried to do here is really working with (inaudible) in HR as to start to really draw a clear line both to education and the focus of her work with the Committee and others to sort of – let's reduce false alarms really. Sort of like our Fire Department, we probably spend a lot of (inaudible), a lot of our money running on false alarms rather than real fires. What you always want to do it try and get those down and that's what she's tried to do here with both the focus, the education effort and the ability to steer things more to HR when they need to be there. If we were just saying on the same track, I would be more concerned about where we are going. I think Harriet has exactly the right idea in saying that there will be some situations – they should be small. I thought the Sacramento things was interesting. It was sort of like we really reduced our – increased our calls a lot but they really didn't have real change in how many of them were substantive so you kind of go gosh, if more volume what we're really after, no. What we want is the quality so to speak, not the quantity. The quality of the calls to be things that we would not get otherwise. That's really what I think the insurance is. I've come around to the fact that carefully managed as it is, I think – well, I think in practice, Harriet has tried to very carefully manage it. I think this is designed to clarify more of our intent and how we kind of move forward. I do think that we'll be able to reduce false alarms.

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Hopefully, these guys working together, we steer even more people also through the advice line and other things. I think (inaudible).

Vice Mayor Kniss: Jim speaks of an inherent cost in addition to your \$1,200. There are also unintended consequence expenses as, which aren't woven into this. I think maybe the thing that would bother me the most is that an anonymous caller can call and say, I don't like Renee's outfit today or something very trivial or I don't like the way they are talking to me. That's the kind of things I am worried about with this in that it's so easy to call. I hear what you are saying. I hope it continues along that same pathway and if you advertise, are you talking about internal advertising or are you talking about something that we're going to spend money on?

Ms. Richardson: It would be internal. I – we would have to spend some sort of money probably for printings some documents but I think updating the website. Having information both on the City auditor website, where we currently have some information...(crosstalk)

Mr. Keene: Fraud, waste, and abuse hotline?

Mr. Richardson: ... and on the HR website, it can link them both to commonplace. I think that would be helpful. Just – I think just – updating the website is not a big expense compared to some things that other people do.

Vice Mayor Kniss: Well, as I said...

Mr. Keene: Can I make a comment?

Vice Mayor Kniss: ...there's no way we are going to drop this because once you get started, you don't stop. It's like many of the other programs that we have started. It's virtually...

Mr. Keene: If I could just ...

Vice Mayor Kniss: ... impossible to stop.

Mr. Keene: ...follow up with what Harriet was saying. I think really this – the focus she wants to put on education, which isn't just like come one, come all. It to try to distinguish what this is for and our ability to generate feedback loops to the organization about that this was not a fraud, waste, and abuse call. Don't misuse the line and this was worthwhile. I think that will – I think that's designed to really improve the clarity and the effectiveness. The truth is that it may be actually that we get a few more

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critical calls, as people start to understand what's – wow, this is what this...(crosstalk)

Vice Mayor Kniss: What works.

Mr. Keene: ...is really for versus some other stuff. I'm sure some other people can pick up the (inaudible) for all (inaudible)

Vice Mayor Kniss: I appreciate having – that's more of a – I think an overarching, almost philosophical discussion than what we are talking about tonight, which is a pretty straight forward kind of motion. I appreciate getting that background on it because it certainly has gone like this for several years. Ok, thanks.

Chair Wolbach: Tom.

Council Member DuBois: Thanks for the report. I appreciate the work. I appreciate the comparison with the other jurisdictions. I think explaining what it's for during employee orientation makes a ton of sense. I'm curious to hear a little bit more about the advice line and how that will be pitched in terms of these HR issues that have been coming in on the abuse line. Is the advice line for HR issues? Like management issues?

Rumi Portillo, Human Resources Director and Chief People Officer: Rumi Portillo, Human Resources Director and Chief People Officer. Yes, the intent of the HR advice line is to really provide a one stop type of place for employees to call in for interpretations of their union contract. To talk about maybe some of the practices that they are having out in the departments and to know whether maybe a request that a management employee has made of them is an appropriate request. It's also an advice line for managers to call in. We actually provide a lot of that consultation on a regular basis. We have – we are a very busy office. We have people in all the management and employees, but this would one way to really have people feel – where the attempt is to have people feel more comfortable, regardless of their level in the organization to reach out and just – it's the Kaiser nurse model.

Council Member DuBois: But it's not anonymous?

Ms. Portillo: It is not. It gives the options to be anonymous or not anonymous.

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Council Member DuBois: Is there still a gray area where there's gross misconduct by a manager with a lot of people reporting that? Is that an HR issue or is that a fraud abuse issue?

Ms. Portillo: When it comes to personal issues, the thing to remember is there are other avenues for employees to report so we have a Harassment Policy, we have a Hostile Work Place Policy. There are obligations from managers to report...

Council Member DuBois: So, you guys feel like the lines clear?

Ms. Portillo: It's hard – there may be some situations that might be – I'm trying to think what types of things. What I would say is that as Harriet and I looked over the calls, what we found was there were duplicative. Even in the case where the employee who resigned and there was a very egregious situation there. That has also been reported in by an employee into HR in an anonymous way. Even that call was duplicative. It's just that – I'm not saying definitively that there's a bright line because very often in personal issues, they can be messy and there are very few bright lines in our work.

Council Member DuBois: Ok, that's helpful. Again, I think duplicative can be good because it might indicate more of a problem if multiple people are reporting the same issue.

Mr. Keene: Can I just say that she was saying something different though. I mean (inaudible), that same caller called into both...

Council Member DuBois: Both places.

Mr. Keene: ...HR so both of those factors.

Council Member DuBois: I do like the idea of insurance and \$3,000 seems like we are wasting time talking about it. I do think again, you guys (inaudible) things of kind of officiant management of kind of a low volume kind of thing and I like the updates to the document. Annual training was mentioned in here and I guess that would be part of other training that are already in place? I mean, I wouldn't want to see an additional mandatory training just of the hotline.

Ms. Portillo: In terms of the hotline roll out, that had already been conducted; we did fold it into our ethics training. We had ethics training and so 850 of our employees did hear firsthand about the ethics hotline and the intent and to call but as far as an ongoing basis, we have a great opportunity with [NEO]. Then we will have other training that we would do.

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Council Member DuBois: (Inaudible)(crosstalk)

Ms. Portillo: I think we would fold it in, right. Yeah, it's so hard to pull people off online for training.

Council Member DuBois: I had two questions, so other cities expanded to residents and contractors. Where do people go if there is an issue – if a contractor sees an issue, where can they go? We're saying that they can't use this line.

Ms. Richardson: It's not designed for – the line currently is designed only for internal use. I would assume that they could go to the City Manager's office.

Mr. Keene: I mean, lots of ways. Sometimes they go to City Council Members. There are a lot – as far as like (inaudible)(crosstalk).

Council Member DuBois: I'm thinking more about contractors as we outsource or we use contractors more.

Mr. Keene: I don't know...

Chair Wolbach: If I might jump in there. I guess maybe the question is have we considered expanding it to include – make it available to contractors and is that something that we would want to do? I think – is that kind of the gist of the question?

Council Member DuBois: Yeah and if not, where do they go?

Mr. Keene: So, I mean, I think there's a couple – part of the issue is in any situation, what – who's the right person to call but then the other side of it is, how does somebody know who the right person to call, is what the issue is. For example, on many contractors – particularly, like construction or other contractors, these folks have licenses. The licenses identify the rule pretty much there about how to report issues related to a contractor. That still doesn't mean that the public would understand that avenue. We certainly don't have one sort of location that would say almost any sort of contract issue, here's how you call. I'm sure the City attorney gets them. I'm sure the Police Department gets calls. We do a whole bunch of them, they are coming in. I think the larger questions, is there anything that Harriet could ultimately learn from those folks in more detail about their focus (inaudible) of stuff. How different is that from folks who don't have that approach? I just don't know what the ORI would be on that.

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Ms. Richardson: Right and most of the jurisdictions that responded is that they do accept calls from outside parties. They don't track where the call is coming from so they don't generally track it by it's an employee call versus someone else.

Council Member DuBois: Yeah.

Ms. Richardson: We did receive one – it didn't come through the case management system, it came just via an email. Where a resident reported something but it – because it was coming from a resident, I didn't accept it as a hotline call and I turned it over to the City Manager's office. That was more than a year ago.

Council Member DuBois: Also, a question about filing malicious complaints. It says we won't tolerate it but if it's all anonymous – I mean, it's just...

Ms. Richardson: Right, it – you -- it's hard to enforce that because we don't know who's calling.

Council Member DuBois: Ok. The other question I had – the last question I think was that I understand the change under Number 1 that directly relates to the City of Palo Alto. When you explained it, that made more sense. When I first read it, I was like well, what if the City employee is engaged in fraud that relates to the State of California. Are we saying that that's not appropriate?

Ms. Richardson: They can – well, if it's fraud – if it's a City employee, they can still – someone can still call it into us but there's also a State auditor also that has a hotline.

Council Member DuBois: I guess the question was really, do we want reports of employees connecting fraud if it doesn't relate to the City of Palo Alto? That's the way I read it at first, was that we only care about – yeah. Ok, if it's alright, I guess – I know you guys probably want to speak but I'd go ahead and make the motion to approve the Staff motion to accept these changes.

Vice Mayor Kniss: Go for it and I'll second it.

MOTION: Council Member DuBois moved, seconded by Vice Mayor Kniss to recommend the City Council to review and accept the:

1. Proposed changes to the City Employee Fraud, Waste and Abuse Hotline Administration Policy; and

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2. Provide direction to the City Auditor regarding methods for advertising the hotline to City employees, including providing information regarding what is an appropriate use of the hotline and the type of questions or concerns that should be addressed through another means.

Council Member DuBois: I did.

Vice Mayor Kniss: Done.

Chair Wolbach: Do you want to speak to your Motion?

Council Member DuBois: No. If Lydia wants to comment but I think ...

Chair Wolbach: I'm going to have a couple comments as well but Liz, do you want to speak to your second?

Vice Mayor Kniss: I think only to say that I think the discussion we had earlier tonight is one that we should keep in mind. Also, be really aware of anonymous issues because they can cloud the situation pretty quickly.

Ms. Richardson: I think we've done a good job recently, as those are coming in and really saying, this isn't a fraud, waste, and abuse and we've just started to responding to them that it's not – we use to just automatically respond, we'll look into it and we're not doing that anymore. We're – now we're looking at it and saying, is it fraud, waste, and abuse and we're responding appropriately based on the content of the complaint. So, our initial contact back is to let them know either we're going to look at it or we're not.

Vice Mayor Kniss: Ok, good. Good straightforward way to handle it. Good. Thanks.

Chair Wolbach: Lydia.

Council Member Kou: Thank you for looking at all this and kind of evaluating the whole programs and kind of getting it more focused and directed at what you want the outcome to be. I feel very confident that you will have this – the desired results that we're looking for. I look forward – I guess at some point, there is going to be another update on how this is progressing and I look forward to that.

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Chair Wolbach: Just a couple of questions. I – I'm not sure we want to propose a change at this time but I think that this question of whether – at least city contractors should be able to utilize our hotline. I mean, I kind of lean towards thinking that that might be a good idea as an explanation of the program. I'm less enthused about having it open to the entire public. I guess I might be persuadable on that. It doesn't sound like there's a lot of effort towards that. I'm not sure if Staff has any thoughts about whether that's something – at least expanding it to include contractor is something that we might consider for the future. If we wanted to consider that, what would we need to include in the motion? Is that something that you guys have – where do you think we should go with that?

Vice Mayor Kniss: To jump on that though, how many are we discussing? How many contractors?

Mr. Keene: Well, so -- I mean that gets kind of complicated. Let's just take something like our solid waste contractors. That's potentially everybody driving trucks around town or whatever, picking things up, right? I mean I think we would have to sort of look at that. We do get calls -- more often than not they are complaints or service calls. Whatever. It was like I didn't like how they did this or whatever, more than – it's probably more often sort of waste or abuse. (Inaudible) they come so late or why are they making so much noise?

Chair Wolbach: I was thinking more that if the contractor themselves...

Council Member DuBois: I was thinking that way as well.

Chair Wolbach: ...observe something that they thought might rise to the level of fraud, waste or abuse. Either with the contract on their contract side or on the City side, that the contractor employees could utilize the hotline. That would expand the number of people using the hotline, that would increase the cost of the hotline because it's on a per employee basis so I'm not proposing that we make that change tonight. My question is really, how can we have that conversation to just think about that in the future?

Ms. Richardson: I think it's a progressive thing. I think we do some changes now. Maybe we come back in a year and we say ok, we did these changes. Was it effective and then we decide whether or not to expand it because if all of sudden we started getting a lot of calls that were legitimate just from employees, then we would have to look at it from a resource perspective and say, can we handle more calls?

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Chair Wolbach: Ok, great. I don't think that needs to be in Motion but that's something that we can pick up in the future and think about but I'm glad that we broached that question. I think it's an important question. Also, on the questions of contractors, because we've – if you look at the first paragraph in this idea of expanding it to include not -- the potential targets you could say, to include not just employees but potentially contractors. Just a wording thing, I hate to take the leads on this but do we want to add the words 'or contractors' in the start of – in the first line of paragraph 2. It would say, City employees who have specific information that other City employees or contractors have engaged...

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to include "or contractor" in Objective 1, Paragraph 2 of the Staff Report: "City employees who have specific information that other City employees or *contractors*, have engaged in fraud, waste, or abuse are encouraged to report such information through the normal chain of command, which includes their immediate supervisor, manager, department head, Human Resources, and the City Manager's Office (CMO); or to the Office of the City Auditor."

Ms. Richardson: Yes, we can.

Chair Wolbach: Do we want to add that in there?

Ms. Richardson: Yes.

Chair Wolbach: I don't know if that needs to be in the Motion or you guys – it will be encompassed by the Motion.

Mr. Richardson: I think it should be in the Motion to change it.

Vice Mayor Kniss: I'm not comfortable with that as the secondary. I think we're getting to a dicey area.

Chair Wolbach: I'm not...

Council Member DuBois: I'm comfortable with it.

Chair Wolbach: You are so let me just clarify that that would merely align the second paragraph with the first paragraph.

Ms. Richardson: It's not to allow contractors to call in. It's saying that if an employee observe fraud, waste or abuse on behalf of a contractor doing business with the City.

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Chair Wolbach: That was one of the changes you were trying to make. I just thought it was an oversight. (crosstalk)

Vice Mayor Kniss: (Inaudible) talking about it the other way around.

Chair Wolbach: Right.

Vice Mayor Kniss: Ok, thank.

Chair Wolbach: Would you be ok with that?

Vice Mayor Kniss: Yes, I am (crosstalk)(inaudible) what I thought it was initially.

Chair Wolbach: Great, ok. Then – (inaudible) those questions and just a quick comment. I actually do think that these two hotlines are important and the process of studying how they can be more effective and be clearer. How we can educate employees to see where their concerns might be better addressed to the HR line, potentially as a confidential call as opposed to the fraud, waste, and abuse hotline; I think that's important. I really appreciate the teamwork that's happening here. Just as a philosophical question about good governance, I think it's important that we do have those safety valves, right? When (inaudible) insurance policy or whatever metaphor you want to use, that when somebody does feel that they've observed something that makes them very uncomfortable but they are worried about going through the official chain of command for any reason, that they feel comfortable and confident that there is a place they can go. Not just going to an elected official or going to the press but some kind of shunted internal process where their concern will be heard and where they will not face retaliation. I think it's a really important thing and I think it's important for the City. I have heard from employees – not frequently but just that they maybe had a gripe about something or they had a concern about something and asked well, did you either go to HR or did you call the hotline and they said -- I heard a concern that people didn't necessarily always feel comfortable using any of the avenues that they knew of without fear of retaliation. That they were – lacked the confidence that they could report on any mechanism and remain anonymous. That if they reported, they felt that with would be obvious who they were and then face retaliation. In that context, I do think that this is an important program. These two hotlines really, the HR one and the fraud, waste and abuse hotline and again, I appreciate the effort to improve them and improve education about them. Again, so that our employees do feel – if they have a concern, that it will be heard and it will be tackled in a way that preserves their confidentiality if that's an issue.

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Sometimes, just knowing that that option is there, makes people feel more comfortable and improves workplace morale. Even if they never use it, right? Just like having insurance for anything else. It gives you peace of mind and I think that that's important in itself. (Inaudible) are you clear on the amendment that we're making to add those two words 'of contractors' in that second line? Ok, any other comments? Alright, so all in favor of the motion? That passed unanimously.

MOTION AS AMENDED PASSED: 4-0

Mr. Keene: Mr. Chairman, would you indulge me, the City Manager, for like three or four minutes? Just one last thing on this. Maybe I am going to tell you things that you already know but as we've often said, a hotline is an insurance, right? So, if you think of the insurance metaphor, it's like ok, we all want to have health insurance in the event that our health fails or we have problems with our health. So, there's another whole focus on being healthy in advance of insurance or anything so we also have health lines in our City. I'm just playing off of that in the sense of what is it that we do that sends positive messages? Creates a culture where people just naturally (inaudible) their valued or regardless of their position, equal and able to kind of communicate. I would just share [NEO] just as some symbol of what we have. Particularly, new Council Members so we have a very distinctive onboarding orientation process in our City. Every employee we bring on almost say that it is the best welcoming orientation process they've been in any job that they've had. It last two day, every employee starts on the same day. Their first day of work, regardless of their position so we don't have people coming in one at a time. Every month, anybody new we hired and everybody goes through an orientation that takes them on a full tour of the City. They get a briefing by the historian, they are over at Stanford, they meet people in every area. They see the Bay Lands and the water treatment plant. They see neighborhoods, they go up to Foothills Park and we talk with a lot of them. They meet supervisors. They come in and meet the whole leadership team every Tuesday morning and everybody introduces themselves from the new inspector we have to the department head. At the end when we do the briefing, we ask people what it was like and they say gosh, I had no idea. I have heard Palo Alto was a neat City but when would I have even seen all of the diversity of the City. When would I know the history of the community? I have never felt so welcomed before and I like this sort of – I sort of play this back with them at times. They said yeah, most of the time I've usually shown up and they show me where my cubby was and my new job and said you know – I said yeah and then we basically did a briefing for you that it told your benefits and it told how you could sue us if you had a problem or a complaint and that was it. No, really, this is the point. There is a completely – human beings respond to incentives and

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positive things and really feeling included. To be honest with you, that's what we're putting 90 percent of our efforts in trying to do that and then having both insurance and the ability to be responsive to vary – either legitimate complaints or in the case of people needing training and learning; that's what we are trying to do. Thank you for that indulgence.

Council Member DuBois: Just one quick comment, sorry. Being at Google, they do similar things and this idea of physiological safety in the workplace is really important. I think you can pitch the fraud, abuse, waste line as part of that physiological safety. So, I think you can have a very positive spin for employees at orientation.

Chair Wolbach: Lydia, do you have another comment on this one before we move on?

Council Member Kou: Just how come the Council Members didn't get that orientation? I mean...(crosstalk)

Mr. Keene: We should do that. You know the problem – the one problem with NEO is that every employee who came on board before NEO complains about the fact that they have never had orientation.

Future Meetings and Agendas

Chair Wolbach: Alright, well let's move onto future meetings and agendas and actually, I was going to hope – I was hoping that Harriet and Jim and maybe Terence, you might want to – all of you if you could stick around just for that quick discussion. Rumi, you are welcome to but probably less needed if you wanted to enjoy the rest of your evening but hopefully, this will be a very quick discussion. You'll all notice that the City's Clerk's office has just distributed to us an updated tentative future items list. I don't know if we want to take a look at that. There are a couple of key things that I do want to point out right away. One is some of the difficulties with scheduling in April, as well as August. We definitely want to – we would have difficulty meeting on the originally considered date of April 11th and so April 25th would probably work better as an April meeting date but I just wanted to check how that works for everyone else?

Council Member DuBois: What was wrong with the other date?

Chair Wolbach: I am checking right now. I think we had a conflict with (crosstalk) – oh, that's right, we have a Council meeting. So, there's a Council meeting on the 11th so would a couple weeks later on the 25th work for everybody else?

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Council Member DuBois: Works good for me.

Harriet Richardson, City Auditor: April 25th?

Chair Wolbach: April 25th.

Mr. Richardson: That works for me.

James Keene, City Manager: Good, you're the main show.

Ms. Richardson: Yeah but – so – but I'm going to have a change here so Number 2 would need to move to June and Number 3 in June can move up to April 25th.

Mr. Keene: So, sustainable purchases audit moves up to April 25th and hydro-max crossbore moves to June.

Ms. Richardson: Right and I won't be available for either of those dates in May so that's why I kind of loaded up June.

Chair Wolbach: Ok, so Liz, you said you're not available on April 25th. You're out that week and how about you Lydia?

Council Member Kou: I have a human – HRC, I am their liaison so how does this work? Does this (inaudible).

Chair Wolbach: Yeah, and I am your alternate but maybe we can find another Council Member to attend but it's not required that we attend HRC meetings as a liaison, it's strongly encouraged. I certainly tried to make all of them.

Council Member Kou: That would be (inaudible)

Chair Wolbach: Are you guys ok with that then? Maybe mention it to the Mayor.

Vice Mayor Kniss: The 25th, you are talking about?

Chair Wolbach: Maybe we can get another Council Member to fill in for us at HRC.

Council Member Kou: (Inaudible)

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Vice Mayor Kniss: I'm not here on the 25th.

Chair Wolbach: If not the 25th, what's another April date that would work?

Council Member DuBois: (Inaudible)

Ms. Richardson: For me to do that other audit, the sustainable purchasing audit, I would need to keep it that last week in April...

Chair Wolbach: Liz isn't here that whole week.

Ms. Richardson: ...but it wouldn't necessarily have to be Tuesday for me.

Vice Mayor Kniss: I'm gone all that week.

Chair Wolbach: So...

Vice Mayor Kniss: You'll be fine with three.

Council Member Kou: Three is ok, right?

Vice Mayor Kniss: Sure, yeah.

Chair Wolbach: Yeah, as long as we are all here.

Vice Mayor Kniss: You have a quorum with three.

Chair Wolbach: Ok, so nobody can catch the flu that week. Let's stick with that.

Vice Mayor Kniss: Could I make one comment.

Chair Wolbach: Sure. Don't forget your mic.

Vice Mayor Kniss: (Inaudible) on wireless, I would hate to miss that.

Chair Wolbach: Don't forget your mic.

Vice Mayor Kniss: Same thing I was saying. Same message. If there is any way we could do it – Data Collection and Privacy Policy, that's coming up. Town Halls schedule? Is Town Hall schedule a real long one?

Chair Wolbach: The data collection is probably a longer one. Town Hall schedule is hopefully not. That was something that I think Tom, you had

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suggested that at the last meeting and I enthusiastically supported having that conversation earlier.

Vice Mayor Kniss: Is that a discussion about whether to have Town Halls or is that schedule (inaudible)

Chair Wolbach: I think we're going to work with City Staff to figure out when we can schedule those so they don't just get back-loaded at the end of the year.

Vice Mayor Kniss: That would be my only request is that I'd love to be here for the fiber and wireless but if that's time sensitive, that's fine.

Mr. Keene: No, it's not crucial Mr. Chair. I mean, from my point of view, we could swap Town Hall schedule. We could do that on the 25th as easily as on the 9th as you would know and we could move the fiber and wireless to the 9th if that's...

Vice Mayor Kniss: I would appreciate that. I've been involved in that for too many years.

Chair Wolbach: Would you guys be ok with that? (Crosstalk)

Vice Mayor Kniss: You know, if it going to have it happen in my lifetime? What do you think?

Chair Wolbach: We'll talk about it then.

Vice Mayor Kniss: It depends on how long I live, right?

Chair Wolbach: Then, in May there's actually – there's a question about when to have the meeting in May because May 9th is also a Finance Committee meeting. There's a question of whether we want to either have – either move that May 9th meeting or possibly add a second meeting in May because that June 13th meeting looks pretty packed. I don't know if that's possible or advisable. My inclination is to say, let's stick with one meeting in May but does the 23rd or the 30th of May look any better for you guys than May 9th? I would be fine with the 30th, personally.

Mr. Keene: You've got the Memorial Day weekend and people coming back from that. (Inaudible)

Chair Wolbach: Oh, yeah. Would that be tough doing the day after?

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Council Member DuBois: (Inaudible) the 23rd or the 9th?

Chair Wolbach: I'm ok with the 23rd, also. What do you guys think?

Mr. Keene: I guess that I neglected to think about that. I would be off – difficult for me. I'm going to need to be in Finance but I really need to be here on both data collection and fiber too so the 23rd would be – I'd preference if that work for you all?

Chair Wolbach: Lydia and Liz, how does the 23rd of May look for you?

Vice Mayor Kniss: It's fine with me. I don't know. I presume it's ok.

Chair Wolbach: Ok and Tom?

Council Member DuBois: Yeah.

Chair Wolbach: Ok, so let's...

Vice Mayor Kniss: What's going to be taken up on that date?

Chair Wolbach: It would be the stuff that's currently listed as May 9th. We'll just change the May 9th meeting to the 23rd.

Vice Mayor Kniss: Data collection and ...

Chair Wolbach: Actually, the fiber and wireless.

Council Member DuBois: Are we talking about 7 or 6? (Inaudible)

Vice Mayor Kniss: I think every year we've actually had – I think though, every year we've assessed it and we decided on when to meet but the official meeting time now for the Council is 6 o'clock.

Chair Wolbach: For this Committee, I think for Staff it's easier if we do it at 6. A lot easier for Staff.

Vice Mayor Kniss: I think that's why we started doing this at 6.

Chair Wolbach: That lets us get back to our families.

Council Member DuBois: (Inaudible) I had it on the calendar at 7.

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Chair Wolbach: Ok, and then in August. Are you guys ok with going with August 22nd, tentatively?

Council Member DuBois: When do we come back?

Chair Wolbach: We come back on the 14th.

Council Member DuBois: (Inaudible)

Chair Wolbach: Yeah, the 14th is our first meeting back. That's Monday the 14th so it would be the following week. The 22nd works for me.

Council Member Kou: It works for me.

Chair Wolbach: Liz? Tom?

Vice Mayor Kniss: Yeah, I mean we're...

Council Member DuBois: There's a Finance meeting on that day as well.

Chair Wolbach: On the 22nd? There's a 15th Finance, I think.

Mr. Keene: It will be two days after my 45th wedding anniversary so I should be recovered by then.

Chair Wolbach: Alright.

Vice Mayor Kniss: Cory, may I just comment that I really love having these scheduled throughout the year but you know, this is getting pretty far out to make an absolute commitment.

Chair Wolbach: I'm considering these tentative but we want to have something on the calendared at least penciled in.

Vice Mayor Kniss: Right, good. That's helpful.

Chair Wolbach: Especially as we are planning our vacations and Staff might be doing the same. Ok, any question or thought before we wrap up here on any of the items?

Council Member DuBois: I brought it up before. I'd really like to have the Magical Bridge come in and just give us an update on what they're doing (inaudible).

TRANSCRIPT

Vice Mayor Kniss: Good.

Council Member DuBois: (Inaudible)

Vice Mayor Kniss: Good idea.

Chair Wolbach: Don't forget your mic.

Council Member DuBois: The County just put in a lot of money to help them expand.

Chair Wolbach: For Magical Bridge?

Council Member DuBois: Yep, so I'd love to see that get on the agenda and again, I'm not expecting Staff to do much work. I think we would just invite them to come in. I guess the question was do we want them to go to Council or come to us? That's – I think that's why it was down here, right?

Vice Mayor Kniss: I would agree with that because the County at the moment has – still has money; how nice. I think until Prop. 30 stops, they will continue to have some discretionary funding and so they have put 10 – as you -- Tom, you might talk about it. They put \$10 million into this. You brought it up. Do you want to give all the details?

Council Member DuBois: Go ahead.

Vice Mayor Kniss: As I understand it, there will be \$2 million per supervisor for their particular district and there's an application process for it. I think the Magical Bridge (inaudible) costs – does anyone remember? Three million?

Mr. Keene: The original cost was 3 and I think we got close to 4.

Chair Wolbach: It's not really agendized for this meeting so I don't want to have too long of a discussion about it. (Inaudible) Is there an urgency to discussing it sooner? I am happy to have it on the...

Council Member DuBois: I didn't realize there was money available so I think maybe it should come to us.

Vice Mayor Kniss: They voted 10 – can I just talk? May I?

Chair Wolbach: Is there an urgency to have the meeting on Magical Bridge soon? That was the question for me?

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Council Member Kou: (Inaudible)

Vice Mayor Kniss: It won't.

Council Member Kou: It won't go away?

Vice Mayor Kniss: I am going to talk until they stop me. It's not going to go away. They put the \$10 million out there. It's \$2 million per supervisor and everyone should know about it because we don't get money like that very often but I doubt we will get anymore because we already have the Magical Bridge.

Chair Wolbach: Ok.

Council Member Kou: (Inaudible)

Council Member DuBois: The other one real quick...

Vice Mayor Kniss: Pretend I never talked.

Council Member DuBois: I thought we needed to get to the Airport Operating Plan so I don't know.

Mr. Keene: These are just – these clearly (inaudible) was forgetting these things scheduled Mr. Chair. I mean, as soon as we can, right?

Chair Wolbach: Great. Yeah, I'm leaving – I think we are leaving those as things that we don't really want to get to this year and so we can continue figuring out where we can plug those in.

Mr. Keene: Something tells me that probably some other things will come up in the course of the year that we haven't even thought of yet.

Chair Wolbach: Actually, the TCE and groundwater contamination, I'm guessing probably won't come to us as early as June 13th so that one might get pushed to later in the year (inaudible). That might also help clear up the – so sustainable purchases audit gets moved to April...

Ms. Richardson: Hydro-max back to June.

Mr. Keene: April 25th, sustainable purchase.

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Chair Wolbach: Right and also if the TCE gets pushed off, that means June 13th become more of a reasonable schedule.

Vice Mayor Kniss: This is on the agenda, are you thinking of incorporating any of those five suggestions that are at the bottom or are you – are we just going to let them kind of develop?

Chair Wolbach: I think needed to sit down and really, it's up to the City Manager to determine and Staff to figure out and I'll work with them on when we can get those plugged in but I think we've heard – we definitely (inaudible)(crosstalk)

Mr. Keene: Tom, reemphasized two of them. As I said, I mean – I don't think we're ready to talk about what we do next with jet noise. I think we've got to hit the next milestone of something in some ways if it – as it relates to that. I – there will probably be some other items that come up that will probably even have more urgency in the near – by the time we get to August.

Chair Wolbach: Yeah and the marijuana thing is one that we probably want to take up in the fall because we do have it – the current ordinance that expires at the end year of the year and I think we might want to be prepared for that. Alright? Alright, very good. With that, the meeting is adjourned.

ADJOURNMENT: Meeting adjourned at 7:09 P.M.