



POLICY AND SERVICES COMMITTEE TRANSCRIPT

Special Meeting
June 14, 2016

Chairperson DuBois called the meeting to order at 6:10 P.M. in the Community Meeting Room, 250 Hamilton Avenue, Palo Alto, California.

Present: DuBois (Chair), Kniss, Scharff

Absent: Berman

Agenda Items

1. Disability Rates and Workers' Compensation Audit.

Chair DuBois: I guess we'll go on to Item 1, which is disability rates and workers' compensation audit.

Council Member Kniss: I'll be listening. I'm going to grab some tea.

Harriet Richardson, City Auditor: I know that you're not feeling well, so I'm going to try and get through this first item.

Council Member Kniss: How did you know that?

Ms. Richardson: Beth told us that we might lose a quorum. I'm going to try and get through the first item (crosstalk) ...

Council Member Kniss: I'll make it for a little while.

Ms. Richardson: ... little more time for the second item. Harriet Richardson, City Auditor, here to present the audit of disability rates and workers' compensation. Yuki Matsuura was the Senior Auditor on this, and she can't be here tonight. Lisa Wehara, who worked on this audit, is right over here in the audience.

Vice Mayor Scharff: Welcome.

Ms. Richardson: I'm assuming you've read the audit. Instead of going through the normal process, I have a PowerPoint that talks about the— (inaudible) the PowerPoint—audit scope objectives and the findings and the recommendations. What I really want to do is just skip over to the main finding, which is Finding Number 1, and spend a little bit of time on that. If

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you have questions, we also have Sandra Blanch here from Human Resources (HR), who works as the Risk Manager for the City. We also have a representative from York Risk Services Groups. Sherri is—where'd she go—right back here, in case you have any questions for her. York is our third-party administrator for workers' compensation. The main finding is that the City's injury and illness prevention program has lost its effectiveness, and there's several reasons for that. The main one is that when the previous City Safety Officer left the City, that position was cut. His duties were distributed among all of the different Staff, the Senior HR Analysts in People Strategy and Operations (PSO). PSO reorganized; they redistributed the Staff, but yet they did not provide appropriate training to those people on workers' compensation. They've been working with an outdated safety manual that describes how to do things in a way other than what they currently do. There's also been a lack of Citywide safety committee meetings. There's also been insufficient City employee training throughout the City on safe, economic work practices, which increases the risk that you're going to have more repetitive motion injuries. Our recommendations really focus a lot on making sure that adequate resources are provided to the workers' compensation program. Right now, we have not seen an increase in injuries or costs since that loss. As that position remains unfilled, the risk increases that you're going to have more costs because people don't know how to adequately monitor the programs to minimize those costs. That's really what I wanted to focus on for this first audit. I think Suzanne wanted to make some comments regarding the audit.

Suzanne Mason, Assistant City Manager: I just wanted to comment that our response is in the audit. I really appreciate Sandra's work on responding. I do think with reduced resources and dedicated resources to a program such as injury prevention and workers' compensation monitoring, there's a loss. You can't take a job and divide it among five people and make sure that every day you're staying on top of the program, making sure training is happening. Last night in the budget, you adopted the budget that included a dedicated position focused on workers' comp funded through our insurance fund. I think that's going to pay dividends and that we will be able to focus. I do think we are also working on securing the services of a Safety Officer on a contractual basis for the City. The Utilities Department does have a Safety Officer and does a very good job. They're a significant part of our workforce. It is important that we have someone providing our safety inspection. Finally, I know that—Sandra has shared with me and York that York does have a computer solution that can help us address the timeliness on some of the issues. We've been using a manual process. The computer system that's recently been updated by York will allow us to do immediate reporting from departments directly to York and Human Resources

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simultaneously. That will dramatically improve some of the findings addressed in this report. I don't want to spend a lot of time going into detail; we can respond to detail. I do think the dedicated position in combination with the contracted Safety Officer functions and then the new computerized system that we'll be implementing Citywide, that York's providing, will address most of this audit.

Ms. Richardson: From our perspective, the dedicated resources were really the big concern here. As Suzanne said, you start splitting up those tasks and you start losing the effectiveness because people don't know exactly what their responsibilities are and the law, what the law requires them to do.

Council Member Kniss: Tom, could I ask a quick question? Just a little ...

Chair DuBois: I was just going to say could we just go straight to questions.

Council Member Kniss: Just to inform us on this. You didn't include any measurements, data or so forth. Is it in here somewhere and I didn't see it?

Ms. Richardson: You mean comparisons with other jurisdictions?

Council Member Kniss: Also percentage-wise what's happened with us. You said it's costing us more, right?

Ms. Richardson: The risk is that it will cost us more. When you look at Exhibits 2 and 3 on Packet Pages 12 and 13, you see some fluctuation and you see '14 and '15 actually look like they've gone down, but what happens a lot of times is the full cost of the claims is not known within a short period of time. Those costs will continue to go up for the recent years until those claims are fully closed. If you go back to our Performance Report, which isn't part of this, you'll see that there's some open claims pretty far back. Part of that is because some of these costs continue over a period of years. Right now, our number of claims did go down. Fiscal Year (FY) '13 is where we lost the City Safety Officer. You're still seeing some of the effect of what that person did. Now as we start seeing in the program in the day-to-day operations some of the things that are happening, we can see that it's likely that those costs are going to start going up because they don't know how to administer the ...

Council Member Kniss: What we should do is take this way back to 2006? Is this a good judge of what that person did?

Ms. Richardson: I think from 2006 ...

Vice Mayor Scharff: What page are you on?

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Ms. Richardson: Packet Page 12 and 13. Exhibits 2 and 3.

Chair DuBois: Do you know how it's accounted for in a particular year? When expenses come in for 2014, do they hit our books this year or do they go back?

Ms. Richardson: I'm not certain on that.

Sandra Blanch, Assistant Director of Human Resources: Yes, they do.

Chair DuBois: The expense is actually incurred in this year even though it was a claim from 2014?

Ms. Blanch: Right.

Ms. Richardson: You track the claims also by year.

Ms. Blanch: By year.

Council Member DuBois: Your file.

Ms. Richardson: Yeah. From an accounting perspective, it's different than from a claims perspective.

Chair DuBois: Why don't we just go to broad questions? Do you want to continue?

Council Member Kniss: That's fine. We'll just kind of keep chiming in, I think.

Vice Mayor Scharff: Are you happy with the City Manager's response?

Ms. Richardson: Yes. There were two that they indicated that they partially agreed.

Vice Mayor Scharff: We're back on page ...

Ms. Richardson: It's Packet Page 51, which is going to be your Page 42. They said they partially agreed with Recommendation 3.1 and, on the next page, with 4.2. When I read those, they actually sounded like they agreed. I wasn't sure why they said partially agree on those.

Vice Mayor Scharff: What Suzanne said sounded slightly different, which was you were going to recreate their form in DocuSign. Have you decided now to use the York form directly?

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Ms. Mason: I think we are going to use the York form. They've just improved their system, and it sounds like it's going to work for us.

Vice Mayor Scharff: Are you going to update that partially one.

Ms. Mason: No, we just met recently.

Ms. Blanch: Yes. I think the auditor had recommended for HR to do all of the entry. We would disagree with that mandate. The department would do part of the entry, and HR would finish the entry.

Ms. Mason: The idea is you're in a department, and someone comes in injured. You go right into the system and enter, which is a best practice. It immediately goes to HR and York, so we're all in a more timely basis.

Vice Mayor Scharff: Sounds good. You're good with that? It sounds good to me.

Ms. Richardson: Yes.

Vice Mayor Scharff: Were there any other partially agrees?

Ms. Richardson: Just those two.

Vice Mayor Scharff: That's the first one. The second one was ...

Ms. Richardson: 4.2. It's on the quarterly reporting. Monthly, quarterly and annual reporting.

Ms. Mason: Basically what we wanted to say is that we think that we need to—we are getting reports, but we need to work on tailoring those. For the most part, some of the reports that were originally in the contract are not as useful. We need to work together—we do get information, and they do report to us. We do have a good working relationship; there's regular telephonic meetings, but we do need to make sure we're looking at the right data.

Council Member Kniss: Is anyone from York here?

Ms. Mason: Yes.

Council Member Kniss: I missed the introduction.

Sherri Adams, York Risk Services Group: I'm Sherri Adams. I'm the Senior Account Manager.

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Council Member Kniss: Thank you.

Vice Mayor Scharff: Sherri, since we've mentioned you, do you have any comments on any of this, of how we could streamline it better, or do you agree with the auditor's recommendation?

Ms. Adams: I do.

Council Member Kniss: Why don't you come join us?

Vice Mayor Scharff: Come sit down at the mike.

Ms. Adams: I do agree with the findings. We worked really closely with Lisa and Yuki, providing the information, the Claims Examiner, the Unit Manager. When we talk about the reports and some of the items that were in the contract, the original contract is from 2006. We've updated processes. Things have changed here at the City. I think it's just revising those, seeing what we can use. Loss of the Safety Officer, I think some of those reports got lost in the that shuffle as well. I've been on the account for 1 1/2 years and have been here multiple times to meet and try and come up with new and creative ways to help. It truly is a partnership. I think there's a lot of things that we can help the City with as we move forward. Like I said, we're here as a partner.

Vice Mayor Scharff: We're going to be making changes to the York contract, is that part of it or not? I was confused about that.

Ms. Mason: Really the primary amendment would be what reports they're providing to us and what frequency.

Vice Mayor Scharff: Will there be a cost associated with that or not?

Ms. Adams: No.

Chair DuBois: It sounded like some departments were already dual reporting to York and HR at the same time.

Ms. Richardson: Only Utilities.

Chair DuBois: You're saying now everybody's going to do that?

Ms. Mason: Basically it would streamline this. Their new addition to the system streamlines it, so that Utilities puts in and it goes directly to (inaudible).

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Chair DuBois: I think Utilities was already doing that, but other departments weren't.

Ms. Blanch: We would work with ...

Chair DuBois: Are all departments going to be?

Ms. Blanch: Correct. We would work with all departments to get them to enter the report into the system.

Chair DuBois: Then York would automatically get it?

Ms. Blanch: Right.

Council Member DuBois: I have a few questions here.

Ms. Mason: It would shorten the timeframe.

Chair DuBois: In the text, it said there were some State laws that we're not in compliance with. Are those just reporting timeliness or ...

Ms. Richardson: It's primarily reporting timeliness. There's a risk that you could get fined if an employee doesn't report the injury—if the City doesn't report the injury within five days of the date of knowledge. In discussion with Suzanne, she indicated that she's not aware of the State actually having fined anyone. York may be from their experience. We haven't experienced any fines, so we did add that to the report, that we haven't experienced a fine but the risk is there.

Ms. Mason: We want to be in compliance. That's one of the reasons for this change.

Chair DuBois: How long do employees have to report an injury? It sounded like sometimes that takes a while. Do they have to report within some ...

Ms. Mason: They're supposed to report it immediately. The common story is "I tripped. I thought I was fine. Two weeks later, I'm not feeling fine. I'm not getting better the way I thought I would." That's always ...

Chair DuBois: There was also some talk—I guess we had a comprehensive safety manual, and then it said departments have their own manuals. I guess the question is are those department manuals comprehensive and do they include the general information.

Ms. Richardson: I believe the department manuals are pretty comprehensive, particularly the four departments that Yuki and Lisa looked

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at. With the Citywide manual not being completely up-to-date, we've requested as one of our recommendations that the City update the Citywide manual and then make sure that the department manuals align with that. We want to make sure there's some consistency in how the departments are doing things.

Chair DuBois: I see Police Chief Burns here. I actually had a question about Police. It looks like about 40 percent of our costs are in the Police Department. I was wondering do you guys do anything extra or different about training for safety in general?

Ms. Mason: Sit here so you have the microphone.

Council Member Kniss: Maybe you can weave firefighters in at the same time. As I recall, Police and Fire are usually the high numbers.

Dennis Burns, Police Chief: Dennis Burns from the Police Department. We have a pretty robust kind of wellness program, which includes strengthening, endurance, diet. We get training on that on a regular basis. That's intended to be a preventative method. We also have a number of policies in place. The nature of police work, a lot of it involves safety. Officers are evaluated on that on an annual basis. We hold safety very serious. I think one of the reasons that some of the numbers were so high this year is we had two very unusual cardiac cases, where the officers will ultimately retire. A large chunk of the City's monies were paid on these two claims. I think Fire is similar. They really have a very strong wellness program. Again, it's focused on flexibility, strength and endurance. Their folks are evaluated regularly on their safety procedures. They're taken offline in the event that they show that they can't comport with these policies.

Chair DuBois: Thanks.

Mr. Burns: You bet.

Chair DuBois: Do you have something?

Vice Mayor Scharff: It seems like everyone's in agreement. There doesn't seem like there's any ... I guess I had some, I guess, questions. I was confused. Are we hiring a person in the budget to do this or are we contracting out for this person?

Ms. Mason: No. We are actually hiring someone in HR to facilitate and monitor the program and get people back to work, make sure everything's being processed, to make sure training is taking place. There's many

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suggestions in this report. We added back a dedicated position that had been removed. It's being paid through the Insurance Fund. The reduction should pay for that position.

Vice Mayor Scharff: When you say it's added to the Insurance Fund, every department is assessed something for the Insurance Fund. Correct?

Ms. Mason: Right.

Vice Mayor Scharff: Do we expect the Insurance Fund to then not go up because there's—every department, if you have more people in the Police, are the Police assessed more? Is that how that works or is it everyone gets assessed the same?

Ms. Mason: It's based on experience and exposure. It's a combination.

Vice Mayor Scharff: On a department basis, right?

Ms. Blanch: Yes.

Ms. Mason: They get allocated, yes.

Vice Mayor Scharff: Got it.

Council Member Kniss: Just back to the Chief for a minute. As we look at these, I'm just looking at the numbers on Packet Page 12. Maybe there's a better one for us to look at. Looking at this, if we take it as 100 percent, what would you guess, Dennis, is the number of Police and Fire in that and ...

Chair DuBois: Police were 40 percent of the total in terms of money.

Council Member Kniss: It doesn't give it in terms of people.

Chair DuBois: In terms of claims.

Ms. Richardson: In terms of people ...

Council Member Kniss: Yeah, claims. Are we going to figure claims equals people?

Ms. Richardson: You might want to look at Exhibit 8, Packet Page 20. That might be more helpful to what you're asking.

Council Member Kniss: If we look at—there are all kind of figures here, though. I don't think there's just one that I can pull everything from.

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Overall from looking at this, because I can remember from the County that Fire was often a big issue. I'm guessing it probably is here as well. That's the kinds of physical types of things that happen if you're in a fire or even in a paramedic job. You're more likely to get claims that cost. What this doesn't tell me here, unless I go through and analyze it, is what the overall price is. This is saying to me that you're about 1 1/2 times what Fire is. Is that right?

Mr. Burns: I think for the use ...

Council Member Kniss: Because these are all stats, I know they're misleading. That's why I'm asking. Say more about this.

Ms. Richardson: I think I can answer what she's asking. If you're referring to Exhibit 8, if you look at the \$4.7 million, is that what you're referring to as the one?

Council Member Kniss: Yeah.

Ms. Richardson: As Chief Burns mentioned a little bit ago, there's two injuries that comprise a good portion of that. That's in the footnote. If you subtract those out, then it's \$2 million for them. When you have an individual case that is really expensive, it's going to ...

Council Member Kniss: You mean unusually high severity, is that what you're talking about?

Ms. Richardson: Yes. You're going to have a higher cost that's disproportionate to the rest of your injuries.

Council Member Kniss: I understand that. Maybe Dennis wants to just expand on that a little. Police and Fire are almost always where the cost lies or lays. Which one is it?

Mr. Burns: Fire typically is ahead of Police or is more expensive than Police, because it's much more a—it's kind of labor intensive, almost like a blue collar job where there's a lot of lifting and twisting and pulling. There's just more opportunities with all the equipment that they're pulling and grabbing from their engines and their truck. There's just more opportunity ...

Council Member Kniss: And lifting heavy people.

Mr. Burns: Lifting people on the gurneys, exactly. Police officers tend to have a lot of repetitive motion injuries from getting in and out of cars or bending over and lifting different types of things. Some involving wrestling with people. Typically we see knees, backs and shoulders are going to be

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the most common injuries that you'll see from both Police and Fire. Again, we have two outlier cases that are very unique. Unique that they're similar and unique that they happened at the same time and that they were so expensive and so severe. Other than that, I think we're somewhat stable. I'd love to get them lower, but the reality of it is, as you know, flesh and blood and we break every now and then.

Council Member Kniss: The other thing, Harriet, you talked about just briefly was how we compared with other jurisdictions that are similar.

Ms. Richardson: We didn't specifically put that in here, but we were pretty comparable. We did look at it, but we didn't put it in the report. Maybe we should have.

Council Member Kniss: Just always this ...

Ms. Richardson: We do have a chart that we could send to you, if you want to see that.

Council Member Kniss: The reason I'm asking is sometimes there's something to be learned from other police and fire departments, not that our Police or Fire need to learn anything from anybody else, Dennis. Just because there are those times. Sunnyvale has the combination safety. It would be interesting to know how those are, but they have interchangeable roles, which is kind of fascinating.

Chair DuBois: I think under Finding 1 you mention that we have outdated information that's posted. I didn't really see any of the recommendations address that. Is that included?

Ms. Richardson: We tried to keep the recommendations somewhat high level. It's part of updating the whole manual and making sure that everything is the way it's supposed to be. When you update the manual, you look at the ...

Chair DuBois: That was included.

Ms. Richardson: It's meant to be included. The audit team actually went around to different facilities and looked at what was posted. There is quite a bit of outdated information posted. For example, in this building, it's on the A level, and not everyone goes down to that level and sees those posters. There should be something in each of the work areas that's visible to where people (crosstalk).

Chair DuBois: Does anyone read the posters?

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Ms. Richardson: I don't know, but you are required to make sure that (crosstalk) ...

Chair DuBois: If you're going to post it, it might as well be read.

Vice Mayor Scharff: I'm not saying that. I just (crosstalk).

Ms. Richardson: If you get injured, it helps you know what you're supposed to do.

Ms. Mason: I think it's also reflective of needing an update, because it really needs to be right on our computers, intranet site, so wherever you're at, you could access it, even if you're not at a bulletin board.

Council Member Kniss: Since we have York here, I wonder if as we go along, whether there are things that you want to add to what our discussion is. You have the expertise in this.

Ms. Adams: My only comment on the Police and Fire is they do have presumptions. When they do have certain injuries, there's a perception that they're accepted. That drives costs as well. Sometimes they're not rebutted, which means they're given that benefit. That can drive ...

Vice Mayor Scharff: I saw that. It seemed like a lot of police officers and firefighters make claims that are denied. It's hard to deny police and firefighters, which means they must have been completely specious.

Ms. Adams: We work through that with the City. We don't just flat deny a claim. The examiners work with the City. Sometimes there has to be an investigation, and there's some things that we need to find out. Sometimes they will deny a claim.

Mr. Burns: On the Police side, every workers' comp claim or injury is investigated by the supervisor that day or ideally within the next couple of days.

Vice Mayor Scharff: If you make an egregious claim—obviously there are things that are on the line. If you make one that's totally not true and fabricated, you look at it and say are there repercussions for doing such a thing?

Mr. Burns: Sure. The District Attorney's Office has got a special unit that is funded by insurance companies that will go after, quite frankly, folks that are abusing the workers' comp process.

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Ms. Adams: We work with Probe Investigations. They are a highly respected, highly motivated group of folks who have prosecuted many, many cases. They've (crosstalk).

Council Member Kniss: Highly motivated must be the ...

Ms. Adams: They truly believe in what they do. We have a mini conference once a year. They come and present and let us know what they've collected during the year and returned to counties, cities and other public entities. Yes, there is a fraud unit that will investigate. There are specific things that they look at when it's sent to them to determine whether it's being prosecuted or not.

Ms. Blanch: These denials—I don't want you to get the wrong impression.

Vice Mayor Scharff: No, I'm not (crosstalk).

Ms. Blanch: These denials essentially were not found to be work-related; they weren't industrial injuries or illnesses.

Ms. Adams: We also delay claims which allows 90 days for investigation to happen to see if it's truly a workers' comp injury.

Council Member Kniss: That brings up a worse discussion. You can answer it or not, Dennis. If you find that somebody is making a claim that it's work-related, and yet it's discovered that it isn't, do we have a process that we go through?

Mr. Burns: Sure. I don't think that we've had one of these cases. There's doing nothing, and then there's taking the case to the District Attorney's Office. In between it would be a policy violation or an internal affairs investigation where we would go ahead and see if we could prove, beyond a preponderance in an internal affairs investigation, did this person falsify some documentation or commit a fraud. Even though we don't think it's going to be provable at the "beyond a reasonable doubt" level, we could pursue that.

Council Member Kniss: Thanks. I don't want to keep pushing on that, but I know that has to be an issue.

Vice Mayor Scharff: That's the standard, a preponderance of evidence, for internal affairs and then beyond a reasonable doubt for the ...

Mr. Burns: For a criminal. Typically and in most internal affairs investigations, you're going to want more clear and convincing before you're going to be taking somebody's property rights.

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Ms. Blanch: We would work with York to do an investigation. We wouldn't have our own Police Department doing the investigation. We have done those type of presentations to the District Attorney; it's been some time. They have the resources to take cases to the District Attorney.

Mr. Burns: They're rather difficult cases, I think, for the District Attorney (DA) to prove. You could have somebody on video doing some sort of activity, and they could have a claim that they injured their back or their knee or something like that. Their response would be, "I was having a good day that day. I felt good," or "I felt good for the last few days." This is not my area of expertise, but soft tissue injuries are difficult. You're going to get conflicting opinions from doctors in a court of law.

Chair DuBois: Switching gears. I just wondered if we could make a note. One of the recommendations was to update SAP. It sounds like we're going to do that, but I wonder if we could capture a note that we also, when we move to the new Enterprise Resource Planning (ERP) process, design this process. Just to capture that, since it's coming up pretty soon.

Ms. Richardson: IT is getting started. August 4th starts the first kickoff meeting on discussing requirements for the new ERP.

Chair DuBois: On Packet Page 42, it talks about the performance reporting and not getting accurate data. It sounded like the SAP data (inaudible) were more accurate. I wondered if we could use the more accurate data in that report.

Ms. Richardson: The difference there is that the State has a limit on the number of days that have to be reported. That's what's been going into the Performance Report. It doesn't truly capture when someone's been off longer than 180 days, because we stop counting based on (crosstalk).

Chair DuBois: I'm asking can we switch that, use the better data. Don't you put together the Performance Report?

Ms. Richardson: Right now we do. That's our next topic.

Ms. Blanch: Based on data that we provide to the Auditor's Office. I think it's been a footnote in the data that says it's capped at the Federal limit.

Ms. Richardson: Right, but we don't ever say what the total is.

Vice Mayor Scharff: One other question. When did we get rid of the safety person?

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Ms. Richardson: 2013. What happened was he got sick and retired, I believe.

Vice Mayor Scharff: He went on disability and retired.

Ms. Richardson: The position was eliminated in the budget cycle.

Vice Mayor Scharff: Why did we eliminate the position? What was our thinking? Was our thinking we'd save money? What was our thinking about that, and why has that thinking changed?

Ms. Mason: I was not here.

Vice Mayor Scharff: It's easier that you weren't here, because you'd be more—there's no investment. You can say it was a bad decision. What was the reasoning behind it?

Ms. Blanch: The reasoning was there were other areas that needed focus, and we changed to a business partner model rather than a functional area model. The thought was you could spread out the work amongst various Staff. Workers' compensation is so technical, that the Staff really couldn't focus on recruitment, employee relations issues and learn workers' comp all at the same time.

Ms. Mason: This is just one of the things I've been working with Sandra and Rumi, as Rumi's approaching HR and restructuring. I think the business partner model, which you see often, has been ...

Vice Mayor Scharff: What is the business ...

Ms. Mason: I will share it.

Vice Mayor Scharff: It'd be great (inaudible).

Ms. Mason: It's the idea that you take specialized positions and you convert them to generalized positions assigned to departments. They become the end-all for that assigned department or departments.

Vice Mayor Scharff: What do you mean the end-all?

Chair DuBois: Each department has an HR person.

Ms. Mason: You call me, Suzanne Mason, and I'm going to take care of everything. You have a one-stop shop. The problem with this—it's something that HR professionals really have been struggling with. I just have to say the (inaudible) that I've dealt with, if you expect that person to

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be your person dealing with labor, person dealing with workers' compensation (comp), recruiting all your vacancies, it is very hard, number one, to have an individual who has specialized knowledge, who has the ability to respond quickly, within five days of, making sure paperwork is moving. Rumi's coming in and working with Sandra. We are switching back to a more specialized focus. In dedicating this position as well, I do think this position will be dedicated, but some of the Safety Officer functions, the "in the field" functions, we're probably going to be contracting for. It's going to be a combination. It's really putting a specialized knowledge base and training around that person. Sometimes you feel like it may be more efficient and more customer-friendly to go with a more generalized approach. I think it's challenging.

Council Member DuBois: I'm sensitive to Liz here. Do we have a Motion on this?

Vice Mayor Scharff: I'll move we accept the Audit Report.

Council Member Kniss: Second.

Vice Mayor Scharff: That's what you're looking for, right?

Chair DuBois: Yep. (crosstalk) Council.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Kniss to recommend the City Council accept the Disability Rates and Workers' Compensation Audit.

Ms. Richardson: Did you want to make the Motion to have them modify those two recommendations before we forward it to—their response to those two recommendations before forwarding it to Council?

Vice Mayor Scharff: You're fine with that?

Ms. Richardson: It was the two we talked about, 4. ...

Ms. Mason: You mean the partially?

Ms. Richardson: Yes. There would be new responses.

Ms. Mason: I think there's reasons that we feel it's partially. I think that some of the reason around some of the report changes was because we wanted them to change. Yes, I guess if it's technical that they're not providing the same, exact reports that were in the contract. I think it was done on purpose. It wasn't a mistake.

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Ms. Richardson: What I'm saying is that what you've written here is different than what you said tonight (crosstalk) ...

Ms. Mason: You mean on the computer system.

Ms. Richardson: ... and after having spoken with York about what you're actually going to be doing.

Ms. Mason: With the computer system? We can also do that.

Vice Mayor Scharff: There were two things. There were two partially agrees. The first one, I thought ...

Ms. Richardson: 3.1 and ...

Vice Mayor Scharff: 3.1, I thought you said that your opinion has changed on that. Was I incorrect?

Ms. Mason: I'm sorry. I meant our action plan, not our opinion. Our action plan is a little bit different. We have found that York's system with some of the modifications they recently made, might be a more effective way of doing this than the DocuSign system.

Chair DuBois: Which was the recommendation from Audit. It sounds like you've agreed instead of partially agreed.

Ms. Mason: We need to improve the reporting timeliness.

Vice Mayor Scharff: Wait. You went through that too fast. I'm not sure. They still partially agree.

Ms. Mason: We still partially agree.

Vice Mayor Scharff: The part you partially agree—the part you don't agree with is which one under 3.1?

Ms. Mason: Let me go through this again.

Vice Mayor Scharff: I thought you were agreeing, so I'm confused.

Ms. Mason: Their specific recommendations are about how we do it. We are saying we are going to do it differently than the specific recommendations.

Vice Mayor Scharff: How are you going to do it differently?

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Ms. Blanch: In the first bullet, at the end of the sentence, it says with HR Staff being responsible for completing the Form 5020. We're proposing that the department will initiate the Form 5020.

Ms. Mason: On the computer system.

Ms. Blanch: On the computer system. HR will receive it or at the same time, complete the salary portion and submit to York.

Ms. Mason: We think there's a computerized solution where this was suggesting a manual process. I feel partially agree—we agree the process needs improvement, but we are not agreeing on the way to do it.

Ms. Richardson: I think you actually are, and maybe just the way the recommendation is worded isn't quite clear. I think the third bullet, I think, clarifies that we're saying that trained Staff, which could be PSO Staff, enter the sensitive personnel or payroll information. When you look at it as a whole, I think you're actually agreeing with it.

Vice Mayor Scharff: I don't think we should wade into that fight. I do think that what would be really helpful—I don't know if you guys agree. You can say partially agree, but then in the action plan, if Council's interested, you call out exactly what you're going to do differently than what it says in 3.1. That way any Council Member can look at it, who hasn't been on this Committee, because this goes on Consent. That way it's no confusion. I can't read your action plan and understand why you're partially agreeing after this discussion today.

Ms. Mason: It's just a different process we're proposing to use.

Vice Mayor Scharff: That's fine. Just say that. Say what that—just address the different bullets about what's different.

Ms. Mason: If you want us to put agree—I guess where we're at is ...

Vice Mayor Scharff: No, I don't. No, no. I do not want you to put agree. I want clarity. Remember I'm a lawyer. I look at the document, and I say, "I want you to match what's written here and say we are not doing the HR Staff, we're doing this." I want you to take each bullet and tell me what you're doing differently. That's what I want. I just want clarity. I actually think it's great if you don't agree. That's fine. That doesn't bother me one way or the other. I just want to know what you don't agree on and what you're doing.

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Ms. Mason: If you look at each of the bullets, they are not all that—they're sort of one process that looks to be pretty manual. We are suggesting that we think using the online claims reporting process is a better process.

Chair DuBois: When I read it, it says ensure the use of York's online forms. You said you disagree; we're going to use DocuSign. Now it sounds like you've changed your mind and you're going to use York's online forms. That was my confusion.

Ms. Mason: We'll redo it.

Council Member Kniss: Could I ask one more subjective question? Do we find that this is more about saving money or about accurate reporting or about something else that maybe I can't define?

Vice Mayor Scharff: Safety.

Council Member Kniss: Yes, of course.

Ms. Richardson: I would say it's a mix. I think that by dedicating a resource you will save money in the long term. If you don't have people who are implementing an effective illness and injury prevention program, you're going to have more injuries. By having someone who's focused on that effort, you can keep your costs down. There's the accurate reporting just to make sure that we're compliant with State law and don't get fined.

Council Member Kniss: Yes. That, of course ...

Chair DuBois: We need another Motion. You're asking to change 3.1. Is that it?

Vice Mayor Scharff: Yes, I'm asking her to change 3.1 and 4.2, that you stand by what you had here. You partially agree with what you wrote in this one. That's what I understood from the comments previously.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "including changes to Audit Findings 3.1 and 4.2 which will outline the related Action Plans that will be implemented by Staff."

MOTION AS AMENDED RESTATED: Vice Mayor Scharff moved, seconded by Council Member Kniss to recommend the City Council accept the Disability Rates and Workers' Compensation Audit, including changes to Audit Findings 3.1 and 4.2 which will outline the related Action Plans that will be implemented by Staff.

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Council Member Kniss: Ready to vote.

Chair DuBois: Yep. All in favor. Thank you, guys.

MOTION PASSED: 3-0 Berman absent

Council Member Kniss: Thanks. Thank you for coming from York.

Ms. Adams: Yes, you're welcome. My pleasure.

2. Discussion and Recommendation to Provide Direction to the City Auditor Regarding the Office of the City Auditor's Role in Producing the Annual Performance Report and Proposed Changes for Reporting on City Departments' Performance.

Chair DuBois: Moving on to Item 2, which is discussion and recommendation to provide direction on the Annual Performance Report.

Harriet Richardson, City Auditor: I tried something a little bit different here instead of a PowerPoint. I see that (inaudible) landscape form. My idea was to have one sheet up there that we (crosstalk) have it in front of you instead of having to flip through multiple pages. We've discussed in the past the process for producing the Annual Performance Report. When I first came here, the report was 130-something pages. My office was spending about 2,000 hours a year combining that with the National Citizen Survey. They weren't tracking the hours separately between the two. I am now tracking those separately. We have streamlined the format of the report to reduce labor hours. This last year, it was a 57-page report, and we've reduced the hours just on the Performance Report to about 400 hours, a significant savings by streamlining the format. One of the things that I was curious about when I first came here was the extent to which those measures were used to actually manage performance. We did a couple of things. One was we sent it out to the departments and said, "Tell us everything that you— which of these measures you actually use to manage your performance." We also looked in the budget book to see which of the measures were also used in the budget book to see if there was alignment between what we were reporting in the Performance Report and what we were reporting for budget purposes. There was some large discrepancies between the two of them. Forty-nine of the measures are in the operating budget and the Performance Report, and the departments use them to manage their performance. One hundred eight of the measures, departments used to manage performance, but they don't put them in the budget book; although, the budget book is somewhat selective in what goes in there. Twenty-four of the measures were in the budget book, but they weren't being used to manage performance. One hundred twenty-nine measures were not in the

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budget book and were not used by departments to manage performance. We were collecting a lot of data without it really being used to manage performance. The concept of performance measurement is that you're going to use it to manage your performance. One of the things that also stuck out with me is the Auditor's Office was producing the report. A basic element of internal control is that management reports on their performance. It is a management function; it's always been a management function. Jim believes it's a management function, and that he should be the one who's actually reporting on the performance. What I'm here to do tonight is really just have some discussion about how we transition from it being something that our office would continue doing to something that the City Manager's Office would do. Normally you see performance management in the Budget Office. It's typically something that's done because they do the budget and it's typically part of the budget process. One of the key things that I've noticed here is that the way do it, they're really separate processes, the Performance Report and the budget. They're not synched in anyway. When Walter was here, he bought for the City an add-on module to the budget system, Questica. It's a performance management module. The idea was going to be that it would eventually become one process where everyone in the City enters the data in one place, and it's used for budget purposes, it's used for performance management. With Walter leaving, then with Staff changes, that's been somewhat on hold. Now it's kind of where do we go from here. Another key thing that stood out to me is we were collecting all this data in the Auditor's Office, and I think there was a sense that the auditor's independent; therefore, there's more validity to what's in the report. It really was a data collection exercise. Give us your data, and we'll put it in this format. We weren't validating it in any way. By looking at changing it, I think the auditor could play a different role which would be we do some validation of the data every year. It would be on a sample basis. We would select some measures, and we'd look at where's the data coming from, is it reliable, does it reflect what you actually think that you're measuring. I can give some examples. In other places where I've worked, we did this a lot of times as part of our audits. We'd look at the measures. We looked at, for example, IT one year. They had a measure for customer service, and it was what percentage of the customers were satisfied with the service. The way they collected the data was if someone didn't complain, they counted it as 100 percent satisfied. It was a whole series of measures that were that way. We found that with other places that we actually looked at the performance measures. I'm not saying that Palo Alto is that way, but I'm saying that there is some value in looking and making sure that when the measures are reported out, you know that what you're seeing means what you think it represents. What I'm proposing is that we do a soft transition. The question is during that soft transition do we continue to

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produce the report. Right now, we have a summer intern, Marisa Lin from Stanford.

Vice Mayor Scharff: Welcome, Marisa.

Ms. Richardson: There was an intern in the City Manager's Office who started working on this process, Ayleen from Germany. I don't know if any of you met her. What we've done up to this point is taken the data from Questica and tried to align the measures that are in the Performance Report and what's in the budget book to see where the gaps are. Marisa's going to continue with this project. We're going to identify where the gaps are, what things really should be measured. One of the things that's a key item in this is that when you do performance measurement and performance management, you really want to focus on the items that are critical to your mission. You can measure lots of things, but you can get so out of control with measurement that you really aren't focused on what are the most important things. What we would do is set up a framework, and then the City Manager and departments would fill in the gaps with identifying what is important to them, what are the really most important measures, and then come up with a new reporting mechanism which would likely be more frequent, because right now we report about six months after the end of the year. It's too late to take corrective action of something that might be taking a negative trend in process. If you're monitoring throughout the year, which is what performance management is, then you take corrective action when you see a negative trend developing. What I wanted to do tonight is just kind of have some discussion about what this process would be, what the direction should be for us and the City Manager's Office for moving forward in this direction. I do recognize that shifting it to Office of Management and Budget (OMB) and shifting it to more of a performance management system would likely require a Full Time Equivalent (FTE) at some point in OMB. I know right now that's not in the budget.

Chair DuBois: I'd like to suggest we break the conversation into at least two pieces. I think on Page 7, there's some options for how the report is created. I think we should talk through the options and not just focus on this one proposal.

Council Member Kniss: You're on Page 7?

Chair DuBois: Maybe separately we should have a discussion about key performance measures and how we can approve the actual data that we're getting. I think you kind of mixed two different issues there, who does the report and whether the data is useful or not in what we're reporting.

Ms. Richardson: It is both of those issues.

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Vice Mayor Scharff: I guess it's a broader issue, for me, than that. To me, it's a management tool issue in real time as opposed to that at the end of year you get these performance measures. What I heard her say was these issues come up and you can correct course. Part of it, for me, is not for us to tell them what data to collect, frankly. It's for the City Manager's Office to determine what data will be the most effective as a management tool.

Chair DuBois: It's multiple levels, right? It's a tool for the Council and feedback to the Council. On one hand, I'm looking at it as a dashboard for us, but it should also be aligned with management, which is their tool.

Council Member Kniss: Do you all see this coming every month or something?

Chair DuBois: That's why I was trying to break it into the ..

Vice Mayor Scharff: No, I don't.

Chair DuBois: ... data, which the data can be used for multiple things, versus how do we produce a report for Council and the public on performance of the City.

Council Member Kniss: What do you mean by the data could be used for multiple things?

Chair DuBois: The data could be used by managers ongoing throughout the year, if it was available. That's separate from putting it into a report.

Vice Mayor Scharff: That's the tool that I hear the City Manager wants to move towards.

Ms. Richardson: Yes.

Suzanne Mason, Assistant City Manager: No.

Vice Mayor Scharff: No? Yes?

Ms. Mason: We would like to be measuring useful information. We'd like to be using Questica to collect that data. It definitely is going to take some time. Walter was prepared to jump off into ...

Vice Mayor Scharff: He left.

Ms. Mason: ... performance reporting. It required a lot of effort to do the transition. I just wanted to share a few things with you just to comment on. I totally agree—we agree with Harriet's recommendations. I think part of it

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is a resource function and the frequency as well as making this conversion. We talked about this a little bit. It's going to take time for OMB to re-staff and have the adequate resources to lead this effort and probably a dedicated FTE to make sure it's continuous. The other part on data collection and frequency, which in my past experience I've found challenging, is it depends on where your data is coming from and whether it's readily available. Let's say you're measuring recruitment timeframes, time from vacancy to fill it. That's a very pertinent HR performance measure. If your system measures that, you're in good shape, and it uploads to the performance tracking system, you're in great shape. If it really takes Staff in HR to manually kind of shut down the system and then do a manual effort to record ...

Vice Mayor Scharff: What a nightmare.

Ms. Mason: It is a balancing act between the value of the frequency of the data and the frequency. I'm just giving you examples. It's not as simple. I actually in a previous life purchased a performance management system. We brought in a consultant to do a citywide effort on rebuilding the entire city around—we called it Focus on Results Long Beach. It had a whole framework, and it was a very labor-intensive process.

Vice Mayor Scharff: It didn't work.

Ms. Mason: It never fully got off the ground. I think keeping it simple ...

Council Member Kniss: Because it was too labor intensive.

Ms. Mason: It was too labor intensive.

Council Member Kniss: It really got in the way of what you hoped ...

Ms. Mason: To accomplish.

Council Member Kniss: Yes. It got bogged down (crosstalk).

Ms. Mason: Did I need monthly data on how long it's taking us to hire? That's really an annual measure that tells me something.

Vice Mayor Scharff: You clearly don't

Ms. Mason: I think it differs. The Police Department better be measuring their performance data on a very real-time basis and change course.

Chair DuBois: I think we're talking about what are those KPIs, key performance indicators, that actually are useful to the manager. If you need to use them for your daily job, you'll be doing them.

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Ms. Mason: I think the manager should question if it's taking a department four months to fill a vacancy. That's a problem. Do we have the right resources? Do we have the right process? Have we created these generalist business processes that are doing too many things? That's good data, but it's really not meaningful until you have a year's worth of it to see what's really our average time. I don't think we can make blanket statements about frequency.

Ms. Richardson: I agree.

Ms. Mason: I do think the overall recommendations here and that there are measures we should see on a regular basis, like time to answer a dispatch call.

Chair DuBois: I went back and looked at some old Performance Reports. There's a lot of numbers in here that, I think, are kind of meaningless. We're spending a lot of time gathering these and cleaning them up. I think that's what we're talking about. What's the right data that's really useful. I think the department should figure out what's useful to them. I do think Council should have some input on what's useful to Council in terms of—really it's the efficiency ratings. What's the output for whatever the input is. Like the Library, how many volumes we have doesn't really mean much. Some of the Public Works metrics are actually pretty good. It's like percentage of potholes fixed. There's other areas where that leaves a question, which is how many potholes weren't fixed. Those are the kinds ...

Ms. Richardson: Normally you see timeliness for fixing a pothole as a measure.

Vice Mayor Scharff: Not the number. It's the timeliness.

Ms. Richardson: It's the timeliness, and then it's your Pavement Condition Index (PCI) for overall street condition.

Chair DuBois: I do think there's a lot of areas where we're serving the public where what's actually most relevant is customer satisfaction, and we don't report a lot of that. That would probably involve some kind of survey or something.

Vice Mayor Scharff: I agree with you. Things like the PCI index, they're useful, but what's more useful is to say PCI index increase or decrease.

Chair DuBois: That one's not bad. You can kind of see ...

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Vice Mayor Scharff: You're right. It's do things get better or do things get worse.

Council Member Kniss: I think the so-called data collection and measurements and so forth that we've concentrated on a lot lately are also sometimes, as you just said, Suzanne, can start to get burdensome. If it's the kind of thing that gets reported on a regular basis, you're reporting it every two weeks or every four weeks or something like that, I think it starts to get in the way of your overall assessment of a performance. It's like taking little bits and pieces and saying, "Right now it's a disaster," and then two weeks later it's terrific. I think we have to watch for that at the same time.

Ms. Richardson: Even now I would say some of that happens. The departments know we're going to ask for this every year, and we send it out. It's not like they have the information and can just hand it to us. We usually get them in about a month. A lot of times, we get "can we get another two weeks, can we get another two weeks." It's not like the information is just handy.

Chair DuBois: To me that's a real mismatch.

Ms. Richardson: It's an effort for them to gather the data even at the end of the year.

Ms. Mason: Again, it depends on the information.

Chair DuBois: We're asking for ...

Ms. Mason: Having someone stop doing their job to go gather the information is challenging. Finding that balance between ...

Chair DuBois: To me, it's an indication of a mismatch. We're asking for data that they don't find useful for their department.

Ms. Richardson: Correct.

Chair DuBois: Why are we even asking that?

Ms. Richardson: That's what you see in here with these numbers.

Ms. Mason: Sometimes it takes time to correct it, if it's a manual effort. It's great if you have a system that's uploading directly and producing the data.

Chair DuBois: I'm just saying if we are reporting data that aligns with that department manager's goals, they better be tracking it throughout the year,

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because they need to know how they're doing. I'd be totally in favor of getting rid of meaningless data.

Ms. Richardson: One hundred and fifty-three measures.

Vice Mayor Scharff: I would support (crosstalk).

Chair DuBois: There's stuff in here on Code enforcement.

Ms. Mason: We totally agree with the recommendation. I also think when we start determining the measures, we should look at what is the beneficial frequency of gathering this data.

Vice Mayor Scharff: We're totally with you.

Ms. Mason: Sometimes a once a year look at that ...

Council Member Kniss: Is ample. Other times ...

Chair DuBois: It needs to be honest, though. There was like a Code Enforcement metric. It was like how many Code enforcement things were responded to in 120 days. That just seemed like a length of time that was chosen to make the report look better. I'm not sure most residents would say 120 days was responsive.

Ms. Mason: You know what I also think, and I don't know this. ICMA, the International City/County Managers Association, has a very robust performance measurement process. It's very intense and thorough. Some of these measures may have come off the national measurement program. You want to be able to compare jurisdiction to jurisdiction, so you try and create a barometer for consistency. That measure sounds like an ICMA measure to me. Here we may have a higher standard, within 30 days or within two weeks.

Ms. Richardson: In some cases, I think if some of that data came and you said, "We should collect it for ICMA purposes," we're collecting it for ICMA purposes and not because it's beneficial to us.

Vice Mayor Scharff: I'm not really interested in collecting data for ICMA purposes.

Ms. Mason: I think this was an early-on push. We are debating this right now. ICMA actually has a system and all those things. Your point is really well taken in that each jurisdiction has a different barometer for what's acceptable performance and different parameters in the technology we use to do things.

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Council Member Kniss: Just a question about the historical perspective. The auditor has done this for how long?

Ms. Richardson: Since 2002.

Council Member Kniss: Switching to the City Manager has taken almost 15 years.

Ms. Richardson: There wasn't really discussion, I don't think, about switching it over until I came and I was talking to Jim about it. Jim feels like it's his responsibility to measure his own performance. It was something initiated many years ago by a previous auditor, and it's just stuck as a City Auditor work plan item.

Council Member Kniss: I appreciate the explanation.

Chair DuBois: I do have some concerns. If we want to switch to kind of the options for creating this stuff. You guys have gotten really good at it. Getting the hours down to 400 hours is impressive. That's not an FTE. I'm a little bit concerned that you guys have kind of got this process down, and now we're going to switch it over to OMB, which is really understaffed, and have to hire another person. I almost wonder if one of your other options was the second bullet here, producing an updated version. I think there's a mix of things here that the City Manager's Office and the department heads could be working on useful metrics. Again, we're doing this ERP redesign, and I think that's really a key part of the ERP. It should be collecting and reporting useful data. The City Manager could own that, but you could still own production of the Annual Report. Hopefully there would be alignment there, and you could do some of the things you're talking about, which is auditing that report at the same time. I'd like to hear more about really why, just in terms of time and dollars, we would want to move it.

Ms. Richardson: It's more because they're monitoring their performance rather than us just collecting data and putting it in a report.

Chair DuBois: I'm saying those are separate things.

Vice Mayor Scharff: I think we hire ...

Chair DuBois: They could monitor their performance and use the ERP versus producing this Annual Report. Those are two different things.

Ms. Mason: I think it's a good idea as we explore the ERP to see what kind of data can come from the ERP directly into Questica.

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Vice Mayor Scharff: That's making it non-manual. Obviously the more non-manual the better.

Ms. Mason: It's assuming, though, that—there are certain measures that hopefully will come such as number of employees who don't pass probation. That's a sign you're not doing good recruiting. An ERP system should be able to tell you that in a year and feed that data. There's other measures that may not be as easily received.

Ms. Richardson: I know Questica has some reporting. I know it has a dashboard capability, but I also know that its reporting capabilities aren't that great. You can use third-party software, like Crystal Reports or something like that, and develop reports directly from Questica. Right now, that Performance Report, every single page, is an individual PowerPoint slide. It's not the most efficient way of producing it. I think having an automated report would make more sense.

Council Member Kniss: Has Questica been used?

Ms. Richardson: It's being used right now only for budget purposes. The departments at budget time—a few months before the budget comes forward, they put all their performance measures in there. If they want to update something, they put that in there. We're not taking the data from that to use for the Performance Report. We're still sending a spreadsheet out to the departments and saying fill this out. That's where we get the data from. There's also some timing issues, because we're doing ours. When they put their budget information in, it's really—for Fiscal Year '16 Budget, they put in Fiscal Year '15 data because that was what was available. They're putting that in about the time that we would have already completed our—right about the time we would have been completing our Performance Report.

Council Member DuBois: Can you explain—it's not clear to me that the performance metrics are necessarily tied to the budget. You talk about things like satisfaction, response time. It's clear to me that that maybe belongs to the City Manager in terms of management performance, but why the tie to the budget?

Ms. Mason: A program budget should tell you this is what suppression in the Fire Department costs and here's our data on how we're doing. When you're reviewing the budget, you might say—the Code Enforcement example is a great one. Let's say we shared with you that we respond to Code enforcement violations within 30 days of receiving the complaint. In the budget process, you say, "That's unacceptable. We want within three business days of the complaint coming in that our citizens have been

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contacted." We say, "We're going to need a lot more Code enforcement officers to deliver that service." There should be a tie and a link between what you're spending, the resource investment and the results. Just like the workers' comp ...

Chair DuBois: Just as long as we're getting that. Those performance metrics are not necessarily all dollar related. I would just be worried if it was driven by OMB, and they would focus on financial metrics more than ...

Ms. Mason: They shouldn't be. They're management and budget, so they're management as well. They should be helping us look at performance. We should make sure and communicate that we communicate in terms of here's what you're investing, here's your return.

Vice Mayor Scharff: The other thing I wanted to say is I thought the metrics should tell reasonably agreed upon what the metric means. I'll give you an example. You just said that if we have a number of employees that don't meet probation, we were not necessarily recruiting correctly.

Ms. Mason: We may have a problem.

Vice Mayor Scharff: You also may have a problem if too many employees get through probation, because you may not be ...

Ms. Mason: Evaluating correctly.

Vice Mayor Scharff: Correctly and letting go—given the way Civil Service works, you actually end up with employees ...

Ms. Mason: I'd give you a different measure on that.

Vice Mayor Scharff: I'm just saying that I think it's not always that easy to know what these metrics mean. Obviously you have—if you're going to report to Council, I think some of the metrics you report to Council are clearly useful to us. Code enforcement occurred in this and that. We all have a sense of what that means. You're right tying it to resources. There should be a lot of internal ones maybe that the City Manager's performance ...

Ms. Mason: Yeah, that don't go in the budget.

Vice Mayor Scharff: That don't go in—something like that. I'm not sure—unless you said historically the pattern is, we've done all these studies, 90 percent should be the number. If you're above 90 percent, you're letting too many people through. If you're below 90 percent, you're not. I'm not sure we have the data to back up what those numbers are.

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Ms. Mason: I was just giving you some that I've worked on recently. Truly, if 10 percent of your employees are not successful, you have an issue. You're not doing a good recruitment.

Vice Mayor Scharff: I wasn't really interested in the details. It was more a point that you could have metrics that don't necessarily ...

Ms. Mason: Tie to the budget.

Vice Mayor Scharff: We as Council Members, who don't have the background, may interpret them incorrectly. I see that all the time on Council. We get some data, and maybe I'm interpreting it incorrectly, but I think my fellow Council Members are interpreting it incorrectly. It's open to interpretation without anyone having any training in how you interpret that data.

Council Member Kniss: A good point. Could we come back to this for a minute? Tom, you started there. I'm reading your policy implications again. I'm wondering, as I look at this, whether or not we might start with Number 2 and morph into Number 3. Part of it is just knowing—this is one of those times when you know what's going on within the City. We know that, as you said Tom, OMB numbers are down. It may be, Harriet, that you have time to monitor this for another year. What you said is should you continue producing this until implementation of a new performance system is in place. I'm wondering if you should do this for another year and then gradually do the soft transition over to the City Manager's Office. Is that something you two could support or do you look ...

Chair DuBois: The other point I want to talk about was the move to the new ERP system, which may or may not happen in a year. I think ...

Ms. Richardson: It won't happen in a year. It's probably at least 2018.

Chair DuBois: Right. I think there's some interesting challenges there. Again, the City Manager and the department heads, you've really got to spend some time thinking about your processes and the design in the ERP. I could see a role for the auditor in that process as long as it's the right role. I think, again, the departments need to own their own metrics, but you could have a role in that. If you kept this report until that new ERP was in place, that might make more sense.

Ms. Richardson: IT is starting two tracks for planning the new system, which is part of their Phase 2. One is a strategic phase, and one is a tactical phase. The tactical phase is really looking at the requirements for each department, documenting them. The strategic phase is thinking of it more

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in a broader sense. Jonathan has asked for a representative from each department to participate in that. I have had discussion with him, and we are going to participate more as an adviser, so kind of the role you're talking about on that piece of it.

Chair DuBois: I actually think you should be the Council's representative in the design of the ERP, what are the metrics that should be exposed to Council and make sure they're collected.

Ms. Richardson: We've got something going with Jonathan about what our role would be for that. I'm also planning to put some items into our performance audit plan. That's ...

Vice Mayor Scharff: That's not the role of the Auditor, though.

Chair DuBois: We don't really have anybody that could represent us.

Vice Mayor Scharff: Sure, the City Manager represents us. We hire and fire him. That's his job.

Ms. Richardson: We're looking at it more ...

Chair DuBois: (crosstalk) reporting and auditing.

Ms. Richardson: We're looking at it more from an advisory role, thinking about what types of things we would look at from an audit perspective and making sure that if we see something that's going astray from what we would expect to see if we were in there auditing, that we're advising them that this is really not the way we would want to see it be done. That's really the role that we were planning to take for that piece of it.

Vice Mayor Scharff: I find this to be a really difficult discussion. You gave us four options here. There's no really report from the City Manager's Office as to what they want. I find that—this is all about—if you guys came to me and said, "We'd like to do the soft transition. That's the recommendation of the City Manager's Office." That's your recommendation. I'd be like, "That's great, and here are the mechanics to do it." If you came to us and said, "We want to do the Auditor's Office production of an updated version of the report." Liz just said transition to the soft transition in a year, because of these things. That would be very helpful too. I don't feel like I have enough information to say let's do the soft transition right now, which frankly would be my preference, because I don't think this report is all that useful. I think you spend a lot of time on it. I'm actually wondering if you could maybe cut one of your Staff members or have them work half time on it. If you're saving 400 hours, you've gone from 2,000 hours, so we could save some on

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that FTE. Maybe that's not a possibility; maybe it is. I'm thinking just maybe you guys could put together and come back to us with "after talking, this is what we think the right Staff recommendation is."

Ms. Mason: We did talk. I just want to say that. We were pretty clear this is not a current year thing that could be handled. We were actually saying we would try, if the OMB could get staffed up, to implement in conjunction with the budget cycle. It really does take bringing in a consultant to work with you on best practice and ...

Chair DuBois: Which is the fourth point here.

Vice Mayor Scharff: The fourth point.

Ms. Mason: It is an effort. I do think it's going to be reflective. We can prepare a response and a joint recommendation. Some of it's going to be based on time and resources.

Council Member Kniss: It sounds a whole lot to me, just listening to the time and resources, as though, if you took Number 2 and gradually moved it into Number 3, that soft transition, without getting into all the bells and whistles of it, that would actually go reasonably well. Hearing Suzanne and what she's been saying.

Vice Mayor Scharff: I would support that.

Chair DuBois: I'm just concerned, again, 400 hours is 10 weeks versus an FTE. There's like a (crosstalk).

Ms. Mason: It was 2,000 hours. I want to share this. Harriet had the equivalent of a full-time Staff person doing this job. The other thing is what's being recommended is beyond what's being done. Right now, Harriet is just providing you data. She's taking data from the departments and putting it into a nice report and giving some commentary. What really is being recommended is that you have a vigorous system that is kept updated, that someone's working with the departments, training them on what's needed, we're going to do quarterly reporting or whatever that might look like. You really are talking about a much more rigorous effort than just collecting data.

Council Member Kniss: That's this updated version that you speak of.

Vice Mayor Scharff: Not, that's not. That's the transition to the City Manager's Office.

Ms. Richardson: That's transition, correct.

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Council Member Kniss: No, that's Number 2, the Auditor's Office.

Ms. Richardson: It's really part of Number 3. Once it's transitioned over, that's what it would become, more of a management (crosstalk).

Council Member Kniss: I think we should transition it. I just think—this is about timing tonight more than anything else.

Vice Mayor Scharff: I'm good with 2 to 3 if Harriet's good with 2 to 3.

Ms. Richardson: I'm good with 2 to 3. I'm not even certain one year is enough. We need to take—I think we just sort of play it by ear (crosstalk).

Council Member Kniss: Some of us will be here in a year from now.

Ms. Richardson: We do a report this year, maybe we scale it back again.

Vice Mayor Scharff: Some of us won't.

Ms. Richardson: We scale it back maybe and take what the departments told us are the key measures this year and eliminate all the rest of that from the report. One of the things that we also need to work on, in reference to Council Member Scharff's comment about is it really meaningful, is a lot of the performance measures don't have targets in the Performance Report. Without a target, you really don't know is that good or is it bad, because we don't know what it should be.

Ms. Mason: The targets are in the budget document.

Ms. Richardson: For the ones (crosstalk).

Ms. Mason: You should be setting a target. You should also be explaining why is this measure important. That's what I've always had, why is it important to measure this.

Vice Mayor Scharff: Exactly. That was really my point.

Ms. Richardson: (crosstalk).

Ms. Mason: That has been a section that is ...

Council Member Kniss: There's some stuff that's kind of useless.

Chair DuBois: It seems really useful if you keep the report this year and you focus on improving the measures, deleting, adding things that are useful.

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Again, I think the criteria is it's useful to the department head, the City Manager and to the Council.

Vice Mayor Scharff: I like the idea of using the summer intern, because it's the perfect role for that.

Council Member Kniss: I know from time to time you've mentioned a dashboard, Tom. I don't quite know ...

Chair DuBois: That's kind of how I view this, as kind of a ...

Council Member Kniss: Although dashboards, as I've used them, tend to focus in one particular area so that you can really look at them. When I was at the County, we did the hospital on a dashboard. Easy to keep; very, very clear; how many patients have you got in there; what's happening to them; how many infections. It was really very determinative. I'm not quite sure how you take an entire City from A to Z and put it on a dashboard.

Ms. Mason: Some of the systems, as far as the dashboards are concerned, is I as the City Manager have a dashboard that comes off the system. I say these are my top ten measures in the City, and I want to see them monthly and the target Harriet speaks of. We set a target of less than three days to respond to a Code Enforcement violation. That's, let's say, on our dashboard. The City Manager sees two months in a row we're at 14 working days. It's showing up red, so the dashboard actually has colors on it. This is way out of range. Is it good to be more or less. You program all that into the system. I mean, this was the system I was building. Everybody has their own dashboard. Each Council Member could have their own dashboard. It pushes right out to them. That's sometimes what's referred to as a dashboard.

Chair DuBois: If you go too far, then it becomes hard to maintain. People want to use it every day. Checking that balance is tough. Again, I could see kind of starting down that path by refining this report. At some point bringing in a consultant, and then moving over to the new system.

Ms. Mason: Maybe that's also part of the future, that we actually develop a transition plan that we think would be workable and what the requirements would be, working perhaps with a consultant on what's a reasonable system, what would the requirements be, what would frequency be, where would it be housed. Then we could come back with the transition plan, because then we would be informed as to what's required.

Council Member Kniss: If we were to move from two to three, it sounds as though that could be reasonable. I would make a Motion that we

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incorporate the Number 2 recommendation from you Harriet and within a reasonable length of time move to the soft transition that you have suggested. I would not limit the time at this point. I think that's something that we need to ...

Chair DuBois: What about what Suzanne just said? Have them come back with a ...

Vice Mayor Scharff: I'll second that.

Chair DuBois: ... plan for how they do that transition.

Vice Mayor Scharff: I'll second that. That's fine; we could add in that ...

MOTION: Council Member Kniss moved, seconded by Vice Mayor Scharff to direct the City Auditor to implement the Staff recommendation to produce an updated version of the Annual Performance Report and, within a reasonable amount of time, move to a soft transition to the City Manager's Office and the Office of Management and Budget.

Council Member Kniss: I think I'd just like ...

Vice Mayor Scharff: I don't want to be too prescriptive on the City Manager right now.

Council Member Kniss: I'd just like to move it along at this point.

Vice Mayor Scharff: I would like to add that you come back with a plan, but you suggested that you're the City Manager's Office. I'm not going to tell you to go hire a consultant, because you may decide you don't need a consultant or you may decide you need a consultant. That's up to you guys.

Ms. Mason: It depends on how rigorous we want this. That's really, honestly—Walter had a plan. I remember before he left, we all met. It definitely was to transition to Questica, to go out and have the departments evaluate the data. It wasn't about is this the right measure for Code enforcement. Sometimes a consultant will help you say what are really the best practice measures, what would you recommend. Really it's about transitioning everything to Questica, bringing the measures down to what's meaningful for us. That might not need a consultant.

Council Member Kniss: We've got a Motion.

Vice Mayor Scharff: I seconded it.

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Council Member Kniss: I think you all can work with that. Am I right? I'm thinking how many people we're talking have been gone. We're talking about Walter's gone. Pretty soon we're going to be talking about you're gone, Suzanne.

Ms. Mason: I know; it's a crazy opportunity.

Chair DuBois: Can you repeat that Motion?

Council Member Kniss: My Motion is based on Harriet's options for discussion. Take Number 2; I won't attempt to condense it other than to say that you do the updated version and you move at some pace, not to be determined by us tonight but at some pace, to the soft transition to the City Manager's Office to the OMB.

Chair DuBois: Can we add they will come back to us at some point with a ...

Council Member Kniss: Whenever.

Chair DuBois: ... plan for how they're going to do that?

Council Member Kniss: What's a reasonable amount of time for you to come back with that again? Do you need six months?

Ms. Mason: I think definitely six months. I also think in conjunction with planning ...

Council Member Kniss: More than six months?

Ms. Mason: Actually six months would be good. In conjunction with next year's budget process, as we plan the budget, there may be a step ...

Vice Mayor Scharff: You've got to (crosstalk).

Ms. Richardson: I'd also like to know if David thinks that's reasonable, because he knows the (inaudible) of OMB right now.

David Ramberg, Assistant Director of Administrative Services: David Ramberg, Assistant Director of Administrative Services. I did talk with Lalo ahead of time. At a high level, Administrative Services Department (ASD) is very much on board with whatever plan you guys decide on doing. The soft plan idea is fine. The main concern has already been articulated. You guys know well OMB is very thin on Staff right now. Our primary objective is bringing in the new Staff, getting them trained up and then really focusing on what Finance Committee and Council needs us to focus on, which is getting the budget fixed in 2018. That'll be kind of the primary focus over

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the next budget months. Six months, going into next year, the six month idea of coming back with a plan probably sounds about right. We can probably do something. That would be right around yearend, so it might be a busy time with Finance Committee and other things like that. We might need a little room on that.

Chair DuBois: Whatever. I'd just like to hear what the plan is.

Council Member Kniss: What do you think, David? Come back within 6-9 months?

Mr. Ramberg: Yeah, 6-9 months would be a little bit more flexible and probably be more workable. January, we'll have a little bit more breathing room, and we can probably just ...

Council Member Kniss: Let's incorporate that into the motion then.

Mr. Ramberg: Thank you.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "within a reasonable amount of time, move to a soft transition to the City Manager's Office and the Office of Management and Budget" with "and to return to the Policy and Services Committee in 6-9 months with a plan outlining the soft transition to the City Manager's Office and the Office of Management and Budget."

MOTION AS AMENDED RESTATED: Council Member Kniss moved, seconded by Vice Mayor Scharff to direct the City Auditor to implement the Staff recommendation to produce an updated version of the Annual Performance Report and to return to the Policy and Services Committee in 6-9 months with a plan outlining the soft transition to the City Manager's Office and the Office of Management and Budget.

Chair DuBois: This doesn't need to be in the Motion. I've heard said a couple of times and I just want to be clear that this isn't just an exercise in deleting unneeded metrics. It's really figure out what are the right metrics. You may be adding metrics, right?

Ms. Richardson: That would be something we'd spell out in the plan, what ...

Vice Mayor Scharff: Part of the transition—what I heard, which seems important to me, is that the Auditor's Office becomes an auditor here and not the collector of information. You go validate the data. Right now your Office has the imprimatur as if you've validated this data. You're producing

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the report, and you haven't. I much prefer the City Manager produces it, you audit. (crosstalk).

Ms. Richardson: I knew there was some perception that we had more of a role than what we've had.

Chair DuBois: Can you just talk a little bit, how did you go from 2,000 hours to 400 hours.

Council Member Kniss: Wait a minute. I think he's a consultant, and maybe he's looking for your tricks.

Chair DuBois: I'm a little concerned (crosstalk) one person (crosstalk) auditing (crosstalk).

Ms. Richardson: It was really taking a lot of inefficiencies out of the process. If you look at the Report from a couple of years ago and look at this one, we've reduced the pages by quite a bit. We've reduced the number of graphics. If you look at the one prior to 2014, it was very, very heavy in graphics. A former Council Member referred to it as graphics gone wild. There were a lot of pictures in there, and they were actually—it wasn't just put a picture. It was cut out the outline of the fire engine and put it in there. There were a lot of inefficiencies in the process. I've eliminated those.

Council Member Kniss: Some of this was just smart editing, right?

Ms. Richardson: Yes.

Vice Mayor Scharff: It was good management by Harriet. Why don't we say that?

Ms. Richardson: Thank you.

Chair DuBois: The only concern would be if we now have two groups doing it, that it would take a lot more time again.

Ms. Richardson: I think once the process is down and if we can get it automated, then it's just going to be a routine kind of thing. Right now, it's just been a very manual process. People might think that's automated, but we start off with spreadsheets. We move into PowerPoint. That's not efficient either. By eliminating some of that data that we're collecting, that doesn't necessarily need to be in there. One of the things, we do have a lot of financial data in there. Financial data's also available on the Comprehensive Annual Financial Report (CAFR). Do we need to put it in there too? It's really kind of a question of how much should be really in

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here. I think if we focus it really on just the performance aspects—some of that financial data we need to calculate some of the performance aspects. Do we need to put it all in there also?

Ms. Mason: I just want to add that in many cities, the performance information is part of the Budget as we're talking about. That actually is your Performance Report. If you want a pretty, glossy Performance Report, that's a different deal. It could become just part of our annual budget reporting process.

Chair DuBois: Our budget's not long enough; we should add another section. Should we vote on this Motion? All in favor. Thank you, that was a very useful discussion. I think it will be good to get a (inaudible) report.

MOTION AS AMENDED PASSED: 3-0 Berman absent

Future Meetings and Agendas

Vice Mayor Scharff: We're going to talk about upcoming meetings, right? I couldn't find that sheet.

Chair DuBois: I don't have it either.

Vice Mayor Scharff: Do we have an upcoming meeting sheet?

Council Member Kniss: You've got your future meetings and agendas?

Vice Mayor Scharff: Yeah, future meetings and agendas. I didn't see that.

Council Member Kniss: Have we got anything?

Suzanne Mason, Assistant City Manager: I'm sorry. I sat in on Policy and Services tonight, and I am not usually the Policy and Services.

Chair DuBois: I think we had one.

Ms. Mason: Jessica, do you (inaudible).

Council Member Kniss: I didn't think there was another one in June.

Jessica Brettle, Assistant City Clerk: No, I didn't receive anything.

Ms. Mason: There's another Finance Committee meeting.

Chair DuBois: Is this our last meeting?

Vice Mayor Scharff: I think it is before the break, but I wanted to ...

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Harriet Richardson, City Auditor: The next meeting is August 8th, I think.

Vice Mayor Scharff: What do we have on the agendas?

Chair DuBois: I have it somewhere.

Council Member Kniss: August 8th, we're still on break officially.

Chair DuBois: The next meeting was also primarily an audit meeting.

Ms. Richardson: Yes.

Chair DuBois: I don't know if I have it.

Vice Mayor Scharff: We shouldn't have the meeting if we're still on break. We should move it to a night we're not ...

Council Member Kniss: I think that will give people a very good reason to not come to the meeting.

Chair DuBois: I'm sorry. When is the next meeting?

Ms. Richardson: I think it was right after you're supposed to come back from break. I think it's a little bit earlier than it would usually—there usually isn't a meeting in August, but I think it's scheduled. It might be the ...

Council Member Kniss: Would it be the 16th?

Ms. Brettle: I'm trying to find the date.

Chair DuBois: The 9th.

Council Member Kniss: We're on break until the ...

Ms. Brettle: We have it August 16th.

Council Member Kniss: Sixteenth sounds rational.

Ms. Mason: (crosstalk)

Vice Mayor Scharff: August 16th is the meeting.

Council Member Kniss: That makes sense.

Chair DuBois: We're going to move it (crosstalk) 16th?

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Vice Mayor Scharff: Do we have the dates? Not the dates. What we're going to be talking about.

Chair DuBois: There was a printout.

Ms. Richardson: I know that I have a few items on there. One of them is ...

Vice Mayor Scharff: If someone could just bring it down quickly, the list, that'd be helpful.

Ms. Mason: Let me see if can (inaudible) for you. I don't think anybody's upstairs.

Vice Mayor Scharff: You mean they don't work 'til 9:00 P.M.? Can you find it?

Chair DuBois: I sent a printout at some point.

Council Member Kniss: I'm going to go. You can surprise me with what we're going to discuss.

Chair DuBois: I hope you're feeling better.

Council Member Kniss: Thanks.

Chair DuBois: Was there anything you were ...

Vice Mayor Scharff: Yeah. Before you leave, Liz, what I wanted to say was the Cities Association as a group talked about minimum wage and came up with a schedule.

Council Member Kniss: That's right. They did last week, didn't they? I didn't hear the results.

Vice Mayor Scharff: As per our Motion, our Motion was to refer to Policy and Services and work with the other cities to come up with a regional solution. That was basically the Motion. Also to look at ...

Ms. Mason: To work towards 15 in 2018.

Vice Mayor Scharff: Correct. And to look at—what do you call it—exemptions. The Cities Association came up with a schedule to align every city to be that.

Chair DuBois: We have been talking about getting that on this agenda.

Ms. Mason: Didn't they say 15 by 2019?

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Vice Mayor Scharff: They did. Only because Mountain View and Sunnyvale—you don't necessarily want—when they did their study, their economist said you don't want to move too quickly. By 2019, everyone would be aligned to what Mountain View and Sunnyvale are talking about; it's just not implementing their Consumer Price Index (CPI) increase, which would then bring everybody to the same by 2019. We obviously can do it earlier, get to 2018. The point is how we ...

Council Member Kniss: You're saying they're giving it four years, four cycles to go through? '16, '17, '18 and '19.

Vice Mayor Scharff: We're in '16 now.

Ms. Mason: We went to 11.

Council Member Kniss: We're in the cycle right now.

Vice Mayor Scharff: Right, exactly.

Chair DuBois: I think Mountain View did it next year except for small companies; they gave them another year.

Vice Mayor Scharff: I think Mountain View is at 2018 at 15.

Chair Dubois: I thought at 2017 large companies would ...

Ms. Richardson: I'm trying to get way down at the bottom so they can see this, because it's at the end here.

Chair DuBois: Jim and I talked about this. We're trying to get it on the agenda either in August or September.

Vice Mayor Scharff: I just wanted to make sure we get it on the Agenda. I think we really ...

Ms. Mason: Could we make sure that's on that agenda?

Chair DuBois: It may not be in August; it may be September. We were juggling between the two. What's that?

Ms. Richardson: I'm trying to pull up the calendar here.

Ms. Brettle: For August 16th Policy and Services (P&S), what's tentatively scheduled right now is the semiannual legislative program update, the Citywide analytic development and continuous monitoring (inaudible) hotline protocols discussion, and the Auditor Office audit plan for Fiscal Year '17.

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Vice Mayor Scharff: What do we have for September?

Chair DuBois: I can tell you it was not on there, but we're talking about moving it on.

Ms. Mason: I guess the one thing I would just share that doing this earlier than later would be helpful to Staff. Last year at the end of the year, we were really frantic to get it. Remember we came in December with the last meeting. Starting the discussion at least in August would be helpful.

Council Member Kniss: About wages?

Ms. Mason: Yeah, minimum wage.

Vice Mayor Scharff: It'd be great to put that on the August one.

Council Member Kniss: The legislative update is nice, but you could actually read that somewhere, even though it's (crosstalk).

Ms. Mason: It could be an information item.

Chair DuBois: (crosstalk) they come in and talk to us.

Council Member Kniss: We could wait until September.

Vice Mayor Scharff: I was going to suggest that I'd like to see that scheduled, if possible, in August. If Staff's good with that, I think that'd be a really good thing to do.

Ms. Mason: It's tough. Then we have time to work on legislation or go work with other cities.

Vice Mayor Scharff: We obviously need to then draft an ordinance. I'd like to get that ...

Ms. Mason: The impact on our Staff, what's it going to cost the City.

Council Member Kniss: Was this a very lively discussion or was this ...

Vice Mayor Scharff: It was a pretty lively discussion.

Chair DuBois: Are other cities getting—I don't know if we can talk about this. Are other cities getting people asking for exceptions (inaudible)?

Vice Mayor Scharff: The Cities Association was that we should have no exceptions at all.

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Chair DuBois: So far that's what everybody's practice (inaudible).

Council Member Kniss: This is all 15 cities, right?

Vice Mayor Scharff: Yeah. That's what most people are passing, there's no exceptions. There's a bunch of enforcement issues. If we're going to have somebody else enforce it for us, it may be easier to have no exceptions. The closer we all are on—we were tasked with looking at exceptions. I do want to hear from—I do want to fulfill our mission and hear from the restaurant groups and the—I forget. There's training exceptions, which I personally don't buy into. There's a bunch of exceptions that we should discuss.

Council Member Kniss: It's not as simple as that.

Chair DuBois: The State is going to go up anyways in what? '22? It's really how much ahead of that are we going to be.

Vice Mayor Scharff: Also at some point, I guess I can look into it. I want to know what else has been referred to P&S.

Chair DuBois: Yes, (crosstalk) that list.

Vice Mayor Scharff: I don't find our—this meeting, really? It wasn't that—I would say it's not exactly meaty.

Ms. Richardson: (crosstalk) four items, and the other two got postponed, I believe, just (crosstalk) they weren't ready.

Council Member Kniss left the meeting at 7:40 P.M.

Vice Mayor Scharff: I want to know what we're supposed to accomplish the rest of the year and make sure we're on target.

Chair DuBois: I can get that to you. I have the list.

Ms. Mason: I'm glad we're doing the minimum wage earlier. Maybe there is something we could do to get you input from the restaurant group.

Vice Mayor Scharff: They'll come out.

Ms. Mason: What I'm saying is—I'm not sure. Can we send out some kind of survey on ...

Vice Mayor Scharff: I think we should.

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Ms. Mason: ... what's your experience been. If we have the communication through the Business Registry, could we download the ...

Chair DuBois: What was most useful the last time we talked about this was comparable city ordinances.

Vice Mayor Scharff: I think the Cities Association is going to have a model ordinance they're going to put together, which will be helpful.

Ms. Mason: We developed the ordinance this last time. That was a lot of work. Cara did that. It's really updating that, right?

Chair DuBois: Yep. We have San Jose doing enforcement, I think.

Ms. Mason: We do.

Vice Mayor Scharff: That was the plan, right?

Ms. Mason: That's what's happening. We haven't had any issues.

Ms. Richardson: I think I saw a session on the League's upcoming—was it the League—agenda on how to enforce new minimum wage ordinances. I don't know if anyone from the City's going to that conference. That might be (crosstalk) make sure someone goes.

Ms. Mason: I do want to say one thing. I know it's maybe off topic. There was a whole discussion on prevailing wage and minimum wage. There are different levels of enforcement. We are exploring what those mean. There was a point if we're going to proactively enforce, we really needed a dedicated Staff. Even if we had another arm, you needed to be running reports. Or do we do this more on a complaint basis? Make sure that all—everyone has to post our notice that says this is what's required.

Vice Mayor Scharff: I'd probably vote for a complaint basis. (crosstalk) that way.

Chair DuBois: We had the discussion last year, and that's the way we went.

Ms. Mason: I think that's some of the dialog going on.

Ms. Richardson: It's hard to go out there and just try to enforce it.

Chair DuBois: The other thing was there weren't that many minimum wage jobs in Palo Alto. We felt like doing it by complaint with San Jose doing enforcement just made sense.

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Ms. Mason: I haven't gotten any complaints.

Vice Mayor Scharff: Everyone's probably complying.

Ms. Mason: We are meeting with some individuals. The State's also having a discussion over taking a larger role on enforcement with prevailing wage.

Vice Mayor Scharff: You got a moment?

Chair DuBois: Yeah, quick.

Vice Mayor Scharff: You're just walking out?

ADJOURNMENT: The meeting was adjourned at 7:43 P.M.