



POLICY AND SERVICES COMMITTEE TRANSCRIPT

Special Meeting Council
September 20, 2017

Chairperson Wolbach called the meeting to order at 6:02 P.M. in the Community Meeting Room, 250 Hamilton Avenue, Palo Alto, California.

Present: DuBois, Kniss, Kou, Wolbach (Chair)

Absent:

Oral Communications

None.

Agenda Items

1. Discussion of Re-aligning Terms on the Architectural Review Board, the Historic Resources Board, the Parks & Recreation Commission, and the Planning & Transportation Commission and Other Board and Commission Changes.

Chair Wolbach: Excellent, thank you, everybody. The first four items on the agenda this evening is discussion of re-aligning terms on the Architectural Review Board, Historic Resources Board, the Parks, and Recreation Commission and the Planning and Transportation Commission and other Board and Commission changes. Is there a Staff presentation on this at all?

Beth Minor, City Clerk: There's no PowerPoint presentation, there's just a – we were going to walk through it a little bit. The report itself is pretty explanatory and what we're doing is we're asking two re-align several Boards so that they are now in the spring rather than the winter time. As they fall now, they fall during an election time and there's an issue with outgoing Council Members voting in new Board and Commission Members. So, we're asking that the fall ones be moved to a spring recruitment and then there are several other municipal code changes that we'd like to do that just cleans up the municipal code. Then finally was the discussion on doing the interviews and maybe changing the way that it's done. The way Council

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does it now is you want to interview all applicants and sometimes that can be a long night or several nights depending on how many are being interviewed because PTC are fifteen minutes and the other are ten minutes so it could be a three or four-hour night. So, we were suggesting maybe having a discussion on different manners of interviewing or recruiting or appointments.

Chair Wolbach: Ok, so a bit of an open discussion and it looks like on – for those of you who haven't seen it, on page three of the Staff report, packet page four, there are those additional considerations. Parts A, B, and C about applications, interviews, and manner of appointment. Great, ok, so does Staff want to – you said you were suggesting walking us through this. We can go through it piece by piece. I don't know if Rob or the City Clerk Office would like to go through this but we would be happy to follow along. Maybe go through it and we'll get a sense of the Committee and the make motions at the end.

David Carnahan, Deputy City Clerk: Sound's good, thank you, Chair Wolbach. David Carnahan, Deputy City Clerk, so we have a – first a five-part recommendation. The first part is sort of the meatiest bit and that is re-aligning the end term – end times for the fall Board and Commission recruitment for those terms that end currently December 15th. Historically those ended in October. We had, as you at the end of the Staff report, some challenges with – during elections where we had a candidate who was running for Council also apply for Board and Commission, which lead us to making appointments later in the year after the election had taken place. We then moved those terms to December and then through another election period we had the challenge where Council Member's whose terms were up were making appointments just at the end of the term and new Council Members weren't able to participate in that process.

Chair Wolbach: (Inaudible)

Mr. Carnahan: Yes, and so the thinking here is to move it to the spring when we do our other Board and Commission recruitment. It saves a little bit of Staff work but it also allows new Council Members a few months to get a little more familiar with their roles supporting the community. They can become a little more familiar with any Boards and Commissions that they are not already familiar with. It just kind of removes it from the election cycle to make the appointments less political.

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Ms. Minor: Can I jump in a minute? The – one of the reasons we're looking at making some of the changes to the manner of appointment. When we go to one large recruitment in the spring, if Council decided to interview for all the candidates for them, it would take several nights to do all the interviews since we're not only having one recruitment a year.

Mr. Carnahan: Yeah so that will be a part of the discussion too is when Council decided who they want to interview, perhaps there's the option -- during that step Council – perhaps Council might want to select fewer than all of the applicants to interview. That, of course, could change from recruitment to recruitment and if we get 40 people for one position, you might not want to interview all 40. The second part of the recommendation is to remove the requirement in the municipal code that the Planning and Transportation Chair and Vice Chair are appointed in November. This can be problematic if their resignations on the body so they – per the municipal code, it's hard for them to make an appointment in December if their Chair resigns in November. So, by removing the requirement, the Planning and Transportation would be functionally similar to the other Boards and Commissions where their by-laws that are practiced will allow them to elect their Chair and Vice Chair as – once per year but at the time that works for them. Yeah, as needed. Then number three, adding gender identity to the jurisdiction of the Human Relations Commission. This recommendation comes as a following with Council's December resolution. Supporting an inclusive community and that gender identity was one of the characteristics that resolution contained but is lacking in the Human Relations Commission's jurisdiction. Not only is it a good value for the City to support but the Human Relations Commission is charged with helping support that resolution so aligning the resolution and the municipal code charged for the Human Relations Commission helps them move forward in supporting the resolution. Then, kind of aligned with that, in the Human Relations Commission portion of the municipal code, terms such as Chairmen are still used and the intent is to use gender natural languages such as Chairperson and Vice Chairperson. Then fifth, the Parks and Recreation Commission portion of the municipal code references bold names of division in community services which has done some reorganizational overtime to better suit the needs to the community. We just want to make that the municipal code matches the organizational structure of the department. Those are our recommendations and then we have this whole idea of both when we do our regular scheduled recruitment, should everybody be interviewed, and does Council have any thoughts on how we currently operate? Then in particular, when we have unscheduled vacancies, the current practice is we come to Council with either a recommendation to initiate a special recruitment or roll the vacancy into the next recruitment cycle. We've provided a few different options that

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are ideas to get you started on whether do we want to continue that process – that practice or perhaps come up with something different such as just considering people that have already been interviewed in the last recruitment cycle but were not appointed. We could also include applications for anyone who has applied since the last recruitment and so really that – those would be a couple alternatives on who would be included in a special appointment to an unscheduled vacant term. Then sort of on interviews, if you are making an unscheduled – an appointment to an unscheduled vacancy, would interview – would you re-interview people, would you interview people that have applied since the last recruitment that have not had an opportunity to interview with Council? Then sort of the third component of this would be the manner of appointment so would it – we continue the practice of the full Council making the appointment. Another idea would be something that some Cities do where the Mayor makes appointments to unscheduled vacancies or Boards and Commissions or that Council could create an Ad Hoc Committee. You know sort of freeing up the rest of the Council because as you know, it can be challenging with all the other meetings you go to and have another Council meeting to go to. Those are – that’s a brief overview of what we’re thinking about and asking for your recommendations and direction on.

Chair Wolbach: Just initially one quick questions, I just want to be very clear. The items for discussion on Pages 3 and 4, Packet Pages 4 and 5, A, B, and C, is it Staff’s intention that we discuss these in the context of unscheduled vacancies only or in general for all interviews? It looks like it was the former but I want to make sure (crosstalk) (inaudible).

Mr. Carnahan: It was generally – the thinking was unscheduled vacancies and how to address those but if there are thoughts that pertain to the recruitment process as a whole. I don’t know if we could really take formal direction on that tonight but we would appreciate your thoughts and comments.

Chair Wolbach: So, for going through this I want to make sure my colleagues on the Committee are ok with this. I was suggesting that we would maybe go through it, maybe each of us could give our sense of each of these items as a whole and then we could figure out where we have consensus or disagreement, work through those and then have motions. How do you each feel about that as a general process? Looks good? Ok, why don’t we just go down the line then, if you’re ok with that Tom? Do you want to start us off?

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Council Member DuBois: Yeah, well the last point, I don't see why we could make a formal motion to address everything in the memo including the last bit. It sounds like to me that the problem that we're trying to solve is lame duck appointments primarily and it feels like we mixed a few things together. So, I think we should talk about the pros and cons of twice a year interviews versus once a year and then a separate issue from that is when those interviews occur if we did them once a year or twice a year. So, maybe the months got shifted over time and then third I think which Commissions and Boards we're interviewing for. If we did keep two a year but we interviewed say Arts Commission, Library Commission, HRC in the fall, that could maybe address the problem as well. If ARB, PTC, and Utilities were all in the spring, we could still have the benefit about maybe spreading out the interviews so that we don't have to do two nights of interviews. That's just a thought and if we do go to one time a year then I think we need to add to the motion a time period for replacement interviews. Probably we do that in the fall and we'll just – maybe we say in September there's a replacement period where any openings we would interview and fill them then so that we don't go a whole year. Personally, I would like to keep the rest of the process as is. I think today we open up – whenever we're doing recruiting, we open it up for new applications and I think we should continue to do that, even for replacements. I think Council votes on who they interview and I think that's a good process that we should keep. We do tend to say that we'll interview everybody but Council already as the option not to do that. The third one, yeah, I think Council should interview Palo Alto or Mayors just one of nine, I would not be comfortable seeing the Mayor just make appointments.

Vice Mayor Kniss: (Inaudible)

Council Member DuBois: I really think we should consider the pros and cons of twice a year versus once a year.

Chair Wolbach: While you've got the mic, do you have any feelings yourself about the pros and cons?

Council Member DuBois: Well, again...

Chair Wolbach: Also, if you want to weigh in on – if you have any objection I guess to or support for two, three, four and five, feel free to float that out.

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Council Member DuBois: Yeah, I'm fine I think with two, three, four and five. Again, I think the benefits would be spreading out interviews throughout the year so they are not all concentrated. I think it benefits the Council and I think it benefits the community as people move in and out of Palo Alto. There are multiple times a year when people can apply. It also is a natural time to replace open positions if people leave. Again, the con it seems to be primarily the end of your timing and I guess one idea I had was again, just maybe we do less controversial Boards in the fall. You know I haven't seen a lot of political issues around the Art Commission and Library Commission so yeah, that would be my idea. (crosstalk)

Chair Wolbach: Famous last words.

Ms. Minor: Up until – if I could just jump in? Up until a few years ago, we use to do four recruitments a year?

Mr. Carnahan: I think it was at least four, if not I believe most of the Commissions were not at all aligned so we would kind of be recruiting all the time for different Boards. We have interview nights but they would be very short because it would be for one or perhaps two Boards. Actually, my predecessor Ryan Gonzales went through and this large process with Council and Policy and Services to re-align all the Boards and Commissions into the two recruitments. So, that's a relatively new thing and I think having two instead of eight recruitments has been very helpful but perhaps one might not be the best answer either. Perhaps two is still a good one.

Ms. Minor: Part of the reason to consolidate them too was the cost of the recruitment with all the ads that we do and some of other outreach that's done, the ads can get pretty expensive. So, part of it was to reduce that cost for us also.

Chair Wolbach: Lydia, do you want to share with us your thinking at this point?

Council Member Kou: I was just wondering, based on your recommendation, if you have all of them at the beginning and in the middle of the year, would it be too much work for your office? I mean that's many to go through.

Mr. Carnahan: I don't think so. I mean the recruitment process, there's a lot of steps to it and it's not a lot more work depend – based on the volume. So, it's more – the more each additional recruitment is a lot more

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work. Adding one or two positions or Boards to a recruitment doesn't add a lot more work. There is a little bit more communication with applicants and then, of course, notification of folks at the end but it's not a totally different workload versus having more recruitment.

Council Member Kou: At one time of the year?

Mr. Carnahan: Yeah.

Ms. Minor: Correct, when all the applications now online using DocuSign so it's really easy when we get them in, to just save them to the S-drive and – where we keep them. Then just process them through but one of the issues with keeping a recruitment in the fall is when we are doing an election – a November election, then my office has that election that we have to deal with. Then election of Boards and Commissions too so there's a little bit more work when we have done that if we continue with them in the fall; you know October/November time frame.

Council Member Kou: I completely agree with recommendations two, three, four, and five and then on number one, it would be A1 which is to continue the same process. I find that interviewing each of the applicants and even when they return, it's always helpful because some many come through and I forget what they said or who said what. So, it's nice to have them come back and repeat and give me a reminder. B for the interviews, there will be one also to continue scheduling new interviews and C is also one I think – yeah, it's just much more fairer for all of us to have our voice in there. Thanks.

Chair Wolbach: Also, do you have any preference Lydia, on whether to go with the Staff recommendation which is to consolidate in May or to keep two periods of recruitment a year?

Council Member Kou: I agree with Council Member DuBois. I think – I know you said that it's fine and it doesn't cause more work to be done but I think if you have some at the end of the year, it might help. I don't have any preference. I will be...

Mr. Carnahan: Just a suggestion we hadn't really considered was Tom's of having everybody – all the recruitment for every Board and Commission in the spring but then having kind of an organized fall recruitment for any vacancies so we hadn't considered that. Perhaps that might be something to consider.

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Chair Wolbach: Liz.

Vice Mayor Kniss: You might try that, that's an interesting thought.

Mr. Carnahan: If you could...

Vice Mayor Kniss: I am sitting here thinking I can't remember how many different ways we have done this through the years. It has been multiple because no matter what we do, someone is going to say they've got two vacancies on that Commission or they've got whatever. I think you've got to do it at least twice a year. I'm not even sure that's going to be sufficient. I mean how many – let's just talk for a minute numbers. How many people are we talking about on the Boards and Commissions that we vote for and select?

Mr. Carnahan: The total group ranges from about 55 to 70 depending on how many groups we have active at one time.

Vice Mayor Kniss: Ok, so how many...

Council Member DuBois: (Inaudible)

Vice Mayor Kniss: Pardon?

Council Member DuBois: How many expire in one year?

Vice Mayor Kniss: Yeah, that's what I was going to say, what's the turnover in there?

Mr. Carnahan: The turnover in there, let's see.

Vice Mayor Kniss: You've got 70 positions possibly.

Mr. Carnahan: Yeah, so we have I would say somewhere between 16 and 30 and it ranges significantly because some Boards and Commissions like Parks and Rec. they do three a year, four the next and then there's no turnover the third year. Whereas others will do two, three, two so depending on their size and then how they were set up originally, their rotating terms are aligning. For some years we have a lot more recruitments or positions opening up.

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Vice Mayor Kniss: So, filling 70 positions really 16-30 a year is a lot so we're suggesting doing primarily in the spring and then a kind of cleanup in the fall?

Mr. Carnahan: That's an idea that Council Member DuBois suggested that's worth...

Council Member DuBois: I also (inaudible) picking which ones we do in the fall.

Vice Mayor Kniss: Yeah, let's muse about that just a little bit. Let me ask two other things but I know what the answers are because I snuck a question over to Beth or maybe this is – let me ask all of you. Should we have term limits for our Boards and Commissions? Any thoughts? Should we have attendance requirements for Boards and Commissions?

Chair Wolbach: I'm not sure that's really the item for discussion this evening.

Vice Mayor Kniss: Terence is giving me the high sign like I don't know if you can do that.

Terence Howzell, Principal Attorney: Yeah, it's not agendaize. We're really talking about alignment – this – yes, the agenda items related to alignment of the Boards. We can – I appreciate the questions and the interest but it would probably be more appropriate to have it...

Vice Mayor Kniss: I thought that was very relevant though because if you had term limits, you would be doing a lot more interviewing than I think you currently are.

Mr. Howzell: I would agree with that. However, as it relates to how you are going to – well, yeah, point well taken. As far as aligning the terms of – aligning when you're recruiting that – I agree. I agree with that. I think that's probably a valid question as it relates to the agenda item.

Vice Mayor Kniss: So, I'll leave out the attendance requirement which is probably a headline somewhere that's saying, oh my gosh, they have attendance requirements. It is very difficult on Boards and Commissions when they are full staffed – when they don't have the full number that belongs on the Committee. Then secondly, they have people who don't

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show up too often so I'm willing to try something new but I can -- am I right Beth, that what we're doing now is relatively new? We use to interview...

Ms. Minor: We use to interview (crosstalk) several times a year. Yes, we did.

Vice Mayor Kniss: (Inaudible)

Ms. Minor: Yeah, we had recruitments three or four times a year with different Boards and up until 3-years ago, David? How long have you been here?

Mr. Carnahan: Yeah, 2014 is I believe when we started with the realignments with the two recruitments.

Vice Mayor Kniss: Do you guys think the two recruitments are going well?

Mr. Carnahan: I think the two recruitments go well. We end up having typically more than two. This year we've had three so far, we had two last year, we had five in 2015. Then again, it goes back to that when there's an unscheduled vacancy, how do we handle that? In the past, we have frequently started new recruitments which it's as much work as doing a scheduled recruitment. It's not a...

Council Member DuBois: (Inaudible)

Mr. Carnahan: We've occasionally have aligned them so for example in 2016, I believe we had one or two unscheduled vacancies that we did align with the next recruitment. Typically, what I've observed is that when we have upcoming vacancies on a body that has an unscheduled vacancy, we'll wait and group it. If the next scheduled recruitment, fall or sprint, does not include that body, Council has asked us to go out and do a separate recruitment. However, just because we're recruiting for the fall things in the fall and if someone resigns from UAC, we could obviously put that in with the fall recruits.

Vice Mayor Kniss: I hate to do the (inaudible) but all groups are really not created equal. When Planning and Transportation doesn't have a full complement, that's really difficult. I think Utilities needs a full complement, they make a big difference in the kinds of decisions we make. Some Boards

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and Commissions function without the requisite number. I think – as I said, I'm not married to any of it. If we could try Tom's suggestion for a while and see how it worked.

Council Member DuBois: I made a couple suggestions. I wasn't married to either but...

Vice Mayor Kniss: Well, trying to think what works the best is always difficult and given this enormous number that we have that get appointed – some of these get appointed right? Right.

Ms. Minor: Correct.

Vice Mayor Kniss: Let me just mull it over for a little bit.

Council Member DuBois: Liz and everybody actually, one of the other things to think about I think again is from the community's perspective, if we had two periods a year, do we get different people applying or does that affect who applies? Then also just thinking about two solid days of interviewing. Do we do justice to people? You know we get pretty tired interviewing four hours a night, two nights in a row.

Vice Mayor Kniss: I actually think that whatever we've been doing lately has worked pretty well. Where we haven't had – we use to have nights where we went on for two or three hours at a time of interviewing. I don't know remember us doing that recently but maybe I've forgotten it. Let's hear from you, Corey. I think this is – these are tough decisions to make.

Chair Wolbach: Alright, with that let me weigh in a little bit. On the question of which Boards and Commissions are less controversial, I don't want to make that call. So, I'd rather say that if we're going to try and avoid either lame duck appointments which would be between elections and the – swearing-in. If we're going to avoid those, I think we should avoid them for all Boards and Commissions. If we're going to avoid interviews proximate to an election – in the lead-up to the election because of the risk of politicization or a Board Member or Commission Member is maybe seeking re-appointment but might also be running for Council and in case they lose, they still want to get reappointed for the Board or Commission. If we want to avoid that for some Commissions again, I think we should probably do it for all of them because even if the Commission or Board isn't considered very politically contentious, the applicant may be in the context of the election. Sometimes that unavoidable, sometimes people announce

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far enough ahead of time or indicate far enough ahead of time that they might be a candidate. I guess my point here is simply we ought to – in my view we ought to maintain consistency across all the Boards and Commissions on avoiding those conflicts. On the timing, I'm looking at Staff for a reminder, when is the – because I haven't been on Finance for a year. When is the Finance – the intense period of Finance meetings, that's in April/May?

Ms. Minor: May, it's in May.

Chair Wolbach: It's in May, that's what I thought. I was trying to skim back through my calendar to confirm. My sense that doing Board and Commission interviews in May is tough for the people who are on Finance. Whether we consolidate or not, I think that the springtime...

Vice Mayor Kniss: That's a good observation.

Chair Wolbach: ...should be moved up maybe to March, you know late winter, early spring.

Mr. Carnahan: So historically we had the spring recruitments ended – the terms ended in the middle of April. I can't remember by we moved them forward but there was a good reason for moving them forward to May 31st. Then we ran into issues or we moved from April 31st and we had a challenge where we appointed or I swore in three people for UAC the day that they reviewed the utilities budget. So, we moved UAC out to the end of May so that a seasoned Utilities Advisory Commissioners could participate in that review of Utilities Department budget. So again, that's where you want to make sure for both the UAC, you've experienced folks as they are reviewing the utilities budget and then on the PTC, they review the Capital Improvement Plans (CIP). So, you want to make sure ideally not to have people appointed that month that or kind of getting use to their role. You want someone that understands those in depth.

Chair Wolbach: Right, so with that in consideration – considering that maybe either earlier in the year. Again, the problem there is that you then have some Council Members who might be brand new. I'm not sure, I'm terribly worried about that. I mean for instance I think that Lydia was doing a fine job with making selections and interviews for your early on. I don't think any of us had a real hard conducting interview as a new Council Member. So earlier in the year or perhaps after budget might work better. Maybe late January might even be an option. I'm going to say let's back

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burner the timing discussion just a little bit and just focus on the question of consolidation. I think consolidation actually makes sense but it could be a recruitment period where we just say, this is recruitment month and instead – we could either – I guess depending on the number of applicants we have and the number of interviews that Council decides to hold, then we split into multiple nights or do it on one or two nights; back to back. Saying to everybody that this is a month out of the year when we're going to do Board and Commission recruitments. A lot of people ask me, hey when are Board and Commission recruitments? I'm really interested in getting more involved in Palo Alto and I say it depends and it's complex and let me check or check with the City Clerk or check the City website. If we had a consistent time of the month and a consistent deadline for getting an application in. You could just say that's the deadline every year for getting an application in, then Council decides who we want to interview and then hold the meeting – the interview meetings following that. That's kind of where I'm leaning for the regular appointment or recruitment. For the replacements, I'm really intrigued by Tom's idea of lumping those together. I actually think that might really work but I'm also sympathetic to the concern that Liz raised that for some Boards and Commissions a several months period of vacancy may be detrimental to the functioning. So, I'm not really sure I have a good answer yet on that and while I've got the mic I'll say yes, to items two, three, four, and five in my book. For A, B, C, I'm going to agree that I think that we should just continue the process as is for each of those. Those are my thoughts for right now. Tom, want to weigh in?

Council Member DuBois: Yeah, a couple responses to your comments. I guess I feel more comfortable making a call on less controversial Boards so I still think that's an option. I still think Library and HRC, the Art Commission we could interview those in the fall. I do think you're on a good tac in terms of talking about the months we do it and again, if we could do the fall in September even, I think that might be good. So, you'd have to recruit in August and interview in September when...

Mr. Carnahan: Just one quick note on that timing. We would be recruiting earlier than that to interview in September, probably but also, candidates for Council can pull papers typically in early August. So that's sort of where that whole challenge of the election cycle as you go from early August through December and January you have new folks. So, that's part of the challenge of the fall in every other year.

Council Member DuBois: Then January, February for spring or something if – again, I think we could just figure out maybe the months and the UAC

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budget is a good example so I would try to pull it forward. I mean if we do go with the once a year, I think again the idea of maybe having a replacement schedule in September and then Council could continue its current policy if somebody retires months before September. We could have a special interview period for that just like we do now.

Vice Mayor Kniss: Let me just push on that for a little. What you're saying is do all the interviewing we need to do in the spring.

Council Member DuBois: I think my preference would actually be to keep it two and do the less controversial Committees in the fall...

Vice Mayor Kniss: In the spring? Oh, in the fall, ok.

Council Member DuBois: ...before election time.

Vice Mayor Kniss: Then more controversial in the spring?

Council Member DuBois: Yeah, when the full Council is there.

Vice Mayor Kniss: Ok, that's - what I am looking at are these numbers again. If there are 16-30 you said appointments that are going to get made. I have no idea how many people that actually represents because when we enter - we just interviewed recently and we had 8 or 10 candidates.

Mr. Carnahan: So, we just - for the Storm Water Management Oversight Committee we had seven openings and eleven applicants.

Vice Mayor Kniss: Right but - and that's a new one. We haven't done that one for a while.

Mr. Carnahan: A preview for what you're going to read about tomorrow is you have 20 applicants across the Boards and Commissions that we're currently recruiting for.

Vice Mayor Kniss: You know what I'd suggest, we've got to figure out how to do something so perhaps Tom your idea of what we're going to call the less controversial Boards and Commissions could be done in the spring. The more controversial than in the fall...

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Chair Wolbach: I think that was (inaudible).

Vice Mayor Kniss: ...as long as we don't – did you say it the other way around? Yes, so that was obviously when I got to the fall and realized that that's the problem. There's nothing wrong with trying something as a pilot for a year to see how it works without making it a forever kind of thing. I'd say if you make a motion to that end, I'd support it and – but I'd like us to keep our options open because sometimes we run into hiccups and it doesn't take too long.

Chair Wolbach: Can I jump in for just a second? Just to be clear, I guess where I'm leaning right now is to say let's have one period in the first half of the year timed to not coincide with the budget so maybe earlier in the year. Have our regular appointments in or regular appointments in that time. Secondly, having planned vacancy filling opportunity in either late spring, right before summer or right after coming back from the summer break. Then third, if Council so desires to – we could vote to fill sooner than that so Staff could – where there's a vacancy – anytime there's a vacancy, Staff could bring us the vacancy and just ask Council on regular Council meeting agenda item, do you want to fill this vacancy now or do you want to include it in the lumping mid-way through the year? Then if there's a vacancy in the second half of the year then that would ordinarily get filled during that regular recruitment early in the year so that's my preference. I don't know if anybody else wants to try a motion and we might not all be aligned.

Vice Chair Kniss: I have Tom a great opportunity.

Chair Wolbach: Tom, do you want to take the opportunity?

Council Member DuBois: What Staff thinks of the two options and I mean if we realigned all these Commissions, we'll have a bunch of people who have realigned terms, right?

Mr. Carnahan: We've recently realigned folks a few times and we haven't heard too much disgruntlement because we – typically we push their terms out so they – we usually are approximately 6-months longer or in the case of UAC, I think it was one month longer. That may -- at least initially, there may be a few people that longer term doesn't work for them so we'll have an unscheduled vacancy but typically, as you've seen through a lot of our recruitment the same people – they really enjoy participating and they want to continue serving.

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Chair Wolbach: I just want to ask a quick question which is there's nothing that prevents us from taking applications in January or February, having interviews in March or April but then not actually seating people until later, right?

Ms. Minor: There isn't but I think you are doing...

Chair Wolbach: Do we have to seat people right away or could people have a couple months warning, hey you've been appointed. You've got a couple of months before you get sworn in and that gives you a little bit more time to do your homework and study up and attend meetings or view them online. Is there anything that would prevent us from doing that? I mean on Council we have that or we know in November if we're going to be joining the Council but then we're not sworn in until two months later.

Mr. Carnahan: So, we -- currently we -- for example the recruitment we have going right now we have -- we started recruiting about a month and a half ago I believe. The deadline was yesterday, in two weeks you're going to have a Staff report to decide who'd you like to interview, then late October we're conducting the interviews and then late November you're scheduled to make appointments for terms that begin mid-December. So, part of it too is these recruitments take a very long time. Partially because we need to advertise for a minimum of fourteen days but we try to do longer so that we have a better opportunity to reach the community. Then we do come to Council three times; first to decide who to interview, then to interview and then for appointments. Every now and then there's a late packet memo in there if we really get jammed up but I mean that right there, that's six weeks from when they are turned into when you guys can make an appointment.

Chair Wolbach: I guess what I am getting at is that we could make our decisions about who we're appointing before the budget discussions for instance and then have the appointments held after the budget discussions potentially.

Mr. Carnahan: I think -- yes, we could and that was sort of a suggestion in here. That if we recruited early enough to have interviews in April, that would give newer Council Members a little bit of time to get experience on Council, get a little more comfortable in their new role but it would be before the budget review that takes up a huge amount of Finance Committee's time in May. Then if you would then make appointments either late April or early May, that would give folks at least a few weeks to do a

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little more research, attend a couple meetings, watch some videos and become a little more acquainted.

Chair Wolbach: Yeah, I think I would be comfortable with that and that again, I would wrap – I think the goal for me or one of the goals is to wrap up interviews prior to the Finance Committee hitting their peak period just so they don't have regular Council meetings, Finance Committee special meetings and interview special meetings all in the same line because that would be a very stressful month for Finance Committee Members.

Vice Mayor Kniss: Could I (inaudible) I'm nagging at me though. I'm trying to think of how you differentiate between the two kinds of Committees. You used some good words, tell me what they were? (crosstalk) (inaudible)

Council Member DuBois: Just like less controversial.

Vice Mayor Kniss: Thinking how can we word this because I'm thinking that if for example Planning and Transportation suddenly had two vacancies for some reason and we don't plan to actually interview again for several months. I would find that really uncomfortable so it seems as though we need some kind of backup plan for whatever we're going to call it.

Council Member DuBois: Don't we have that already?

Vice Mayor Kniss: I mean I guess I would call them more crucial, more...

Ms. Minor: Well we do have it now when there are openings. We bring it to you and ask if you want us to recruit at that time and we can still continue to do that if there are openings that – on PTC or UAC.

Council Member DuBois: So, I was going to try to make a motion but I just wanted to ask a few questions before I did.

Chair Wolbach: I think Lydia also had a couple more questions maybe before we go to motions.

Council Member DuBois: If the – if we did stick with the two recruitments and we did this realignment, I mean the Staff report says the interview periods are April-May and November-December. How do you in the Clerk's Office feel about shifting those up, I guess? Like February-March and September-October?

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Mr. Carnahan: I don't think there would really be an issue with either of those time periods. I think that the suggestion of April was just to allow new Council Members more time to get familiar but it that's not a concern, late January or a time during February, those could work. Then we could get to those appointments earlier in advance of when their terms begin so they have that time to get more acquainted and comfortable in their future role.

Council Member DuBois: Alright, so I'll attempt a Motion which is that we keep the two periods but the fall period we would interview the Library Commission, Human Relations Commission, the Arts Commission and the Historic Resources Board and that would occur in September-October. Then that we would have a spring or early spring interview in January-February of the other Boards and Commissions. Then we would adopt two, three, four and five of the Staff Motion.

MOTION: Council Member DuBois moved, seconded by Vice Mayor Kniss to recommend the City Council adopt an Ordinance to:

- A. Keep two recruitment periods, with the Library Advisory Commission, the Human Relations Commission, the Public Art Commission, and the Historic Resources Board being held in September/October; and the Architectural Review Board, the Parks & Recreation Commission, the Planning & Transportation Commission, and Utilities Advisory Commission being held in January/February; and
- B. Remove the requirement that the election of the Planning & Transportation Commission chairperson and vice chairperson occur in November; and
- C. Add, "gender identity" to the Human Relations Commission's jurisdiction; and
- D. Update Human Relations Commission language to include gender neutral language; and
- E. Update Parks and Recreation Commission language to reflect name changes in Community Services Department divisions.

Vice Mayor Kniss: I'll second that. I think that's rational.

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Council Member DuBois: Do you want...(crosstalk)

Chair Wolbach: Liz?

Vice Mayor Kniss: (Inaudible) Oh. Yes, I would support that but could you include in that in some way that when it's absolutely necessary we will fill those Boards...

Council Member DuBois: We'll continue to incur current practice.

Vice Mayor Kniss: ... and Commissions. I don't want to give a name to (crosstalk) (inaudible).

Council Member DuBois: I think we just continue current practice. Yeah, the Clerk's Office would bring to Council a decision to either wait to the next recruiting period or fill imminently.

Chair Wolbach: Tom, do you want to speak any more to your Motion?

Council Member DuBois: No, I think I'm good.

Vice Mayor Kniss: I think we've chewed this one up, don't you?

Chair Wolbach: I would just point out that for – just for sake of example, in the last fall period we saw at least – I hope I'm not forgetting people but we saw at least one member of the Library Advisory Commission running for Council and we also saw at least one member of the Human Relations Commission running for Council. Again, I – if we have to pick less or more controversial Boards and Commissions, I think the Motion on the floor captures that pretty well but I don't think it's the Board or Commission that makes a candidate controversial. That the candidate themselves so I guess to say...

Council Member DuBois: Just to clarify, I didn't think this was about candidates and I guess, what is the issue with them applying and also running other than we may have to fill another position?

Chair Wolbach: From my perspective it's just a question of it frankly, being backward for everybody involved.

Vice Mayor Kniss: I agree (inaudible)

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Chair Wolbach: Perhaps the outtakes as well. Alright, and...

Vice Mayor Kniss: It like it hits you in the guts.

Council Member DuBois: Sure (inaudible).

Council Member Kou: But that's also (inaudible)...

Mr. Carnahan: Can we – microphones?

Council Member Kou: Wouldn't that also be at the National level you know when somebody is running for Congress or Assembly and they're a Councilperson as well? I think it's kind of all over.

Chair Wolbach: Well, yeah, I mean somebody could still run. For me, the issue isn't that they are serving on a Board or Commission and running for Council. It's the question of their application and for us having to make the decision about who to appoint or not to appoint. It could look like an endorsement if we're making an appointment very close in time to an election. I'll offer a friendly amendment which is to have the Board and Commission interviews all in the – you said January-February, right?

Council Member DuBois: September-October.

Chair Wolbach: Right so I would just offer as a friendly Amendment to have all the scheduled Board and Commission interviews in January-February with September-October as the planned vacancy filling period with Council holding the opportunity – having the opportunity to fill vacancies sooner if needed.

SUBSTITUTE MOTION: Council Member Wolbach moved, seconded by Council Member XX to hold all of the scheduled Boards and Commission interviews in January/February and designate September/October as a planned vacancy filling period while allowing Staff the opportunity to recruit throughout the year, as needed.

Council Member DuBois: (Inaudible) substitute.

Vice Mayor Kniss: Yeah, no, I heard that as a Substitute. I can't support that because it's a totally different way of operating.

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Chair Wolbach: Ok, well I won't bother making the Substitute because I don't think that it will have the support. I'll let you guys go back to discussing the Motion. I want to make sure we also captured the other elements that did...

SUBSTITUTE MOTION WITHDRAWN BY THE MAKER

Vice Mayor Kniss: I just want to answer Lydia's if I might. The difference Lydia is if I'm a Council Member as I once was and ran for County Supervisor, I'm already in one job and running for the next so I'm not running for two jobs at once. Whereas I would see somebody who has taken out papers running for City Council and then also applies for Planning and Transportation at the same time so they are running for two offices at once, which the constitution doesn't allow.

Council Member Kou: I was basically going on what Corey said about – that we had a UAC Member and a HRC Member running for Council so they were already in their positions.

Vice Mayor Kniss: They were already in their positions.

Council Member Kou: Right, so I was just following that comment but thank you. Thank you for the explanation.

Chair Wolbach: I guess the only other thing we could consider is whether we should not or could not allow people who have pulled papers to run for Council to also apply for Board and Commission interviews or appointments. I'm not even sure if we would be allowed to do that. Basically, to tell them hey...

Vice Mayor Kniss: That's why Terence is here.

Chair Wolbach: Hey, you're going to have to pick, right? Which job are you applying for? I'm just wondering is that even something we could legally do. I don't know if that was clear.

Ms. Minor: That's a legal question.

Mr. Howzell: Can I suggest that isn't – well, isn't pertinent to the agenzized item. I understand the question and it's not related to the matter that's before you. So, frankly, I would prefer not to give an answer in this

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particular public setting. If the Council feels that it does want some confidence legal advice relating to this, I can provide it but I don't want to – I don't think it would be appropriate to state the City's position on this issue in this particular setting.

Chair Wolbach: I appreciate the sensitivity with which the City's Attorney's Office approaches these matters and thank you for that.

Council Member DuBois: This raises some issues that we're having a long discussion on what I thought would be a relatively short item. I think maybe we ask that we agendaize for Policy and Services a discussion on term limits, attendance requirements and applying for multiple positions at the same time.

Vice Mayor Kniss: Thank you for mentioning that because I think that's actually important.

Mr. Carnahan: Just to – I was going to say just one quick note. We did have a discussion with Council about a year and a half ago I believe and we did go down to requiring that applicant pick one Board or Commission to apply to -- for improvement because we had individuals who were kind of – we had three Boards that we were recruiting for and they submitted three applications. So, they are now forced to choose one.

Council Member DuBois: But this would be running for Council or a Board, right? So, are you suggesting that I add that to the Motion?

Chair Wolbach: Would you be willing to add that to the Motion?

Vice Mayor Kniss: Can we? I'm looking at Terence again.

Council Member DuBois: Or could we just discuss it (crosstalk)...

Chair Wolbach: (Inaudible)

Mr. Howzell: Well, you could do that as part of your future meetings discussion.

Chair Wolbach: Let's do it then.

Mr. Howzell: During that discussion, you can highlight what – if there are

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particular legal issues that you'd like the City's Attorney's Office to address in a confidential memo in anticipation of that meeting.

Chair Wolbach: Very good so I won't suggest it be added to this Motion at the time. Any more discussion about the Motion? I do want to make sure did – since we – I'm so accustomed now to having the motion in front of us for our Council meetings, I just want to make sure did the motion capture each of the components requested?

Jessica Brettle, Assistant City Clerk: Currently the Motion that I have on the floor is regarding the two recruitment periods that I separated out according to the schedule that Tom suggested. Then I also have two, three, four and five included in the current Motion on the floor.

Chair Wolbach: Did you want to – do we also include the parts A, B, and C on Pages 3 and 4. Is that captured, that we wanted to...

Ms. Brettle: That is not currently part of the Motion as it is.

Council Member DuBois: I would add that, that we keep them – keep it as is.

Chair Wolbach: Keep it as is, ok. Lydia?

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER to add to the Motion, "to leave the process of appointing unscheduled vacancies as it currently stands."

Council Member Kou: Just one more question so Number 2, the requirement for the PTC, the Vice Chair and the Chair to be removed at the election. Is there another replacement time or leave it completely open? How does that (inaudible)?

Mr. Carnahan: It's completely – the recommendation was leaving it open. The other Boards and Commissions have the requirement that the Chair and Vice Chair serve for one year. It tends to be roughly a year just based on meeting calendar and things like that. The PTC is the only one that has that specific requirement that it must happen in November and that becomes problematic when – a couple times we've had unscheduled vacancies appointed right around that time or we've had people appointed as Chair or Vice Chair and then they resign. Then we sort of aren't near November so can they make an appointment? Perhaps they can, maybe they can't and

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just sort of removing that unique requirement.

Chair Wolbach: So, it's just aligning it with the other Boards and Commission practices.

Mr. Carnahan: Yes.

Chair Wolbach: Any other discussion about the Motion?

Vice Mayor Kniss: Say though isn't the requirement about Planning and the Charter as to when they elect their leadership?

Mr. Carnahan: It's in the Municipal Code, not the Charter.

Vice Mayor Kniss: Oh, ok so the Code has to be changed?

Mr. Carnahan: Yes, so the majority of the items in this recommendation would be an Ordinance to update.

Vice Mayor Kniss: I hate to prolong this but there's just one thing I'm thinking about is that those most likely to run for office are Planning and Transportation. So, it would not be usual they have two or three people in Planning and Transportation running for City Council at the same time; just to think about.

Ms. Minor: I think the concern is more if you have somebody who has applied for Planning and Transportation and is applying for Council. We do have – I don't know that it's an issue, is that when they are already on the PTC and their running for Council. It's more for when they are running for both at the same. I think that's the bigger issue.

Vice Mayor Kniss: I'm only concerned about – so two or three get elected and then you have three – two or three vacancies and that's the vacancy in November. So, do we wait for spring?

Chair Wolbach: The Motion that you just seconded would have us fill that (crosstalk) – well, the Motion you just had or that you are seconding is that we would fill it ordinarily. Actually, we would fill it at the next recruitment period, otherwise, we could hold a special – anyway, any other discussion about the Motion? Alright, good work on this one. Good discussion and all in favor of the Motion on the table? That was an aye?

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MOTION AS AMENDED RESTATED: Council Member DuBois moved, seconded by Vice Mayor Kniss to recommend the City Council adopt an Ordinance to:

- A. Keep two recruitment periods, with the Library Advisory Commission, the Human Relations Commission, the Public Art Commission, and the Historic Resources Board being held in September/October; and the Architectural Review Board, the Parks & Recreation Commission, the Planning & Transportation Commission, and Utilities Advisory Commission being held in January/February; and
- B. Remove the requirement that the election of the Planning & Transportation Commission chairperson and vice chairperson occur in November; and
- C. Add, "gender identity" to the Human Relations Commission's jurisdiction; and
- D. Update Human Relations Commission language to include gender neutral language; and
- E. Update Parks and Recreation Commission language to reflect name changes in Community Services Department divisions; and
- F. To leave the process of appointing unscheduled vacancies as it currently stands.

Vice Mayor Kniss: That was an aye.

Chair Wolbach: Ok works.

Ms. Minor: Thank you all.

Chair Wolbach: Alright so that passes unanimously, thank you, everybody, and let's not forget to tag on some stuff on the future agenda items to have that fuller discussion. Thanks, Rob.

MOTION AS AMENDED PASSED: 4-0

- 2. Continuous Monitoring Audit: Overtime.

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Chair Wolbach: Moving onto our next item of the evening; Item 2, Continuous Monitoring Audit-Overtime. I'll look to the City Auditor to take away on this.

Harriet Richardson, City Auditor: Good evening Mr. Chair and Members of the Committee. Harriet Richardson, City Auditor and with me is Yuki Matsuura to – Senior Performance Auditor to present the Continuous Monitoring Audit of overtime. The purpose of this audit was to determine if implementing a continuous monitoring process for overtime could improve how the City manages and monitors its overtime and makes decisions about how it uses over time. We have up on the screen there the history of overtimes for the last several years for the four largest users – departments that use the most overtime and then all of the others combined. You can see the Public Safety Department, Utilities, Public Works are the biggest users of overtime. The column on the right, '17 is right out there just so you know and can see that compared to what's in the report. We didn't have '17 data at the time we finished the report so we added it to this. The overall answer to the question is yes, we believe an opportunity exists within the – as they implement – the City implements a new enterprise resource planning environment to be able to implement a process to manage overtime more effectively. So, I'm going to turn it over to Yuki to talk about the audit, the factors that contribute to overtime, as well as the audit findings and recommendation.

Yuki Matsuura, Senior Performance Auditor: Good evening. The first question that we asked was what is driving the cost and use of overtime? Our answer was this, it's quite complicated. There are so many factors and there are so many different perspectives so some of these may not really be management issues and may require policy discussions. For example, the minimum staffing, it's a major cause of overtime for the Public Safety group and the requirements are part of the labor agreements as well. To change that, it may take some time and also may require a discussion with the community as to what kind of service quality they are looking for. The next question we asked was who is really collecting the data related to this over time and who is monitoring the data and how is it reported and how often it's reported out. What we found was the City doesn't really have a central system of scheduling and tracking overtime and all four departments we looked at, they had different systems. Police and fire, for example, they purchased a scheduling system and Utilities and Public Works Department, they are really monitoring at the manager level and that department level. Another issue that we found was that those departments or systems are not really connected to the SAP system so that created a lot of manual work and it also takes time to aggregate it – that data from the different sources and

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reports out a City-wide information. Now we have – we are in the process of procuring a new Enterprise Resource Planning (ERP) system and our recommendation is for the City to form a work group to discuss what overtime data should be tracked and how and also, talk about how we can reduce manual work? The vendor may propose a set of solutions, not just the ERP system and it's really up to the City to decide which functions would be part of the integrated system or departments may keep a scheduling system they already purchased or the City may acquire a separate workforce management system. So, there are different ways to do this and there are many data analysis software that can pull data from different data sources. Our recommendation is to have the City to form this workgroup to have the discussion.

Vice Mayor Kniss: Could I ask something because (inaudible) everyone else might know this answer but all this is being framed in light of the SAP cannot do this but ERP can. Is ERP a company...

Ms. Richardson: No.

Vice Mayor Kniss: ...or is ERP a – maybe you could just define for us what it is and maybe I'm the only one who doesn't – I may be the only one who doesn't know what it is.

Ms. Richardson: Enterprise Resource Planning System so it's similar to what SAP is. SAP is the company that we currently have and ERP – SAP is an ERP system. It's the whole system that would encompass our core financials, our HR, could be customer information system for utilities. So, it's the product but different vendors can offer that product or solution that would all feed into what our Enterprise Resource Planning System is. We also have Jonathan in the back who may be able to answer (inaudible)(crosstalk).

Vice Mayor Kniss: Will we continue to use SAP?

Ms. Richardson: The plan is for SAP to go away.

Vice Chair Kniss: SAP goes away, Enterprise Resource Planning comes into play.

Rob de Geus, Deputy City Manager: SAP might be it and be one of the vendors (inaudible).

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Ms. Richardson: Correct, the current...

Vice Mayor Kniss: That's CS, ok.

Ms. Richardson: Right, the current SAP system would go away and be replaced with a new system. The current SAP system is no longer supported and so – in its current configuration. We do get support in other ways but as a company, SAP no longer supports our old configuration. It's considered a legacy system.

Vice Mayor Kniss: We're going into this when?

Ms. Richardson: There's a whole process right now that's been going under – in underway for well over a year. Planning the RFPs are out on the street now for vendors to bid on the proposed solutions. So, Jonathan is here...

Vice Mayor Kniss: So, maybe it went to Finance. I'm sorry, the rest of you all know what this about.

Ms. Richardson: Yeah, Jonathan is here and it might be helpful for him to – yeah.

Vice Mayor Kniss: I'm sorry to interrupt it but it doesn't make sense to me if I don't understand why we're switching and it says to me yes, this works if you use ERP.

Chair Wolbach: Do you want to identify yourself for people who are listening and watching at home?

Jonathan Reichental, Chief Information Officer: I certainly will, Jonathan Reichental, Chief Information Officer, great to see you all. I'm not talking about fiber tonight. Actually, Harriet did a lovely job about – it actually goes back a few more years. We determined that the SAP system, which serves finance, utilities, Public Works and HR had come to end of life. It's not serving the City anymore. It's a 17-year old system and we deployed it in 2001. We've made some enhancements over the years as you know but we went out to market and we analyzed – sorry, we went – we got a company to come in and make an assessment of is this – should we stay as is or should we look at the marketplace? Categorically the advice was it's time for the City to look at the marketplace and get a 21st-century contemporary tool to manage our utilities, finance, HR, Public Works. All the time entry and

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expenses parts of the City. We kicked off that project and it was a significant effort to gather all the needs of the City but we finished that in the summer. We put together an RFP package both for the finance side of it, the finance and HR piece of it and we put an RFP together of the utility piece because it's very specific to utilities. That's now on the street – it's on the market for the next approximately 7-8 weeks; both of them. So, we're waiting for the – that to end and then we'll review the respondents. The plan is then to go through the appropriate Committees and Council to get approval on any decisions that need to be made and the financing of that. We designed it over the course of FY '19, which is really July of next year. Beginning to build up the new solution for the City in FY '20. These are big, complicated projects so it will be several years in the making. That's the – I guess the kind of overview of the project. To clarify just on the words ERP because I also agree that's confusing. That's just a category of software, I think that's the best way to say it. It represents the core function of any organization like finance, human resources, payroll so the very fundamental big business processes of any organization and it has the unfortunate title of ERP.

Vice Mayor Kniss: I appreciate it and I'm sorry to interrupt (inaudible).

Ms. Richardson: Oh, that's fine.

Vice Mayor Kniss: Tom, I'm sure you knew that already. I just wasn't aware of it. I don't have to say that all again, do I? As I said, apologizes to Harriet for interrupting but because I've been hearing it banded about, I didn't know exactly what it was. That is a great help, Jonathan, to hear it explained and know that it's coming gradually to us and to the whole City. Therefore, it must be that it's accurate enough that you can use it for overtime analysis.

Ms. Richardson: That was one of the things we had a conversation with Jonathan during the audit and he explained that somethings we were talking about in this audit should be a basic function in a new ERP system. Compared to SAP which wasn't configured to capture that type of information and be able to report it out.

Vice Mayor Kniss: Good, thanks.

Ms. Richardson: We have a recommendation on a Motion that the City Council except for the Continuous Monitoring Audit but in the meantime, we will accept more questions.

Chair Wolbach: Any questions or comments or Motions? Tom?

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Council Member DuBois: I don't know Rob if you're representing the City Manager? Of the City Manager's response, it seems appropriate but the text of this statue or the partially agree seems to differ from the letter. It sounds like we have separate overtime tracking systems for police and fire and that there's potentially some desire to keep those but the City Manager's letter says that we'll see if the ERP is superior and it sound like make a decision at that time. Then the responses to the findings are that they'll work with departments that don't have a separate system so it sounds like we're leaving out fire and police. I guess which is it?

Michelle Flaherty, Deputy City Manager: Michelle Flaherty from the City Manager's Office and thank you for the question and the opportunity to clarify. The City Manager's Office is in agreement, absolutely with the auditor in the spirit of the recommendation. We believe it's best practice to try to do things as consistently across the organization as possible. We think automation is a great way to go. We're very excited about getting a new ERP whether it's from SAP or another vendor and we're looking forward to that. We're looking forward to working with stakeholders from all departments as the auditor has recommended to figure out best to implement that. With any major software implementation, the devils in the details. We don't want to preclude the possibility that we might end up buying the best ERP system we can find to meet all our needs and still discover that in the timekeeping, it turns out to be suboptimal to require public safety to join the new system instead of using what they've gone out and create to accomplish superior record keeping. We don't want to paint ourselves into a corner unnecessarily if their practice ends up being better than what we can do with this but our hope is that we'll be able to improve.

Council Member DuBois: I mean that sounds fine. I'm just wondering if we could change the wording – I mean if it's really public safety so can we say public safety is – because says any department with a system and to me that could be a spreadsheet. I guess...

Ms. Richardson: In some departments, it is a spreadsheet.

Council Member DuBois: Yeah, so...

Ms. Flaherty: We're absolutely committed to working toward the best practice on this.

Council Member DuBois: Yeah, so again the – I guess the – was it Attachment A with the response to the findings? I mean I guess I would be

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more comfortable with just saying that public safety will determine if the new ERP is better. Again, it's this idea that – it basically said that any department that has a system in place won't be included, right? I mean I don't know if you've read that but yeah.

Ms. Flaherty: (Inaudible)

Council Member DuBois: So, I mean I'm concerned more about the ones that are doing it at the manager level or manually. You know that's a system that's in place I guess.

Ms. Flaherty: Sure, yeah, I think rather than trying to single out public safety, our point was just if we've got something that's working better than what SAP can offer. We don't want to preclude that and second guess it but where – it's our – not SAP, SAP successor whether it be SAP or another company, the ERP but yes, absolutely. We want...

Council Member DuBois: Are there other departments that have systems that we think are acceptable quality today? I guess might ask both you guys that.

Ms. Flaherty: Yeah, I don't know, we can – David? I'm going to ask our Assistant Director at ASD.

David Ramberg, Administrative Services Assistant Director: David Ramberg, Assistant – yes, thank you, Michelle. David Ramberg, Assistant Director of Administrative Services Department. Michelle signed this on the first day that she saw this. It was one of her first assignments so thank you, Michelle. I think you spoke to it very well. I don't think in the breath of this audit did – was there an exhausted review by the City Auditor of the various systems that are out there. I think to kind of -- unless Harriet can speak to what every single department does, I'm not sure.

Ms. Richardson: We looked at four departments because they were the largest users and the four that we looked at were Police, Fire, Utilities and Public Works. Fire has Telestaff, police has Intime and so they're using two different systems already. Neither one of them interfaces with SAP so police for example, then takes – they still have to enter information into SAP to get paid. Then they have to do Intime separately and then they take the information and they create spreadsheets and they run it through [Taplow] to create all these – so there's a lot of separate side manual process that they are using. Utilities as an example create spreadsheets to do different

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things with them so every – there's really not a consistent across the board way. They are not getting a lot of the data out of SAP that could really help them look at when is overtime being used, why is it being used, and where is it being used to really think in a more collective way. Are we managing our overtime in the best way that we can and as Yuki mentioned, in public safety areas some of the overtime gets used primarily because of minimum Staff requirements. If you have comprehensive reports that really look at the detail in the data and not just high level, it might make you think about does out minimum Staffing requirements make sense? Should we deploy Staff in a different way and that's really what this is about, is really helping departments think about how we use our overtime? Why we're using it? When we're using it and if there's another way if we have that detail, that we would think about how we use our Staff.

Mr. Ramberg: If I could just add to that? The SAP system, I don't want to leave the impression tonight that the SAP system is not doing its fundamental job. It's fundamental job and how it was set up was to make sure that employees are paid accurately on a bi-weekly basis and so that's a very rigorous process. It's called a payroll process and in addition to standard pay, the payroll process does always accurately pay the overtime to the employees that code overtime in their time card every two weeks. Those time cards are approved by a supervisor and then it rolls all up to the City-wide payroll process. In most departments, other than public safety, the coding of overtime is a pretty straightforward process. Someone may be in the Library Department, for instance, might work an hour or two over overtime on a supervisor approved evening to restock books. I'm just throwing out a scenario. That overtime would be an hour and a half, it would be time and a half and it would be approved in the payroll in the timecard, approved by the supervisor, rolled up and then (inaudible) employee for that pay period would get that additional overtime. That's how the vast majority – that's how most departments operate in Public Safety and we have someone here who can speak to it in more detail than I can. Public Safety has the dual purpose also of using overtime for the allocation of resources across Staffing requirements which are called the minimum Staffing requirement. I wanted to just make sure you know that SAP is doing the fundamental job that it needs to do.

Council Member DuBois: Alright, ok, thank you. Again, what I hear is kind of agreement and what troubles me again is just the wording, I think – again, the action plan is pretty soft. It just says ASD will work with departments to explore potential continuous monitoring system. I'd be happy if we just dropped the departments that do – don't have a separate system and we just say we're going to explore it and again, what you're saying makes

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sense. If we have another system that's better for the particular use for fire or police, fine. I'm curious what the rest of the Council Members think.

Chair Wolbach: Anyone else? Liz.

Vice Mayor Kniss: I actually would – seeing – this is simply a recommendation but I would make the Motion that we move onto the Council to accept the report. I don't know if I want to get into the nuts and bolts on a motion on this. I hear what you're saying and it will be in the minutes from this meeting, which I think is good but it sounds as though a number of things are in motion. SAP is still working in the areas that it was working in and in other areas, we'll be moving over gradually as you look at the responses to the RFP and then moving forward, right? Maybe they need to come back to us in – of course, it won't be the same Committee next year but maybe they need to come back to Policy next year, reporting on how the RFP's were accepted and utilized.

MOTION: Vice Mayor Kniss moved, seconded by Council Member Wolbach to recommend the City Council accept the Continuous Monitoring Audit: Overtime.

Mr. Ramberg: There would be a process for reporting back on this audit like there is for every audit and I think we said in our letter that it would be our intention to report back on what that exploration process for evaluating a new RFP resulted in terms of overtime capabilities.

Chair Wolbach: So, is that a Motion that is on the floor?

Vice Mayor Kniss: My Motion is on the floor but it doesn't have a second yet.

Chair Wolbach: Ok, I'll second it but I'm open to amendments and have a couple of questions but first Liz, do you want to speak to your motion?

Vice Mayor Kniss: As I just said, I think this should be kept simple. They are going to come back to us or whoever is sitting here next year, they are going to come back to them. This sounds to me like it's a conveyor belt and you're moving things through it and gradually moving over to a new system. Is that correct?

Chair Wolbach: Staff, Rob de Geus, do you want to weigh in on this?

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Mr. de Geus: Yeah, Rob de Geus...

Chair Wolbach: Then I'll return to my Colleagues.

Mr. de Geus: ...Deputy City Manager. I think I understand what Tom's getting at here and just sort of talking with David this notion of a separate system. A separate system could mean a very simple system but I think what we're saying is we will work with those departments that have a system that is less than what we have in SAP currently. That's really what we're attending to say here so I think dropping the separate system is fine. Actually, from our perspective just understand that those departments that have a good system and it's better than what SAP provides, that's not where we're going to focus our efforts.

Chair Wolbach: My first question is really procedural and whether we are able to make recommendations that include changes or whether ask...

Council Member DuBois: I think (inaudible) is comfortable with the response so it's fine.

Ms. Richardson: We have made changes. In fact, we have the last audit report asked us to work with the City Manager's Office to change something in one of the responses and we've done it in the past based on Committee feedback. So, when we go to Council, we just put a modified response as the attachment so we'll have the original one and then the modified and that's how we've handled that in the past.

Chair Wolbach: So, I'll suggest actually a minor Amendment to the Motion which is – or addition which is ask the City Auditor and the City Manager Staff to clear up the language in the City Manager responses to reflect the concerns that were raised during our discussion.

Vice Mayor Kniss: So, it's benign.

Chair Wolbach: Will you accept that as a friendly Amendment?

Vice Mayor Kniss: I think it's just part of the recommendation.

Chair Wolbach: Ok, any other discussion? Seeing none. All in favor? That passes unanimously. Thank you very much. Alright, let's move on to item number three for the evening.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "and direct City Auditor and City Manager's Staff to clean up the language in the City Manager's Response to reflect the Committee's discussion."

MOTION AS AMENDED RESTATED: Vice Mayor Kniss moved, seconded by Council Member Wolbach to recommend the City Council accept the Continuous Monitoring Audit: Overtime and direct City Auditor and City Manager's Staff to clean up the language in the City Manager's Response to reflect the Committee's discussion.

MOTION AS AMENDED PASSED: 4-0

Vice Mayor Kniss: Thanks for all that explanation. You know for someone who once worked in an electronics company, I'm – I've got – I did ask -- I kept hearing it and didn't know exactly what the process was that we were going to.

3. Fiscal Year 2018 Audit Work Plan.

Chair Wolbach: Alright, so Item 3, Fiscal Year 2018 Audit Work Plan and Harriet again.

Harriet Richardson, City Auditor: Yes. I'm here to present the Fiscal Year 2018 audit work plan. This is based on an estimate of about 19,000 hours of direct time available for our audit Staff. That recognizes that we currently have a vacancy that we are anticipating we'll have a new employee in January and it also counts for vacations and that sort of thing. As we develop our audit plan, there are a few things we consider. We ask for Council input, we ask for department input and then we look at something that we consider to say is this really something that's auditable or will benefit the City if we audit it. We're looking for things such as financial opportunities, operational improvements, is there any regulatory issue involved that we want to ensure some compliance with and then as we're thinking about can we audit it, we're thinking about are their best practices out there that we might be able to look at for identifying ways we can do things that are – is there going to be some sort of return on investment to the City for the time we invest on doing these audits. Is it likely a key one that it would produce some sort of actionable recommendations that are both practical and feasible for the departments to implement. To start off we have some things that aren't actually audits, they are things that – for the most part, they are things we do every year and we just carry them over

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year after year. The first one is our annual performance report. I've added sometime this year for the transition process as we're working through helping departments revamp their performance measures and establish a new way of tracking to make sure that the data – they have the data to collect measures that they actually use to manage their performance. We do our annual Citizen-Centric Report which is really just a summary of key financial information and performance information that we gather from various other reports. So, it's just a simple easy to read a four-page report that we put together. Then we do the annual citizen survey and that is actually getting ready to be mailed and the residents should start receiving that in the mail next week. We're doing also a custom survey which is focusing on code enforcement and the built environment and that was based – we're doing that based on a budget addition to the City Auditor budget to dig a little bit deeper into code enforcement and built environment issues. We do the ongoing sales tax allocation reviews and that also includes administering the contract that we have with the consultant who does some similar work for us and is also able to look across jurisdictions and sometimes find some things that we aren't able to find. Then we also – I have time in here for us to administer the fraud, waste and abuse hotline but also to help us develop some procedures that will be for departments to better understand the difference between the fraud, waste, abuse hotline and the advice line that the City's Human Resources Department is developing. We're working together to try and develop some guidelines to really help employees understand the difference and when to do the fraud, waste and abuse hotline or HR for advice. We administer the contract for the annual financial audit that is currently underway. Most of the work is done in ASD but we are responsible for the contract and keep that moving along. Then we have non-audit services related to ERP and (inaudible) planning project...

Vice Mayor Kniss: (Inaudible)

Ms. Richardson: Yes, which is really working with the Department of Information Technology as they go through this process. We've attended meetings – the strategic planning meetings and the technical development meetings which are where they develop the requirements. Just really looking at the process they are using so that we can be more proactive and say, hey we're seeing something that if we can in after the fact and did an audit when it would really be too late and said you should have done something differently. Well, you know, you're embarking on a process that's going to be in place for years so it's better to be proactive up front. So, that's really what that's about. Then we do our ongoing review and monitoring of the

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implementation of statuses of prior audit recommendations. So, the departments do the reports, they send the draft to us and we do some validation on those – what they are reporting out to say that we agree with the statuses if it's implemented, if it's in progress or if it hasn't started. Then we do our quarterly reports and then we also do some advisory roles. Sitting in on some meetings for the Utilities Risk Oversight Committee, the Information Technology Governance Review Board and the Information Technology Security Steering Committee. We don't spend a whole lot of time and it just depends on how often those meetings occur. Usually an hour here or there every few months. Getting into the performance audits, several of these are carried over from last year that we have started but have not yet completed. The first two, the water rate billing and accuracy, that was our water meter rate billing accuracy audit and then the continuous monitoring of overtime, which you just heard. I have hours in there because we're already into September so it's accounting for the early part of the fiscal year. Then we're doing three other audits that are related to the ERP process. One of them is looking at the data and system governance to make sure that the structure is in place to support a successful implementation throughout the City. So not just IT's role but also what departments need to have in place to ensure a successful transition and ongoing use of the new systems. Then we have an audit on segregation of duties which is to ensure that as the new system is implemented, that we people aren't assigned multiple tasks that aren't considered compatible. That would allow them for example, you don't want the person who receives money in to be the same person who deposits it because some if could disappear along with the way. So, you really want to separate different sorts of tasks, particularly in the financial area where things can go bad if you don't have the duties separate among multiple people. Then we have an audit called Data Integrity Reliability and Standardization. This is – if you recall last month when we did the meter audit and we talked about how where there are multiple points of entry for different types of data and a safe key and that data is not always consistent. So, this audit is looking to identify – we're going to look at several different data sets to try and identify areas where the data needs to be made consistent across the board because right now it is not clear where the data would be pulled from to migrate over to the new system. We want it consistent, we want it accurate and we're going to look at – this is actually going to end up being a series of reports probably because we'll do a data set and report on it so the departments can start cleaning the data as soon as possible so they aren't in a crunch at the end. We're starting with the HR Master Data and then we'll move into some of the core financial data as we proceed. The data standardization piece of that is looking at – that will be a separate report also and that's really looking at different types of data that are entered in different ways that again, you can't match it up because for an address you might have street spelled out or you might have St. So,

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when you're looking to match things up, you can't match them up so we're going to create some guidelines for standardization or we'll actually identify areas where they should standardize and let the City create the guidelines themselves for how they're going to standardize that. Then the next audit that we're doing is the Code Enforcement Audit. That one is also underway and that one has had a lot of interest from residents, Council Members – including – both residents and Council Members. I did increase the hours on this from what we had estimated last year but based on some of our early planning work and some of the things that we're hearing and seeing out there and how much we're going to have to look. So, I increased that from 575 hours to a 1,000 hours. Then I have some audits that some of these are carried over and there's one new one on here too – that will start as we finish the other audits. Originally, the meter audit that we did last month – presented last month was supposed to be looking at gas, electric and water. As we got into the meters and realized that there was a big issue there, we focused just on that and decided we'd do gas and electric later. I increased the hours here, again based on how much effort we had to put into going out and physically looking at the meters and that we decided that we're going to need more hours to do this one. That will be started after some of these data reliability audits are complete. Contract risk and oversight is a carryover audit and that's really looking at contract process and make sure we're getting the – what we're paying for. Also making sure that we're not unnecessarily overlapping services through the types of contracts we're awarding. The next one is new one, non-profit service agreements, and looking at whether the non-profit organizations that receive funding from the City are the outcomes we expect from the funding we provide. I think a lot of that's going to tie into our agreements clear enough about what we expect from that funding that we provide to them; that was a Council Member request. Business registry, this one is intended to be a pretty limited scope we may end up doing as a non-audit service and just really looking at the roles and process that have been put in place to get the business register in place. See if we can provide some advice on how to work out some of the kinks that have been happening with that process since it's been implemented. Then this last one is also a carryover and looking at public safety and if there is an opportunity to civilianize any of the positions that are currently sworn which as you have turnover then could be changed to non-sworn positions and potentially provide some cost savings for the City. That's a common thing that's been looked at in other Cities. We haven't looked at it here but we talked about whether or not we should do that last year. We talked about whether or not we should do it or as a consultant to do that and it was left on the audit plan and we didn't get to it last year so I've left it on for this year. I do have a list at the end here of other things that have been discussed as audit topics over the last two years or so. One that interests me a lot because I think we have a lot of

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opportunity here is the mobile device abuse and security but the reason I've delayed doing that is because we have these ERP audits and it's too much to be in the same department doing that many audits. That's all I have on this and so I am ready for questions.

Chair Wolbach: Any questions, comments or Motions from any member of the Committee? Liz.

Vice Mayor Kniss: I'm fascinated by two things, your non-profit services agreement. I'm glad to see that on there and I realize that we've have had a lot of discussion about the code, code enforcement and so forth. I'm going to be particularly interested in that because I think we've recently had an example of a split where part of the community thought the code should definitely be enforced and part of the community thought it shouldn't.

Ms. Richardson: Correct.

Vice Mayor Kniss: I think this is complicated and I think many times we would want the code that affects us to be in place but the code that keeps something that we like from – as it did at the church and with the [Icing group]. I think we sometimes have to minds on that.

Ms. Richardson: I think that came out really clear and at first, I was a little nervous about the timing of the first article and then the second one came out and I thought ok, now we've got some balance and it's not going to seem a little bit too much sude in one direction or the other. The other thing on this one is we have put together a list of codes that have enforcement opportunity by – we developed that. There hasn't been a centralized place to see all that but we developed it using the fee schedule that implements penalties and says these are the penalties for non-compliance. When you see just how long that list is, you realize how tough code enforcement can be for the people who have to enforce it. There's a lot of regulation out there and I think it really will provide – it will be thought-provoking because you'll have to really think about should we be putting as much regulation out there. If we are, should be expecting it to be enforced and I think there's – like you said, there's one party that has the complete view that if it's in the code, I have the right to make a complaint and it needs to be enforced. Then there's another group who says it depends.

Vice Mayor Kniss: It's always it depends.

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Ms. Richardson: I think that there's going to be a lot of discussion around this one when it comes. I expect that this will be a long meeting when this one comes.

Vice Mayor Kniss: When the time comes, I'd be glad then to make a motion on the recommendation. If the time is now, I'm willing to do it then.

Chair Wolbach: I think it looks like Tom wants to make a couple – have a couple questions or comments first so I'll let him do that and if you want, we can come back to you for a motion.

Council Member DuBois: Overall, I think the plan makes a lot of sense and it sounds like the workload is based on understanding your current Staff, right?

Ms. Richardson: Correct.

Council Member DuBois: I mean a couple that we've talked about in the past that I would like to see move up into a work plan. Again, I think some kind of audit of RTDR inventory and it comes up and again, just knowing how we're tracking those and how many are out there, I think would be useful. The other one is the parking assessment district and again, I know it always seemed to be a fairly opaque item when it comes to Council in terms of paid in parking units or – and how those amount to parking spaces? There's – depending on the project, it comes back and again, I think we've sold far more units than we have spaces. In terms of what you actually have on the work plan, I think my – I have a little bit of a concern about the non-profit services agreement. I think it's a good idea, I think maybe I might be good to narrow it down a little bit. I'm a little bit concerned that a lot of these groups leverage our dollars really well and I don't want to put administrative overhead on them through an audit. I would suggest maybe we just focus on a particular sector, maybe something like elderly services and start there. If we see issues or we don't see issues we can decide to expand it but I'm a little bit concerned that it's too broad right now.

Chair Wolbach: A couple questions and actually Lydia, do you have any quick questions right now? Ok, so I'll just ask a couple quick questions and then we can come back to Liz for the Motion. On the non-profit services agreements, Harriet do you have a sense of – do you have any more detail or color that you can add to that?

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Ms. Richardson: No, it was really looking at whether or not we're getting the outcomes we expect. I do think it will tie back a lot to our agreements written well enough to tell them what we expect them to achieve with money we're giving them.

Chair Wolbach: I think this – I actually really – I really appreciate Tom raising his concerns because I kind of felt a little uneasy about it too. I guess my real question is, is this focused more on going to those non-profits and auditing how they're responding to us and creating an administrative burden for them or is it more focused on our process for drafting agreements to just make sure that we have clarity about our expectations?

Ms. Richardson: I think we would have to spend a little bit of time at least in the non-profits but I wouldn't anticipate us taking a lot of their time. I think it's really done they track outcomes, do they -- what kind of data do they have and comparing it to do they report to us, do we ask for any reporting, and really looking at do we have some sort of expectations from them when we give them the money?

Chair Wolbach: Is it typical for government agencies when providing grant funding or whatever to non-profits to have the government agency's auditor going to those non-profits?

Ms. Richardson: Yes, there's typically a right to audit clause in those agreements and I actually, before putting it on here did run it through the City's Attorney's Office to get an opinion about whether the language in there was sufficient. The City Attorney responded and the first word was absolutely and then went into some detail about why it was appropriate for us to do that.

Chair Wolbach: I guess I just to express my concerns that I'm sensitive to wanting to create a significant and unexpected administrative burden on non-profits that we're trying to help.

Ms. Richardson: Right and I think...

Chair Wolbach: There could be a point where the amount of time they spent responding to our investigation could more than make up for whatever contributions could be made to them. I don't think we want to get into that situation.

Ms. Richardson: Correct.

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Chair Wolbach: I'm sure we'd be very careful about that but I just wanted to have those concerns on the record.

Ms. Richardson: I think we can manage that.

Chair Wolbach: Also for Tom, you suggested a senior – was it senior services?

Ms. Richardson: Elderly.

Chair Wolbach: Elderly services, I don't know if you want to – I'm not sure if you wanted to weigh in on why you suggested that one in particular as a starting point.

Council Member DuBois: Well, maybe another cut is -- well, I was thinking again that that's an area the City has outsourced a lot of key services and if we were going to narrow this down it just felt like a good sector because I think senior services are pretty important and becoming more important as our population ages. I just really didn't want to see it go across the board all on non-profits.

Chair Wolbach: I'm not sure if I have any strong feelings about auditing Avenidas and La Comida before other non-profits that we work with. I might not share that particular recommendation so it's just to the auditor will use the best judgment on that one. Then on utility staffing which was one of the ones – it looks like you're not going to get to next year. I'm just wondering if you could help us understand more about what would entail and what the idea of that one was?

Ms. Richardson: There a – a consultant was hired several years ago well before I was here and they did a risk assessment in utilities and they actually looked at different areas that would potentially benefit from an audit and this was one of them. It would really be looking at – we might pick certain areas but it might look – overall, we'd be looking at whether or not the Staffing matches. I know that utilities do have some difficulties sometimes with recruitment and we might look at what other agencies do to help with that so we could approach this in a few different ways.

Chair Wolbach: Looking at the list of items that you don't think you'll be able to get to next year, if it turns out you will have more time or as you are planning for the following year, speaking only for myself and not speaking on behalf of the Committee and the Council, that's one which I would see as

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a very high priority in the same way that Tom mentioned. The park assessment distracts and transfers development rights for him were high priorities, for me I think this would be my top priority but that's just one Council Member's comment. Then for mobile device usage and security, I understand not wanting to (inaudible) a double duty (inaudible) that would be for IT, right?

Ms. Richardson: Correct, and we're already in there with quite a bit of work.

Chair Wolbach: I was just curious when you think that one might be moved forward and if not, (inaudible)?

Ms. Richardson: I think it might possibly have to wait 2-years before we could get into that one. The next year – all during the next year and the year after so soon as they start – make their decisions on vendors for the new ERP system, then they will start moving into a design phase and then – which will take about a year. Then they will start moving into the implementation phase and so I think they have to start getting that implementation phase underway before it would make sense for us to be able to look at that.

Chair Wolbach: Ok and last question from me for now, procurement processes, any guess on when that might move forward and also, I'd give the City Manager's Staff or give Rob a chance to (inaudible) (crosstalk)...

Ms. Richardson: Correct.

Chair Wolbach: ...progress that's been made but I want to hear from Harriet first.

Ms. Richardson: That one was one that was actually on an earlier audit plan in the body of the audit plan of what we were going to do and they had a new procurement manager who is making some changes. So, we were asked to delay doing that and then as we started getting into other requests like code enforcement, that came from quite a few people last year and all of these ERP things. It was just one that got pushed back due to other priorities.

Chair Wolbach: I guess I can hope that the spectrum of having an audit of it may have nudged the City Manager and his Staff to be responsive to the concerns there or they have independently recognized some concerns. I

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don't know if Rob wants to weigh in on this one at all or progress that's being made or (inaudible)?

Rob de Geus, Deputy City Manager: John Montenero as the Purchasing Manager and I think Harriet's right, he's doing a good job. He's made some changes in process improvements. Can always do better I'm sure in all areas actually but this one probably isn't the highest of concerns I think in all of the different processes areas we have across the departments. I am comfortable with it not necessarily being the focus but of course, that's not my decision, that's yours and Harriet's.

Chair Wolbach: I think the question is about the consistency and the complexity and timing and what it takes to have procurements fulfilled and how that works?

Ms. Richardson: And then...

Chair Wolbach: Also, I think it's important to keep the focus on it even if there's not (crosstalk) (inaudible).

Mr. de Geus: We certainly do. It's a...

Chair Wolbach: I did I hear you say it's not a high – do you mean it's not a high priority for an audit because you're already working on it?

Mr. de Geus: That's what meant, correct.

Chair Wolbach: You were not suggesting that it's a high priority.

Mr. de Geus: It's certainly a high priority and we're working on it every day.

Chair Wolbach: Ok, thank you for clarifying.

Ms. Richardson: I also want to remind you that as I'm developing this, I do try and think about what departments we're in because if we're into one department too much, it really is too much for them. So, we have the contract oversight which would involve some of ASD, as well as departments and so doing a contract oversight and the procurement purchasing which is not just the contracts but the other types of purchases. It's a little bit too much at once for them in the same year.

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Chair Wolbach: Rob -- before we got back to Liz for the Motion, Rob did you have something else that you wanted to add (inaudible) (crosstalk) discussion?

Mr. de Geus: Just Chair Wolbach and others mentioned the non-profit services agreements and I actually think it's right to be pretty sensitive about that one because we have a lot of non-profit partners. They are really relationships and built over many, many years and some are still emerging and they can be complicated.

Vice Mayor Kniss: How many do you think there are because there are lots?

Mr. de Geus: Yeah, there's -- if you just think about HSRAP programs, there's already fifteen just there and then there's maybe fifty more I think if you go across the departments. There are many non-profits so I agree that this -- as broad as this, I'm not sure where we go. Audits are anxiety producing and I think it's one thing if you an agreement that says in there the City may audit. That's one thing but if it's not in there and we just show up and say now we're going to -- we just want to be really careful about it. I'm sure that's how Harriet would approach it but probably need more discussion about what this really means and what are we trying to do and what are we targeting. I think targeting a field of services may be a good way to start whether it's senior services or something.

Chair Wolbach: So, I guess just a couple questions, one where did this one come from and two is there's anything more that you can add about where you're thinking about starting or how you might approach this?

Ms. Richardson: This was a Council Member request and...

Chair Wolbach: One Council Member?

Ms. Richardson: Yes, so I put an email out asking for requests and I actually only got one response this year.

Chair Wolbach: I guess most people -- I guess eight Council Members thought that your plan looked pretty good so this was -- was this the only...

Ms. Richardson: This was the add-on based on that, yes. I think looking at a field of services as Rob suggested is probably a good start; kind of the same -- along with the lines of what Council Member DuBois was suggesting. I

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think that as we develop our – we keep our topics pretty broad on the audit plan and then we go in and we start doing some planning. So, what I would anticipate is we would start with first is getting an inventory of what do we have as contracts out there? What are the dollar amounts? What are the services and we'd be looking at those contracts before we would really get into that. That's just part of our normal audit process and as we get to that, we would narrow it down. We do have conversations with departments as we do that so it would definitely be something that we would not do in isolation without having a conversation about where the risks might be that we should focus our efforts.

Chair Wolbach: So, Tom and then Lydia.

Council Member DuBois: I'm sorry to interrupt but would you keep it to at least a certain dollar size so we're not...

Ms. Richardson: Correct, we'd probably go with the large – I mean the little ones, it's – you're going to eat up the dollars and our time.

Chair Wolbach: Lydia?

Council Member Kou: I think Tom and Rob are both right about this. At the same time, I think that since it's a lot of taxpayer dollars involved in this that there is some sort of responsibility to ensure that the tax payer's money is being used correctly and that the services are provided because we're sourcing this out. If they have the audit language in their contracts, I think that's something that they could very much expect to have happened. I really think – I don't know if this has ever been done before but if I was one of the members of the public, I would be interested in hearing about it.

Ms. Richardson: I can tell you that San Francisco does it all the time.

Vice Mayor Kniss: The County does it all the time.

Chair Wolbach: I guess my last thoughts on that one and then we'll return to Liz for the motion are that one, of course, we have the right to do it if there's a provision but we – doesn't mean we necessarily have to use that power. Then when we use it, we should do it carefully and it sounds like the City Auditor is focused on trying – look after the big fish or look at those first. Also, I do think that the things that are internal to us as far as our – how do we approach contract writing to have consistency, to have clarity of expectations etc. Even when it comes to other contracts that the City is a

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part of, I always think that that's an area where we continue to improve. So, whether it's for Public Works projects or whatever.

Council Member Kou: (Inaudible)

Chair Wolbach: Liz, do you want to try your hand at a motion?

Vice Mayor Kniss: (Inaudible). Yes, I would – thank you. I would recommend the recommendation so I would recommend that we review and recommend to the Council approval of the fiscal year proposed audit work plan.

Chair Wolbach: Who is the second? I didn't catch – Lydia seconded it? Great, thank you, Liz and Lydia. Liz, would you like to speak to your motion?

MOTION: Vice Mayor Kniss moved, seconded by Council Member Kou to recommend the City Council approve of the Fiscal Year (FY) 2018 Proposed Audit Work Plan.

Vice Mayor Kniss: I think we have covered this quite conclusively.

Chair Wolbach: Lydia, any thoughts as the seconder?

Council Member Kou: I think it's been covered, thank you.

Chair Wolbach: Very good, I think it's been a good discussion and great work Harriet. Thank you for bringing this to us and I thank everybody for the good questions. All in favor? Alright, that passed unanimously, very good.

Ms. Richardson: Thank you.

MOTION PASSED: 4-0

4. Staff Recommendation That the Policy and Services Committee Recommend the City Council Accept the Status Update of the Palo Alto Animal Services Audit.

Chair Wolbach: It looks like we're not going to get out of here by eight but may be very shortly after. It depends on how long this next one takes.

Vice Mayor Kniss: Is this going to take more than 5-minutes?

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Chair Wolbach: We'll see but then we've got a quick future agenda meetings and items. So, let's go over our last action item of the night which is Staff recommendation that the Policy and Services Committee recommend the City Council accept the status update of the Palo Alto Animal Services Audit.

Rob de Geus, Deputy City Manager: Rob de Geus, Deputy City Manager, the Council did have an extensive update on animal services on August 21st so I was planning to go over in detail what's in the response to the audit. As you can -- as you read through this, most of the audit recommendations have been completed. That doesn't mean that we don't -- still have a long way to go to get Pets in Need in place and on the path to building a new shelter. I think we're in pretty good shape and I feel cautiously confident that this is going to work. We're in the phase now of doing this capital campaign feasibility study and that's important few months now that we can kind of get a sense of what the residents are likely to support. Not just our residents but Los Altos Hills and Los Altos in building a new shelter. We will be back to Council December-January with the results of that study and also an operating agreement with Pets in Need to start in the spring of 2018. It's been a long journey since the audit was done. The audits been great because we've gone back to it many times to refer to the data and so on as we think about how best to move forward. Let me just stop there and I'll answer any question you have.

Chair Wolbach: Harriet, did you have anything else as an introduction?

Harriet Richardson, City Auditor: No, as I mentioned earlier when I was discussing the audit plan, we do review the response before it goes to the Council and we have agreed with all of them that they are completed and we will be closing this out.

Chair Wolbach: Ok, very good. Questions, comments or motions from the Council Members? Tom and then Liz.

Council Member DuBois: I was just curious why this came to us? Do we do this with all audits? Why is this an update? I was just curious why this was on the agenda.

Ms. Richardson: Yes, so every audit 6-months after the Council accepts the audit, the department is scheduled to come back with an update. This is actually the second update for animal services so every 6-months after that first update until all of the recommendations have been implemented the departments come back.

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Council Member DuBois: We don't see this for a lot of the old audits. I mean we get the quarterly update of what's open and closed.

Ms. Richardson: Well, you will get these – there's several more of these scheduled over the next couple months and you'll see that as you go through the upcoming schedule. There are – the old ones are still coming through. We've got the utility meter purchasing inventory retirement one coming up and the inventory management, those are two of the older ones. You had recently the cash handling and travel expense one and we had some discussion about meals on that one and that's the one recommendation that's open. That's the oldest audit that's open and those other two I just mentioned are the next two oldest. Now we're getting on schedule to get these more current ones on a consistent schedule but there was a gap and that's probably why you're questioning. There was a gap when nothing was happening.

Council Member DuBois: Great, ok, well thank you. Thanks for clarifying.

Chair Wolbach: Liz?

Vice Mayor Kniss: I would have kind of got on the same lines that Tom has gone on because really this is a look back rather than a look forward but I guess what it did do for me is it tells me what we have gone through to get where we are now.

Ms. Richardson: Correct.

Vice Mayor Kniss: At the end of it I would just echo what Rob just said that we've got a long way to go on this. My recollection with Pets in Need was that our current facility was not acceptable.

Mr. de Geus: Yes.

Ms. Richardson: The audit concluded that too.

Vice Mayor Kniss: I hesitated to use a strong word as that but that really does put us in a tough position. A capital campaign is going to be a difficult campaign.

Chair Wolbach: Alright, any motions? Lydia?

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Vice Mayor Kniss: I would move the Staff recommendation when anyone is ready?

Chair Wolbach: Sounds like you just did.

Council Member Kou: (Inaudible) move it and I'll second it.

Chair Wolbach: I think we just moved a Motion and a second. Alright, so would you like to speak to your Motion, Liz?

Vice Mayor Kniss: I think I've said what I need to say.

Chair Wolbach: Would you like to speak to your second Lydia?

Council Member Kou: No.

Chair Wolbach: Ok, any other discussion? Seeing none, all in favor? Great, that passes unanimously. Thank you very much.

MOTION: Vice Mayor Kniss moved, seconded by Council Member Kou to recommend the City Council accept the Status of Audit Recommendations for the Audit of Palo Alto Animal Services.

MOTION PASSED: 4-0

Future Meetings and Agendas

Chair Wolbach: Now, the last item of the evening future agenda – future meetings and agendas. By the way, thank you, Harriet, for all of the work this evening and for sticking with us through all these...

Ms. Richardson: (Inaudible)

Chair Wolbach: Oh, so she'll be coming back for that. Rob, would you like to kick us off in talking about future meetings and I think you all should all have At Your Places a tentative agenda for the rest of the year. It includes a couple of things that we haven't plugged in with dates so of course, tentative so let's talk about it. Rob?

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Rob de Geus, Deputy City Manager: Can we start with the – just the date in October? I believe that Beth sent out a doodle poll and she mentioned while she was here that she still didn't have a date that worked for everybody.

Chair Wolbach: Yeah, let's lock that down right now. Let's see...

Council Member Kou: Right now, I think the 18th of October and I couldn't do the other two dates.

Chair Wolbach: So only October 18th works for you? Well, that's one vote for the 18th.

Vice Mayor Kniss: Hang on while I get into my event calendar.

Chair Wolbach: The 18th also works for me so if that's best for Lydia, it works for me. Tom, how does the 18th of October work?

Vice Mayor Kniss: It does not work for me by the way.

Chair Wolbach: It does not work for you?

Council Member Kou: I think the other one was the 26th and (inaudible)

Chair Wolbach: Yeah, they're all here actually. The 12th or the 26th.

Vice Mayor Kniss: The 26th.

Chair Wolbach: Each of those will actually work for me. Does the 12th not work for you because it's the same time as the Human Relations Commission?

Council Member DuBois: The 12th and 26th do not work for me.

Chair Wolbach: Ok, well it sounds like the 18th...

Vice Mayor Kniss: The 26th works just fine for me.

Chair Wolbach: I'm sorry Liz but it looks like the 12th and 26th don't work for two people so the 18th...

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Council Member DuBois: The 18th would work at 7 PM.

Chair Wolbach: 7 PM.

Vice Mayor Kniss: I have a big commitment that night that I can't change.

Chair Wolbach: Ok, so I think we're going to go with the 18th and I actually had a question about that evening, especially if we're going to start at 7 PM, which looks like we'll have to do. Is Staff ok with starting that at 7 PM?

Mr. de Geus: Yeah.

Chair Wolbach: Ok, it's what we use to do more typically. Item five on that evening, can you tell me anything about item five?

Mr. de Deus: I did talk with Jonathan Reichental out Chief Information Officer, this is actually an interesting project that he's working on and we're working on as part of our Smart Cities initiative. It's with the Stanford Urban Informatics Lab, that's what they're called and it's about air quality. They have these sensors that test the air but they capture information and they go on the top of light poles or something.

Council Member DuBois: I think Liz will want to hear about this.

Mr. de Geus: She – right, yeah. Well, anyway, I just learned about this myself and it's to try and improve ultimately the air quality and learn more about our air quality here and around town.

Chair Wolbach: I guess the big questions are how long do you think it's going to take and is it time sensitive?

Mr. de Geus: Well, we've been working on this and have delayed this a while. That's what I asked Jonathan if we could push this off and he said he would really rather bring this forward. The bigger question I had was is it enough of a policy issue that you need to look at it. I think Jim thought that because we're capturing data, it's not camera data or images but it is capturing particles in the air and type of thing. That we should just have a sensitivity and run it by Policy and Services and the Council.

Vice Mayor Kniss: I'm sorry I'll miss it.

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Mr. de Geus: It's actually really interesting. I don't think (inaudible)

Chair Wolbach: (Inaudible) expert on air quality (crosstalk) or Liz's role (inaudible).

Mr. de Geus: I think it can be done efficiently and I think you'll find it interesting.

Chair Wolbach: Staff, feels comfortable with it and we could run through that entire agenda starting at 7 pm on the 18th.

Mr. de Geus: I talked to the Chief about the taxi cab licensing briefly so I didn't get the full lowdown on what it was but he said it was quick and easy.

Chair Wolbach: Alright.

Council Member DuBois: What is the item pertaining to?

Mr. de Geus: I didn't get a chance to talk with him and so we would be playing (inaudible).

Chair Wolbach: Terrence?

Terrence Howzell, Principal City Attorney: Yes, what that is (inaudible)...

Chair Wolbach: Oh, don't forget your microphone.

Mr. Howzell: ...it's an effort to update our current code to allow taxicab drivers to be called by app or on the web. They would still have to comply with a set rate that we provide – that we require per the municipal code but it would allow them to set up – schedule rides with an app or through the internet.

Chair Wolbach: Sounds good. So, let's go through this a little bit more. Rob, do you have any other comments you want to make about the tentative agenda?

Mr. de Geus: No, it looks like October -November we have a pretty full schedule. December is pretty – is light.

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Chair Wolbach: So, I think some of the items that are at the bottom, we could probably squeeze in December hopefully.

Mr. de Deus: I did have a question, I think it was for Tom about the Magical Bridge update. I think it was you who requested an update.

Council Member DuBois: I think – the organization is growing quite a bit and they started here. I really thought it would be great to have them come and present to us and just give us an update on the organization and if they have any kind of needs within Palo Alto. If they are looking for a second location and I mean I'm really – I'd really be interested and I think it would be good for Council to get an update.

Chair Wolbach: I guess my only question there is it better for – this is actually a question for Tom and/or both, do you think it's better for them to come to us or better to go to Parks and Rec. and do a presentation to the Parks and Rec. Commission? I'm open to either and it's just a question of where it's the best use of time.

Council Member DuBois: I guess either place would be fine. I just think...

Vice Mayor Kniss: Probably Parks and Rec. might be – just might be better because the County is offering large amounts of money to the Cities that are willing to do that.

Council Member DuBois: They are also running concerts in the summer.

Vice Mayor Kniss: Here in Mitchell Park, yeah.

Mr. de Geus: They are amazing and they're going – well, they're in Redwood City and they are building one there. They're looking at Morgan Hill as well and convinced the County to put ten million dollars forward with each supervisor getting two million I think, for their area.

Vice Mayor Kniss: For whatever they want to do.

Council Member DuBois: Do some out of State as well?

Mr. de Geus: I think they are looking at doing that as well. So, what they hope to do when they built the playground here was start a larger

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conversation and they've really done it. They are quite remarkable and I'm happy to invite them.

Council Member DuBois: It just seemed larger than Parks and Rec. potentially. It seems like more of an organization that – I don't know. If I'm the only one interested, it seemed like – again, I think I've been asking for it all year and we have some light agendas so if it fits in, I think it would be interesting.

Vice Mayor Kniss: I would say that if we have a very light agenda, add it. Otherwise, I think it's fascinating but I followed it pretty closely and you probably have too and so they are currently a business that's pretty successful.

Mr. de Geus: It is and I think having them go to Parks and Rec Commission and do an update would be terrific and we'll get a report from that and we can share that. If there's an interest in having them come here as well for some reason – it would be nice if there was a policy connection of discussion I think, if they came here.

Chair Wolbach: Yeah, that's kind of my concern is that – I'm very interested as well and I would love to have the update but I just want to be sensitive that we use our time and Staff time at these meetings for things that we have to get done and getting our work done. I guess what I would suggest is that one – I don't know if Staff can touch base with them and see if a presentation at Parks and Rec. might be appropriate. If there also seems to be a policy question that -- based on their activities, that they do want to bring or that Staff thinks ought to come to Policy and Services, let us know. We can do that either the December meeting or the very start of next year. Again, I'm very interested but I just want to make sure that we don't push something more important for that.

Council Member DuBois: Should we also add the discussion we had tonight about...

Council Member Kou: The terms.

Chair Wolbach: Yes.

Mr. de Geus: Yes, term limits. It was more than term limits though.

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Chair Wolbach: I think we would want to agendize that to be a slightly broader discussion about Board and recommendation appointments specifically term limits.

Vice Chair Kniss: That has to have come up before.

David Carnahan, Deputy City Clerk: Attendance Policy and the other topic was looking (crosstalk)...

Council Member DuBois: (Inaudible)

Mr. Carnahan: ...into people that were running for Council election and their ability to also through in their hat for Board and Commissions.

Chair Wolbach: Right, specifically somebody who has pulled papers to run for Council. Can they also apply for a Board or Commission during that period and/or if somebody is currently an applicant for a Board or Commission if they pull papers to run for City Council does that mean that they have to withdraw their application? Just a discussion and that would probably require some input from the City Attorney on whether we could move forward on those or whether we could move forward on a conversation or if that's worth having. We may be legally precluded. Anything else? Sounds good and if it's alright with everybody I think we're adjourned, thank you.

ADJOURNMENT: Meeting adjourned at 8:09 P.M.