



Policy and Services Committee MINUTES

Special Meeting
February 18, 2014

Chairperson Price called the meeting to order at 7:24 P.M. in the Council Chambers, 250 Hamilton Avenue, Palo Alto, California.

Present: Klein, Price (Chair), Schmid

Absent: Scharff

ORAL COMMUNICATIONS

None

AGENDA ITEMS

1. Auditor's Office Quarterly Report as of December 31, 2013.

Houman Boussina, Acting City Auditor, indicated the Quarterly Report was a standard report which provided an update regarding Audit Reports, other monitoring and administrative assignments, and Fraud, Waste and Abuse Hotline administration.

Council Member Schmid noticed the Report contained only one audit on the schedule; the Solid Waste Program Audit. No other major audit items were identified for the third and fourth quarters.

Mr. Boussina reported the information indicated only the audits in process or completed during the period of the Report. The Annual Work Plan contained a more comprehensive list of audits planned for the upcoming year.

Council Member Schmid asked if other audits were in process at the current time.

Mr. Boussina noted the Audit Office completed the Inventory Management Audit; was scheduled to present the Performance Report on March 10, 2014; and was completing field work and preparing a report for the Solid Waste Program Audit.

Council Member Schmid inquired whether the City Auditor was working on any Special Advisory Memorandums (SAM).

Mr. Boussina stated none were currently in process. Staff was contemplating one SAM, and one was listed in the Work Plan.

Council Member Schmid liked SAMs and hoped they could be effective. He noted the Inventory Management Audit and Contract Oversight Audit were filled with impacts and asked if the Audits were reported to the Finance Committee.

Mr. Boussina answered yes.

Council Member Schmid felt the Auditor should also report out to the Policy and Services Committee.

Mr. Boussina understood from the prior City Auditor that audits concerning Utilities would be heard by the Finance Committee and most other audits by the Policy & Services Committee.

Council Member Schmid indicated the Solid Waste Program Audit may or may not be a Utility audit.

Mr. Boussina explained the Audit concerned the Refuse Fund and Enterprise Fund.

Council Member Schmid agreed it was an Enterprise Fund, but not necessarily a Utility Fund. Presenting the Audit to the Policy & Services Committee would be valuable as it concerned zero waste goals of the City. Complaint Number 9 regarding the Hotline was noted as entered and closed during the quarter. Yet, the complaint was referred. He requested clarification.

Mr. Boussina felt the complaint was important but not necessarily appropriate for the Hotline Committee to address. People Strategies and Operations was the appropriate department to address the complaint. The Hotline Committee considered the issues and agreed that would be the appropriate course of action.

Council Member Schmid requested Staff express the action differently in future reports; perhaps note a complaint was being reviewed by the appropriate department.

Chair Price noted the City was impacted by reporting from the State Board of Equalization with respect to Sales and Use Tax allocation reviews. Staff could not provide information to the public or address potential

misallocations until it received reporting from the State Board of Equalization.

Mr. Boussina concurred.

Chair Price inquired whether it was an ongoing issue.

Mr. Boussina replied yes.

MOTION: Council Member Klein moved, seconded by Council Member Schmid to recommend the City Council approve the Auditor's Office Quarterly Reports as of December 31, 2013.

MOTION PASSED: 3-0 Scharff absent

2. Approval of Updated Guidelines, Procedures, and Selection Processes for the City of Palo Alto's Cubberley Artists Studio Program (CASP, Formerly the Cubberley Visual Artists Studio Program), in Preparation for the Spring Release of a New Application and Selection Process.

Rhyena Halpern, Assistant Director for Community Services, reported the Cubberley Artists Studio Program (CASP) served artists well and demonstrated the City's commitment to artists. CASP was essential to retaining artists in the community. Policies were last reviewed by the Policy and Services Committee in 1995. CASP began in 1989 in response to a need for affordable space for artists. Approximately 60 artists had participated since 1990. Currently 22 artists were in residence, 11 of whom were Palo Alto residents. The program provided 23 studio spaces. Artists paid approximately one-third of the market rate for studio space. The City received approximately \$100,000 in revenue annually for CASP. The City's subsidy was valued at approximately \$165,000 annually. Primarily two types of programs were identified nationally. The first type of program was a studio rental program; allowed unlimited lease renewals, sometimes had low income requirements, and often had a low rate of turnover. The second type of program was a residency program; was usually short-term with a range up to three years. CASP was a hybrid program. Many programs provided some type of rental subsidy. Many required an onsite service component of two to eight hours per month. CASP required general service but that service was not quantified in terms of time or location of service. Many programs provided shared workspace and shared tools. CASP did not provide shared space or tools. Most programs provided galleries and program spaces. CASP did provide a dedicated exhibition space or program space. CASP artists had limited opportunities to generate revenue. Many programs had regular open hours for the community. CASP held open studios twice per year and episodic programs. Many residency or juried programs had term limits. CASP had terms but not term limits. Staff

surveyed 120 local artists. One third of respondents were searching for studio space. Half of respondents were residents of Palo Alto; others were residents of Menlo Park, Mountain View, Los Altos, San Jose, and other cities. Five artists currently in residence at Cubberley had been there for 15-24 years, six artists for 10-14 years, ten artists for 4-9 years, and one for less than 2 years. Since 2003, nine artists left CASP through attrition. Current artists valued long residences and created a strong community. Currently artists applied every five years and were required to donate a piece of art to the City. CASP could serve more artists through term limits and could better reflect the public sector's values. A wider range of artistic disciplines and shared work space would be beneficial to the community. Updating CASP policies and procedures could improve name recognition, public value, economic impacts for artists, accountability and reporting, and Staff involvement. Staff held five outreach meetings and communicated informally with artists regarding proposed changes to CASP. Staff proposed to institute term limits of two 4-year terms. Artists could apply again after two additional terms. If studio space became available during a term, termed-out artists could reapply and be placed on a waiting list. Staff proposed focusing outreach on increasing the diversity of artistic disciplines, the number of artists at different points in their career, and the number of cultural approaches. Staff oversight of and involvement with CASP artists would increase. Staff proposed implementing the practice of shared studios; quantifying community service to four hours a month; increasing economic activity for artists; and converting one vacant space into a café, gallery, shop, and/or program space. Staff proposed an updated Mission Statement, Values, and goals for CASP.

Council Member Schmid asked who performed the survey and how the list of participants was chosen.

Ms. Halpern indicated a consultant performed the national research and local survey.

Council Member Schmid requested details of the survey.

Alissa Erickson, Contractor, reported that SurveyMonkey was utilized for the online survey which was open for three weeks in October 2013. Survey participants were identified through the Art Center's Art Alert system, Art Center teaching faculty, artists, and local galleries.

Ms. Halpern wished to perform a larger survey at some time in the future.

Council Member Schmid inquired whether respondents had some contact or activity with CASP.

Ms. Erickson explained that respondents had contact with the City of Palo Alto and the Art Center. The survey asked if respondents were familiar with CASP, to which a significant portion of respondents indicated they were not.

Council Member Schmid inquired whether Staff was aware of any information in the National Citizen Survey regarding art and the Art Center.

Ms. Halpern was not aware of any art information in the National Citizen Survey.

Council Member Klein noted the difference in rates charged to Palo Alto artists and nonresident artists appeared to be 10 percent. He asked how that amount was determined.

Karen Kienzle, Senior Program Manager, did not know how the original differential was determined. In the Budget Process two years ago, Staff proposed an increase for rates charged to artists. Artists and City Staff negotiated the current differential in rates.

Ms. Halpern reported in 1995 the rate was 41 cents per square foot for Palo Alto residents and 45 cents per square foot for nonresident artists.

Council Member Klein calculated the differential for those rates to be 10 percent.

Greg Betts, Director of Community Services, explained that Staff proposed an increase in artists' rates during the Fiscal Year 2013 Budget cycle. The Finance Committee lowered the amount, and the differential for artist rates was the same as that used for City camp programs and recreational activities.

Council Member Klein understood the subsidy did not include amounts paid by the City for utilities, and inquired about the amount the City paid for utilities per square foot.

Ms. Halpern could provide that information at a later time.

Council Member Klein noted artists in residence did not pay utilities, taxes, and maintenance for their studio spaces. If those amounts were included, the City's subsidy would be greater. He suggested that information be included in Staff's report to the City Council.

Ms. Halpern agreed to do so.

Council Member Klein inquired about the process for selecting the piece of art donated by each artist in residence.

Ms. Kienzle explained that the Public Art Commission (Commission) worked with artists to identify three works and then to select one of the three pieces, considering how the individual piece would mesh with the public art collection and long-term care.

Council Member Klein suggested Staff include that information in their report as well.

Ms. Halpern stated artists were generous in their donations. Staff was interested in receiving pieces that typified artists' work.

Council Member Klein referred to Staff's desire to increase attendance at open studio programs, and asked how Staff proposed to do that.

Ms. Halpern reported Staff needed to be involved with artists in order to collect good data to create a marketing plan.

Council Member Klein noted that points would be deducted for incumbent artists based upon their number of years in residence. He asked how that would work with proposed term limits.

Ms. Halpern reiterated that the existing CASP did not have term limits, and Staff recommended term limits be instituted. For the upcoming selection cycle only, Staff recommended a review process that awarded points to applicants. Reducing the number of points for incumbent artists would provide a better chance for other artists to participate in CASP.

Council Member Klein stated term limits would not begin for another eight years.

Ms. Halpern agreed.

Council Member Klein asked why term limits were delayed for eight years.

Ms. Halpern wished to accommodate current artists in residence and their need for studio space while also making CASP more accountable, accessible, and equitable.

Council Member Klein expressed concern about the application of points. If a deduction was only a few points, it would be meaningless. If a deduction was 50 points, then Staff should institute term limits in the upcoming selection cycle. There would always be a bias in favor of current artists in residence.

Ms. Halpern inquired whether Council Member Klein was concerned about not creating bias.

Council Member Klein was not sure the deduction of points would be effective.

Ms. Halpern explained that the selection process would have two tiers. A maximum of 20 points could be awarded in the first tier, which focused on important criteria. If an applicant scored 15 points in the first tier, then he would proceed to the second tier. A maximum of 30 points could be awarded in the second tier. Points would be awarded for overall strength of the application, the clarity and quality of the application, an artist's commitment to community service, and City residency. A maximum of six points would be deducted for incumbent artists based on the length of their incumbency.

Council Member Klein asked if the score for an artist with 24 years as an incumbent artist would be reduced six points.

Ms. Halpern responded yes. Depending on the pool of applicants, an applicant receiving a score of 20 to 30 points would be recommended for CASP. She requested Council Member Klein's opinion of the selection process.

Council Member Klein was concerned that younger artists would not apply because they did not believe they could be selected. He inquired whether Staff spoke with younger artists not affiliated with CASP regarding the selection process.

Ms. Halpern reported Staff learned of approximately six younger artists who were interested in CASP.

Ms. Kienzle explained that one of the ongoing challenges was CASP's lack of visibility in the Bay Area. Staff hoped to rectify the situation by partnering with participating artists. Hopefully publicity regarding the new selection process would generate strong interest. Informally Staff had heard from non-participating artists that they were interested in CASP.

Ms. Halpern remarked that many artists traveled to San Francisco and San Jose for studio space. Those artists would be interested in CASP. Staff had no way of knowing the number of applications they would receive.

Council Member Klein inquired about the meaning of "demonstrated need."

Ms. Halpern indicated the artist would define need or identify his reasons for needing studio space. The applicant would articulate his need for space and how it would impact his work.

Council Member Klein suggested all artists would have the same reasons for needing studio space.

Ms. Halpern did not know what the reasons would be.

Council Member Klein suggested Staff clarify that applicants did not need to submit financial statements or income tax returns to demonstrate need.

Ms. Halpern agreed to do so.

Council Member Klein offered a hypothetical scenario of an incumbent artist who was chosen for a second term of four years. The artist would have to apply again in four years. He felt the artist would most likely be chosen again unless the artist stopped working. He asked if it was likely that current incumbent artists would remain in CASP for another eight years.

Ms. Halpern had no idea of the number of artists who would apply, and there was no way to know that number.

Council Member Klein understood that the number of applicants was unknown.

Ms. Halpern hoped some artists would reapply.

Chair Price inquired whether Staff deliberately drafted criteria that were comparable to criteria of other programs.

Ms. Kienzle reported the proposed selection criteria were parallel with and analogous to criteria of other juried programs.

Chair Price asked if Staff identified best practices in other programs that could be utilized to obtain the goals of having a diverse artist population and an intensive marketing campaign.

Ms. Halpern spent a great deal of time in the prior 15 years reviewing studios in terms of economic development and growth of the creative sector. In terms of best practices, Palo Alto and CASP was a unique situation. CASP could create an energetic, dynamic space that involved many working artists and maximized opportunities. Studio spaces at Cubberley could become an exciting cultural destination. When that happened, economic impacts happened.

Chair Price asked if Staff anticipated positioning CASP for other funding and support. Few artist programs were affiliated with local governments. Staff seemed to be suggesting they could market CASP and intensify the creative community using a revitalized approach. She inquired whether current and interested artists were interested in and expressed a need for shared space.

Ms. Halpern indicated all comments she received were positive about more shared space. Many artists in residence were interested as well.

Ms. Kienzle agreed that generally comments were positive regarding shared space.

Chair Price agreed with comments about economic vitality and cultural presence. She inquired about Staff's plan to obtain a mixture of individuals to serve on the panel.

Ms. Halpern felt it was important to have high-level jurists, whether artists, arts administrators, or art professors. Staff would identify the highest level of people who did not have conflicts of interest locally.

Ulla de Llarios noted the average stay for an artist at Cubberley was eight years. The present system achieved the goals of evaluating Cubberley artists against applicants from the community on an ongoing basis and provided available studios for qualified applicants. The proposed rule change was redundant, because the average rental period was eight years or less. Term limits would not guarantee a stronger program, but would likely dilute it.

Linda Gass commended many of the proposed changes, but failed to understand how term limits would support the Mission, Vision, and goals of CASP. The only purpose of term limits was to create turnover. Broad advertising to attract a large pool of applicants and robust selection criteria were the best methods to address turnover and the goals of the program.

Marguerite Fletcher stated there was not a gravitational likelihood that current artists would automatically receive an advantage in a juried process. CASP had artists from an astonishing number of cultures and an amazing diversity of stages of career.

Margot Knight, Djerassi Resident Artists Program Executive Director, believed CASP was a program where artists were partners with the City to create a more vibrant community. Artists were not the key beneficiaries, but secondary beneficiaries to a larger public policy to support a vibrant community. Proposed changes would quantify community access and raise the public profile. A good program would support a variety of artists, career stages, ethnic groups, and art forms. An eight-year mandate was not unreasonable. Perhaps a solution was a fallow period. She suggested an eight-year limit for artists with a four-year period before artists could reapply.

Council Member Klein inquired about Djerassi's process for selection, number of artists in residence, and term of residence.

Ms. Knight received 900 applications from around the world for 2014 residencies. Djerassi utilized seven separate juried panels for seven

separate disciplines. Artists were invited for a period of 30 days. After a residency, artists could not reapply for three years. Alumni artists were invited for short residencies in the winter; however, Djerassi did not provide the same level of service and staffing for winter residencies as for core 30-day residencies.

Ms. Halpern indicated Staff wished to be equitable, accessible, and open rather than punitive. If term limits were imposed, the worst case scenario would be insufficient applications such that artists on a wait list would receive studio space. Staff felt strongly that CASP should serve artists in need and spread the wealth of CASP to as many artists as possible.

Council Member Schmid noted the City was negotiating with Palo Alto Unified School District (PAUSD) regarding the future of Cubberley, and could need to qualify its commitment to CASP in the future. He inquired whether the proposed public space would be contiguous to studio spaces.

Ms. Halpern replied yes.

Council Member Schmid believed integrating the artistic community with the broader community was important. Currently artist studios at Cubberley were isolated from the broader community. Opening a gallery, selling art, and increasing community awareness would be critical to CASP moving ahead.

Ms. Kienzle provided a map of the artists' studios at Cubberley.

Council Member Schmid stated there was strong power in incumbency. An existing artist in residence had an advantage in competition. Perhaps incumbent artists were the best artists. He questioned whether long-term residency was the best use of a resource. He noted students were excluded from participation and asked why one studio was not set aside for young people. That could be a way to create or help create a new generation of artists. The survey had a clear bias toward older age groups.

Ms. Halpern explained that students were not included, because they had more access to arts and studio space. The lack of support for studio space was one of the main barriers to artists continuing to work. The Art Center served younger people. The Teen Services Program provided many opportunities in creative fields. Staff felt other programs served the younger population.

Council Member Schmid questioned the ability to create an artistic community if young people were excluded. He requested Staff present a table that explained turnover by indicating the number of new artists that

were admitted to CASP in 2003, 2005, 2007, and 2009. Each year the number of incumbents was a small portion of the total applicants.

Ms. Halpern reported data for 1995 through 2003 was almost nonexistent. Staff's best information indicated CASP served 60 artists over the life of the program.

Council Member Schmid wanted to know the percentage of incumbents who were selected.

Ms. Halpern could provide that information.

Council Member Schmid suggested that incumbents could be better artists such that new applicants could not compete with incumbents. He wished to ensure that Staff reached out to the wider community and made room for outsiders.

Council Member Klein felt the number of applicants was not overwhelming. Given the number of artists in Palo Alto, CASP should receive many more applications. He questioned the need for CASP if only 20 applications were received every few years.

Pamela Antil, Assistant City Manager, clarified that Staff did not think the number of applications would be low. The low turnover rate and lack of a term limit discouraged artists from reapplying.

Council Member Klein believed better publicity would result in a greater number of applications. If it did not, then Staff should reexamine the need for CASP. Staff should expand their thinking and propose different concepts for term limits. He wanted to include artists in their 20s and 30s. Some spaces should be reserved for the most promising artists. A system should be more welcoming of artists who were not well established. On the other hand, he did not want a wholesale turnover of artists.

MOTION: Council Member Klein moved, seconded by Council Member Schmid to continue the item until Staff returns with an updated staff report and guidelines including an outreach plan ensuring a diverse range of artists will apply and a phase-out process for incumbents.

Ms. Halpern indicated Staff discussed reserving one studio for emerging artists, another for creative entrepreneurs, and another for installation and public artists. The problem was Staff did not know the likely composition of the applicant pool. Within the selection criteria, Staff was considering artistic excellence or the potential for artistic excellence. Other criteria were the artist's stated need and the artist's contributions to the program and the

community. An artist's fit into the overall program provided a variety of diversity and artistic disciplines to assure plurality of representation.

Council Member Klein recommended Staff further revise CASP policies and procedures. There was an advantage for incumbency, particularly for present excellence versus a promise of excellence. He inquired about the method for a jury to utilize those two criteria which seemed to compete with one another. Perhaps two juries would be necessary.

Ms. Halpern explained that was the purpose of having two tiers in the selection process.

Council Member Klein did not support delaying implementation of term limits for eight years. A staggered system of one or three years with incumbents divided into two classes could be more appropriate. He did not favor removing artists over a short period of time. Staff should propose efforts to reach less established artists and to obtain a greater number of applicants.

Chair Price was not comfortable with term limits. The jury process and attrition would remove incumbent artists over time. She concurred with a staggered approach. In a well juried system, the quality of the panel would provide valuable creativity for artists and the broader community. Many points in the Staff Report were good. Recreating a partnership between the City and artists could provide a meaningful outcome.

INCORPORATED INTO THE MOTION BY THE CONSENT OF THE MAKER AND SECONDER to return to the Policy & Services Committee on April 8, 2014.

Council Member Schmid did not wish to mandate a certain level of turnover. Staff should include in their report efforts to obtain a more diverse group of artists and a statement regarding the proposed public space. Those points would be important in gaining community support.

MOTION AS AMENDED PASSED: 3-0 Scharff absent

FUTURE MEETINGS AND AGENDAS:

Chair Price announced the next meeting was scheduled for March 25, 2014, at 7:00 P.M.

ADJOURNMENT: The meeting adjourned at 9:17 P.M.