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Rules and Open Government committee meeting.

>> Mayor Reed: Good afternoon. I'd like to call the Rules and Open Government committee meeting to order for December 15th, 2010. Any changes to our agenda order? Nope, all right. First item would be January 11th draft agenda because that is our next regular council meeting. Not including the one we're having tomorrow which is a special council meeting. January 11th, anything on page 1? Page 2 or 3? Page 4 or 5? No question on page 4 item 3.4, the airport commercial paper program, letter of credit replacement? When will the staff report be out on that? Are we at a point where we know how that is going to roll forward? Or is it a place holder?

>> Ed Shikada: Staff report is in my folder.

>> Mayor Reed: Good to know that.

>> City Attorney Doyle: January 18th is a deadline.

>> Mayor Reed: Good to know we mentioned progress. 4.1, the San José cultural plan what, does staff anticipate the kind of presentation length of presentation on that? I don't want an hour's worth of --

>> Ed Shikada: I don't have the information now I can certainly get it. If there are any boundaries you would like us to note I can pass it on as well.

>> Mayor Reed: I don't have the staff report for a few more days anyway. Anything else on 4 or 5? Page 6 or 7? 7 is the joint financing authority item, regarding convention center.

>> Ed Shikada: We are pulling that off. We do not need to do the commercial paper for that.

>> Mayor Reed: So that will be dropped.

>> Ed Shikada: Yes.

>> Mayor Reed: I have some requests for additions, excused absence for Councilmember Chu on December 13th and appointment to the Silicon Valley work for investment network board. Any other requests for additions other than the items that are later on this agenda?

>> Councilmember Chirco: Move approval.

>> Councilmember Pyle: Second.

>> Mayor Reed: Motion is to approve subject to a later discussion on those items. All in favor? Opposed none opposed, that's approved. January 11th, Redevelopment Agency agenda.

>> Mr. Mayor members of the committee the agency has no items at this time and I'm not sure exactly when the next rules committee is, at that time we would go ahead and cancel that agenda if we have no need for it. We would continue to meet if the council has anything on the closed session or in the afternoon session that involved the agency.

>> Mayor Reed: Okay. January 5th?

>> Lee Price: Our next regular Rules Committee meeting is January 5th, 2011.

>> Mayor Reed: Nothing on upcoming study sessions, meeting schedules, nothing to talk about public record. Are there matters in the public record the committee would like to pull to discuss?

>> Lee Price: Mr. Mayor, I would like to mention item A from 7Eleven, an item the council had on the agenda, we will forward that letter on from 7Eleven associated with the council agenda.

>> Mayor Reed: Request to speak, David Wall.

>> David Wall: Good afternoon, closing of the year, Rules meeting. Item E, this is disturbed me quite greatly, with reference to the City of San José, and I used the term out of the blue, creating this policy of not impounding cars of unlicensed drivers. I think you should review this with all due urgency and haste. This was the only deterrence left for all sorts of different people who take it upon themselves to say they can drive when the State of California says no you cannot. What is next, no insurance? This is a very common strafer health and safety issue, and to rules especially for a voteful council itself, driving without a license would do. Once the police officer leaves that car there the person will get back in the dare and drive it so you're doing nothing. In addition, for the cars that can't be taken out of the impound, you've gotten them out on the street. One less oil polluter and whatnot. The other deals with the stolen shopping cart problem. Sunday in Rhode Island park while picking up trash, I stumbled on a chronic drunk person I know from the river. I could not rouse the person to see if he he was all right. I told the 911 operator, not to roll the big fire truck out, just send the wagon master to take the chronic drunk to the drunk tank. Two policemen, firefighters, and, the city can't keep handling these chronic drunks this way. In addition, on my way to rules, there he he was with a stolen shopping cart back ton street heading for the --

>> Mayor Reed: Your time is up. That concludes the public comment on the public records. Is there a motion? M.

>> Councilmember Chirco: Motion to note and file.

>> Mayor Reed: Motion to note and file. Use Councilmember Chu to reappoint Vanessa Burbach and Clarence madrilejos to the human rights commission, and approval of Michael Fitzgerald and Elaine Coombs to serve or the advisory commission. .

>> Motion to approve.

>> Lee Price: Mr. Mayor, if we could forward those on to the January 11th.

>> Mayor Reed: Yes. On three work plans, any public comment on any of those plans?

>> Councilmember Chirco: Move approval.

>> Councilmember Pyle: Second.

>> Mayor Reed: Motion is to approve the work plans. All in favor, opposed, none opposed, those are approved. Next item is under committee recommendations and approvals. My recommendation to add to the January 11th agenda the appointment of a redistricting commission for the city council meeting and a request to Rules committee to set the date of January 11th as the date for councilmembers to designate their commissioners.

>> Councilmember Pyle: Move approval.

>> Councilmember Pyle: Second.

>> Mayor Reed: Motion is to approve. We're setting this up to comply with the charter requirement on how we do redistricting. We have to get them in place, I have heard that the data is coming out, at least at the congressional level, in December. Have you heard anything City Clerk about data for us?

>> Lee Price: I'm sorry, I have not heard anything.

>> Mayor Reed: But if they're starting to release congressional level data there surely will be local data. Nice to have that when the committee starts work and not long into the work plan.

>> Lee Price: Just for confirmation the councilmember's designations are due on January the 7th. To make sure we have enough sunshine on those nominations for the council meeting on the 11th.

>> Mayor Reed: Vice Mayor.

>> Councilmember Chirco: On the commission work, committee work, I know Terry Christianson who had been on the previous redistricting committee had expressed concern about timing of getting the information and when if committee started and per charter there's a time frame. So I don't know how that could be addressed, I don't know if -- I don't remember if it was addressed but just to bring that up at this time as we're looking at appointing the committee.

>> Mayor Reed: We did have a draft maybe a year ago, of charter language change that would allow more time for the committee. But it was one of those that we couldn't afford to put on the ballot to change the charter. But getting the committee appointed and in place before the start date could be helpful. And the other thing that I think the council can do is to give some guidance to the committee. And if you see in my memo, I've included the guiding principles that the last redistricting committee had after some while, and it was a successful group and I'm suggesting that that's a good place to start instead of starting from total scratch. And so that could speed up the process if they don't have to spend months thinking about things that ultimately would be cast aside. So I think that can help but really do need a charter change if I understand it, charter sets forth when they have to be done and when they start.

>> City Attorney Doyle: And I'd like to come back with that. That was charter change and then we had done some additional thinking about it and given the timing of when this is coming out maybe I can come back on January 11th and we can talk about that.

>> Mayor Reed: Okay.

>> Lee Price: Thank you.

>> Mayor Reed: All in favor, opposed, none opposed, that's approved. I have a request to agendaize for council action on January 11th, a modification of council labor negotiation guidelines to provide for more transparency in negotiation process. I have been talking to Snerpg and Alex Gurza, early in January. I'm not sure exactly what those changes ought to be yet, but I will get the memo out before the break if there are changes to be done.

>> Councilmember Chirco: Move approval.

>> Councilmember Pyle: Second.

>> Mayor Reed: Motion is to get them on the agenda for January 11th. All in favor, opposed, none opposed, that's approved. We have report of public calendars by city officials on the city's Website which some councilmembers do. Tom Norris.

>> I want to bring to the committee's attention, the very last page of the report on page 13, if you take a look at the November 9th entry for the Redevelopment Agency executive director. This is both accurate and inaccurate. It is accurate in the sense that the most recent update was indeed November 4th however it's inaccurate that the executive director was out of compliance. In advance of him being out of town, at a conference, he had his calendar posted early. So in trying to make sure that there was no gap there. And that would bring him up to 100%. And would change the overall percentage upward by half a percent, just to let you know.

>> Mayor Reed: Okay.

>> The other thing is we have made a couple of recommendations here besides accepting the report. We're suggesting that because the compliance has steadily risen, and improved, that we might want to consider changing the reporting periods to quarterly, as opposed to every two months. And the other recommendation is since we have a transition in two of the council offices that we might want to hold off, and we also have a furlough coming, we might want to start fresh with the next monitoring period, the first week in January.

>> Mayor Reed: Okay, discussion on that? At the last rules committee meeting when we discussed this, committee thought it would be a good idea if I talked to councilmembers to try to get everybody to do a little bit better and I have talked to most of the councilmembers and they've obviously shown some improvement so that's a good thing. I think your recommendations are good ones and we could go ahead and do that, quarterly would be fine on the report reports.

>> Councilmember Chirco: I would move that recommending that the report go to quarterly.

>> Councilmember Pyle: Second.

>> Councilmember Chirco: And also to start the reporting period in January.

>> Mayor Reed: News rorkt period, okay. Any discussion on the motion? All in favor? Opposed, none opposed. That's approved. Thank you tom. Item 5 in this category is a request from councilmembers Kalra and Campos to direct staff to apply for a grant being offered by Silicon Valley community foundation related to anti-payday lending policies. Do you want to speak to that Ash?

>> Councilmember Kalra: Thank you. I promise you this will be the last time I'm sitting here this year. I know coming back on these issues is challenges during these difficult times but we do know this is an important issue. In recent committee council meetings we talk a lot about the impact of the economy on the City of San José, our ability to provide services, our ability to enact policies one area we do discuss on occasions probably not nufdz is how the economic downturn has disproportionately affected our low income residents and they have certainly been hit harder than the average resident. We have a chance today to take a significant step in the right direction to protect the residents who are in the most financially payday loan shark a poverty industry that specifically targets the lower economic class decade and a half it was one of the most rapidly expant expanding industries the first payday lending institution was started in 1993. Combined nationwide. California had zero in a.m. 96 he they have 2300 in 2004 and it's a \$40th billion industry as of 2009. It certainly results in blight and crime. This August in the border of my district and district 10, a pay day lending business on Boston him was

robbed at gunpoint. establishment is this: A person who needs the payday loan is typically in a financial situation that prevents him from paying the payday loan, that's what they count, two three months and these facilities make 90% of their, often times interest rate condition as high as 900% annual interest rate. And.

>> Harry Mavrogenes: Of course, I applaud you two years ago for announcing your support for bank on San José, a program that oomsz lenders and really get them access to more traditional banking institutions that most of us take advantage of so I know this is an issue important to you as you mentioned before. Today he we have an opportunity to continue the every that you started two years ago with your initiative bank on San José so that's why I'm urging the committee to approve the memo. In previous committee meetings I know we're understaffed and overworked, our staff is certainly. Partners wilgt and while there's no guarantee we will get this grant the RFP itself does specifically mention San José. EmEmmett Carson the efforts and I submit that we have a strong chance being sphfl we apply for the grant again I know it's a Channing challenging time and I wish he we knew about the grant earlier because the dead line is January 5th, anything from tbe 50 to dollars certainly my staff is willing to help, I know that plaw foundation and others are willing to heaven in completing the application. The application does not look overly cumbersome to complete and we would really be at risk to adding apply for this grant. So I certainly want to thank Councilmember Campos for joining me on the memo and Councilmember Liccardo for the memo of support that he he submit id today and Councilmember Nguyen who I know has indicated interest in this issue because it certainly affects many residents in her district. I also want to predators and I'm sure we're going to be hearing from a few folks today that will show interest in helping to support us in this process. Thank you.

>> Mayor Reed: All right. Questions or comments. Misfirst question is why doesn't the community foundation give us a little more time? Aren't they in charge of their application and grant process and it seems to me that December whatever it is, this is early December, the deadlines are pretty short. And if they're interested in doing something they might want to give us a little more time, since we're going to be shutting the building down here pretty soon. That's one thing it seems to me that they have control over what they do and maybe that would be helpful to give us some time to do that. The other thing I was just reading through these materials, I vrnlit studied

this too much but how can you possibly charge somebody 400% interest in the state of California that regulates interest rates?

>> Councilmember Kalra: Mayor, that's one of the questions he we asked can he we get an extension, Rules Committee or any other way ask for an contingency? They said it was a hard deadline, the information we got. Secondly, the information I got I'll let Rick follow up, that's part of the problem there is an exception for these payday lending loans. Part of the momentum, I know that San Francisco Oakland already would have regulations. The taught can twail cult ratings but they haven't done in a,.

>> City Attorney Doyle: There are a number of exemptions and these firms I think are some of those under existing law.

>> Councilmember Kalra: I'm sure they pay a lot in campaign contributions too.

>> Mayor Reed: Where is Joe Simitian when we need him? There ought to be a law.

>> City Attorney Doyle: It might be embedded in the constitution. There was a proposition that was fasted some years ago and I'm winging it here but I seem to recall a number of exemptions that may fall behind the -- clearly if we get this going we have to be better verse.

>> Mayor Reed: Sometimes they do good sometimes they don't do so well. I'd like for staff to talk about our capacity. Staff wise. To be able to even everyone get good together a grant application between now and January 5th with the holidays in the middle.

>> Ed Shikada: In fact, Mr. Mayor, members of the committee, the primary staff which I would rely on has already gone on furlough for the remainder of the year. The capacity to put this on the City Attorney pointed out, not just but to understand the issue we're applying for would certainly be our priority. But the capacity is effectively nonexistence. We have many of the same folks who would be involved with the underof urningsing, the analysis

and ultimately getting involved here from the staff standpoint are still the ones current engaged in how to prenlit our budgetary parole for it as well as for the upcoming time. So the capacity is extremely limited.

>> Mayor Reed: The other question is, Councilmember Kalra said Oakland and San Francisco have already done something alleviately within their cities.

>> Councilmember Kalra: Yes.

>> Mayor Reed: Do you know what impact that has had on the cities over that problem? Sometimes it's impossible to solve that problem. The other questions I have from a land use standpoint, is there a way to have a zoning ordinance on land use that would in fact have control are over.

>> City Attorney Doyle: Some communities that have done that. I just want to speak to the grant itself at this point. I think I agree with you if we could get a two week extension, the 5th is a Wednesday I believe fanned we could get it through the 19th I think we could get it done. I've looked at that time application briefly and it doesn't seem to be that difficult it's just my concern is that with the furlough and the holidays you know it's hard to find people around here. But I think with an additional extension and that's proarnl what I would suck of the community foundation.

>> Ed Shikada: Not to conflict here but would I go further to state that filing an application also.level of priority for the city we would be obligated to follow up with the research as well as the outreach associated with development of a policy.

>> City Attorney Doyle: We are I absolutely agree with you he we are coming back in February with the priority setting session, I assume that would be if we got a grant and any commitment, that would be part of the discussion with anything else because clearly the council has to set the policies.

>> Mayor Reed: I'm certainly willing to consider things that have the possibility of getting funding from outside sources, a little higher on my priority list of the 40 or so work plan items on that. I think that's an important factor is the cost and the staffing and it would be good to know before February when we're looking at the priorities whether or not we have the possibility of some outside funding. The January 5th deadline I have no idea how long it might take the community foundation to tell us so I don't know that we'll have an answer whether or not there is a possibility of funding. And then the second question is if we submit for the grant application are we committed at a policy level to doing something with I guess we don't have to accept the grant if the council decides it's not a high enough priority compared to marijuana and tobacco and alcohol and the other things that we're dealing with that I just think the time line is unreasonable. The community foundation really wants us to do something about this they are going to have to give us a break.

>> Councilmember Kalra: Mr. Mayor, I agree, it is a difficult and challenging time to get things done during the holiday season. I'm more than willing to be flexible in the wording of the bring to the table. Arounds if it's doable we can go forward I think as Rick indicated if there were a grant that was given in February February would be a perfect time to see how much it is and what we can actually do with that money. But in the meantime, we have to see hue we can get this grant application done. After the public comment I'd be happy to see if there is a way we could change recommendation a little bit to be more flexible to allow for a more reasonable approach so staff isn't overwhelmed or it's not unrealistic.

>> Mayor Reed: Grant application look easier than they are if you are not the person to have to do the work. I would suggest we send a letter to the community foundation expression interest and asking for more time. See what they have to say about this would be one thing to do. I haven't talked to anybody there but I do know that they do have some fairly high standards of grant applications. They don't just give money away to everybody who asks because a lot of people ask. So I know there's some requirements in order to be competitive. Councilmember Pyle. Did you have some things?

>> Councilmember Pyle: Were you first?

>> Mayor Reed: Councilmember Nguyen, she was first only because you say so.

>> Councilmember Nguyen: Thank you Nancy. First of all let me just express my thanks to Councilmember Kalra and Campos for bringing this issue forward. Obviously you have been working with meives PAC and other members of the community on this very important issue. I think it's he very unfortunate that we have lending institutions that have decided to prey on low income communities and this is something the City of San José should address and help some of these low income families. I was actually going to suggest mayor that if this memo passes today that I think that you should definitely wry letter to the community foundation and ask them for an extension. If this is something that whole heartedly we decide to do as a city I think it's a worthwhile effort. Whether or not we will accept the grant based on what the council will decide when we address this issue is something that we should consider at that time. But for now this is a really good opportunity to perhaps obtain up to \$200,000 to address an issue that is just very, very important to the communities in our city. So I would wholeheartedly support this and I move councilmembers Kalra and Campos memo.

>> Councilmember Pyle: Second.

>> Mayor Reed: Motion on the floor. It's not clear what your motion is on a couple of points Councilmember Nguyen. Considering the timing and the deadline part of this, and inability of staff to actually prepare a grant application. Are you suggesting we write the letter and ask for some more time?

>> Councilmember Nguyen: Yes. If -- my motion would be that if we decide to move forward with the grant application, then I would also include in the motion to have the mayor actually write a letter to the community foundation and ask for an extension.

>> Councilmember Kalra: And mayor if I could, after public comment I would ask if the committee and the maker of the motion would consider allowing for some flexibility to have staff work with partners particularly law foundation in the completion of the application. I believe we will hear from them if they have resources and staffing that may allow for them to be an equal partner with us in submitting the application. So if they can take

that burden away from us that can be hugely helpful and so in addition to the letter being sent which I think is totally appropriate, letter asking for more time I think that we still need from information that my office got they're sticking with that time line so if they are going to stick with it if we have an opportunity to work with a community partner in getting it done, that -- to allow that flexibility but again I would ask to at least wait to see what they can do to ask for an opportunity to change or amend the motion.

>> Mayor Reed: I have to defend our staffs and their need to take some time off over the holidays and the fact that people are already gone on furlough. That was probably not -- that's not vacation, that's the furlough we're make people take and the ability to respond, the demands that the council has placed on the staff so I think we have to be cautious about adding another something that they can't do. As you already heard they can't staff us with the people that would ordinarily have to do it. They would have to take people from someplace else and start work on it. So I have some concerns about the staff resources on that. Anything else before we take public testimony, Councilmember Pyle?

>> Councilmember Pyle: I just want to ask this is clearly a case of usury, and aren't there laws statewide or nationally that prohibit this kind of practice?

>> City Attorney Doyle: I'm not expert on usury lo but there are a lot of exemptions under usury laws. You or I those exemptionsing to but.

>> Councilmember Pyle: Education to allow the people that are now using them to know of other means in order to get the cash that he they are looking for. Because they're clearly chasing their tail trying to get the money now to help their families, et cetera and then they're stuck when it's due and it continues on from now.

>> Mayor Reed: There is no doubt that this is legalized loan sharking as Councilmember Kalra put it. If it's allowed under state law it seems to me, the focus should be on changing state law. That is not really I don't think contemplate Wednesday this grant foundation. It seems the community foundation wants us to pass an ordinance

and we want to focus our resources, we've just done our legislative agenda but it's not too late to modify that because we're talking about next year. That might be one of the things he weeds can do.

>> City Attorney Doyle: I think can you add it to your own lag agenda.

>> Mayor Reed: I would certainly like to hear from Roxann the prospects of anything moving in the state legislature. They are always busy with the state budget. Let's take public testimony.

>> Councilmember Chirco: I'd like to speak after public testimony.

>> Mayor Reed: Terry Yeseno, Carol would be second.

>> Clearly this is for a very tall person.

>> Harry Mavrogenes: And council, and Mayor Reed, my name is Terry lasino and Weaver honored of course to have the city as an endorser of the campaign, and as an active member of step up Silicon Valley. If we're going to reduce poverty in San José, then one necessary step is to stop payday lenders from taking the hard earned money from people at the bottom of the economic pyramid. You know you talked about the 459% interest rate, and Councilwoman Pyle, you're slurmt, that is usury. As such, it is considered immoral by most religious, Christian or Jewish. I want you to know that at Catholic charities we offer alternatives through financial capacity building and education as well as individual development accounts that are matched, savings accounts. And we partner with the opportunity fund to provide revolving loans for citizenship applications. So on behalf of Catholic charities and step up, I urge this council, this Rules Committee to support the grant application and a moratorium on payday loan shops. Thank you.

>> Mayor Reed: Carol Yetton and then David Wall.

>> Mayor, council, care Lee Hutton, president and CEO of United way Silicon Valley a nonprofit who helps people help themselves to achieve self-sufficiency. From you Mr. Mayor to Emmettson would be the most significant way to win deadline extension maybe by telephone not by mail. Or by letter to expedite matters. The critical point here is all the talk about reduction poverty, all the talk about taking care of the vulnerable communities in the area, is just talk. You're stunned add the numbers but the numbers are real and they're happening every single day in this community. We've opened 10,000 bank accounts, new bank accounts in our bank on San José program which we run at United way Silicon Valley and yet not made a dent in payday lending here. Not a dent. We do financial literacy training along with Catholic charities and not made a dent. It's more than education. I understand the importance of business in this economy and I understand the challenge that that presents to you but businesses that exist to prey on our most vulnerable populations cannot be supported and sustained by the community because we cannot improve the life and the quality of the community while we do that so we urge you to seek the grant, please, thank you.

>> Mayor Reed: David Wall.

>> For my opinion, this represents more of a strategic and tactical type strategy by the Silicon Valley foundation. Knowing full well the governments are strapped for cash, knowing full well your work plans, knowing full well how government works. In other words he they come in here this late hour and to try to ramrod their positions through without proper debate that you correctly stated mayor needs to have in place. On the other side of the argument the office of the City Manager has no execution. They should be operating 24-7. The business of the city doesn't stop just because of furloughs and whatnot. This is a manages decision issue. What's somewhat comical about this is the City of San José decides what laws they want to enforce and what he they don't. If you want to get dplurchg public we have money to tax marijuana, no big deal, most of the people there come in and get their drugs that way. Tobacco you going to attack that sin as well. So you're missing an opportunity here to really tax loan sharking. Why not? It's in keeping to the flow to criminality. And I don't see why you're not discussing that. As far as the people that are downtrodden and all they have the option to move, they don't have to stay here and two, let us look at who are the people in these communities that they can't have bank accounts. Is it the issue of driver's licenses that already were previously discussed? No. I don't support loan

sharking at all but to make this a critical issue the last hour before you close for the year, no no no, put it off until next year.

>> Mayor Reed: Kira Kazanskas followed by Steve Rodriguez.

>> Hello, I'm Kira Kazanskis, and are part of a coalition that we formed together with the community foundation as a coalition depend payday predators. And before I want to say talk for one minute about why the -- an ordinance is important but let me answer try to respond about some of the questions you have about the grant.

>> Mayor Reed: Can you pull that microphone down just a little bit. I can hear you but I'm not sure everybody else can.

>> Is that better? I have never known the community foundation to give an extension but I certainly agree with Carol Lee if one would be given it would be that Emmett Carson would receive a personal call from the mayor of San José. That would give you your best chance. I think short of an extension I can tell you our organization, put in a grant and won a grant last year under this same RFP and I offered to Carol Hamilton at Planning Department our entire format that we already used and I'm also willing and we're eager and willing to help do an initial draft for the city. Anonymous there's things that I couldn't possibly dream of knowing how to answer which would be around city budget information and some things about the structure of the city but in terms of looking and studying land use ordinance, this is not untrammelled territory. We he have had our heads in this game for the last year. We have look at Sacramento, the analysis that Sacramento has done, we've lude looked at San Francisco, the analysis that San Francisco has done, it's not far afield, I think we can offer the city something by way of a very good draft to take and then apply for the grant even if we end up stick with the January 5th deadline. I have to meet it as well I'm not too happy about it and I talked to the foundation about how this is going to be he very tough for all the nonprofits and the city to meet and I didn't get a lot of movement. I'm not Mayor Reed and if Mayor Reed calls it second best option in answer to that question I think Rick already answered to some degree the question he about the interest rates. This is legal, in 19 -- in 1990s the check cashing industry --

>> Mayor Reed: Sorry your time is up. Steve Rodriguez and then Sarah Pertellis.

>> I'm Steve Rodriguez. I'm with most holy trinity local organizing committee and part of PAC. I'm here as part of our about bank accountability campaign. The payday loans as everybody has said are exorbitant interest rates. And I think that's part of the problem we face in make our banks accountable. Most of these payday loans are frnd through other banks so they're part of the problem also. They are making a lot of money off people's hardships. And he we are supporting the -- this policy to make them have some control on where they can sit their locations. It's -- in our parish we're in zip code 95122. We have a lot of poor people who need services like this but not at this prices. This is not helping anybody and as somebody already said in our faith communities, this is usury is not a system that we support. Thank you.

>> Mayor Reed: Sarah portales.

>> Good afternoon. Hello, my name is Sarah portales, I'm a single mother of a wonderful 14-year-old son. I live in eetion San José, born and raised there. I've worked for the San José State university for the past 16 years as a custodian. I'm now a supervisor, I'm on call a lot. Custodial work is hard, the pay is not the best but the benefits help me a lot. My son has severe allergies and up until a month and a half ago I was my mother's caretaker who passed away at 86 and a half years old. For the last four years I have been a reluctant payday borrower. I found out about payday loans from commercials because they seem to be on every corner. I get paid once a month. By the third week of the month I come up short. He they get a bite of my check every single month. The money should be spent on other things that we need to pay but I'm caught up in the payday loan trap. Payday loans are bad for me and my family and the community. I'm telling you my story to get help. There are too many payday companies in San José. I hope that the city council will do everything he they can to make sure that the pay daze loan companies are not allowed to continue to grow in our city and cluster our neighborhoods. Thank you for your time.

>> Mayor Reed: Pancho Guivara and then Leona Molina.

>> Good afternoon, mayor members of the council. Again I'm Pancho Guivara, executive director of sake receipt heart community service. Last year one of the major obstacles that families are struggling with is just not only being able to keep afloat but the fact that there aren't a lot of resources there to be able to help them and the fact that there are snulingses like payday lenders, is obviously a clear issue for many folks and I think the intent of what's in front of you and what you're looking at today is try to find ways that the city can pay a leadership role and that's one of the interesting things about directing staff to actually look into drafting an ordinance or getting some funding to be able to look on this issue, have a lot of outreach and look at the tools that are at your disposal to do something significant to this, siting these facilities and how they are preying on people. Last year we took on some very important projects, families facing homelessness, the city the county and the state on doing this and literally we're helping to provide financial assistance and utility assistance to the families that are struggling to stay afloat public dollars too actually subsidize the fact that people are actually falling further and further prohibited because of the work of these organizations that are literally preying on people. We ask to you step into that leadership role to take a few minutes and say this is something we want to do something about and actually get the ball rolling. Making that work happening is really important and using all the tools at your disposal is what's going to make a difference. Thank you.

>> Mayor Reed: Leona Molina.

>> Good afternoon, mayor and members of the council I'm Leanna Molina with the California reinvestment coalition, stayed wide accessing sand learning particularly for low and moderate income communities and communities of color. We along with 32 other community groups including those who you have heard from today as well as La Raza round table, the labor council, step up Silicon Valley and many others have endorsed this yied because San José families charge their customers fair interest rates and fees. The city should regulate this harmful land use. San José can build on the findings that resulted from these efforts to craft its own reasonable regulations. We believe that city regulation is needed, is a needed component that complements our coalition's efforts, and to provide city drejts with financial education that gives them the information and tools they need to avoid payday lending. City step up and regulate these irresponsible lenders. The coalition and my-o are more

than willing to assist the policy makers steam we've conducting offer (inaudible) staff in drafting the grant. Thank you very much .

>> Mayor Reed: Thank you. That concludes the public testimony. A couple of things one I don't need to be convinced about the harms of payday lending. I don't need any information or research on that. I ask figure that out, this is plate simple. What I'm interested in is what will work. I haven't heard anything anybody has presented yet, San Francisco, Oakland, or other places whether or not their land use is effective, I'm interest in that if anybody's got it. Because if you're going to solve a problem, that's what clearly a problem in our community. Second thing is, yorch if this would be more important than the social host ordinance or the retail tobacco sales ordinance or the smoking outdoors ordinance or the marijuana ordinance all of which we have referred to the staff very recently and it's the same people doing the work by and large on these and that's something that the entire council needs to have a chance to weigh in on which is what we'll do in February. So I don't want to preclude the priorities in February but when I'm looking at the grant application checklist if I'm going to call Emmett Carson I can't even tell him what we might do except give us some money and we'll think about what we might do because we don't really know what to do. We don't have a proposal for a narrative, a line item budget, key activities and time line, there is a lot much things we don't have which would ordinarily what impact you hope to achieve how you know to achieve it, on and on. There is a lot of stovers that staff would have too put together and again there is no staff to do this at this point. This time of year so Vice Mayor.

>> Councilmember Chirco: Yes, thank you. One, I heard Councilmember Kalra say that he he would be willing to refine the language. Two, I heard organizations say they had drafts that they would be willing to present and to partner with us. So I'd like to ask, I think it was the gall in the -- on the left-hand side -- yes, could you come up to the microphone please?

>> Mayor Reed: That would be Kira Kasanskas.

>> Councilmember Chirco: You said you had a. outline. Gls the form's pretty basic and usually it refers to the narrative and then the narrative explains what the plan would be. I would think you know respectfully that what the

City's plan would be to study the land use impacts and to draft a plan, an ordinance, a plan for executing an ordinance and bringing it to the city for decision making.

>> Councilmember Chirco: The details don't mean a whole lot to me.

>> Uh-huh.

>> Councilmember Chirco: You do have a structure and format.

>> Yes.

>> Councilmember Chirco: My next question is, the person on furlough when do they come back?

>> Ed Shikada: It would be the 3rd, such as it is, there is no one single person we would want to hinge it on.

>> Councilmember Chirco: So we could expect back by the 3rd?

>> Ed Shikada: Certainly and Vice Mayor I think to your point that if the committee wants to make this a priority, we would find someone to work on.

>> Councilmember Chirco: Yeah, and I'm hearing what Chuck is saying but here's an opportunity and I've heard the City Manager speak many times on, we have to be a different organization than we have been in the past and what makes this a different proposal is, there are funds that we might be able to apply for. And we have partners in the community that are willing to help write the grant. So you know, I think this is how we're going to have to look at doing business differently, that there are funds available, organizations that we can partner with, to achieve a difference for the citizens of San José. Now, and also, what I would like you know, there's been a request that the mayor contact the community foundation and ask for an extension. What I would like to ask all of the organizations, and I heard one of the women that spoke, they represent 32 organizations. And then I heard

another one speak that they represent AACI, that you put your voice to his so that he can take that to the community foundation, because this is the only way you make a difference and to the people working with pact, you know how this works. You've got to get the community involved. I would ask Councilmember Kalra to get all of your -- we can't violate the Brown Act.

>> Mayor Reed: This is it, there are five of us here. Nobody else can get involved.

>> Councilmember Chirco: Get the five that are signed on to support, that that lends to the mayor's voice. Concrete, I've heard the motion. Maybe a friendly amendment would be to direct staff to do best efforts, and then -- and so that's to a friendly amendment, and then an ask to the City Manager is a quick perusal of the application to see what is the data needed. And the organizations that offered the framework, farm it out. You know, let's give it a shot first, you know, and do it on parallel time lines. The ask for the extension and all of the organizations there will e-mail the mayor by tomorrow a letter of support, and a list of the organizations that they speak for. And to ask the City Manager's office to take a look and see if there's partnering with the-os that are here, pieces that they can do. I mean this is the first step of a new journey for all of us on how do we continue the work of the community? And if they can bring money in to create good governance, that's what we have to do. So hopefully, and if we're successful it will make a difference.

>> Councilmember Kalra: And mayor if I could and Vice Mayor if I could.

>> Mayor Reed: Go ahead.

>> Councilmember Kalra: I appreciate everything you said Vice Mayor, in fact what everyone said on the committee. Everyone is in support. I want to thank the community leaders and of course thank Pat as well and before I go and I think that all the requests for the mayor to sender a letter make phone calls whatever the mayor can do at the very least send a letter is absolutely appropriate to try to get more time. I would also like to offer as Kira offered in assisting with the application, my office is also here. I completely recognize the challenge of the staff. We didn't choose to take a furlough. We put it on them and so we shouldn't in any way have unreasonable

expectations but I do think where there's a will there's a way and there's a application deadline here. Between my chief of staff six years on Wall Street doing compliance and securities and banking laws. We have expertise here. Of course we would obviously run it by the City Manager's office and Ed and others to check our work to make sure what we've done is correct but we have resources in this building over the next couple of weeks that if we really want to get this done we can get this done so the suggestion I was going to make which was actually he very similar to what you said Vice Mayor in addition to the letter being sent was to direct the grant and what I was going to and again this is up to the committee's discretion, to make every best effort to apply for a grant and cooperation with the coalition against payday predators and then on from there and the only reason I mention they'd is in interest of showing a draft and other cooperation so at least then staff knows that you know they may get some resources from them as well.

>> Mayor Reed: Vice Mayor. Dh yeah, I just -- the only reason I realize our resources are he very thin but if there is a chance that we can get money to do the community's work and believe me I'm not saying do not call people back from furlough, we have got to do it, within the framework that we have. But we can give it our best shot and if we're successful, we will all be successful and if we're not, the community will know we're fighting for them. But I am serious about the letters of support to the mayor, it makes hits voice that much more powerful if organizations that would also be putting applications in, ask for the extension that allows for possibly a citywide and not just an organization-wide and then also to look at the legislative priorities because this is not just a San José problem. So thank you. I will be supporting the motion with the amendments as outlined.

>> Mayor Reed: Okay, further discussion on it, Ed.

>> Ed Shikada: Mr. Mayor members of the committee thank you thank you very much appreciate both the discussion as well as the sentiment. One possible angle on this if I might make a suggestion. The application should we be held to the deadline that they've suggested or basically dictated, would be it appears that nonprofits can apply for the funds. And so to take one step further in understanding that we would definitely want to pursue best efforts for a city application, it could also be possible that the application could also be submitted by one of the other lead organizations. So our -- to the extent that he we could have the latitude to work with them on an

application, whether it be anywhere from influencing and providing contributions to their application to a joint application that might be an approach that avoid our in effect needing to presumption much facts that staff might not be in position to verify by the time the applications are due. So perhaps just last comment really appreciate the Vice Mayor's comments in terms of the ability to use this as the next step in new noaldz. We have definitely been looking at both this and in the case of the smoking ordinance in ways to go beyond traditional regulatory roles for the city including the development of policy so see certainly see he this as a opportunity to partner with community organizations to advance that in different ways. If we can come up with a work plan that works for all.

>> Mayor Reed: Vice Mayor.

>> Councilmember Chirco: I really want to thank you, Ed shikd, I mean and what I hear is a commitment to do the best possible and you know we have to look at diverse ways of doing community business. And so I would just you know we're all people faith, whatever faith we choose. What is it, pray to God and work like hell? So I challenge all of you. And let's see if we can make something good.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. Well I appreciate the assistant City Manager's suggestions I guess my concern is that if one of the organizations one of the community-os apply for the grant and they did receive the grant would we be able to move forward with the remainder of the recommendation necessary Councilmember Kalra and Campos memo? That would be my concern. Obviously if the city received the grant then we haven't decided whether or not we're going to do the rest of the items that are laid out here in Councilmember Kalra's memo. But that's something I would like the city council to have an opportunity to have a discussion on. If the community, one of the community foundations received the grant, we might not be able to do that. I wanted the City Attorney to address that.

>> City Attorney Doyle: It really depends on the nature of the grant. Clearly if the money is granted to the city you have the ability to as a condition of something the grant move forward with other portions of the ordinance

whatever other portions you want to take. It's always better to take the money directly. I'll note for the record I can appreciate we are in a new day and we have staff that-d we have limited resources as well but you know this is something that we don't need to reinvent the wheel and we'll certainly work with whoever, the manager staff and whatever partners come forward to assist including the.

>> Councilmember Nguyen: Amendments that was suggested by both Councilmember Kalra and the Vice Mayor. .

>> Mayor Reed: Vice Mayor .

>> Councilmember Chirco: So you're keeping in --

>> Mayor Reed: Direct staff to apply.

>> Councilmember Chirco: The best efforts.

>> Councilmember Nguyen: Absolutely.

>> Councilmember Chirco: Okay, thank you.

>> Mayor Reed: So that is the motion to use their best efforts to apply for a grant for the deadline, if we can get the deadline that will improve the quality of our best efforts I think given the time limits. I just wanted to go back to the fact that council hadn't had a chance to look at this in rich to all the other things that council wants done. And makes it a little difficult to put in the grant application what we might do with the grant money because we don't have a work plan on this in terms of the ordinance development, don't know what the legal framing work is, what the legal issues might be, don't know, it is using the money. But the community foundational seems very interested in moving this along so I think they might be a little understanding of where we are in the process and we'll certainly be happy to communicate that to the fowfntion in one form or another along the way here to tries to

get some extension and I welcome anybody who wants to ambassadors our effort to get an extension as Vice Mayor pointed out. I will be here tomorrow and Friday and Monday. I'm not on furlough. But I do hope to spend Christmas with my family. So I'm not going to draft the grant application. That much, I know. Further discussion on the motion? Are we clear enough Ed for your purposes moving forward?

>> Ed Shikada: Yes we are.

>> Mayor Reed: All in favor, opposed, none opposed, that's approved and if anybody in the meantime wants to send me information about what will work I'm happy to receive it. All right, that takes us to recommendation from the City Clerk to approve the council assistant.

>> Lee Price: Read room 25 was to fully aware of laws and thoilt standards so they can help their bosses follow the law. So what you have in front of you is the proposed curriculum for the second offering of the council assistant certification program, the curriculum has been drafted, collectively by Dennis Hawkins, assistant City Clerk, Lisa Herrick, Sr. deputy City Attorney and Ed Shikada from the City Manager's office. We are proposing a six week program beginning in February, actually the date would be February the 28th, six Mondays in a row in the morning to go over the curriculum as we've outlined it and then we also have a seventh mog thrul we would like to present to the chiefs of staff. We don't have a date for that one but we would work with your offices to find the best and most convenient time. Lisa and Dennis are here and obviously sitting right across from me. This training would be done in house with our many, many talented individuals including the City Manager herself who would be a part of the program, the City Attorney, and of course others in the organization with the expertise that's needed to provide these training services.

>> Mayor Reed: Good, I'm glad to see this being done again. It improves the quality of work we all do and I think this is an important piece of getting the staff up to speed. Because in the days I was a council, there was no time to train staff, it's almost orient job. The biannual ethics training, whether or not those materials are available to use with the staff or if you've looked at that, is it appropriate any of this or maybe you are using it, I don't know.

>> Mayor Reed: Yes. On.

>> Lee Price: Rick can as well we as you know work continuously to offer the AB 1234 which is the state law mandate for ethics training for elected or appointed officials who do receive city attorney's office has taken the lead on offering that on a very routine and regular basis, our office, the office of the City Clerk maintains the certificates of completion for all the elected officials, appointed officials and staff who are required to take this training. It's required every two years so the city attorney's office does include that two to three block of training for AB 1234 we would want to make sure that individuals go through that course. We do cover it in something every two years and that is how we kind of work that process.

>> Mayor Reed: Who is required to take that below the elected officials?

>> Lee Price: The quasi-judicial stay close in case I nighs anything Lisa, obviously the mayor and council, the quasijucial ooms the Planning Commission, your chiefs of staff, folks that are reimbursed, if they go out on city business and receive some reimbursements for that they are required to take AB 1231 training. .

>> Lisa Herrick: Some form of reimbursement and so -- or a tie pend so it actually doesn't through council assistants but we have continuously offered it to the council.

>> Mayor Reed: That's exactly what I had in mind so I can't remember all those rules, he me myself.

>> Lisa Herrick: We make that available nfng.

>> Mayor Reed: What about the online version is that available?

>> Lisa Herrick: The online version is great, that's provided by the institution for local government, it does provide the two-hour requirement that receives AB 1234. .

>> Mayor Reed: Could any staff take that? I don't think there is any charge for nap.

>> Lisa Herrick: No, there are there is not. The income and time, we have different vofght door requirements of course, the lobbying rules, additional disclosures that forecast wouldn't be prevented. We do flags it on a he very highs level in our own loam training.

>> City Attorney Doyle: Mr. Mayor, I want to piggyback on this discussion, one area that's not here possibly touched upon but not really covered and we may want to add it to the curriculum is the rlg revolving door. It seems to come up more and more, and I think it's good medium going into the job know up-front and they're reminded about it.

>> Mayor Reed: Does the resolving door 00 include it's a separate provision buff we can do that.

>> Lisa Herrick: Right, reppive employment provision is a separate chapter. Eye levels flagging the issue if you start looking for another job make sure that you're familiar with the requirements but that is another specific local requirement that applies to more people than the state law does.

>> Well.

>> Mayor Reed: It's important to read this, if you are looking for work, he read in first, make sure that that is covered in the curriculum.

>> Mayor Reed: Good, well I can't point directly to cause and effect but I know we haven't had much trouble over the last few years in any of these areas. Now may the City Attorney and the clerk are more familiar with that than I am and I think that hasn't been in the newspaper, I want everybody else ooms pretty good success soarch the last few years so I want to thank the clerk and the stoarchtion office for getting things trained up.

>> Lee Price: It's oles great when sown comes in and asks questions.

>> Mayor Reed: Number one rule, ask first. Judge if the all of your stove and then each councilmember, it would be your role to determine and complete all of the classes and get a tusk of picket compleeghts.

>> Move plooviel.

>> Second.

>> Mayor Reed: Motion and second you wanted to speak on that? I thought-

>> I have afternoon yid that made help you. Afternoon outstanding upset we're going to miss see irksz being retired is a good thing. Is iron that I think would be very helpful to you is the fact that due to collapsing governments or governments around the area, and with your own speos having a City of Milpitas councilmember on jury staff, mayor of Santa Clara County, running around in your flanks down in code norms. So call up Campbell, Los Gatos or Santa Clara, ask them that aren't getting paid, is in place in a ways. Cut buff got a lot more governmental more Milpitas people on your staff I think. Just my own opinion .

>> Mayor Reed: That concludes item H-6. I think the only thing left is open forum. Mr. Wall.

>> David Wall: This is a strange request for me, because I won't -- I'm not going to ask to take your picture because this is a last picture that we have Vice Mayor -- well, the current Vice Mayor -- in Rules. We're not going to see Judy up behind the desk anymore. She'll be out in the gallery so can I have permission to take a picture from this location?

>> Mayor Reed: You don't need permission to take photos, we're public officials so fire away.

>> David Wall: I don't even take the drugs pictures so nonetheless we'll give it a shot here.

>> Mayor Reed: But you've got to do it within your two minutes.

>> David Wall: It's not working properly because I'm ignorant in this issue. The other thing I want to talk about, don't go with the business of Lew Wolff O&M he God away with a windfall with that Edenvale project. It should be tied directly with any little deals at the airport i'm sorry I'm ignorant in flash photography, but thank you.

>> Mayor Reed: You will get a flash from the rebroadcast. That concludes our meeting. We're adjourned.