



# **POLICY AND SERVICES COMMITTEE MINUTES**

Regular Meeting  
April 9, 2013

Chairperson Kniss called the meeting to order at 7:02 P.M. in the Council Conference Room, 250 Hamilton Avenue, Palo Alto, California.

Present: Holman, Klein, Kniss (Chair), Price

Absent:

## AGENDA ITEMS

### 1. Boards and Commissions Recruitment Program Revisions.

Donna Grider, City Clerk, noted Staff initially presented the request for alterations to the Boards and Commissions recruitment process in December of 2012. The Policy & Services Committee (Committee) requested revisions and directed Staff to return for further direction. The goal of changing the process was to incorporate further efficiencies into the process in order to meet the needs of the community, the Boards and Commissions, and the City Council.

Chair Kniss asked Staff to supply a brief background for those who may not have participated in the December discussion.

Ms. Grider explained the Municipal Code presently contained 10 Boards and Commissions. The role of the City Clerk was to recruit for the positions and administer the oaths of office. The Municipal Code housed the direction of how the City Clerk would recruit. In reviewing the Boards and Commission sections it was evident each of them had different timelines for their expired terms. The general process for recruitment would begin when a term was close to expiring; an ad was placed in the local adjudicated paper to notify the community of the upcoming opening, followed by a mass recruitment through various venues. Once the recruitment deadline closed Staff would present the applications to the Council for determination of whom to be interviewed.

Council Member Klein understood the question on the table to be why the

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process needed to be changed; he believed the answer was there were not sufficient recruits.

Ms. Grider agreed in part there were not ample recruits coming forward. However, Staff research has found dissatisfaction among the applicants with the length and cumbersomeness of the process.

Chair Kniss has heard Staff mention the desire to streamline the process.

Ms. Grider agreed and reiterated the goal was to renovate the entire recruitment program to find the most efficient method of getting the information to the public, Council, from the review and selection process through to the interview.

Ronna Gonsalves, Deputy City Clerk, stated after the first discussion with the Committee, Staff made the suggested changes and have returned for direction and approval to move forward with the changes. The largest change would be shifting to a biannual recruitment process; spring and fall. The current process requires recruitment four to six times per year plus the additional recruitments for resignations. The change would require a Municipal Code modification. The significance to the Board and Commission section was the term expiration timelines. The recommendation was to recruit for the early terms in spring and the later terms in the fall. Upon approval of the recommendation Staff would work with the City Attorney for legal language to change the Municipal Code sections. The Municipal Code required an ad be placed in a general circulation newspaper once per recruitment; the cost per ad was \$240 with less than a ten percent return.

Chair Kniss asked if the ad in the paper was required.

Ms. Gonsalves stated yes.

Ms. Grider clarified the requirement was in the Municipal Code but it could be changed.

Ms. Gonsalves noted the importance of the advertising was transparency. The recommendation was to authorize the City Clerk to advertise vacancies using any newspaper, online ads, e-blasts, flyers, or any other appropriate materials; the requirement remained although in a manner that could reach more applicants. A flaw in the biannual recruitment was a mid-term resignation; which was an area under consideration.

The recommendation was for Staff to bring the resignation forward to the City Council request direction on an immediate recruitment or hold the

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position open until the upcoming recruitment. The current process for accepting applications was only during an active recruitment; the recommendation would be to accept them year round. In speaking with potential candidates their preference would be to apply when the urge was in the forefront of their mind. She mentioned there was a great deal more applicant interest when there was Staff and Council liaison collaboration and participation during a recruitment need. The liaisons have access to a wide-ranging collection of distribution lists, industry publications, and social media sites that the City Clerk's Staff did not. The volunteer fair was an idea sparked by outside agencies and the desire was for nonprofits and community members to join together to reach a communal goal. She shared Tuscan, AZ had over 100 nonprofits participate in their 2012 volunteer fair. Staffs vision for the fair would be to have a Boards and Commissions recruitment table or two set-up with computer stations for completing applications and viewing Commissioners testimonials. Having the current or previous Commissioners available to discuss the roles they play in the community and with the Council. An idea for media coverage was to have the event filmed for future use; interviews of the participants, the vendors, and the potential recruits. The interview process involved with recruiting was in need of a facelift which had been heard by Staff from the applicants as well as Council Members. After researching other local government agencies throughout California a great deal of them had highly simplified processes that Staff felt would not be acceptable in Palo Alto. One process that appeared interesting and plausible was the Council would review the applications and submit questions to the City Clerk for the specific applicant(s) they felt were suitable candidates. The applicant(s) would use those questions to prepare a 5-minute presentation for the Council during the interview.

Chair Kniss asked which city the model was based from.

Ms. Gonsalves stated the presentation model was based on Santa Barbara where the presentation was structured for 3-minutes and Council was not allowed to ask questions. The interviews were a valuable piece to the program; albeit taxing for those involved. Another recommendation was a recognition event for the Boards and Commission members.

Council Member Klein noted in the past there was a recognition event.

Ms. Gonsalves had heard there was at one time although she was not certain as to why or when the event stopped. Staff's thought was a simple event in the lobby of City Hall prior to a Council meeting.

Chair Kniss agreed during her previous terms they were recognized.

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Council Member Klein was not aware of when the recognition stopped although the events were of a higher caliber than Staff's recommendation.

Chair Kniss said many cities and counties recognize their volunteers.

Ms. Gonsalves felt training and mentoring should be part of a more dynamic all-encompassing Boards and Commission recruitment program that involved all of the departments throughout the City. There were aspects of being a Commissioner that should be understood; Brown Act, Conflict of Interest, and partnering with other departments would provide additional necessary information for the Commissioners to perform their best for the City. The recommendation was to implement it as a Phase II after the actual recruitment process had been finalized. It had been recommended for the applications to be better suited to the technological advances available. Staff was currently working with the Human Resources department to upload the applications onto the City's NeoGov recruitment site. The applications could be completed in the system and automatically generated to the Staff person designated for review; no wet signature required. For those of you who are unfamiliar with the GovDelivery system it is a program the City uses to distribute the Council Agenda packet to all who subscribe. The recommendation was to create a subscription list for those who were interested in receiving upcoming recruitment notices. The NeoGov and GovDelivery systems were pre-existing programs with no additional costs to the City. It was recommended by the previous Committee to review who was responsible for verbatim minutes by the Architectural Review Board (ARB), Historic Resources Board (HRB), and Planning and Transportation Commission (P&TC). Staff contacted 14 cities and learned only two cities typed Boards and Commission minutes; one typed action minutes for all of the Committees and the other typed action but only for a few of the Commissions. In Palo Alto the Planning department managed the verbatim minutes typed for all of the P&TC meetings, and the ARB and HRB typed non-verbatim minutes when an item was moving forward to the Council. The Utilities department prepared sense minutes for all Utilities Advisory Committee (UAC) meetings.

Chair Kniss asked which Council Members sat on the Committee in 2012.

Council Member Holman stated her and Council Member Klein.

Chair Kniss asked if they recalled the discussions from the December 2012 meeting.

Council Member Holman said yes.

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Chair Kniss wanted to confirm her understanding was to streamline the process and deliver more information to the public. She felt the volunteer fair was the perfect venue to achieve such a feat. There was a volunteer fair at Cubberley a number of years ago with 500 nonprofit organizations participating.

Ms. Gonsalves stated there were a number of organizations around the county that host databases of nonprofit organizations.

Council Member Price asked how other cities handled the mid-term resignations.

Ms. Gonsalves said a number of cities left the vacancy until the next recruitment. Staff had thought of suggesting an alternate program where the Council would vote on an applicant to serve as an alternate in the event of a resignation.

Ms. Grider stated it was determined to be too cumbersome during a Council Meeting to vote on the applicants and revote on an alternate.

Council Member Price asked how Staff envisioned the Council receiving the recommendations; would there be multiple options for discussion.

Ms. Gonsalves clarified her vision was to present Council with a report after receiving a resignation informing them when the next recruitment would be and request their direction on holding the position vacant or adding a special recruitment.

Council Member Price wanted to ensure there was an opportunity to hold a special recruitment without a challenge on fairness from the public.

Ms. Grider stated in December of 2012 Staff came to the Committee with a recommendation for an annual recruitment and the feedback received was for twice per year recruitment. Her inclination for a vacancy was to leave the position vacant until the next recruitment.

Chair Kniss said there were three Committees that appeared have critical roles. She asked her Colleagues for their thoughts on the urgency of a vacancy in those three Committees.

Council Member Holman felt recruitment outside of the two regularly scheduled processes would need to be dealt with on a case by case basis.

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She explained conflict of interest was an issue with the ARB so withholding the recruitment may not benefit the Commission. The P&TC was a critical component to the City although depending on the projects they were reviewing it may not be crucial to hold a special recruitment. She understood the correlation between the suggested recruitment timeframes spring and fall; although recruiting for the HRB, Human Relations Commission (HRC), Library Advisory Commission (LAC), and the Public Art Commission (PAC) at one time could work because they had a varied number of applicants. The ARB, P&TC and the UAC were more challenging to recruit for and she wondered if holding them in the same recruitment was a benefit because the process was longer for those Commissions.

Ms. Gonsalves said she was open to changing the order of the Commissions in each recruitment cycle. She felt keeping all of the more challenging recruitments in one cycle may simplify the process since the Council what that cycle entail. The challenge might be if an applicant wished to run for two of the three during a single cycle.

Council Member Holman said the volunteer fair was an easy yes for her. Her thought was there should be a table for each Board or Commission and have a Staff member and a member or 2 of said group staff the perspective table(s). The non-profit involvement adds an entirely different element of possibilities for recruitment.

Chair Kniss felt there were around 25 non-profit organizations for environment alone.

Council Member Holman had mixed feelings on not advertising in the newspapers. She mentioned her Palo Alto Commission career began from an ad in the Palo Alto Weekly.

Ms. Gonsalves clarified the objective was not to stop advertisement in the newspapers; the goal was to have the authority to explore different avenues in print and other ad space.

Pam Antil, Assistant City Manager, agreed some of the municipal law relating to City Clerk functions had not caught up to the technology available. The City created a Facebook page and there were online versions of the print ad papers that were and could be followed easier.

Chair Kniss acknowledged the younger generations were more likely to read the online versions.

Council Member Holman asked if general circulation papers implied print.

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Ms. Grider stated the Municipal Code clearly stated an adjudicated paper and the Palo Alto Weekly was the only one in Palo Alto. The recommendation was to modify the Municipal Code to allow advertisement in other local newspapers that may not be adjudicated.

Council Member Klein believed the Committee should review and discuss the Staff recommendations item by item to achieve more clarity.

Chair Kniss asked if the suggestion was for each Committee Member to speak regarding each item before moving on to another.

Council Member Klein agreed.

Council Member Holman supported the bi-annual recruitment recommendation.

Council Member Klein supported the 2-cycle recruitment process but suggested a more concentrated effort on a rebalanced the spring cycle because it was lighter than the fall.

**MOTION:** Council Member Klein moved, seconded by Council Member Holman to recommend the City Council accept the Staff recommendation to conduct bi-annual board and commission recruitments, to switch the Utilities Advisory Commission recruitment to the spring recruitment and the Historic Resources Board recruitment to the fall, and neither of the current terms of those two boards to be shortened.

Council Member Klein noted with the proposed process changes there were Commissioner terms being shortened or lengthened; he asked the City Attorney if there was issue in that.

Ms. Grider mentioned the recommendation was to lengthen the terms of those Commissioners that were necessary to change.

Molly Stump, City Attorney, said there was a holdover provision in the Municipal Code so lengthening the term was valid.

**MOTION PASSED:** 4-0

**MOTION:** Council Member Holman moved, seconded by Chair Kniss to recommend the City Council accept the Staff recommendation to allow Staff the latitude on how they would advertise in local media, to including looking to online and the internet sources.

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**MOTION PASSED:** 4-0

**MOTION:** Council Member Price moved, seconded by Council Member Klein to recommend to the City Council that when there are midterm resignations that they will be reviewed by Council on a case by case basis.

Chair Kniss asked if the Motion was inclusive of the alternate Commissioner for each Commission.

Council Member Price stated no. The Staff recommendation provided more flexibility and there were no assurances an alternate would be available when the opportunity arose.

Chair Kniss desired to keep the alternate option on the table for future consideration.

**MOTION PASSED:** 4-0

**MOTION:** Council Member Holman moved, seconded by Chair Kniss to recommend to the City Council that the Clerk's Office continuously accept board and commission applications.

**MOTION PASSED:** 4-0

Council Member Klein asked why the term Staff Liaison was used throughout the report rather than Council Liaison. Staff notified the Council via e-mail when there were recruitments.

Ms. Gonsalves said yes and she would continue to do so in order to keep Council informed and ask for assistance in getting the word out.

Council Member Klein felt there had been issues with Staff Liaisons recently. One Staff member endorsed an applicant during recruitment and that type of action is clearly not acceptable.

Ms. Grider agreed with the concern and she had a conversation with the Utilities Director based on the matter. The Director's concern was if she recommended a person to apply it would be seen as a recommendation or endorsement. Staff was requesting a broader umbrella approach from other Staff members and the City Council in terms of forwarding the notice of vacancy to those who may qualify. The objective was to have as much notoriety as possible to organizations that may house the type of individuals that would be interested in applying.



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Council Member Klein stated an organization was different than an individual.

Ms. Grider suggested changing the wording to be more specific.

Chair Kniss asked the Maker of the Motion if there was a desire to change the language.

Council Member Price recalled a separate situation where a Staff member wrote a letter of support for one of the applicants. She asked if the inappropriateness had been clarified to Staff in general terms.

Ms. Grider clarified Staff had been informed and she would ensure there was a clear understanding. She mentioned changing the language to the Staff recommendation to state Staff was seeking organizations of posing individuals to serve on Boards or Commissions.

Ms. Gonsalves noted Staff was not requesting Council or other Staff members forward the notices on but if they could notify herself or Ms. Grider of who to contact, a distribution list, or where to begin they would perform the act of contacting the organization.

Council Member Klein stated the solution was within the language; the Staff person did not contact the person or organization but sent the information to the Clerk's office to be the connection for the request.

**MOTION:** Council Member Klein moved, seconded by Council Member Price to recommend to the City Council to encourage Staff Liaisons and Commission Members commit to participation in the Boards and Commission Recruitment Program.

**MOTION PASSED:** 4-0

Council Member Holman read the second line of the third paragraph: The Boards and Commissions Recruitment Program would also have a recruitment table. She felt the Board and Commissions recruitment would be more effective if each of them had their own table to staff for questions and answers by the citizens. She was not certain whether or not the Motion should include the types of items at the fair such as the types of projects the perspective Commissions look at, an overview of the past year in the Commission, the fair was an educational format for potential applicants.

**MOTION:** Chair Kniss moved, seconded by Council Member Price to

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recommend the City Council accept Staff recommendation to conduct a trial City hosted volunteer fair to be held in the spring of 2014 prior to the spring recruitment, that each board and commission have a separate table with a Staff liaison or Council Member.

Ms. Grider stated the fair was at the vision stage.

Council Member Holman asked if Staff planned on returning to the Committee with what to expect of the fair.

Ms. Grider said it was not part of the plan although she was open to Council providing suggestions.

Chair Kniss suggested the Committee provide direction on items that would be appropriate to see at the fair.

Ms. Grider clarified there would be an information report provided to the Council after the completion of the first volunteer fair to deliver feedback on the outcome and application intake.

Council Member Holman said the Staff Report mentions a trial volunteer fair in 2014. She asked if it were possible to do one this Fall. Her vision of a volunteer fair was to give more panache and visibility to the Boards and Commissions purpose and a way to get engagement and an understanding to those who are uncertain.

Ms. Gonsalves agreed with the concept of the fair and noted the reason for the 2014 timeframe was Staff had not intended to change the recruitment process until January 2014 with a clean slate for the New Year.

Council Member Klein said if the first appointments were for April the fair would need to be done in prior winter.

Ms. Gonsalves said the initial proposal was for February although the Clerk's office was fairly busy in the January/February timeframe with Council matters.

Chair Kniss mentioned the first time may be a learning experience to find what could be changed to better the process for the next one.

Ms. Gonsalves agreed and understood the first fair would not be perfection but suggestions were welcome.

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Council Member Klein felt the non-profit organizations should be limited because the focus of the fair was for recruitment.

Chair Kniss agreed to limit the non-profit organizations to those which were pertinent to those associated with the Boards and Commissions.

Ms. Gonsalves said her vision was to invite a variety of non-profit organizations.

Ms. Antil stated the City had a number of voluntary positions outside of the Boards and Commissions realm.

Ms. Grider felt partnering would be perfect.

Council Member Klein said it would be more beneficial to have a City sponsored volunteer fair.

Ms. Gonsalves stated the vision was clearer and having the City sponsored volunteer organizations tied the recruitment together.

Council Member Klein asked Ms. Antil to elaborate on the City volunteers.

Ms. Antil said citizens in Palo Alto had a desire to be involved and there were opportunities at Lucy Stern or the Art Center and a magnitude of others. The issues had been each need was directed on its own and somewhat individual. The fair would open the chance for all of them to see what opportunities were available and different ways things could be done.

Council Member Price saw the fair as a chance to showcase some of the programs within the City such as the Friends Groups. Keep the focus on City events and items sponsored by the City.

Ms. Gonsalves mentioned altering the structure would make it more manageable for Staff.

Council Member Price asked if Staff had the funds budgeted or if there was a need for an additional sum.

Ms. Grider stated there would be savings from the reduced recruitment ad space and Staff time. There may be a need for additional funds but Staff was not at a point to determine the need as of yet.

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Ms. Gonsalves did not see the fair being a dramatic cost. The event would be staffed by City Staff and volunteers, the event would be housed using City facilities and equipment. The major cost would be with advertising to notify the community of the event.

Council Member Holman asked if the Motion should state when the volunteer fair should be hosted.

Chair Kniss stated the fair should be hosted when it was most appropriate for the Boards and Commissions recruitment. If the timeframe is February of 2014 that would be sufficient although she believed winter would be best.

Council Member Klein stated if the fair was not completed by winter the recruitment schedule would be off by 12-months. He proposed the fair be completed by March 21, 2014.

**MOTION RESTATED:** Chair Kniss moved, seconded by Council Member Price to recommend the City Council accept Staff recommendation to conduct a trial City hosted volunteer fair to be held by March 21, 2013 prior to the spring recruitment, that each board and commission have a separate table with a Staff liaison or Council Member; non-profit organizations will be controlled to fit in with board and commission recruitments and so it reaches out to other city activities. This is not to be a citywide nonprofit fair.

**MOTION PASSED:** 4-0

Council Member Holman recommended comingling the interview process and application content changes into one Motion. She felt the current interview process was repetitive and some of the questions being asked of the applicants could be answered in the proposed questionnaire. Her issues with the applications were the forms have become generic. The content of familiarity with certain aspects of each Board or Commission has disappeared.

**MOTION:** Council Member Holman moved, seconded by Council Member Price to recommend to the City Council that Council Members Price and Holman work with Staff to change the content of the application forms, and then have this Committee discuss the interview process.

Chair Kniss asked for clarification on the proposed process of the interviews.

Council Member Holman stated until Council saw more of the application content it was difficult for Council to determine the length of time an interview should be or how it should be conducted.

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Council Member Klein wanted to complete as many items as possible and felt the interview process and the application content changes could be separate. He asked what the current length of interviews was.

Ms. Grider said the P&TC were 15 minutes per candidate and the remaining Commissions were 10 minutes.

Council Member Klein recommended all of the interviews be changed to 10 minutes with an implemented rule of no more than 2 minutes for the opening statement. Research has shown the first 2 minutes of an interview held the most pertinent information.

Chair Kniss did not wish to battle over the 2 minute introduction rule although she could argue 3 minutes was ample time to provide a solid introduction.

**SUBSTITUTIVE MOTION:** Council Member Klein moved, seconded by Chair Kniss to recommend to the City Council that a subcommittee work with Staff to refresh the applications, interviews for all commissions be 10 minutes long, and a beginning statement be no more than 3 minutes.

Council Member Klein stated the interviews and the applicants' opening statements will be timed.

Ms. Antil noted Staff can prepare the applicant's prior on how the process will be conducted.

Ms. Gonsalves mentioned she coached the candidates but with that specific direction she could better prepare them.

Council Member Holman lobbied to maintain the P&TC interviews at 15 minute intervals. The P&TC did not usually receive a large number of applicants and the additional 5 minutes would not amount to a significant volume of time. The P&TC provides substantial, serious, and impactful recommendations to the Council and she felt the investment of the minimal amount of additional time was worth it.

**AMENDMENT:** Council Member Holman moved, seconded by Chair Kniss that the Planning and Transportation Commission interviews will remain 15 minutes.

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Council Member Klein did not support the Amendment and although he agreed the P&TC was an important part of the City functions he did not feel the additional 5 minutes added any significant information to the selection decision.

Council Member Price supported the Amendment and felt the additional 5 minutes would benefit the ability for all 9 Council members to speak to the candidate.

**AMENDMENT PASSED:** 3-1 Klein no

Chair Kniss felt it was the duty of the person running the interviews to determine when to end the interview.

Council Member Klein noted few Mayors' in the past had concluded the interview prior to the end time.

**SUBSTITUTE MOTION PASSED:** 4-0

**MOTION:** Council Member Price moved, seconded by Chair Kniss to recommend to the City Council to hold an annual Board and Commission recognition event.

Council Member Klein did not agree with the recognition event being held prior to a Council meeting.

Chair Kniss asked for a reason.

Council Member Klein felt the event should be of more importance than a short reception in the lobby.

Chair Kniss disagreed.

Council Member Klein recalled the recognition events when they were held at the Foothills Park. He understood the cost was higher but it enabled the individuals being recognized to share the recognition with spouses and significant others.

Council Member Holman was not certain of hosting the event at Foothills Park although she agreed the lobby was trivializing their contributions. She felt the recognition event should be its own element.

Ms. Grider said the size of the event was open to budget concerns.

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Council Member Klein noted a number of volunteer events had been held at Lucie Stern.

Chair Kniss mentioned the Art Center was lovely with its completed remodel.

Ms. Gonsalves stated a larger event had a larger budget concern even without a venue cost.

Council Member Price agreed it should be a focused and special event. She was concerned with the necessary recourses to accomplish such an event.

Chair Kniss supported the Motion and recommended revisit in a year.

Ms. Gonsalves understood the direction and agreed to revisit with the Committee after the completion of the first event.

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

Council Member Holman said the training and mentoring issues tied together with the application changes because individuals would be more informed of the role in or on a Board or Commission. Some communities organize Commission Academies that teach Rosenberg's Rules.

Ms. Stump clarified Rosenberg's Rules were a shorter more updated version of Roberts Rules. She offered to send the Committee members a copy of the Rules for review.

Council Member Holman understood academy was a broader term and not what Staff may have intended but the concept of an orientation was necessary. Without the proper training on the rules and regulations of how meetings were run the new Commissioners attend their first few meetings in the dark. The Staff report mentioned a handbook; the P&TC received a number of handbooks.

Chair Kniss asked if there had been an attempt for mentoring new Commissioners by established Commissioners.

Ms. Gonsalves stated Staff was unfamiliar with any type of formal process for mentoring.

Chair Kniss said providing the new Commissioners the option for a mentor if they so desired was a positive beginning.

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Ms. Stump spoke to the academy as potentially a big area and to take it in pieces; Brown Act training, pieces of general handbooks from different offices, and experience. There were a number of pieces that could be built in time to create an academy type program.

Council Member Klein said the comments seem similar to the New Employee Orientation (NEO) the City Manager's office did. All employees start on the 1<sup>st</sup> of a month and begin their employment with a 2-day tour of the City facilities and functions.

Ms. Antil said the first day of employment was the first Monday of the month with a tour the first Tuesday and Wednesday with information on being an employee for the City and different departments. If the employee was in a union there was a separate overview of that process and review of Council's goals and objects.

Council Member Klein felt since the recruitment process had changed to twice per year there should be a New Commissioner Orientation (NCO) developed parallel to the NEO program.

Ms. Gonsalves agreed and noted her vision was in line with the comments of Council Member Klein.

Ms. Grider mentioned the need for training on the Form 700 and basic ethics training.

**MOTION:** Council Member Holman moved, seconded by Council Member Price to recommend the City Council continue the training and mentoring program discussion at this time.

**MOTION PASSED:** 4-0

Council Member Holman had no issue with the way the current Board and Commission minutes were completed.

Chair Kniss said this item was first heard in December so she felt there was a reason for its return.

Ms. Grider explained the matter was first brought forward in her annual review to determine which minutes the City Clerk's office was responsible for. A poll of surrounding cities was performed to see what minutes were typed by their City Clerk's offices and for what Boards and Commissions. She felt it was an opportune time to revisit the matter because she was directed to return the results to the Committee.



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Council Member Holman asked why all of the Boards and Commissions were not referenced in the Staff report.

Ms. Grider clarified she was requested to review the 3 specific Boards and Commissions; ARB, P&TC, and UAC.

Ms. Gonsalves noted she performed the research and simply asked the 14 City Clerk's she spoke to what minutes were typed and what structure they were typed in. She found it odd but the majority of the 14 cities either did not type Boards and Commission minutes at all and the 2 that did were in a basic action style but the City Clerk's department did not type any of them.

Council Member Klein said Item K- Technology seemed to be a report with no action required.

Ms. Grider agreed the Item was to inform the Committee and Council the City had the technology in place that the Clerk's department could use to advance the Boards and Commissions processes. According to the City Attorney with the available technology the applications could be available online and would not require a wet signature so people could apply on a weekend and submit without missing a deadline or needing to come to City Hall.

## 2. Auditor's Office Quarterly Report as of March 31, 2013.

Jim Pelletier, City Auditor, explained the City Charter required the City Auditor's office perform quarterly audit reports and present them to the Council. In the Current Activities section of the Staff Report the Service Efforts and Accomplishments (SEA) report was completed and previously presented, the Inventory Management audit is in progress; the previous title was Utilities Assets Management. Based on the preliminary survey, concerns arose with the departments that stored assets at the Municipal Service Center (MSC) as well as multiple offset locations. The Special Advisory Memorandums (SAMS) involving cash handling where the Audit Department was working closely with the Administrative Services Department (ASD) to identify and repair gaps in the system was coming to a close.

The sales and use tax monitoring had registered a total of \$98,000 in recoveries by the end of the third quarter. There was a total of 44 percent of misallocations waiting to be researched and processed by the state. The Hotline had received six calls since its inception in August of 2012.

Council Member Price asked how a change in scope of particular audit

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implicated the remainder of the scheduled work plan.

Mr. Pelletier stated in the event an audit altered the work plan, during the mid-year Staff would bring forward budget modifications and request planned audits of slighter importance may be pushed back.

**MOTION:** Council Member Holman moved, seconded by Council Member Price to recommend the City Council accept the Auditor's Office Quarterly Report as of March 31, 2013.

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

3. Discussion of Fraud, Waste, and Abuse Hotline Pilot and the City Auditor's Recommendation to Continue the Hotline Beyond the Pilot Phase.

Jim Pelletier, City Auditor, provided background on how and why the Hotline came to be. Staff recommended the Hotline be continued beyond that of the pilot phase. The Hotline was a program that provided callers with an anonymous mechanism for reporting fraud waste and abuse in the City. He provided best practices and guidelines for Hotlines and their impact. He reviewed the Federal sentencing guidelines for organizations.

Chair Kniss asked if other cities had Hotline Programs.

Mr. Pelletier said yes, according to the National Business Ethics Survey, based on a 2011 survey; 82 percent of corporations and 91 percent of governments had written Codes of Ethics and 77 percent of corporations and 85 percent of governments had a mechanism for anonymous reporting in place. The two cost components of a Hotline were the cost to operate the line itself and the cost to review and investigate. Staff found the hotline portion to be cost effective to contract with a third party vendor. The key considerations for Council would be the amount of Staff time and resources necessary to adequately investigate all calls weighed against the benefits of having a hotline in place.

Chair Kniss believed a Hotline may deter people from unethical behavior.

Mr. Pelletier noted studies have shown those organizations with Codes of Ethics and a program to detect fraud had a lower ratio of observed poor behavior and increased productivity of staff.

Council Member Holman asked for clarification on one of the incidents listed in the report; it was not noted as a benefit.

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Mr. Pelletier apologized for the footnote not being complete and clarified for that particular call, the allegation was unsubstantiated but Staff recognized the policy needed to be improved for clarification.

Council Member Holman asked if the Auditor or City Attorney had received feedback from Staff regarding their appreciation of the hotline being available.

Mr. Pelletier had not received direct notification although receiving calls proved to him there were those employees who appreciated the ability to speak out.

Council Member Klein was surprised there was an outside contractor hired for the Hotline investigations. He asked what the cost of their contract was.

Mr. Pelletier stated when the policy for the Hotline was administered the process was the allegation would be brought to the City Auditor, City Attorney and City Manager(the Human Resources Director is also informed) which formed a committee. The committee collaborated and given the nature, complexity and multitude of the complaints it was determined an outside consultant would be better suited.

Council Member Klein asked what the expected estimate would be for their services.

Mr. Pelletier said the consultant would be working in phases. Each phase would be reviewed by the committee to determine the next steps. At that the expected cost was a couple thousand dollars for the initial information.

Council Member Klein said the report was reflective of six complaints over eight months. He asked how that number compared to other organizations of similar size.

Mr. Pelletier said based on research it was fairly typical for government agencies to have a small number. In Palo Alto there was not a Code of Ethics in place so the employees did not have a reference to go by on whether or not to report an item.

**MOTION:** Council Member Price moved, seconded by Council Member Klein to recommend the City Council continue the Fraud, Waste, and Abuse Hotline Program.

**MOTION PASSED:** 4-0

# MINUTES

Council Member Price asked the status of the earlier recommendation for a Code of Ethics training and Compliance Program developments. They appear to be key elements to the Hotline utilization.

Mr. Pelletier acknowledged his office would be happy to support the development of the program.

Council Member Price believed the City Manager's office had begun some effort in this area with an outside consultant.

Pamela Antil, Assistant City Manager, stated the City Manager's office would provide a separate report on the full efforts; however, they did terminate their consultant.

Council Member Holman asked if there was a possible timeframe on the report.

Ms. Antil volunteered to provide an Informational Report at the next Committee meeting.

Council Member Price asked if both departments would be working in partnership on the Code of Ethics training and program development.

Mr. Pelletier stated yes, and he would include the City Attorney's office for legal input.

## FUTURE MEETINGS AND AGENDAS

Council Member Holman mentioned the May 14<sup>th</sup> Agenda had an item of hiring a legislation state lobbyist and there were a number of pieces of legislation that were pending or would be presented soon. She was interested in determining whether that would be the proper venue to discuss the recommendation to Council from the Committee in terms of what pieces of legislation Palo Alto may think about supporting further.

Chair Kniss asked if the concept of the discussion would be to review what the lobbyist would do for the City.

Council Member Holman said yes, what the lobbyist might assist Palo Alto with was one consideration but also what the Committee might wish to focus on.

# MINUTES

Council Member Klein asked how that was different from the state legislative program the Council recently passed on the federal and state program.

Council Member Holman said her intent was to gather more detail from colleagues on what direction they wished to move forward on with respect to legislation.

Council Member Klein believed if there were specific bills a particular Council member wished to support they should present them to the Committee.

Molly Stump, City Attorney, brought to the Committees attention the City Manager did have an assigned resources on federal legislative developments and there was a list of bills she was watched. She could be contacted if a new bill should be added to her list.

Council Member Klein recommended Council Member Holman speak with the Assistant to the City Manager, Sheila Tucker if she felt there were items that the City should be watching or aware of.

Chair Kniss recalled the direction was in that of a state lobbyist. The difference was one understood how the bill was written and the other called the City to inform them on how the vote was going.

Council Member Price said the item needed to be addressed in May because there were budget implications for a state lobbyist. She asked if there was a way to deal with the state lobbyist situation sooner than May 14<sup>th</sup>.

Council Member Klein stated yes, write a Colleagues Memo and place it on the Council Agenda.

Council Member Price recommended a Colleges Memo.

Council Member Klein noted if there was to be a Colleagues Memo to Council the matter could not be discussed during the Committee meeting.

Ms. Stump said if the City Manager was aware the Council or Council members desired to move quicker on a matter he could place it on a Council Agenda.

Ms. Antil asked if it was the preference of the Committee to remove the Item from the Committee agenda and go directly to Council.

Council Member Price said that was her proposal.

# MINUTES

Chair Kniss said the item was scheduled for a future meeting so she believed it was not in the purview of the Committee to Motion to direct the Item to the City Manager to be agendaized for a City Council meeting.

Ms. Stump understood the Committee direction and would bring it forward to the City Manager to expedite the matter to Council.

Council Member Klein suggested adding the remodeling of the Council Conference Room to the May 14<sup>th</sup> Committee agenda.

Chair Kniss asked for the specific language to be added to the agenda.

Council Member Klein confirmed update on the potential remodeling of the first floor of City Hall.

Ms. Antil agreed to the addition of the item on the agenda.

Chair Kniss added language to the title to read: a date certain on when the remodel would be complete.

Chair Price asked the status of Consumer Price index (CPI). It did not need to be on the May 14<sup>th</sup> agenda but shortly thereafter would be acceptable.

Ms. Stump assured the Committee Staff would prepare information for their review.

ADJOURNMENT: Meeting adjourned at 9:15 P.M.