

The following transcript is provided for your convenience, but does not represent the official record of this meeting. The transcript is provided by the firm that provides closed captioning services to the City. Because this service is created in real-time as the meeting progresses, it may contain errors and gaps, but is nevertheless very helpful in determining the gist of what occurred during this meeting.

City of San José city council meeting [Gavel]

>> Mayor Reed: Good afternoon. I'd like to call the San José city council meeting to order for November 17th, 2009. We will start with our invocation and Councilmember Pyle will introduce the invocator.

>> Councilmember Pyle: Thank you, mayor. Today's invocation will be given by pastor Jeff Wenke of Journey Church. Journey Church was established in the Blossom Valley neighborhood of District 10 eight years ago, and since then, the congregation has made an enormous impact in the community. They're active locally through improvement projects at pioneer high school and the Hoffman Via Monte neighborhood as well. They also do a lot internationally. In just a few weeks Journey is hosting a community wide event to build kits for caregivers who provide loving care for AIDS victims around the world. And many of these caregivers lack even basic supplies to provide comfort for those who are suffering from the disease. The kits will be assembled at pioneer high school on Sunday, December 6th, beginning at 10 a.m. Now I'd like to invite pastor Wenke to give the day's invocation.

>> All right, I'm going to take just a moment to reflect on two words. The words are thank you. Pretty good words, huh? The words are thank you, and two of the most wonderful words are like you hear from a little kid who finally realizes that their mom or dad has cared for them in a good way. Thank you from an employer who sees the committed use of talent. Thank you from a person whom you have loved who then acknowledges the impact you've had on their life. And even a thank you card from Nancy Pyle's office from two years ago for something we did in the community has great value. There's a few people who rarely get to hear the words thank you. Shall I list a few? The mom who takes care of a two-year-old kid day in and day out, never has that two-year-old kid say thank you. School principals who deal with difficult situations day in and day out rarely hear thank you. Fire alarm maintenance people rarely hear thank you, as I understand today. And unfortunately, a lot of times spouses rarely hear thank you from the person that they love. And I'll add one more to that list. Is it possible that our councilmembers and our city employees, the people that take care of our city, rarely hear thank you? Is that possible? And what do you think, could we just give our city staff and the people that lead our city a round of applause to say thank you? Seriously. [applause]

>> Thank you. My guess is they hear a whole lot more negative grievances than people who say their appreciation for them. It is no wonder that the Bible calls us to also say thank you to God. And I want to just read one verse from psalm 100. And it says shout to joy to the lord, all the earth, worship the lord with gladness. Come before him with singing, with joy. Acknowledge that the lord is God he made us and we are his. We are his people, the sheep of his pasture. Enter his gates with Thanksgiving, go into his courts with praise, give thanks to him and praise his name. And I'd like to open with a word of prayer and invite you to join me. God in heaven, on this day we simply offer our heartfelt and humble gratitude, and say thank you to you, for the life that you've given us. For the ability to live and move and breathe and have freedom in this great City of San José. And God, we're thankful today for the leaders who you have brought forward to lead our city and to care for this place and provide direction and God, we say thank you to you for all of the blessings you have given us. In your name we pray, amen.

>> Mayor Reed: Thank you. We'll now do the pledge of allegiance. I'm sure we're going to have some help today from third graders from discovery charter school, district 1. If they would all stand and they can help us in the pledge of allegiance Please. [pledge of allegiance]

>> Mayor Reed: Thank you, discovery charter school from district 1. First order of business is to take up the orders of the day. I have some requests for changes from the printed agenda. Item 3.2 is the Rules report Rules and Open Government Committee report for October 28th and the transportation and environment committee report for November 2nd should be deferred to December 1st. Item 2.4, changes in Municipal Code regarding elections commission has been renumbered to 3.8. We'll get to that in due course. We'll take up item 4.10, actions relating to the multifamily housing at Belovida at newbury park, to be heard in connection with the joint financing authority meeting portion of the agenda, and we need to drop and re-notice Item 2.3A which is a request for an excused absence that need to be modified. Any other requests under orders of the day? Motion is to approve the orders of the day. As amended. All in favor? Opposed? None opposed, those are approved. Closed session report, City Attorney.

>> City Attorney Doyle: Mayor, the city council met in closed session this morning pursuant to notice, there is no report.

>> Mayor Reed: I'll now take up the ceremonial items. I'd like to vital Councilmember Chu and Sue McAllister to join me at the podium. Today we're going to recognize Sue McAllister, for her exemplary work with West Coast Aquatics, for her service and dedication to the community. There are thousands of

kids that have got the benefit of swimming because of the efforts of this lady, and we appreciate it. And Councilmember Chu has some more details about that.

>> Councilmember Chu: Thank you, mayor. Well, thank you, mayor. I'd really like to thank my colleagues and mayor in joining me to present a commendation to Sue McAllister in recognition of her work with West Coast aquatic and for her service and dedication to the community. Sue has been a part of West Coast aquatic for more than 15 years as a parent, community volunteer and a liaison to the City of San José and Eastside union high school district. Sue was instrumental in securing numerous grants for West Coast aquatic in order to better serve all members of the community. With her help, Sue -- West Coast aquatic was able to provide scholarships to at least 10% of their memberships throughout the past 17 years and help those less fortunate have the ability to learn how to swim. So Sue is well respected community member and serves as a shining example of an individual who has tirelessly dedicated her time, talent, and energy to serve our community. So mayor, could you please do the honor? [applause]

>> I would like to thank Councilmember Chu, Mayor Reed, and the entire San José city council for their support over the years. I'd like to let you know that I'm no longer with West. However, my next challenge is I vow to cure cancer. I'm working with Team in Training. I'm currently the honoree captain, the cancer survivor captain, and we cure cancer by fund raising through endurance events. In the past year I've done four half marathons and two marathons in behalf of team in training and you will be hearing from me because of Team in Training now, and we will cure cancer. Thank you . [applause]

>> Mayor Reed: I'd like to vital Councilmember Constant to join me at the podium with Colleen Hudgin, Daniel, Amy, Laurie, Vivian, Sheila, Nicole -- you're going to have to correct me on the name Nicole when you get here -- and Sheila Gutierrez to join us as we recognize November 2009 as the national caregivers month in the City of San José. And Councilmember Herrera is joining us as well and let's get all of our caregivers down here.

>> Councilmember Constant: Thank you, pair. One in every four individuals in our nation serves as a caregiver for a friend or a loved one over the age of 50. Caregivers provide more care in home locations than the federal government provides in all settings combined. And that's pretty amazing. The Aging Services Collaborative of Santa Clara County consists of more than 75 local organizations that work together to support, maintain and promote the well-being of older adults and their caregivers in living in Santa Clara County. The age services collaborative during the month of November will work to share resources with caregivers at community events throughout our entire county. Organizations such as the health trust and aging services collaborative, actively, aged love one last Saturday, the 14th here in San José. As many of you know, if you've had family members who need help, the home caregivers just do a tremendous value. And I know, I have personal experience with that, with both my mom and my father-in-law having suffered terminal diseases recently. And the home care was a critical part of not only caring for our loved ones but the support that they gave for our families. And I think -- so Rose, Councilmember Herrera, Rose, she also feels very strongly in this area and I think she has a word or two to say.

>> Councilmember Herrera: Well, I just want to thank Pete constant for bringing this forward, bringing this proclamation forward. The women who are standing behind me, I had the opportunity to speak at the conference, the caregivers conference on Saturday. It was truly inspiring to speak to them, and just to know, to reinforce once more how important the work that caregivers do, and how they provide -- we're indebted to them as a community, as a nation for the work that they do to take care of their relatives, our makes, our community. And I just want to thank them.

>> Councilmember Constant: Thank you. So now, Councilmember Herrera, I, and the entire council, along with Mayor Reed would like to proclaim the month of November as national caregivers month in the City of San José and we encourage all of our organizations helping the elderly citizens of San José. So mayor, you have the proclamation to present.

>> Thank you. [applause]

>> This is huge for me. I am a caregiver. I have been caring for my mother, my father, my sister, friends, neighbors, people call on me in my personal life to help them care for their loved ones. I'm fortunate to work for an agency, live oak adult day care services, so I take care of family members who are taking care of family members in their home, 24 hours a day, seven days a week. As the pastor said, thank you is a small word, and it doesn't come anywhere close to acknowledging the, heroes, these are unsung heroes who have put the love that they have for their family members above even their own health, their own needs. And so I totally value that. I am so proud to be a part of the aging services collaborative, all of these lovely ladies you see here, they have their own personal stories of care giving. We're doing in because we love it and because it's the right thing to do. There have been studies that have documented

that the value of the services provided by family members is well over \$400 billion. And that's just the corporate world's number they put on it because of lost time at work. You can't put a number on it. So I'm so proud to accept this proclamation on behalf of the aging service collaborative, I want to thank the city council again, City of San José, for acknowledging caregiver month. This has been something I've wanted a long time and like I said, I totally, totally get it. And I love doing what I do because it does make a difference. Hospitals and nursing homes do not provide the same quality of care that we know our families are providing. And they deserve your help, your support, and if nothing else, just if you know a caregiver this month, give them a hug and tell them thank you, and God bless you. [applause]

>> Mayor Reed: I'd like to invite representatives of Anderson elementary school to join Councilmember Constant and I at the podium, as we commend Anderson school for achieving the highest API scores in Santa Clara County. Councilmember Constant will have more to say about that.

>> Councilmember Constant: Thank you very much, Mayor. To join us is Glen Ishiwada who is the superintendent of the Moreland School District, and Destiny Ortega, who is the principal of Anderson elementary school. Anderson elementary school is almost dead-center in District 1. It's been open since 1964, which is 45 years, that's a long time. And for this entire 45 years they have been striving and searching for ways to achieve academic success. Prior to this last couple of years, Anderson Elementary School was the lowest performing schools, the lowest performing school in the county. It has a lot of challenges that face the school from the administration to the teachers, to everything in the classroom that they deal with on a day-to-day basis. But they have done incredible things at Anderson. With the combination of highly skilled teachers, new structured programs, guidance of the school district and support from the entire district 1 community where we've had community members coming and volunteering time in a school that oftentimes our schools don't even attend, just volunteering to make a difference, Anderson village elementary school has risen an incredible amount. Three years ago their API score was 602. This year, up over 30% to 810! That is an incredible rise in performance! [applause]

>> Councilmember Constant: 208 points, in the API score in three years. That's unheard of! They are the most improved school, by far. They've used benchmark assessments to narrow down instructions and Anderson has earned the highest test score growth in the Standardized Testing and Reporting program, STAR, in Santa Clara County for both reading and math. Anderson has an incredible commitment from parents, teachers, community groups that come in and volunteer tutoring sessions and help run after school homework centers. Another thing I wanted to mention too, because it's not in my notes William but Destiny Ortega was named principal of the year this year, by the San Jose Silicon Valley Chamber of Commerce because of the incredible work she's done at the school. So we know that they have done incredible work. They're paving the way for future students, future leaders, and setting the example for all schools in San José in the entire region. So today we're commending Anderson School for having achieved such incredible results on their campus, pretty much against all odds. They have had a number of challenges but they have met and taken on those challenges head on and made a real difference in our community. So thank you very much. Good job. [applause]

>> I'd like to thank Pete and the City of San José for this recognition. It really has been a three year journey to get the school to where it's at. It is a result of the hard work of our staff, our students, the support from the district office, especially our superintendent, Glen Ishiwada, and the community as a whole has really rallied together to really make Anderson what it is today. And we hope to continue to see the growth from our students and the success continue to rise over the next couple of years. Thank you. [applause]

>> Mayor Reed: Before we finish the ceremonial item items, Councilmember Chu would like to recognize a visiting delegation.

>> Councilmember Chu: Thank you, Mayor, for giving me the opportunity to recognize and welcome the five-member delegation of Beijing municipal government, led by director-general of Beijing administration of foreign extra-affairs, Ms. Jo Chao Ling, to the City of San José. Among many of her responsibilities, Ms. Jo was in charge of selecting foreign contract consultant to enhance the security, public Safety, I.T. security and environmental concerns during the 2008 Beijing Olympics. Many of our San José State University professors and the Santa Clara County sheriff's department led by Schaeffer Laura Smith were actually selected and actually contributed greatly to the success of the event. Ms. Jao and her delegation are invite by San José State University to discuss the building of the platform for the exchange of experts between Beijing and Silicon Valley in the high tech and green tech area. During her visit, Ms. Jao has signed collaboration framework agreements with three Silicon Valley technology associations. They are Chinese institute of engineers, Chinese American renewable energy society, and Chinese bioscience

association. So please join me, join me in welcoming Ms. Jao Chou Ling to the City of San José. Thank you mayor. [applause]

>> Mayor Reed: Thank you and welcome to the City of San José. Next item are the consent calendar. Are there matters that council wishes to pull off the consent calendar for discussion? We have a motion to approve but I have a request to pull one item off the calendar. That 2.7.

>> Councilmember Oliverio: Mayor, 2.9.

>> Mayor Reed: 2.9 for Councilmember Oliverio. Any others? We have a motion to approve the balance of the consent calendar. Councilmember Pyle. All right, all in favor, opposed, none opposed, those are approved. Item 2.7. Sponsored travel to third world forum on regional economic development, Madera, Portugal. David Wall, you want to speak on this.

>> David Wall: Good afternoon. Even though this is a sponsored trip, I'm fundamentally opposed to sending lower-echelon directors to this foreign-type meeting. I believe such travel should be of the highest order, specifically Councilmember Pyle, chairman -- chairperson of the Community and Economic Development Committee, something on this level, versus sending a low end dignitary whose questionable contribution to the city is quite profound in relation to failed projects. Thank you very much. Are.

>> Mayor Reed: Thank you, I have a question on this one as well, I'd like the staff to address why this is different from other international trips where we thought it was appropriate for people to travel on their own time rather than city time for making international trips.

>> Ed Shikada: Certainly Mr. Mayor, Ed Shikada, deputy City Manager. I'd be happy to respond for staff. As the memo notes, the basic reason is the European development of economic agencies and certainly appreciating the agency's invitation to have a member or a representative of the City of San José share the role of innovation in the City's attraction of businesses. And this really certainly speaks well to the City of San José's representation. We also appreciate the fact that Mr. Krutko will be chaining this trip with visits to two Spanish clean-tech companies that are considering establishing a presence here in City of San José. So it gives us an opportunity for staff to visit these companies at their headquarters. All told certainly in keeping of the role of our mission of the Office of Economic Development in order to attract and retain clean tech companies as well as raise the visibility of the city internationally.

>> Mayor Reed: Thank you. Councilmember Pyle.

>> Councilmember Pyle: Thank you. Paul Krutko earned this award. I did not. He has done an outstanding job in representing our city on the economically global marketplace. He's done a terrific job. And if anybody thinks it's easy to travel, think again. Because I did talk to him about his travel route which is here to Paris, San Francisco to Paris, and then on to Portugal. That's at least a 14- to 15-hour jaunt and I don't know if you've traveled lately, but it's not the easiest thing in the world. You have to put everything into travel. I for one appreciate all that he's done to bring this acclaim to our city very, very much. And I definitely don't think this should be done on vacation time. Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: I was hoping Paul could explain a little bit about the audience at this forum. I think that may help everyone understand and appreciate the purpose of the trip. And Paul, while you're coming down, I'll congratulate you. I think you were recently named a fellow of the national organization relating to economic development directors throughout the country, and I know that's a great honor.

>> Paul Krutko: Thank you, Councilmember Liccardo. Paul Krutko, chief development officer. The meeting in Portugal is a meeting that the European Union is sponsoring of economic development organizations throughout Europe, includes people from Russia and China. And the purpose of this meeting is to discuss how innovation based economies can generate capital investment and job creation in their communities. Gives us an opportunity to meet with other regions and out of that we've had great success. We've had these kinds of discussions in the past. We've had the Finns bring some 20 companies here to San José, we recently talked about how the Catalonia region around Barcelona has now brought six additional companies here. So these kind of meetings gives us the opportunity to sell San José and look for companies who are looking to make a U.S. presence. They're going to locate somewhere in the U.S., this gives us an opportunity to sell San José.

>> Councilmember Liccardo: I'll make a motion to approve if one hasn't already been made.

>> Mayor Reed: We have a motion to approve. Councilmember Herrera.

>> Councilmember Herrera: I just want to add to the chorus. I really appreciate Paul's willingness to go over there as part of the economic development committee. I think any chance he gets to get in front of

potential customers that would move to our country and potentially San José and do business, that's great. And the two companies you're going to meet with, let them know there's some land in district 8, industrial land, and we'd love to have them meet there.

>> Mayor Reed: Anyone else? There's a motion and second to approve. All in favor, opposed, that's approved. Item 9, Councilmember Oliverio wanted to talk about the online homework centers.

>> Councilmember Oliverio: Thank you, mayor. I just wanted to raise the question with my colleagues, this is coming out of fund 418. Fund 418 can actually be used to retain librarian employees. I know we're going to be faced with serious budget difficulties coming forward. And my question is, this is a -- we can see it's a valuable service offering online tutoring to children. But in the end is it worth more than the possible layoff of one or two or three, depending on the year, library staff, since this is \$1 million over seven years. I kind of want that question out there because if we could retain two more library employees when we make our budget decision, in the end when you look at the core service, the core service of the library is to be open for as many hours of the day, to gather information both for adults and children. If we reduce those positions it brings up that. So I wanted to bring up that question.

>> Jane Light: Jane Light, library director, thank you for that question, Councilmember Oliverio. This contract we have before you is actually a one-year extension. And then we have the option but are under absolutely no obligation to continue to renew it at costs that are pre-negotiated, so regardless of the use, they cannot go up very much. So our intent is to proceed with this for the -- this current fiscal year. The program is very valuable. And in fact as libraries are open less it may become even more valuable. And then, we will take it year by year as the contract states we will.

>> Councilmember Oliverio: I appreciate the feedback. Even if it's one year it still seems about two full time equivalents. So I don't think I can support this today. I would love to support it but I don't think we have the money to do it versus I'd rather let this go versus lay off two librarians.

>> Councilmember Chirco: I would like to move approval.

>> Councilmember Pyle: Second.

>> Mayor Reed: We have a motion to approve. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks, Mayor. Hey, Jane. I saw that there are 14,000 online sessions with tutors who were logged in, I guess that was over one fiscal year, is that right?

>> Jane Light: That was actually about a nine-month period because we started the contract late last year.

>> Councilmember Liccardo: All right. Do we have any idea how many those are unique users?

>> Jane Light: We don't really, because the unique nature of this service is that since there are live tutors remotely talking to children in our community, we want to ensure the mutual safety of the children. So when they enter that they only give their first name and last initial, as does their tutor. And then at the end of each session, they indicate what grade they're in, and they have an opportunity to provide feedback to us and rate whether they believe this is helping them with their homework and improving their grades. So we don't know how many unique users there are but we know it is almost entirely high school students. We're seeing a spike up this fall and you may recall that we dropped our high school homework centers. So this is the resource now for high school students who are look for assistance. And it's largely math and science with a fair chunk of English, the classes would you expect for high school students to need assistance with.

>> Councilmember Liccardo: Thank you, Jane.

>> Mayor Reed: We have a motion to approve. All in favor? Opposed? One opposed, one opposed, Oliverio's opposed, it passes 10 to 1 vote. That includes the consent calendar. Next item is 3.1, report of the City Manager.

>> Ed Shikada: Mr. Mayor, members of the council as you've noticed the City Manager is not feeling well this afternoon so I will be standing in and with that no report.

>> Mayor Reed: Excellent work. [Laughter]

>> Ed Shikada: Please tell my boss.

>> Mayor Reed: Well I hope your boss is not watching this online. She ought to be resting. Let's hope she is but she's probably watching anyway. We'll now move to 3.4, the Team San José performance measures for 2009-10. We have staff shifting for a second while we get everybody in place.

>> Paul Krutko: Good afternoon, council, mayor, Paul Krutko, chief development officer again. A brief, very brief presentation, I also understand the City Attorney might have a few remarks to add to questions that were asked by the mayor and council. What we have before you today are the performance measures that we are recommending for Team San José for the coming year. As you recall, in January,

council authorized an extension of the existing Team San José agreement for an additional five years. One of the features of the new agreement was that we recognize that the way we were developing performance measures in the prior contract probably wasn't the best way to go. And what I mean by that is what we did at the beginning of the contract is we established performance measures for each of the following years. As a result as we know with the extreme volatility that we've been experiencing in the Silicon Valley economy that doesn't really make a lot of sense because we're not going to be able to hit the mark in a third or a fourth or a fifth year. So the new agreement has us negotiating each year as part of the budget process specific performance goals for the coming 12 months. We believe by working on them in that way, we can get a much more accurate performance measure that will be meaningful and will track Team San José's performance. It's important to note that these goals do provide the basis for any incentive payment to Team San José. So we do have a budgetary process that uses T.O.T. plus operating revenues to cover the expenditures that are made to run the convention center. In addition, if the Team San José succeeds on the performance measures, they have the ability to get a relatively modest incentive fee for performance. Our adoption is late. The reason for that is during the adoption process we could not come to an agreement. We did come to an agreement over the summer. With an addition, recognizing some additional revenue that came into the ending fund balance, we adopted the actual budget that these performance measures are based on in the annual budget just last month. The measures themselves, this is the last slide of the presentation, the measures themselves reflect a weighting. This is a weighting that the council reviewed and approved during the contract process, in which we evaluate several different types of performance. Attendance in the various venues, what the economic impact from that attendance is, hotel room nights, return on investment, gross operating profit, theater performance and client satisfaction. Council when we brought this forward, you will recall that council did participate and provide direction to give these weights to those measures. So for the coming year, this is the measures, I think, that we say see memo in terms of the theater performance because it's a little detailed. Because there's a number of venues, and I can get into the memo if the council would like. I should -- and before I stop and open my presentation, I should advise the council that we do provide ongoing contract management of this relationship on a monthly basis. We monitor the performance in the center very closely out of the City Manager's office. We know that we would very much like to have measures that would have higher levels of performance. What these measures reflect, what we think negotiating with Team San José, they can actually achieve. The point I'd like to underscore for the council is, what we've seen in the first four months of operations, given where we are in the economy, these will probably represent stretch goals for Team San José for the coming year. The actual performance in terms of revenue is off, because people are not booking meetings, and coming to San José. We do have a concern and we've mentioned this to the CEO, Mr. Fenton, that we do need to probably come back in probably at mid year and make an adjustment to the budget. As you're probably aware Team San José did lay off four staff members recently. Those were, as you know, we have a blended employment complement there. Those were Team San José employees. We think additional layoffs may be necessary and we're having that conversation. But what we try to do is keep the ending fund balance in a position, in positive territory, and so we work very closely with Dan and his team to make sure that we stay on what we call the glide path. With that, mayor, I'd be happy to answer any questions that I can take. I know Rick had a few comments, and Mr. Fenton is here if you had questions for him.

>> Mayor Reed: We'll let Rick get in here first.

>> City Attorney Doyle: I would just add that we have some issues involving obtaining public documents that we deem to be contracts or that we have contractual right to. It's helpful in monitoring contracts and monitoring performance and that's an issue that hopefully we can work out but we may be reporting back to council on that. Otherwise we're just here to answer questions.

>> Mayor Reed: Thank you. I do have one request from the public to speak on this item. We'll genetic to that in a minute but I think I have some questions first. And I want to focus on the client satisfaction goal of 80%, which is a pretty low bar, especially considering past performances well into the high 90s. And I'd like for you to talk about why that's so low. Why we should accept that as at best mediocre performance.

>> Paul Krutko: Thank you, mayor. We did negotiate this level. The points that I'd like to bring out, and maybe Dan Fenton can amplify, is that one of the key components in the client's assessment of the facility is the condition of the facility. We currently are -- and are recognizing because we proposed an expansion, but within that expansion package, we originally were talking about \$50 million of renovations to the existing center. And, you know, anecdotally we've all heard the stories of clients coming in and

experiencing roof leaks, buckets, other kinds of conditions in the building. So we believe that the existing staff is doing an excellent job in working with customers and delivering their needs. But as people rate us, they rate us on the overall condition of the facility. In addition, the uncertainty about whether we're going to expand or not caused us to adjust this performance measure downward. Because we felt we would be working on the facility during this year. And we know when you're doing a construction project, renovations, work is being done on the roof as we speak, there was a proposed but it's deferred because of the agency's budget problems, a central plant improvement. That when you're doing work in the building, and clients have to go around that, that will affect it. So we, through the negotiating process, we came up with 80%. Mayor, certainly whatever the council's pleasure is on that measure. But that's what we're recommending to you from the negotiation process.

>> Mayor Reed: Well, perhaps we ought to consider separating out the facility condition from the performance of the workers, because the workers can't be blamed for the condition of the facility, and maybe they need to be ranked separately in the facility. I have a question about how that survey work is done. I'm familiar with the one that the Planning Department has done annually, that is done by independent random selection and they get good, high quality reliable data. What kind of a survey are we contemplating in order to get customer satisfaction at the convention center?

>> Paul Krutko: I'm going to ask Dan to come up and answer that question, if that's appropriate.

>> Dan Fenton: Thank you, Mr. Mayor and council. Dan Fenton with Team San José. Mr. Mayor, just to talk about process, essentially the surveys go to those people that make the decisions, if you will, around bringing the meetings to San José. So the meeting plan or show managers are the ones that receive the survey. It is a web-based survey that comes to them from their respective event manager and then is distributed immediately upon them pressing "send" to Paul in his office and others in the city as well as to us. So it's a good opportunity to see what the people who have made the decision to come now think about their experience when they leave. Let me also address your second question. I think there's absolutely a way to do what you're talking about, and that is to separate the service performance as it relates to our personnel and what we're doing from a delivery perspective, versus what the concerns are over the physical plant, if you will. I want to add one quick anecdotal comment to Paul's which he mentioned about the roof. We are currently going through roof renovation. I would argue that the redevelopment agency has found one of the most flexible roofing contractors to help get this done and it's absolutely a necessary project. Very willing to move and do things based on the groups that are in-house. We've had two groups already, even through great work, that have complained about minor amounts of noise from this kind of activities that we are then involved with rebates and those things. I'm not here to complain about that contractor, because they're doing a wonderful job. But this is how sensitive our clients are when it comes to renovation and improvement in the building.

>> Mayor Reed: Any other questions of Dan as long as he's here? Perhaps we'll have another question for you later, Councilmember Liccardo.

>> Councilmember Liccardo: Thanks. Actually, now that I think about it Sudan you may also want this question, for anyone who wants the question, I know 180,000 room nights is our goal. I'm trying to understand exactly how it is we measure that, and if that's based an estimate, based on some formula, or if there's actually somebody who's tracking the booking specifically to the attendance at a convention.

>> Dan Fenton: Yeah, the way this works is, we submit -- when a group goes definite, so when a group essentially says we're coming to San José, we have certain criteria which the city audits, which is essentially that we have a signed contract, that they've agreed to the hotel contracts, and so we have a way to essential document the amount of rooms that have been committed by the group. So that's the way that that number is audited, if you will. And this is the bookings that we complete in a fiscal year, for either the same fiscal year or future years. So it is truly what are we doing to continue to deliver business, in the present and in the future for the City of San José.

>> Councilmember Liccardo: So that 180,000 may include some number of hotel room nights booked out a year from now?

>> That's true, as a matter of fact, in a lot of cases it can be multiple years out.

>> Councilmember Liccardo: Several years, okay. And do we then have a mechanism to follow up after we know there's some commitment to know actually that there was a head that hit the bed and that somebody paid for that room night, do we have sort of a follow-up mechanism?

>> You have two things there. One, to determine that number, so for us to be able to essentially determine that number as an official number, we go back look at the history of the group in terms of what has it done in another destination, so that is a way that can be audited again to, how did we determine

that. And then yes, we look at consumed rooms, when they actually do come in, and try to compare that. One of the dynamics in the industry that makes this more challenging is the Internet. The people who come to the, do our best through both attendance tracking and rooms tracking to look at did we in fact pick up the number of rooms that we originally thought.

>> Councilmember Liccardo: Paul --

>> Paul Krutko: In fact on that one councilmember, that was in terms of not directly related to convention center but to show how that works, that's been one of the issues that we've had with the events such as rock and roll half marathon, what Dan's relating is, we very much want them to document rooms through coming through normal channels. What we're finding and had to adjust our thinking a little bit is that a lot of people were booking through the Internet, and we weren't capturing them as I booked because I'm coming to that event. So we're trying to work through how we can do the documentation. We have a similar process that Dan's describing. That's why we're comfortable with what he's doing at Hayes Mansion. We manage sort of this prospective room bookings and seeing how many of those turn into actuals, so --

>> Councilmember Liccardo: Is there a -- is there a reason why we would not use the consumed rooms, as you just described it Dan, as the measure rather than the committed number?

>> Dan Fenton: Really, what that is designed to look at is, what is Team San José doing in the present for the future. So I think, Councilmember Liccardo, that could certainly be an additional, you know, item to track. We just as part of doing the performance measures, not only what are you doing now or but what you continue to do to not change the filter. So it's designed to look at the sales side as well as the consumed side so it's certainly something we could add.

>> Councilmember Liccardo: Is that fair to say that you keep the consumed room data?

>> Dan Fenton: We do. It has this grayness in it because of the question of people booking outside for the blocks and that sort of thing. But we do, we do try to track that data.

>> Councilmember Liccardo: Is that something you can provide to the council through some ordinary means?

>> We can report that.

>> Paul Krutko: I think the other point, Councilmember, that is something we have access to and ask provide is, sort of what the occupancy is in the main hotels downtown. We regularly track that number, we have that available, we have the actual rates that are being charged to get to an average daily rate and all that. So the actual performance, I guess I would argue, is for us to make sure we can discern what is convention business from itinerant business travel downtown. And that would be what we would want to kind of get to, I think, to get to your question. Are we being effective with our CVB program, are we being effective in terms of the approaches that Dan is taking, and his team, to bring business to San José, versus business is here because I'm going to a meeting at Cisco.

>> Councilmember Liccardo: Well, thank you.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Dan, if you can just stay, real quick here, I have a quick question. With the continued economic downturn and all the trends that are supposed to be with it, we know companies are sending their representatives here to San José to attend conferences, and because of their budgetary constraints, they might not send as many representatives as they used to. And then some of the other trends also include the fact that when visitors come here, in previous years they tend to stay longer, they occupy the hotel rooms, and now they're not. So I'm curious to know, if you can speak to what type of marketing strategy do you have? Do you have like a multiyear marketing strategy or year-to-year marketing strategy that maybe you can talk to, if you can speak to that. And also just let the council know what are some of the plans in the years in the future?

>> Dan Fenton: Sure. Well, Councilmember Nguyen, let me start with the comments around the corporate sector and what those trends are. That's correct. A lot of files, we may see less people even if they are in sales mode than we were before. We are seeing a trend of reduced attendance if you will at some of our consent shows as well. The prat community is start thing to come out slowly and say we do need to be in front of the customer, we need to have face to face meetings within our groups. We need to have the developer conferences. So we're still very positive on the future related to those types of events essentially coming back or growing. We've talked to a lot of the companies that we regularly work with, whether it's Google or Adobe or Cisco, and we're hearing that kind of conversation now, finally, and we're working very closely with them on how can we be essentially a solution provider, so how can we do things that will help them be successful with their conferences. Also, making sure, and it's sort of spelled

out in the marketing plan, that we really are looking at how we diversify. So how we make sure that we're not focused on just one area. So not just the corporate sector, but it could be religious groups, it could be national associations, could be state associations. We've actually done lots of work with council offices, so we want to make sure that we're very diversified on how we go out and check autism just in the future.

>> Councilmember Nguyen: Okay, to follow on the mayor's point about the customer satisfaction survey, I think it's a great idea to separate the two that the Mayor mentioned. It's just really difficult to try to quantify the different factors that come into play when we know our condition is not up to par in comparison to some of the other facilities throughout the nation. And so I think it's somewhat unfair for us to sort of require Team San José and the convention center to keep up when we know that since 1989 the facility hasn't been kept up the way that it should be. So I'm really supportive that we separate those two components.

>> Dan Fenton: Great, and I think we can work together on that. We've actually got parts of the survey now that speak to certain areas and how we deliver. I think we can separate those two. I will tell you this, that there are times when the condition of the facility can create sort of an overall negative, when it comes to how a decision maker responds. So -- but I think we can absolutely separate the fact that we believe we have great leaders in our organization that are really doing a great job on behalf of the customer.

>> Councilmember Nguyen: Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, Mayor, and thank you, Dan. I'm very excited about the future possibilities with our convention center, and I know we're not looking at that project right now, but that excites me that we're got a project moving forward. And I see into the future. I think that things are going to get better, and I'm very excited about that. In looking at a couple things, I think maybe I have a question for Paul. Because it's his memo I'm looking at I think and I have a question for Dan after that. Paul on your supplemental memo, looking at gross operating profit, 35%, so we're looking at negatives if I'm reading there correct.

>> Paul Krutko: Correct.

>> Councilmember Herrera: Where do we ever expect that to trend positive? Do we project, what do we need to do?

>> Paul Krutko: I think what you need to understand about this number is, that this reflects the actual revenue that's generated by Team San José's activities, along with our T.O.T, revenues, Eric, correct me, I should let Eric answer the question. But what this actually reflects is their actual work in the facility. What we have is a resource, and has been a long standing commitment from the city, is the 3%, that comes from the T.O.T, that supports and underwrites the operation of the convention center. So our goal over time, councilmember, is to drive this number down, as you can see in the first few years of Team San José's efforts, they were successful and able do that. What we've been challenged by now is just the overall economic circumstances. While we want it to perform better, one of the things I should make sure that you take comfort from is, we do have -- we have been building an ending fund balance. It has been growing. That ending fund balance gives us a reserve against which, after we apply the T.O.T. to this number, we then, if necessary, can use that reserve to balance the book. We are in positive territory. We have been concerned about that and council will recall that both in December and in January, when I talk to you at budget time in May, we are concerned that we keep that ending fund balance in good condition. Because at the point where we do do an expansion, we are going to have to dip into that to operate the facility while we're working on it. You're right, this is a negative number but what it reflects is sort of the current economic reality. We will still end up with a substantive ending fund balance, based on what we have had in the prior years.

>> Councilmember Herrera: Thank you, Paul, that's helpful. Looking at some of the other documents and again, I want to get back to I think that we're putting together a plan in the future that's going to be very attractive to potential customers coming to have conventions here. One of the things I was looking at as I was reading through the documents is the fact that we're changing our labor agreements and we're moving, it looks like -- and maybe you can help me with this, Dan, I'm still new to all this -- moving to sort of one union rather than multiple sources, as we have had in the past. And there's a lot of good benefits, I'm seeing in the documents that you provided. My question is have we vetted this with potential customers, not those customers who necessarily have done business with us now, but customers who have gone away and haven't done business with us because maybe issues with the facility or size, how do they feel about these changes? Because the cities that you're mentioning in here, as comparison cities

are much different than San José in terms of having the changes that you're suggesting in here. So I kind of want to make sure that we don't create this wonderful convention center and then we do other things that make companies stifle doing business with us because we're doing other things.

>> Dan Fenton: Let me say a couple of things. When we started on this path of really looking at how could we differentiate San José, so how could we do something in our convention center that we believe gives our clients and our partners the ability to say San José is more flexible, San José is in fact less expensive as a destination, and San José is not a destination that believes that sort of the traditional things that you sometimes think about when you think about organized labor in a convention center actually exists. And we wanted to be a place that celebrated the fact that we have local members of our community that we believe do an excellent job on all of our behalf when they are in our facilities and we also wanted to make sure that we could work with them in a way that separated San José, that create something new for San José. And this agreement that we've now gotten in place, we've now had 15 shows that we have done with this agreement, to a show, we had been able to demonstrate that had we been working with our partners under the former agreement, it actually would have been more expensive and it would have been more expensive. And the comments we had gotten back specifically from those customers who were directly on the floor working with our leaders is that the team was intent on making sure that the service was provided the way it was supposed to be provided. I don't want to go on too long here, but you all have heard the horror stories of what can go on at convention centers. Stories like, the customer is carrying a box into a convention center, and someone stops them and asks them to put the box down, and then somebody else has to carry the box five feet, and then someone else carries it another five feet. You've sort of heard those stories?

>> Councilmember Herrera: I've experienced that.

>> Dan Fenton: We get up every day, Team San José gets up every day trying to make sure that doesn't happen at our convention center. And we're very confident with what we've done. But I want to answer your question. There are customers, and there are partners of ours who we value that we are continuing to work through how we can make this work so that benefits them also. So this is not something that we're -- we're very committed to work with our partners on how to how to make this really, we think, progressive new approach work for them, and ultimately, work for everyone that we work with. We are committed to do that, and we are really in conversations to continue to work through that.

>> Councilmember Herrera: That's good news. Because I want to see some of these conventions that have gone to San Francisco and other places come back to San José, come back here.

>> Dan Fenton: Right.

>> Mayor Reed: Dan, as long as you're here, a little over a week ago I met with you, and I think John Southwell, Cyril Isnard, and Clifton Clark, the three hotelliers, to talk about some of the unhappiness in the industry with the changes that you just described, notwithstanding what may be the experience of the person in the building but the reaction in the industry, and some -- a great deal of negative publicity. We've had some communications in writing from some of the folks that have come in through the public record, and some others, and I think we'll have some public testimony here from the auto dealers association of Silicon Valley, that there is a lot of negativity out there. So having had a week or two to think about it, do you have some sort of disaster recovery plan to deal with the unintended side effects of these changes?

>> Dan Fenton: Mr. Mayor, great question. We are actually working sort of every day on the question of how do we make sure, for example, with the auto dealers who are absolutely vital clients to ours, very important, have been here for years, and have been supporting our economy, how do we make sure with a plan like this that we know delivers the flexibility and the increased opportunity, how do we make sure that they benefit from that? So we're working very closely with them to work through this. And as I said to Councilmember Herrera, we are concerned that important clients like this and important partners who aren't here today, but who we have been working very closely with, are concerned about how we can work through this and come to an agreement. So we are very committed to that, and we think we will come up with a way to demonstrate what we are doing and how it can in fact benefit them.

>> Mayor Reed: Well I have no doubt that you can do that. I did meet with Michael O'Donahue, from International Microelectronics and Packaging Society, right after they had finished their event a week or so ago, to talk about their experience in the building. And they had great experience in the building. They had just finished the event. The move-in was excellent, much better than the previous years, he thought the San José Teamsters had a better attitude than the old people, the old Teamsters. There was no argument about bringing those boxes in, they brought their own stuff into the building, the entire staff was

ready to go at the time of the setup. They got it done early and had a very successful interaction with us. And that's good so I know there's positive benefits from it. But I also shared with you in our meeting the comments that I got from others who had not been so happy who had not been in the building but who are in the business of selling and putting on events, so for the benefit of council who haven't been part of that meeting I want to share that so everybody understands that the problem that I'm talking about. So I talked to a series of people, Larry Arnodet, who is associated with Esco, the Exhibition Service Contractors Association, Steve Hagstrit, the current president of that association, Aaron Bloodworth, immediate past president of that association, currently chief of operations at George Fern Company, a national trade show and event contractor, Tim McGill of CEO Hargrove Inc., Laurie Silva of United Business, LLC., Steve Hacker, president of IAEE, the Exhibitors and Events organization who has sent some written correspondence in, and Jeff Quaid from GES executive vice president. And without identifying who said what, I just want to share the comments that got me concerned to talk about the need for some sort of a disaster-recovery plan. So these people have a lot of experience in the business, many years, like 30 years in some cases. One of them has two contracts that are holding up waiting for some resolution on the audio-visual and the labor negotiation with the Teamsters. One could go to long beach and they were just holding two contracts, one for 2012, one for 2010, waiting to see what happens. The in-house is a bad thing, this one could save 20 to 30% on costs by going elsewhere. San José's brand image has been damaged, three events have gone elsewhere because of the labor and the audio-visual situation. The original numbers proposed for the labor charges were outrageous, even though they have come down it has left a level of distrust and the policy needs to be rescinded, there's been no demonstration from Team San José that justifies the change in the way of data, and in support of the decision, we've suffered brand damage, there's a cloud of uncertainty as to what will happen. The cost associated with exhibitions is a higher -- is a huge inhibitor, and uncertainty is a big negative. Costs to operate have increased significantly, there's nothing to guarantee stability out into the future. In six months we could have new rates which has happened with audiovisual. The team spirits is gone. This organization will not work to bring people to San José, there is a national organization that they don't think will be selling San José because so much negative publicity. Everyone in the industry thinks it was a bad move. Damage has been done, groups have already decided to go elsewhere. It could be turned into a positive by turning it around. Exclusivity would be okay if it's offered as an option and not a requirement. This person has had to tell hundreds of potential customers, when they ask about San José, that they have big reservations, and have to recommend against going to San José, they're now working on going to Santa Clara because they can't really budget out into the future in San José, there are too many variables. In other areas costs are known and kept in check or coming down. So it's become a big negative issue. They're uncomfortable with the direction. The end result is very, very bad. There will be a mass exodus if not changed. As prices rise, so we become less competitive, San José's losing business, contracts are on hold, and once you're out of the rotation, it takes years to recover. The actions recently taken shocked the industry, never seen this kind of negative reaction. A 2012 customer asked about San José, they couldn't advise on the cost, could be twice what it is, so they went to Charlotte instead for 2012 and other cities now that are dropping their rates, competitive and now go to a different city to accept a lower rate. Everybody is cutting costs but San José is going the other way. A particular show producer is looking at options, not confident with the stability. If you're going to move the event, we've had brand damage for San José. They don't see anything good coming out of this. Other centers have frozen or decreased costs. The proposed price decrease was about 75%. Even though it was backed down, it still left a bad taste and great deal of uncertainty about the future. These changes have the potential to devastate our occupancy, four associations are now refusing to sign their contracts. The new Team San José policy was repulsive regarding the audio visual, 12 competitors have been closed out of the building. They're now recommending other places to their customers. It could take years to undo the damage, potentially catastrophic. Now compare that to the experience of the people in the building, the people that can you talk to, and I have no doubt, that you know, we'll do fine with the people who have the experience. But it's the people who are out in the industry. It's like trying to lease a building when the real estate brokers are trashing the operation. That's why I asked whether or not you have a disaster recovery plan because this appears to be a disaster, at least in the industry, and the trade press and you've seen all the trade press publicity. It's not been good. And so 80% might actually be a stretch goal if that many people are upset. But I'm more concerned about the \$6.8 million negative that could be a lot worse if we don't actually book shows in to the facility whether it's new or renovated, and there's no disaster recovery plan, I don't think. What you described was we're going to keep talking with people. But you've got

testimonials, why not use them, get the good news out there. I'm not in the marketing business. You're not giving us your marketing plan so we don't know what the marketing plan is. I'm not in the marketing business. You're in the business, you should come up with the plan.

>> Dan Fenton: Yeah, I mean, just to say a couple of things. All the customers in our database, all the ones that our sales managers touch, all the ways we communicate literally on a daily basis, were very clear on the benefits of this program. We are working very closely with every customer around the real details when it comes to this program. But let me also say this. The people that you mentioned throughout, those are important people to us. So I'm not down playing at all the fact that we are working with them on ways to make essentially a more flexible, less expensive program, worse for them, which would sound odd for me to say that but a more flexible, less expensive program work for them. Just an interesting concept why it doesn't but we are working through that with them. There is data on every show that demonstrates what we are doing every day that we are in the convention center that we have been getting out there so people are aware of what's happening and that client that you talked to versus the other 15 that have been in the building will say the same thing to you. They will say the raw labor cost was less, the quality of our internal team was higher and we are continuing to get that word out. However, I want to say this, we are working with the same people that you were talking to because they are important to us, and we will in fact create an arrangement with them that we think will work for everyone, and we are on that track, and we will work through this.

>> Mayor Reed: That is not a very convincing plan I have to say. And we are on the hook, the General Fund is on the hook if we don't have customers booked into the building. We're talking about expanding it, putting a lot more money into it and this causes me a great deal of concern because ultimately the General Fund is going to either benefit or take the detriment, as the way it works. Councilmember Liccardo.

>> Councilmember Liccardo: Dan, after hearing all of that, why wouldn't we offer exclusivity as an option? Why would we mandate exclusivity?

>> One of the paths we're taking is to make sure that we establish the fact that in San José, we are proud of the fact that you have an opportunity to work with our community and our residents and the people that live and breathe in San José. That's part of what is important to us, as well as that we're able to create an environment in San José where we can deliver the flexibility that we have been able to build into this agreement. So to answer your question, that is very much an option that we are pursuing but we want to make sure as we pursue this that we're able to achieve the collective goals of what we've set out to achieve which we believe absolutely benefits all the people that you just heard from.

>> Councilmember Liccardo: I mean if we're clear though that this is a better approach --

>> Right.

>> Councilmember Liccardo: Take the example of the situation where someone has to carry something to the door, leave it there have someone else take it out the door, those kind of issues, if those are really being resolved by having this exclusivity agreement, and I don't pretend to know whether it is or it isn't, it seems to me that would be a persuasive marketing pitch, and it wouldn't have to be something we'd have to mandate at all. So I guess I'm wondering why we would go into it with the approach of having to mandate anything, knowing we could risk the kind of reaction we're clearly getting at this point.

>> Dan Fenton: One of the things we're trying to work through is the issue of in a city that is the 10th largest city in America, that has the type of population that we do, we're trying to work through the issue and make sure it's clear that like any other major city when you come to our convention center you have the opportunity of working with our community, working with the leadership that lives here, the people that work and live in San José. That is something that we're working together with those partners to make sure we establish that together and as we establish that, Councilmember Liccardo, this is exactly with where there is going to go, a way for everyone to work together on how to take advantage of this and make it work to their advantage.

>> Councilmember Liccardo: I know there's been -- mayor alluded to some challenges in terms of getting the marketing plan. I've seen the letter now from Brian Doyle in our city attorney's office about several documents that we've been trying to get I think for several months, that is, we as in City Manager's office. The market plan I understand is required under section I of the contract, understand we've had to make public record requests for board meeting minutes and the agreement with local 287, why is it that we're not able to get those records, knowing that so many taxpayer dollars are on the hook, we're anticipating if all goes well and you're going to meet your goals, we're going to be investing a net of well over \$6 million just to be able to balance your books, why --

>> Dan Fenton: Right.

>> Councilmember Liccardo: -- can't Team San José routinely provide these documents to a city that is investing so much in this building?

>> Dan Fenton: Let's start with the marketing plan. We have absolutely every intent of making sure that everything that we do every strategy that we undertake, every tactic that we are -- that we are using, to drive this, is absolutely everything that we discuss and everything we work through. The only concern is details that we want to determine how we deliver so that we don't create a situation where we essentially turned over information that other destinations could use. So when they understand, what's the strategy, how are they approaching this, what are they doing that they can use as a way to say, this is the way San José does what it does, that helps us. So we've been clear as this is not an issue of not wanting to be forthright, we just made a two hour presentation to the mayor's marketing committee and actually we didn't get through it all around all our tactics, who our markets are, who we're going after, what the message is, who we're trying to attract. And we would love to do that and continue to do that together so there's no intent to not have anyone understand what the markets we're targeting and who we are. There is some level of detail that we just want to work together on does it make sense to release that information so another destination could say oh, now I see exactly who they're working with, what kind of dollars they're spending, with who, and that helps me understand how to compete against them.

>> Councilmember Liccardo: Dan, I think we'd all be sensitive to the proprietary nature of some aspect of your marketing plan that you wouldn't want out there, that none of us would want out there. That's fine. If we've got an advantage of some kind, then we don't want to lose that. But it seems to me the questions of what part of your marketing plan you would or wouldn't release would be something that would be considered at the time you're working through the contract, in this case the second amended and restated agreement. That I know your team and the City's team spent many months with lots of attorneys trying to figure out how to do that of this and it's a pretty straightforward requirement about providing marketing plan.

>> Dan Fenton: Right.

>> Councilmember Liccardo: These don't seem to be -- we're not going into the bowels of the Team San José --

>> Dan Fenton: Right, right.

>> Councilmember Liccardo: Strategy team, just to get a copy of the agreement with the local 287 or the marketing plan. What is the real challenge here?

>> Dan Fenton: When it comes to, again, I just want to state intent, there's no intent on the marketing team to not speak through everything we do. Strategy, how we do, really no intent. I think we can resolve that in terms of determining are there pieces of it that everyone agrees okay that may not make sense to disclose or everyone determines that it does make sense to disclose. We're very intent on moving forward there.

>> Councilmember Liccardo: Can we expect that there will be disclosure of these documents soon?

>> Dan Fenton: The marketing plan absolutely. The contract with local 287, again we're comfortable under the right discussion to release that document also. Because again everything we've talked with in terms of the flexibilities, the things we've built into it are actually proud of the details of that document. It's just the nature of how we do it, very comfortable with working with City Attorney on how to do that.

>> Councilmember Liccardo: Okay, thank you.

>> Dan Fenton: Uh-huh.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Thanks, mayor. Dan, I know you and I have had talks about the savings that people have experienced under the new plan. Versus some of the comments that we're receiving from some of the industry folks. Can you try and given me some perspective on that? Like do you have any specific examples of dollar savings by event or anything like that? Because the hardest part for me as we've discussed is trying to reconcile stories that are so far apart.

>> Dan Fenton: Gotcha. When we work through the concept of how do you differentiate San José and how do you create a document and a contract with a labor partner, that gives you flexibilities that you didn't have before, here's a couple of examples of the things that are in the current agreement that we have with local 287 that weren't in the agreement that we lived under and that our customers lived under prior. One example is, in the former agreement, no matter how many hours one of the San Francisco Teamsters worked, they were paid for eight hours. If they worked two, they were paid for eight. In our agreement, there is a four-hour minimum. And with the league of California cities in particular, that saved

them over the exact same amount of hours needed, that saved them over 20% on their labor bill, if you will, or the cost of the actual labor that was produced. The second thing we did is we said we wanted to make sure if a meeting planner or a show manager wants to start an event at a particular time, that we in fact can start that event at a particular time. In the agreement that we used to live under, if you did not start the event at the prescribed time of the agreement then you paid for San Francisco members to be paid from that point. We said that doesn't make sense. We said we want our leaders to be there when the customers want them and work when the customers want them. That has also saved hard dollars in terms of the amount of labor that it has cost to produce the event. So those are two examples. The percentages over the last 15 events have ranged from five to 35% of that particular area, and we specifically measured it against the former agreement in terms of what the labor cost was for the clients.

>> Councilmember Constant: Then since this new agreement was launched how many events have you actually had under the new agreement and how many have you booked?

>> Dan Fenton: Approximately 15.

>> Councilmember Constant: That you have had?

>> Dan Fenton: Yes.

>> Councilmember Constant: How many future events have been booked under the agreement?

>> Dan Fenton: We've booked -- about 107 events have been booked since that point. We've got over through,000 room nights that are sort of under those events that have been booked, of economic impact. Absolutely yes, this has continued to be booked.

>> Councilmember Constant: Okay. And then I wanted to go to the marketing plan that was mentioned a couple of times here. I understand the comments you've made about the proprietary type information. I think you and I had talked about a marketing plan summary, did you guys create something like that and what's the status of that?

>> Dan Fenton: We actually just presented that to the marketing committee.

>> Councilmember Constant: That's what you were just talking about?

>> Dan Fenton: Yes.

>> Councilmember Constant: How does that compare I guess in size or content, just a verbalization of what's in the plan or --

>> Dan Fenton: No, it goes through -- it's really a good percentage of the plan, because it really goes through every single market, every single segment. There really isn't any large or strategy that isn't discussed in that document.

>> Councilmember Constant: Okay. I might have more after we hear some public testimony.

>> Mayor Reed: Vice Mayor Chirco.

>> Councilmember Chirco: Yes. I recall reading a letter from one of these customers of the convention center, and they were upset because they had a preexisting contract with some Teamsters union, and in which they were not able to -- so they were in violation of their contract. Was there any thought to when this contract was put in place, to make allowances for those of our customers who had preexisting contracts?

>> Dan Fenton: What we, in that particular client, I believe that client was league of California cities, and in that --

>> Councilmember Chirco: I don't think so.

>> Dan Fenton: -- particular client we actually offered to indemnify the client if, in fact, there was any liability to the -- their partner, the decorator, our partner, in that situation. Here's an interesting fact for you. To date, so we're now 15 shows into this, there has not been one, in labor terms, grievance or complaint filed by the San Francisco union around this new agreement. So that was one of the concerns, a valid one, one we were concerned with to date not one grievance filed. What was a concern which that client in terms of liability, there hasn't been one action taken.

>> Councilmember Chirco: But I'm not so concerned about that. That's obviously a problem. I'm concerned about perception.

>> Dan Fenton: Right.

>> Councilmember Chirco: And because that's the stories that are being told. I'm also concerned about team San José, dealing exclusively with San José assets which belong to our community and San José dollars. And having contractual obligations to turn over specific documents and the city not about getting them. That's just not acceptable. I think if you think there's proprietary information, you need to be in conversation with the attorney's office to review those issues and bring but as an elected I don't find that acceptable and frankly cannot tolerate it. I think it's a violation of our fiduciary responsibility and take

that as a number one priority. I certainly want you to succeed. That's not the question. It's important to South Carolina San José that you succeed. But you have to be accountable to the milk just as we have to be accountable to the public. Thank you Dan.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. Dan, you discussed the customer satisfaction, 97%, the people booking the events, the management level folks, overseeing the event, for the company that happens to be the booking, that's an extraordinarily high number. And I just want to refocus on that. Those aren't just the people that are kind of enjoying the convention, those are actually the decision makers that presumably may have authority in the future to book events, as well.

>> Dan Fenton: Correct.

>> Councilmember Kalra: You indicated there are 107 events that have been booked since the new agreement.

>> Dan Fenton: Yes.

>> Councilmember Kalra: Clearly, there is a decline I presume nationwide in the number of events that have been booked. Do you see San José consistent with whatever trend that's out there, the number of events that we're able to book or the number of days that we'll be able to fill the convention center?

>> Dan Fenton: I do, and I want to go back to my response with the mayor. We are working closely with these partners. I don't want to downplay their importance, and we're committed that quickly. We will resolve this, so I don't want to downplay the importance of those partners, but yes, we are continuing to book future business.

>> Councilmember Kalra: Sure, and who -- you know, clearly -- I think we all heard very clearly the comments the mayor referred to. But who are these partners we're talking about? I don't know all the industry names and exactly what the responsibilities are in terms of the convention center scene, and you know, what they may be responsible for. So is there any particular segment of the convention center population, as far as the industry level?

>> Dan Fenton: Well, one of the most important partners in producing a trade show or in a customer being satisfied are the general contractors and the decorators. They are a critical part when all of us go to conventions and see trade shows and we see all the booths set up and we see all of that, there is an industry that plays a very important role in make sure that that in fact happens at a conference. It is that partnership that is critical to us. And it is those partners that we're continue fog work with on if you will resolution and ways to make sure that we can deliver on their behalf the type of values that we talked about in terms of what we're doing in San José.

>> Councilmember Kalra: And the new agreement that you've indicated have a lot of personal improvements in the way we operate the convention center, are there any elements to that agreement that cause displeasure with that group, with the decorators group?

>> Dan Fenton: Well, I think that actually Councilmember Liccardo raised this issue. One of the questions that has been raised is this question of exclusivity. Even though we're delivering a service that we believe is more flexible, creates better costs, I think to date we've got over 800 hours of families in San José that are now working that wouldn't have worked under the old agreement. So even though all of that is going on we have to be is very conscious and work very closely with our partners to make sure that they can still achieve their business goals and perform the way that they want to perform as our partner in the convention center. So that's one of the things we're working through, is how do we do that.

>> Councilmember Kalra: Okay, looks like there's clearly some work that has to be done in terms of bridging that divide, but in the form of the agreement, is it because what they may perceive as a lack of flexibility in terms of who they might be able to contact with?

>> Dan Fenton: Correct, and I think that's something that we need to work through, and we are working through with them.

>> Councilmember Kalra: Thank you.

>> Mayor Reed: At this time, I'd like to take public testimony. Thank you staff, thank you Dan. I have a few people would who would like to speak, please come down so you're close to the microphone. Steve Smith, Bob Blanchette and Michelle Franco.

>> My concern -- I'm Steve Smith with Silicon Valley Auto Dealers Association and Silicon Valley International Auto Show. I've been in the business 15 years, and we've contributed \$2.5 million of revenue to the building. We've also paid for modifications to the building in the tune of \$50, 000. My concerns are over the exclusivity of the agreement, the flexibility, the diversity I'm going to get out of this agreement is, I'm going to have a truck coming down from France because my previous agreement is

with local 85 in San Francisco. And that truck will come down, deliver the goods, they'll have to drop the truck off, a Teamster from 287 in San José will have to come over, pick up my goods, deliver, unload them in the show, take the truck back over to the guy from 85, and he drives it back up to San Francisco. There's my double in my labor cost. Our show can't afford to do that in our industry right now. And what this would amount to is, we'd have to look at a different venue for the auto show in 2012. Right now, we're unsure of kind of what's going to happen to our show and where we're going to be. And I understand the city attorney's office is looking into this. Whether or not if exclusivity can be enforced or not, and some of those other things that we're concerned about, and we would like to keep our show in San José. We've been here since 1909. We would like to have you rescind this agreement and have us, the customer, be able to choose which union labor we would like to have. It's the customers that are running their shows and the customers who have the better idea of what they should be using. Thanks.

>> Mayor Reed: Bob Blanchette, Michelle Franco, Ross Signorino.

>> Mr. Mayor, council persons, my name is Bob Blanchette, president Teamsters local 287. I brought with me Michelle Franco, who is a 20-year Teamster, who worked the freight docks, currently working the trade shows and conventions for our local for over 12 years. She's got a story I think you people need to hear.

>> I hi, my name is Michelle Franco, I'm a local 287 member. I've been working steady since August with this new agreement, and being a Teamster for the last ten years, we hardly had any work. They came from the van pool and car loads from San Francisco to take our work and there was really nothing we could do about it. For the first time I am able to have dental, medical and pension coverage for my child and for that I'm truly grateful.

>> And that is not only one, there's many more that came. They didn't have that under the previous agreement. None of them did. None of them ever had health and welfare through the other agreement. There's been people, you can't understand the enlightenment over some people are going to get dental work they couldn't get under the other agreement. Now they can. As far as the Team San José, 287 contract, anyone can put out smoke and mirrors, and this association is just like a union. These decorators pay dues to it, and they got a job and obligation to their dues-paying decorators to go out there and protecting the decorators. That is fine, they are slinging mud, the truth will come out, I'm very, very positive on that. Just takes time. Anybody can sue anybody. Anybody can protect somebody to a grand jury. And anybody can file an unfair labor practice. The object is to win it and we're very confident that these things will prevail, hopefully soon, very soon. As far as the conditions, you talking about your constituents. She's one of them. This imported labor that you want to bring down here, and take away the work from the people out of this community, is wrong. They don't put one dime back into the city. She pays taxes, spends her money here, buys the children clothes here. What do the others do? She votes.

>> Mayor Reed: I'm sorry, your time is up but Michelle has still got some more time to go.

>> I just wanted to say it's been a pleasure to work with Team San José. They've treated us very fair, we'll do our best for the City of San José and for Team San José.

>> I've just got one other thing sir, there has never been a labor dispute yet at that convention center, never since August 1st. There's rumors but there's never been a work stoppage, any sort of demonstration, there's never been anything there.

>> Mayor Reed: We got the message. Your time is up. Ross Signorino is our next speaker.

>> Ross Signorino: Thank you, Mr. Mayor, members of the council. Mr. Mayor, if I had heard your comments before last night at the redevelopment agency meeting, I would not have circled the convention center as you requested some of the higher priorities, five of them. And it's true what you're saying, about certain things, maybe the unions interfere and so on. Then of course, what is the price we charge here as opposed to other people, and their convention centers, and other cities, in the same location. We had the same difficulty when we were showing at Brooks hall, Moscone hall in San Francisco. We as vendors there, could not move anything unless we got flat cars from a union operator, so we load the things up, and they just simply push the things out, and then we unload it. And this was a great weight, we had to wait, and wait, just to try to get, and oftentimes, yes. We had to slip them something as a tip, just to keep them happy. So all these things add up. And I can see, dissatisfaction with customers. In New York, at their convention center, and also, in Chicago, automobiles industry cancelled their shows, maybe some 20, 25 years ago, because the difficulty they were having with the fees that they had to pay unions, to move in their equipment. So that, too, is a detriment. And I can see

the dissatisfaction when people come here and they have to put up with things like this. Once again, thank you for the enlightenment, Mr. Mayor, that you put on this.

>> Mayor Reed: That concludes the public testimony. I have a couple of questions for the City Attorney. I know there are several, maybe four national labor relations board complaints that have been filed which I assume will probably result in resolving the question of which Teamsters union is going to have the rights to the building, and certainly will eliminate some of the uncertainty that people may have. But I'd like the City Attorney to comment on those and what we're doing on the legal side.

>> City Attorney Doyle: Mr. Mayor, the -- contrary to a statement, the city attorney's office is not looking into the enforceability of the exclusivity of this agreement. That is the jurisdiction of the NLRB, the national labor relations board. I know of one complaints and there may be a number of complaints filed and there is an investigation by the NLRB and they will make a decision one way or another as to whether there is an unfair labor practice. Unofficial we have asked for documents which we believe we're entitled to under the contract. But that has nothing to do with trying to determine enforceability of the agreement.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. Looks like there's some issues that still need to be worked out and I hope will continue to be worked out but on the agenda my understanding is are we to accept the performance measures or at least the targets that have been put forth by Paul in working with Team San José so I'll put a motion to accept these performance targets for 2009-2010.

>> Mayor Reed: Motion to accept the targets. I'm okay with some of them. The 80% client satisfaction goal I think needs to be refined a little bit to separate it, building versus people. Because I don't want the people being blamed for the condition of the building. What I'd like to see is have that brought back on December 8th. Can renegotiate that along with a report on the status of whatever's happened in the industry. Mr. Fenton thinks that will get worked out with the conversations he's having. I certainly hope so. But I'd like for the staff to check in with the industry and look at the trade press and see what they're saying and maybe this will be resolved by December 8th, that would be good and we can move forward with a performance measure. I'd like to ask the maker of the motion for a friendly amendment so we can bring that portion back.

>> Councilmember Kalra: That's fine, in particular with revising the satisfaction to identify facility issues versus service issues.

>> Mayor Reed: Councilmember Campos, you have the second, is that okay?

>> Councilmember Campos: Yes.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Mr. Mayor, I believe it's on the Public Safety, finance and strategic support committee in December. I want to confirm where that lays compared to that meeting, and we should set up the timing so we don't have the same discussion from different perspectives.

>> The item, you're correct is subject to addition at the Rules Committee meeting tomorrow for the December agenda.

>> Councilmember Constant: I don't know what you might think of this Mr. Mayor, but assuming it gets put on the agenda for tomorrow, we can schedule it for council action the following week, and we can make sure at committee level we cross -- reference it for immediate action, that work or are you envisioning coming here and dropping off the agenda?

>> Mayor Reed: I'm not sure what the agenda is for the Public Safety committee. My question really isn't about the Teamsters, the Teamsters contract. I'm happy that the San José Teamsters are getting work. My question is the industry as it relates to the performance measures and the performance measures as it relates to the building. I don't know if that's the same item on the committee agenda or not.

>> Councilmember Constant: I think that was part of the discussion but maybe not the main discussion. I think that's fine. The other discussion I had, is when is the mid year performance measures check-in coming to? I don't remember if it comes to Public Safety or comes to Community and Economic Development for the performance measures? Does anyone know?

>> Paul Krutko: Councilmember Constant, we have not completed the work plan for the committee, for the spring semester. So we can place that at any point that would be appropriate. So one of the things that I did suggest in my presentation is that we do intend, we do think it's going to be necessary for a budget revision, in terms of what we're seeing based open performance already. That would be coming at mid year, and mid year, help me -- I think that's at the beginning of February. So maybe it's appropriate to have this scheduled for the committee in January, at the January -- whichever's the pleasure. Normally

the community, the Community and Economic Development Committee is the committee of jurisdiction for this so we can certainly set it for the January meeting, with working with Councilmember Pyle as the chair, we would be working on the work plan for the spring right now anyway.

>> Councilmember Constant: Okay, I just want to make sure how the sequence of events is going to go. Because I do think it's important that we talk about and finalize what the performance measure for the customer service survey is going to be, and I do like the idea of having a split role so to speak on that. Thanks.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. Would the maker of the motion be open to a friendly amendment to include in the in the motion the setting on the agenda to allow Team San José to provide any rationale for failure of disclosure of all the items that are listed in the October 8th, 2009, public records act request as well as the marketing plan that's required under section I of the agreement?

>> Councilmember Kalra: Well, I understand those at least now, there's been a very strong sentiment to have those items disclosed or given to the city, at least.

>> Councilmember Liccardo: I heard that sentiment on this side of the dais. I'm more concerned about whether or not it's going to happen. I know we've asked in many ways and we need to make sure those documents are --

>> Councilmember Kalra: As part of the motion that any and all documents that have been requested, that are -- should be presented or an explanation as to why they can't.

>> Councilmember Liccardo: Okay, and just for clarification, it includes the marketing plan, Team San José board meetings, public records act request as well as local 287?

>> Councilmember Kalra: That's fine.

>> Mayor Reed: Is that okay with the seconder? City Attorney.

>> City Attorney Doyle: Just for the record, the request is not pursuant to the public records act. This is a contractual right that we believe we have to monitor compliance. We provide almost entire funding and the contract allows us to have access to this record. So that's the -- I just want to clarify for the record, this is a contractual right, we're not pursuing this under public records act request at least not yet.

>> Councilmember Liccardo: I apologize, I misread the letter from Brian Doyle.

>> Councilmember Campos: So Rick does that mean it doesn't need to be part of the motion?

>> City Attorney Doyle: No, it should be, because that's a dispute over the contract.

>> Councilmember Campos: Okay.

>> Mayor Reed: Further discussion on this? Yes, over here, Deanna Santana.

>> I just wanted to clarify what's going to Rules Committee tomorrow, because it is consistent with some of council conversation. The request is for a work plan regarding an audit on Team San José on how it manages and operates the San José convention center and cultural facilities as well as audit of the books and records of the convention center and related facilities.

>> Mayor Reed: That's an audit request, which would not be in front of us for six months or so probably. Okay. So it wouldn't affect the schedule that we're talking about here of bringing this back on December 8th. Anything else on the motion? All in favor, opposed, none opposed, that's approved. We'll take it up on December 8th. Our next item is 3.6, actions related to the records management system project. We'll get an update on this records project, and looks like we're being asked to accept an award of a COPS technology program grant of \$695,000. That's always good to get money from the federal government.

>> Good afternoon, mayor and council. Dan Katz, assistant Chief of Police. And yes, today we will be providing an update on the automated field reporting and record management system project at the police department. Joining me are Steve Ferguson, chief information officer from the city I.T. department, and also Tamera Becker, division manager with the police department's operation support services division. I'm going to turn it over to them to start.

>> Steve Ferguson: Okay, thank you chief, Steve Ferguson chief information officer. Working with police department in the automated field reporting and records management project, it's obvious that this project stands to be one of the largest business process modernization projects in the city's history. With the AFR RMS project is a critical core function in the police department and it touches everyone in the department as well as a large segment of the community. In working with the San José police department on this project our assistance has been focused on the development of the business case and including the ROI report which is included in your packet and in making sure that the City's network is, infrastructure is adequate from a security and capacity standpoint to support such a project. Some of the lessons we've

learned as we worked with PD on this project is first of all there are significant efficiencies that can be gained by automating this complex business process. Two, the project's pay back in terms of tangible and intangible benefits is just about five years which is pretty outstanding for a project of this nature and lastly the challenge is not in the technology, the challenge is in helping the workforce understand how to effectively use a new modern business process. Myself and other meshes of the I.T. department are committed to the ongoing success of this project and working with the police department through the process. Chief.

>> As Mr. Ferguson pointed out, we anticipate department wide efficiencies with this project. We've also conducted the analysis that he's talked about, and want to ensure that the project is flexible and phased to adjust to the City's fiscal environment. Through this analysis, we have identified three key phases which build upon each other. The first one being the automated field reporting, which includes software, network and mobile data computers. The second phase is the records management system which involves network, hardware and software, and then additional interfaces and functionality as money and staff time permits.

>> The project is critical to the police department because as I stated earlier it addresses the core business process that's integral to the entire operation of the department. The project affects the entire information pipeline from the collection of information in the field by the officers through the criminal justice system and through data analysis. Automation in the field will improve the quality of data at all stages, and it will reduce the use of inefficient manual processes. Other improvements to be gained by the police department will include regional data sharing and expedited public records requests.

>> The business case for automated field reporting and records management system, the ROI study identifies many areas where and AFR RMS will improve efficiency throughout the department. One is to enhance officer efficiency in the field, officers will spend less time filling out reports, that gives them more time to respond to calls and for them to be proactive in their efforts. The other thing I would point out too is that also means that detectives are going to be more effective and efficient as well because they will have access to reports in real time as their desk rather than waiting for them to be turned in. Data entered and those reports to be routed to them or to retrieve them. We have over 180 stand-alone databases in the department. 180 disparate databases which means one, they don't talk to each other, and two, that they need to be reached out and touched when we're trying to mine data and that leaves pieces of the puzzle lying out there. Consolidation is obvious it will make data retrieval more efficient and information available to our people in realtime. Move from paper data entry towards an automated system will allow us to electronically store and disseminate information in a very timely manner. And as I said, that ability for a detective to retrieve a report at his or her desk immediately is a huge time savings in efficiency. Another important factor is, it will dramatically improve our ability to proactively analyze trends and data when we're doing crime analysis and we can prioritize our deployment of officers on the fly. We're pretty nimble but the problem we have right now is our data retrieval, data entry is backlogged, and it's time consuming. The more rapidly we have good quality data available to our commanders and field forces the better decisions are going to be automatically deployed to counteract crime trends. And also, we're going to be able to improve the customer experience when requesting information from the police department because staff will be able to quickly identify what data is available and to quickly retrieve it.

>> So the current RMS really serves as a pointer system to the paper report. We do minimal data entry because of staffing. In order to get any information from the actual report, officers need to pull each report and look at the paper document. The current system, as I said, the paper-driven. And just an example of what might be involved in one report, if we have a crime that involves the response of an officer to take a crime report, there's multiple forms just to complete that part. If, in the investigation of that crime, the officer comes across the suspect, and the suspect flees, and perhaps gets into an accident, there's a variety of reports that are filed related to the accident. If that suspect is intoxicated by any chance as a result of his involvement in the crime, there are several reports for the investigation of the intoxication report. Vehicle impound forms, booking forms, if juvenile is involved, there's in a an actual crime. In these reports officers are entering information over and over and over again. A lot of these reports ask for the exact same information. And so the officers spend a lot of time rewriting the same information, over and over. It would be expected in an electronic system that we would be able to have the system, enter information one time and populate multiple forms at that time. Current, once the paper report is written, officers will literally drop that report into a locked box and my staff will go over nine times a day and retrieve those reports. Because of the lag time in entering this information an the many disparate

databases, as the chief mentioned, it is very hard for us to analyze the data. The information is not centralized in one place where we can go get that information and as he mentioned, we know that crime prevention strategies rely on that nearly realtime data. The next slide is an example, although it looks pretty busy, daily basis, we have to determine whether that report involves an in-custody. If it's an in-custody we have time constraints in order to get that information to the court. And then each other crime classification is dependent upon its seriousness and whether or not there's vesting information that can be gleaned off that report. All of those copies are sorted and routed resulting in numerous storage needs. The department processes about 100,000 crime reports per year, and again, each one of those have to be manually touched and moved through the organization. The City's been actively engaged in electronic content management efforts, as Mr. Ferguson mentioned. It's important for the police department to make this transition. In order to meet the expectations for the public for crime prevention and the efficiency of the department. Having to depend on these paper files inhibits the vesting and crime prevention processes and the ability of the department to function, respond to request for information and respond effectively. The outcomes of this request, today we're not seeking the allocation of actual funding for this project, we are merely seeking to be allowed to finalize and release the RFP. Our interest is to engage the market and decide what next steps we will need to pursue in order to take on this project. Once we have the opportunity to evaluate the AFR-RMS responses, RFP responses we will then report the results of that to council for further direction.

>> So with that, the recommendation would be, accept the project update related to the automated field reporting and records management system project which will allow the city to release an RFP, engage the market and also adopt a resolution authorizing the City Manager and Chief of Police accept the COPS technology grant in the A \$695,000 and that concludes our presentation, now the staff will be available for questions.

>> Mayor Reed: Thank you, could you put back up the slide with the sort of, the busy flowchart? That one. Just want to make sure Councilmember Oliverio can see that. I want to see if it sets his hair on fire. I think if he looks at it too long it might make something happen. So better take it down. Looks like we're back in the 1930s looking at those records files that we certainly need to move ahead on this, and I know it's a question of money and funding. But we are collecting money like this COPS grants and other sources, I know that the department's been pursuing for a long time to try get sufficient funding to do it. And certainly, return on investment will be enormous, considering the high cost of labor and the high number of hours that go into every report. It drives me crazy to think about our police officers spending hours writing the reports instead of out catching more bad guys to write reports about. And this is something we really need to do, but again, it's about the money. So my thanks to the department for continuing to pursue funding sources outside of the General Fund although we do have some General Fund money set aside for this, it's not yet enough. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. I'm strongly supportive of all your effort. I think it's wonderful. Dan, I want to commend you and your department for not spending the money when it came in. I know it's hard but when you try to bundle these grants in a way that you can be strategic in purchasing this technology. I appreciate sort of the piecemeal approach you're making knowing you've we've got the constraints we do, you'll be able to fund these pieces as you get money through the door. I've got a question, at the bottom bottom of page 11 RMS and the ongoing cost of maintenance and all of that. I was very enthusiastic, when you talk about eliminating 180 kinds of assistance to have one cohesive which sounds great, for three or four years having a redundant system up, I'm wondering is that sort of a best practices to have this redundant system continue to be operated or is there some mandate out there that we have to comply with or could we avoid it by simply having paper copies, of whatever's going in the database?

>> Thank you for the question. We are required to keep information for particular periods of time, that's why we're anticipating this to be a short term redundancy. However, our intention is to not migrate old data into the new system. That typically is a very high cost for projects of this nature. And our other concern is, with the lack of ongoing quality control for that data, so we would really like to start fresh with a new system.

>> Councilmember Liccardo: Okay, so we're still going to be operating essentially manually for records that relate to events prior to, say, 2009, before we get the system up?

>> Yes. Most of those, though, keep in mind, are really needed for United -- uniform crime reporting and various requests we might get, not necessarily being kept for the investigative but at the point we're comfortable with having that data kind of culled down into the more important reports we may transition

them over earlier to eliminate that other database. But we're just looking at using the old system primarily for statistical reporting maybe analysis trends, those types of things.

>> Councilmember Liccardo: Okay, I know we're beggars and we can't be choosers given the limited resources we have. But if we're able to get resources it will automate us going forward. I know that's not our top priority now, but just relating my experience as a D.A. in particular, areas, in particular offenses we have a greater ability to introduce evidence of prior crimes and prior acts and that's certainly true in the case of sexual assault crimes, and child molestation and so forth. And I know as a D.A. my colleagues and I would spend many hours and police records and personnel would spend million hours of trying chase down reports, trying to get additional evidence that we could present to a jury. And that was incredibly important in the prosecution of those cases and often meant the difference between a conviction and an acquittal. I hope to whatever extent you were able to get the resources to do it, we can try.

>> Certainly, that would be the best case and a lot of that will depend on cost and moving forward.

>> Councilmember Liccardo: Great, thank you.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. Thank you for the presentation. Certainly very supportive of all of your efforts. I really think this is a big step as we try to equip the police department with various technology tools to help us become more effective and efficient and I really wanted to comment the police department for continuing to become a leader and pioneer in developing new technological tools in the areas that we need to be more responsive. I think this is the way to go and I think if we move forward with this, we will have more police officers in the field rather than sitting in the office and writing reports. So with that, I'd like to make a motion to approve staff recommendation.

>> Councilmember Pyle: Second.

>> Mayor Reed: We have a motion to approve. Councilmember Pyle.

>> Councilmember Pyle: Well, I'd like to join in with the praise. And also, to thank you, very much, for the speed with which the case happened, with the 15-year-old boy that was killed. That was solved pretty quickly. And I can't imagine after the fact all those reports that had to be filled out. So as I picture it, it would have more like one basic, what shall we call it, prototype, in which all of the information is entered as it happens and none of that has to be duplicative. Would that be an accurate assessment? You would have having, boom, one screen as you look it up?

>> Exactly, as we enter in the names of the various people involved, the newer systems have the ability to populate the various names across multiple forms.

>> Councilmember Pyle: I just think it's great what you're doing and I thank you for that.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Hi, I just wanted to thank the bureau of technical affairs from the police department. They've been working on this a long time and I appreciate the extra time in meetings. The flowchart was pretty darned accurate. This will be massive quickly and accessibly, will be a major bonus both to the number of people you'll need and then to the efficiency gauge. But let's not joke ourselves this will not happen overnight. This is going to be a long, long implementation. You know, you're taking this old legacy business process and trying to automate it and if you rush it it will get screwed up so you got to take time and just do it diligently. We're going to have paper still for a while because we still haven't released the RFP yet. So I appreciate the opportunity for the staff to ask the council about feedback on the RFP. So that we have a good RFP from day 1. And I would stress a few things. One, when we're having the people bit on the RFP, once we know who those are we should did our due diligence to make sure their competitors are also responding to the RFP. If we have a truly competitive process, where all the competition in that technology area is in, we'll get a much more efficient price. Because prior to this -- two council meetings ago we were brought forth a technology acquisition which did not quote the competition which I feel did not bring us the best price. It behooves us since we're spending a lot of money to get the best solution we can. Couple of things I would suggest, any and all the vendors should be open to allowing someone in that department to take their user training class prior to purchase. Many times, in this type of business, they like to sell you something and at the end of the day, they worry about -- you worry about it later after it doesn't do what you thought it was going to do. So you should be able to look under the hood and have no problem with it. I think that's a question on the RFP. I also think the police report that you use today, that vendor should take that report and show exactly what it's going to look like in their solution. And even with the added logic you wanted, which was explained to me if the police officer was filling out a report, if they click auto theft, robbery, homicide, different fields come out. I

think that's really important to do. So whether they do that for you in the demonstration, or they allow you to test-drive it for a period of time, that way, again there's no hoodwinking, you're getting what it says it does, that type of thing. I think it allows for a more honest approach and getting us the best price. I have one question that is not my domain expertise, I'll save it for Chief Katz, when people are filling out reports, are they doing it mid shift end of shift at a desk and in the new system would they be in their car filling out a report and are we going to have a future ergonomic reports that I'm filling this out in a weird position?

>> Those reports are done a multiple of places, sometimes when the officer is taking his meal break at a policing station or back at the department. Best case scenario would be to have them do it in the car. Ergonomics we've been talking about with the POA, and various mobile units we have in the cars tami do you want to expand on that a little bit?

>> We are looking at a ruggedized laptop system that can be removed from the car and used whether it's in the location where the officer is beginning to talk to the person or at a place that is more convenient for them perhaps on their lunch break or having coffee.

>> Councilmember Oliverio: Great, thank you for that, I'll be fully supporting and look forward to seeing what comes back once the RFP is on the street. Thank you for all your efforts.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: I know there are times where if certain circumstances present themselves like a drunk driving accident with an arrest, you can have 13 different forms that need to get filled out and they have all the different information repetitively over and over and over, and multiple officers putting in information. I wanted to give perspective so people can understand how long the police department has been pushing for this project and working towards it. In 1990, I worked on the team that started this project. 1990! And it's still chugging along. Department for the persistence to keep this coming forward. It's a big big project and it costs a lot of of money but we definitely need to get it done. It's going to pay huge rewards in terms of officer productists.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Yes, I think this is a very important project. And since we're in the capital of Silicon Valley, I believe it's important to state there are technical solutions to help get the job done. And just adding onto Councilmember Oliverio's comments, not much more I can add to that. He covered it kind of well. I just listened to the people who are actually doing the job as you're scoping out, to make sure that a lot of times I have been in companies where they were going to implement new systems and they didn't actually coordinate with the needs of the people doing the job. That upper level management don't necessarily have the visibility when you're implementing it. I want to complement you on the idea of having not having legacy systems, winding those down, but having the new system moving forward and not tying those down, I think that's really smart. And I would say that when we get to the RFP process and when we find a company to work with them of having maybe a pilot project or ways to reduce the cost and have that company work with us to get that project moving as soon as we can. And I think Councilmember Oliverio mentioned test-driving it as well. I also have hope that this system would allow us in the future to be able to accommodate customers in terms of release of the information that people are looking for, and in an easier manner than having to go through the enormous task of going through all the paperwork that we have to now. So I think it's going to help the community in terms of being able to get that kind of information and not have to go through redacted paperwork and all that sort of thing. Anyway, thank you for your hard work and look forward to this progressing.

>> Mayor Reed: I have one request to speak on this, Ross Signorino.

>> Ross Signorino: Thank you, mayor, members of the council. Sitting here this afternoon I'm getting quite an education and seeing this demonstration that the police department just put on, it's something I never thought of all this paperwork, and councilman Oliverio's comments were very good, in regards to the equipment and who's trained to analyze this equipment before we take it on hand. I realize that this is something that's not going to take place tomorrow. But nonetheless, getting this on a database, and on electronically, just imagine what the country's trying to do putting medical files in computers and so on and just looking at this hundreds of thousands of pieces of paper here, maybe on one particular case, is staggering. And I imagine we'll run out of warehouse space. But one of the things we have to do, and I'm sure this is something that has to be paid attention to is before we start shredding all this paper stuff, make sure it's accurately put in computers, make sure there's no issue later on that we destroyed the evidence and whoever's the perpetrator of a particular crime goes free. This has to be accurately done and it's going to be a very difficult job, but nonetheless I hope we get to a point where we can change this

system electronically and being the capital of Silicon Valley I really don't see why we can't do it. Thank you.

>> Mayor Reed: That concludes the public testimony. Councilmember Kalra.

>> Councilmember Kalra: .

>> Councilmember Kalra: Thank you, mayor, I'm also supportive of this moving the question, both Councilmember Liccardo and I worked in the D.A.'s and public defenders' office, working with the D.A. in the direction that everyone's talked about going for many years, electronic flow which would reduce cost savings to the city and the county and to the taxpayer ultimately? As part of the RFP certainly that is something that will be looked at and if there is any comment you have on that I'd appreciate it.

>> Obviously that involves coordination with other departments and we don't know how far they're ready to go at this point. We are involved in some regional data sharing initiatives. One of them, called cop link, and our data is fundamental to that particular project which makes information available throughout our county, and the Bay Area. So those are part of our long term goals. Of course first we want to get our own data into the database.

>> Councilmember Kalra: Of course, but whatever platform is decided upon has to be general or generic enough so that whatever direction that at least the county can go can be easily implemented. There are other people that know a lot more about this than I do but if I bring this up now or in 20 years that we ultimately get that system that everybody has been hoping for and wanting and definitely know what it will increase efficiency, that there will be an opportunity to transition that, maybe even have the county at some point take a look at what the city is doing, kind of piggyback off that to create a system that's very smooth.

>> Certainly. And we're also following national guidelines for data identification, so that ultimately we can do that. Thank you.

>> Councilmember Kalra: Thank you.

>> Mayor Reed: Thank you. 1990's a long time when Councilmember Constant was talking about starting this project but the good news is if we had done it in 1990 it would be obsolete now, so we'd be doing it again anyway. Hopefully it won't take another 19 years to implement the first one. We have a motion to approve, all in favor, opposed, none opposed, that's approved. Now our next item is 3.8. Proposed revisions to resolution 72547, regulating procedures for the San José elections commission investigation and hearings. We'll have a presentation on that. I know there's some election commissioner that are here.

>> City Attorney Doyle: Yes, Mr. Mayor there is a presentation that Lisa Herrick will be providing. The City Clerk's office and our office have worked with the elections commission. This is a recommendation coming out of the elections commission, various proposed revisions to the ordinance and at least this has to do with investigations and I'll let Lisa give the presentation.

>> Lisa Herrick: That's right, good afternoon. These recommendations do relate to the resolution that governs the election commissions investigations and hearings. And the proposal actually contains the work of two separate subcommittees. One was established to essentially do sort of a routine review of the resolution, to make sure that it was consistent with current practice and didn't contain any sort of typographical errors, and a couple of people, couple of commissioner participated in that subcommittee. The second subcommittee, then, was established earlier this year, after the work of the first subcommittee, to look at the commission's procedures on anonymous complaints. And that subcommittee had some comments. And so all of the recommendations from the commission are together now in this one proposal that's before you. And I do want to acknowledge, to the two commissioners who are here today, that's the chair, Fred de Funiac as well as the vice chair, Michael Smith, their tireless work Lee Price and I really appreciate and the rest of the City Clerk's office staff. They will definitely be able to answer any questions you have in terms of the commission's thought process. About these revisions. So I'll start with the second subcommittee first. And that's the recommendations on anonymous complaints. Really having bad luck with my PowerPoints lately. I'm now zero for two. Oh, well, we'll wing it again. So maybe John can help, oh hooray. No complaints that are anonymous would be accepted and that anonymous complaints would only be accepted through an anonymous caller hot line. And the caller would need to state good cause for the anonymity and then that good cause would be assessed by the chair or in the chair's absence the vice chair. If the chair believed that good cause was established or provided, then that would move on, the complaint then would move on to the evaluator for investigation of the complaint. Let me tell you a couple of things though that the subcommittee did before making this recommendation. First of all they really wanted to strike a balance of

encouraging whistle blowers who feel there is a legitimate investigation that should be had would prevent the abuse of the process on the other. And the subcommittee reviewed the processes of several jurisdictions. San Diego, San Francisco and then the city of Los Angeles. Both San Francisco and San Diego have a procedure where a formal complaint is one that is written and signed under penalty of perjury by a complainant. Then they have an informal process that permits the submission of a complaint that is unsigned. But because it is unsigned it's considered informal and the commission is not obligated to review or process that particular informal complaint. They do treat those two complaints differently whether it's signed or unsigned. The city of Los Angeles has a whistle blower hot line similar to what's being recommended by the commission today for anonymous complaints and the alternatives option in the City of Los Angeles would be to submit a complaint, they actually have it online where you would then identify yourself. The subcommittee also heard some testimony from the evaluator of the commission, as well as some former commissioners, that the kinds of -- the problem that was trying to be solved really is a small problem. It really is about 15% of complaints received tend to be anonymous complaints. And that percentage frankly could vary. It could be lower in some years or higher. I think that's probably average. The evaluator told the commission that since about September of 2002 out of 26 complaints about three or four were anonymous. So the percentage is relatively small. A word about good cause. It's a legal term of art. It is generally a legally sufficient reason why a request excused, case-by-case basis, we the city do use the phrase good cause in other places in our municipal code and it tends to have that same case-by-case analysis. So -- and just to go a little bit further, for the commission, and as articulated in the resolution, an example of good cause would be fear of retribution from an employer, for example. That is in the resolution. The resolution also suggests that anonymous complainants provide some sort of contact information so that in the event that the person assessing the anonymity could follow up on the person they could do so. The next general category of changes in the resolution is, how the commission finds violations and imposes penalties. The council will likely recall that in August, I sat here before you and suggested that we revise the Municipal Code as recommended by the elections commission to permit commissioners to impose a penalty even if they have not personally heard or sat through a complaint. What the middle provides now that as long as a commissioner suffice that either he or she has listened to or read the entire testimony as well as reviewed the record that they can participate in imposing a violation. We found what had happened on occasion is that because the time for imposing -- finding a violation and imposing of a penalty, there might be some lapse in that time, a commissioner's term might expire or they might resign for some reason and that sort of -- that gap didn't really serve the process of the commission very well. So this would essentially conform the procedure with the municipal code. The commission also made some recommendations to the investigation and hearing schedule. And while the commission recognizes that the investigation and hearing should be completed at the earliest possible time, the current version of the resolution imposes what tends to be an unrealistic time frame that requires that the evaluator submit a report within seven days of receiving the complaint. And the evaluator was consistently not making that deadline. And so the commission really, in consultation with the evaluator and we had a real give and take conversation about this when the commission was -- when the subcommittee was doing its work, came up with a compromise, I think, of 30 days to submit the report upon receiving the complaint or within the time receiving the complaint. The counterbalance to that is that the commission really insisted on a formal procedure for acceptance of time. Meantime you must make that request in writing there must be very good cause for extension of time and the extension of time would be made in writing and the additional time specified. And then finally there were some other clarifications. Some are more expansive than others but they either generally if they're substantive they conform with current practice, that is, the commission hires an investigator, and not just an evaluator, there used to be a requirement in the municipal code that one of the members of the elections commission be an attorney. That has been deleted, and so that we've deleted any references to the attorney member. It's been made clear that the investigation that the evaluator conducts should -- must include an interview with the respondent. That is the person or persons against whom the complaint is made. The hearing should be scheduled as soon as possible with notice to the important parties, and that the report be delivered as soon as possible. And any other changes, there are a handful of others that are somewhat -- not simply technical, but the others are just typographical corrections and what have you. And I don't have any further formal presentation but I'm happy to try and answer questions, and then I know both chair De Suniac and vice chair Smith could answer some questions as well.

>> Mayor Reed: We'll see if we have questions. We do, Vice Mayor Chirco.

>> Councilmember Chirco: Thank you, Lisa. What I'd like to do is I've noticed on item 3.7, the last item, which I'd gone over before I saw it was deferred, also speaks to the anonymous complaints. So what I thought might be best is if we -- I'd like to make a motion that would move the election commission's recommendations, for revisions of the resolution number 72547, well -- but defer the item 1 which is a modification to the procedures for anonymous complaints to December 8th which is the biennial ethics report of the mayor. Because those two items are on the election commission recommendations as well as the mayor's biennial report and that would come back to us on December 8th for more discussion.

>> Mayor Reed: We have a second by Councilmember Pyle. I think that's a good idea. I'm not convinced that the recommendations from the elections commission on the anonymous complaints problem is -- fixes the problem with the potential for political miss chief and dirty tricks, and I think there are other methods to protect dirty tricks because it was discussed during the biennial ethics review panels and I think there's a lot of interest in it and we put them together on December 8th and it would certainly give me a chance to come up with some recommendations to this so I would suggest we do them both on December 8th. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I'm also supportive of having this item along with the review on December 8th. I had some questions, now that we have the chair and vice chair here and first of all I really appreciate all the work I know there's been a tremendous amount of work that have been put in by the two of you as well as other folks in giving a real strong analysis on how they can approve the process and I have -- I'd also have similar concerns about the anonymous complaints. They may be from -- in a different vein than the mayor. My concern is, and again, it's not a reflection of the current chair and vice chair because we're trying to create a policy that can stand the test of time. But it seems to be, first of all, the good cause for anonymity, Lisa you refer to the fact that this term is used in other places in our code, answer so specific to this type of complaint, whether there's a need for greater specificity as to the definition in good cause, even if you're looking at it on a case-by-case basis and the second concern that I have is, having -- it's an enormous amount of power to be put in the person, whether it's the chair or vice chair, to decide if there's cause to forward a complaint onward. So I don't know if there's another system where there's at least a check or balance on that one individual, just so there's a second opinion, possibly, also I see the suggestion of having an evaluator part of the RFP is requiring a legal background with certain relevant experience, running it by the evaluators, having the evaluator, an independent person, even independent from the commission itself making a decision as to whether this reaches that level. So I don't know, I just want to throw it out there now we have a little bit more time before we come back with the final decision and I'd be happy to hear any comments from the chair or vice chair on some of those concerns and if you think that some of the -- that the evaluator might be a direction to go in that could be helpful in regards to those anonymous complaints.

>> Lisa Herrick: While chair de Funiac is approaching I'd just make the point that in terms of having more than one member of the commission evaluate the complaint there was a concern about of course violating the Brown Act. You don't want to have a subcommittee with some standing, subject matter jurisdiction.

>> Councilmember Kalra: And understanding that concern, you know, maybe the possibility of having the evaluator consult with the chair or vice chair, as to their opinion before the chair or vice chair makes the determination. Any thoughts, Fred?

>> Well, your point's a very good one. And we, the commission discussed that at some length. And we looked at at least two, perhaps three different ways to have two sets of eyes looking at this. But as Lisa has just said, that we ran into some Brown Act problems or possible ones, so that's how we wound up with just one person looking at it. Not necessarily what we want, but it seems to me if we do this, if we allow for an anonymous complaint, then we need to have some way to have someone make a judgment. So that's how we've arrived where we are now.

>> Councilmember Kalra: And I don't think it's an unreasonable conclusion to arrive at where you have now, but do you think that since you are already going to have an evaluator on contract, to have it run by the evaluator at least for consultation so the evaluator can make a recommendation to the chair or vice chair for the final decision?

>> Well, I will tell you, I think I'm responding to one of your concerns. When we had two people looking at this, there's no tie-be breaker with an even number of people. So that was a concern. So what we eventually decided upon was with two people looking at the request for anonymity if only one of those two thought that there was good cause then it would move forward. So essentially what we would have then if

we have just one person looking at it, would probably be something very similar. If there's any doubt it would move to the investigator.

>> Councilmember Kalra: I think in that case, you have been considering, as you ponder some of these concerns, having the evaluator or the chair, either one of them can give the okay. And so it's the same scenario where all it takes is one out of the two to deem that it's a legitimate complaint and it's a legitimate reason to be withholding someone's informing and to do it anonymously. That could be the option, I'm not suggesting that should be the option, just putting it out there as a potential resolution of the contract having an even number look at it. The other number, too, it's just a due process question of if someone does make an anonymous complaint and it's deemed by whatever system's ultimately put in place, it's deemed that it's not worthy of remaining an anonymous complaint what if any course they have? Particularly that's where I have the greatest concern, whether it's the chair or vice chair, at least that would eliminate any one of them can forward it on if they feel it's legitimate. And so those are some of the thoughts or some of the concerns just in reading it where I think that at the very least need some thought and kind of just marinating over until we come back and maybe even there could be a construction, constructive solution as to how he resolved some of those concerns. It sounds like all the concerns that came up during if discussion I'm sure but it's still a concern of mine just looking at the proposed language.

>> Well, I'll just make a final statement then. We've made a recommendation but we're fully aware when we bring a recommendation forward you may accept it, you may reject it, you may modify it. So if there are concerns we're more than happy to work with you and continue in the process.

>> Councilmember Kalra: I appreciate that. I think just given the expertise you've gauged from being on the committee, I certainly appreciate that and wanted to ask what your opinions were on it. Thank you.

>> Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Fred, thank you for all your hard work, I know it's been a contentious period and I realize the encouragement amount of time you've invested. I understand Councilmember Kalra's cause, I hope this will give us a little guidance. I guess for you Fred you've considered whether or not it's possible to have a closed session discussion of the commission to evaluate whether or not anonymous complaints should move forward, is that something that's allowable under law?

>> Lisa Herrick: Well, consistent with how the council is permitted to go into closed session, there needs to be some basis for doing so and I'm not sure if this would meet the pending litigation, reception.

>> City Attorney Doyle: You're very limited under the Brown Act. We've struggled with this. That's why the committee of two people to make the decision as to whether to go forward with it, the problem with that is, the Brown Act that says the committee with continuing subject matter jurisdiction has to have its meetings open. That's why it was limited to either the chair or the vice chair. But I think we can -- right now, the evaluator makes the decision and the criticism has been the evaluator has the vested interest. In going forward with the investigation. But checks and balances are probably something we can go forward with.

>> Councilmember Liccardo: Thanks, Lisa. I think we're all struggling with this because we all sense that what's likely to happen is two weeks before election day a whole lot of anonymous folks will come forward with a whole bunch of complaints against one candidate or another. And hopefully, in enough mud is thrown against the wall, some portion of it will stick I think we're looking forward to separating if legitimate complaints from the chaff. So I know this has been a very difficult endeavor to try to figure out what the right solution is, but I hope we can keep working, thank you.

>> Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Under the current proposal, the -- what's the contact information for the anonymous person?

>> Lisa Herrick: It would be what they choose to leave. So to the extent they left a telephone number or e-mail address that they felt comfortable leaving, it would be their discretion. I'm sorry, did you ask the current or the proposed?

>> Councilmember Oliverio: The proposed.

>> Lisa Herrick: Then I have answered it correctly, yes.

>> Councilmember Oliverio: You did well. Thank you very much. I would glean against the e-mail address, because that's as anonymous as anything else is, unless this is some kind of FBI case. I think it's pretty clear that the anonymous place of business was misused this last year and we spent a lot of money

on city attorney's if they have to and I'll look forward to some change but having a fictitious e-mail doesn't get you any further. I look forward to voting on this thanks.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, I will be supporting the motion. I think most of my questions were brought up by Councilmember Kalra. Appreciate your thoughtfulness of asking about the process and made sure you have more than one set of eyes or set of minds thinking if something should or shouldn't be set forward. I want to ask you, does it go to city attorney's office, to Lee's office, and where does it go from there if it comes in? The call, does it go to your office or her office to pass it on? That's what the process?

>> Lisa Herrick: The actual implementation hadn't yet been developed because obviously it is pending what you will do but some suggestions that we had had would be staffed by the office of the City Clerk and that it would be a recorded telephone message where one would leave the message, that message would then be listened to by the person who's assessing the complaint or they could read a transcript or both. But it would be housed in the office of the City Clerk and so I'll let Lee add to that.

>> Lee Price: Thank you for the question, Councilmember Campos because it is a good one. You know, you can probably imagine that my office and the city attorney's office takes calls you know from various people especially during elections and sometimes I will take a call, regarding a complaint. And it really is more about did you know that so-and-so is doing such and such? In some case I can follow up with a phone call to the individual, that this, you know, alleged complaint has been and talk with that individual sometimes it is not really a complaint at all. Sometimes someone is looking for information and they may not have enough information but they think there might have been a violation. So sometimes, it's just a simple call back to say this is acceptable chem or know that, you know, that isn't acceptable that I've contacted the party. So sometimes we can actually work things out. Our think was, if it was really a hot line, we could, meaning my staff, in consultation with the city attorney's office, make some kind of judgment about whether or not it was truly a complaint that needed to be revieweddably the elections commission about a decision about whether or not the evaluator conducts an evaluation. Where it is something that the attorney or clerk may have some authority under the municipal code to take some action or just simply just provide information to the caller.

>> Councilmember Campos: So you have the ability from what I'm hearing, to flesh it out, to see if it's just a concern and they want information, or whether it really needs to be forwarded to the elections commission or to the investigator; is that correct?

>> Lee Price: Yes.

>> Councilmember Campos: And Lee, do you record these, do you have a document, books somewhere where you record these or I don't know how many complaints come in, in a year.

>> Lee Price: You mean, under the current process, or just kind of how we operate, or what we envision?

>> Councilmember Campos: What you envision.

>> Lee Price: What we envision and what Lisa alluded to, implements at this point is just kind of a vision of what might need to happen next. I've already talked to the information and technology department, so establishing an information hot line would be very easy to implement. We would need to establish a protocol for how many people, how soon, if there's a need to produce a transcript that could be done. We have done that in the past. So it's similar as I understand to the implementation of our fraud hot line. So it's not a difficult thing technically to do. We just hadn't actually laid out the entire protocol because we needed to see how the council felt about this.

>> Councilmember Campos: Are you envisioning that you will log these complaints whether they move forward or they don't?

>> Lee Price: Yes, absolutely. And what the outcome of each call was, if it was really a request for information, how we handled that. If it was something that then needed to be put forward to some additional evaluation, yes, absolutely I could --

>> Councilmember Campos: The only reason I ask that question is because sometimes people may call and then the information goes right there and then they may go back and maybe a week later say, well, I haven't received the phone call or I'm not satisfied with the answer and they want to pursue it a little bit more and just making sure on our end that we're doing the best we can do and giving the best customer service possible. Thank you.

>> Lee Price: You're welcome.

>> Mayor Reed: One request from the public to speak on this agenda item. Ross Signorino .

>> Ross Signorino: Thank you, Mr. Mayor, members of the council. I personally don't think we can thank the elections commission enough. These people volunteer, and the reward they get is a slice of cold pizza and a soft drink. They spent hours scrutinizing over this particular case, at least, witnesses and so on. And it is something commendable. But how -- you know how -- we've got to ask ourselves, I'm glad to see you're taking in a series as you are right now, that's how serious you're taking this. How did it get this far? Here you have someone make an anonymous accusation against Tom McEnergy, he has to hire a lawyer, he has to appear before the election commission twice, I was there, and he had to come here and appeal to you as well, and tell you of his innocence because somebody made an accusation. Something like this shouldn't get this far, it has to be stopped where along the line, if there's legitimate cause that the person doesn't want to identify themselves, maybe because of some reprisal or something, I think we can make some sort of arrangement there and I think you're trying to do that right now since you want to move it with the December 8th, defer it then I think it's a good idea. But if I'm around you can expect me to get up and speak on this subject again. Thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion to approve the recommendations with the exception of the procedures for anonymous complaints which will come back to us on December 8th along with a biennial ethics review on that same date. Any further discussion on the motion? All in favor? Opposed? None opposed, that's approved. I want to thank the elections commission for its hard work. I know these are tough issues but we really appreciate the thoughtfulness that you put into it and the work that you do. Our next item is 4.3, development fee program budgets. Changes.

>> Joe Horwedel: Thank you, Mr. Mayor. Joe Horwedel, director of Planning, Building, and Code Enforcement. I'm here on behalf of the four partners for development services, Public Works, fire, building and planning. We are a business here in city government. It's always good to remember what that business is we provide services for the community around public safety, creating a vibrant community growing the local economy and really focusing on the long term health of the city. As you're well aware of our business is hurting that the amount of development activity going on in the city is down substantially, this is something that's been going on for several years and despite the work that we did with the budget adoption this past year, at the time still continuing to drop. And that the business we do have is very small projects, minor types of improvements that our customers are working on rather than large projects which makes things extra-challenging. A little bit of kind of context of where we've been, back in 2005 and 6 we were a \$40 million business. At this point we're looking to be less than a \$25 million business. The majority go to pay for services for staff to deliver those services. It is something that we have shrunk over the last couple of years. We're down a significant amount of staff as we've adjusted, really, as the economy has shrunk. Just a couple of graphics for a little bit of context of what's going on really at this moment. In building, in this chart, the blue color you see there, our applicants are coming in to change the roofing on their homes. The orange color are people that are doing additions, modifications to their single family homes. So two-thirds of -- or actually three quarters of the work we're doing in our building division right now is related to the existing single-family home. Though the small greens delivered there is the actual new types of construction. So things like the new Lowe's store going on, there was a little of that going on. Previous it was a significant part of our business and it has grown to almost nothing. The yellow area is something we continue to work a lot on and that is filling vacant commercial and industrial space, our tenant improvement programs but even that is a small part of our business. What's really important about this is with that amount of development going on, on single family homes that are existing, it also means that the staff in planning, fire and Public Works really are not seeing activity because our part of our business there is nonexistent. We don't do service for those types of projects. This is another sobering part of what's going on in our business. In '05 we were doing almost 3500 housing units a year issuing building permits for. For '09-10 thus far, we have issued for 28. That projects out to 84 for the entire year. That is like one week's worth of activity in the go-go years. So it is a significant change to our business, and that is why we're here today to recognize that the economy and the credit market as it is in a national and international level we don't see that changing in the foreseeable future. We have made substantial efforts to try to live within our means. We are focusing on those customers that are coming through the door and paying for services to make sure we deliver those services. We like most businesses have scaled back in how we deliver those services. We're trying to do more online to minimize our cost of service delivery and doing numerous streamlining activities throughout the organization, especially in Public Works with their programs that they started on this last year. We are doing a number of things to try and really look forward about how we work our way through it. We do

have reserves. Those are reserves that are rainy day, but it is something that our reservation at this point are less than one month's worth of revenues. So it is not something that they are a silver bullet that we can solve the challenges that we're facing now. We are doing everything we can to minimize our impacts to our customers. Our customers are coming through, we want to make sure we're focused on quality service for them. We have looked at most anything you can think of to try and avoid the decision in front of council today affecting staff and resulting on layoffs. We have spent a lot of time talking with our customers about the challenges we're facing. It's the same challenge that they're facing and to make sure that the staff is aware of what's going on with our business. One of the things that I think is fortunate to recognize in the good old days when we were a \$40 million business, there were a number of goods and services that we were able to provide compare and contrast with the police department in their records, we do have a modern automated records management system in planning building public works and fire that we use for our records. It is expensive to do that. We do have a number of initiatives that you see here. There are things that are paid for, absolutely appropriate uses identity of the fee program but at the end of the day when we're trying to focus on front line service delivery, we are going to be challenging of how to go and deliver these things, and really having to do prioritization, just like we're doing with the General Fund citywide, and deciding where are the things we can continue to afford and what are the things that we're going to stop doing. We've already started talking about systems, our technology systems of which of those do we turn off because of the cost to operate them. Another thing, the just look and kind of putting that last slide in context, the orange on here is looking at our planning fee program. Where we serve our customers, those are the dollars. When you give us a dollar we spend about 31 cents today on that customer with the planner and the senior planner that work with that customer. The blue is me, it's you, it's the rest of the city organization, that helps with that. It's all those programs I just showed on the last slide living there. We do look at what is our cost for being in the building, the represent, we look at our cost of technology, as how do we keep the percentage focused on the customer. And this is one of the things that really is of concern to the development system partners. We have a number of fixed cost that really make shrinking that blue system difficult. As we go into our next fiscal year we're going to be looking at how do we get more into the orange and less into that dark blue. So as a part of the rebalancing we're coming to the council before you today there are a number of things that are in this, some of it is reducing what we spend on technology. That is a very difficult decision to make. Recognizing what we're trying to do with technology we are reducing equipment, we are using some amount of reserves, we're cutting vacant positions, we're cutting a number of filled positions and then we have shifted some staff between funds to try and make it work. So we really are look under every rock but it is -- I think it is what it is. From a service impact standpoint, this is what it means to our customers. You may already notice more people waiting in the permit center. People that are coming for services that are nonfee recovery, it is not unusual for them to be waiting four hours. That is part of, because it is an unfunded service, we are making a decision between the customer who is paying for a service that we are going to deliver a service to them as promptly as we can and for those commerce who are looking for a free advice, free service, we are doing triage how we are providing that service. Over the last three stretch capacity, what that means is the ability for us to go and react to special projects has become severely limited. It will get worse in these service reductions. We are experiencing a rolling service impact. When one person is out sick, it cascades to another person working the front counter or trying to get plan review comments out. So it ultimately follows to the place where it has the least impact and that customer is the one that suffers. But it is a challenge. I think the message out of it is we will be under the greatest challenge we have ever been in meeting our performance standards. Not reduce our standard for getting 30 day letters out, next day inspections. We do know that there will be impacts from that. We see it with every one of the layoffs. When the bumping occurs, that it takes six to eight weeks for us to equalize back out. People get settled back, so we know that will happen. And to the extent we have less of that stretch capacity, vacations and sick leaves will go through and make it much more challenging to operate than it has ever been.

>> Thanks Joe, Mr. Mayor, Mark Danaj, director of human resources. Over these last three slides I'm just going to take an opportunity to briefly share with you the number of employees that will be impacted by this development services item before you today. Secondly share with you the additional workforce reduction noticing that we did in conjunction with this item and lastly remind everyone about the resources we devote to our employees who are impacted. So this particular item before you today will be affecting 59 city employees. 32 of them are in filled positions and then an additional 27 employees are impacted through the seniority process and the bumping process that we engage in when we have reductions in

workforce. You may note the memo for this item notes 34 filled positions, two of the positions are scheduled for elimination, at the end of this fiscal year, so for purposes of today, and the impacts to employees, it's -- we're only noting 32. Where there are 59 employees that are immediately impacted by this action. The purpose of this next slide is to tell you the total number of employees that are impacted. This number of 84 includes the 59 from the previous slide. Plus we have added to it 23 term-limited positions that are scheduled for elimination on January 1st per the fiscal year '09-10 budget, as well as two positions related to the RDA budget, so if you take the 59 from the previous slide that are subject to the item before you today and add 23 of these term limited positions that again expire on January 1st and then two positions related to RDA budget issues we have 84 employees that we noticed in late October. It includes 43 filled position and 41, again, that are related to seniority. The outcomes for all of these employees are stated on the bottom half of the slide with 33 of them having the opportunity to stay in their current classification, just moving within the department or to a different department. 22 demote to a lower classification that they had previous service and then we'll have unfortunately 29 employees that will be subject to layoff as a result of these actions. Lastly we wanted to just take an opportunity to share with you the empathy and the proactive communication that we strive to provide to affected employees. It against with personal notifications in the form meetings, the affected employee has a meeting with their immediate supervisor and then typically that meeting is also joined by a member of the senior executive staff of that particular department. The employees receive individual letters detailing how they will be affected, what the likely impact or outcome is in their particular situation, and they'll also provide an outline of resources that we're making available to the employee. The letter includes a personal HR contact with the grow, an individual that provides one on one employment counseling and essentially serves as a guide through this process. We also make use of our employee assistance program, MHN, both in terms of an a stand alone service available to all employees bringing it to their attention during these circumstances and then we also partner with them to provide various group offerings.

Lastly we provide situation specific transition situations to the employees. So employees for example that are transitioning to another position and/or another department we provide services to help ease in that transition. And then secondly, we provide meetings and programs specifically tailored towards individual employees who are -- find themselves without bumping rights or without an opportunity to redeploy to another position. In this instance these are people who are exiting our organization, so the services that we provide are the extension ever health benefits via cobra, deferred comp and unemployment if applicable and make sure they have the access to our full range of services Work2Future program really to provide you a high level overview of the things that we offer. Underneath each of these is a greatly deal of checklist training and personal contacts that go into managing the employees, with really two goals in mind. First and foremost to treat those affected employees with as much empathy and respect as we possibly can and to mitigate the productivity losses to our organization, these transitions are difficult and the better job we do of the transitions the sooner the organization is able to recover and begin being productive again.

>> Joe Horwedel: Mr. Mayor, just oin kind of conclusion, just like our business customers, we are running a business like they do, that is our revenues have dropped off. This really is not a reflection of our staff. I think we have top-notch staff and what we've seen from the first two rounds, as they've become available they've been snatched up, other organizations have been looking for them. We really have a world class trained organization in delivering development services that I'm extremely proud of in the management of all the departments are really proud of those staff . We would love to not be in this position today. I think it is really a reflection of how we run our business in development services that we are a fee-for-service business. But -- and I know there have been a number of questions and comments come up, couldn't we fund it differently. I think we've been fortunate in the past couple of years, we would have long been at this point, is that our fee revenues for development services have allowed us to actually grow, while the rest of the organization has shrunk. I think now we are seeing that consequences though of that is that the business has dropped off so substantially and there really is no other home base to move staff to, or funding to go to. So I think it is an unfortunate reflection of what's going on in the national economy and certainly not a reflection of the caliber of the staff. Thank you.

>> Mayor Reed: Thank you. I'd like to share some comments. Publicly that I made in front of most of the department employees yesterday morning, because I want my council colleagues and the public to know how important the work is that this department has been doing, and is doing on the economic development front.

I've sat face to face with over 150 Silicon Valley CEOs, I've talked to thousands more in other ways. And I've been to lots and lots of ribbon-cuttings. And I can tell you that it is the work of the people in this department that make it possible for us to get the businesses in San José that we want to attract to San José. I'm talking about companies like brocade, Ericsson Toshiba and others like you haven't heard of, fortune data, Stion, nanosolar, and in each of those ways, there was work done by the Planning, Building, and Code Enforcement to make sure that we worked at that time speed of business, and that we are the best place in the world to start and grow a business. Because these companies all have choices. And I know that people work evenings, I know they work weekends, we did things not only on time but ahead of time. And people really went out of their way to do a good job to deliver for the City of San José and there are thousands of jobs that I can add up just in these companies that I've just mentioned and many more jobs that would not be in San José if it weren't for the ability of the department to do a great job. So the people in the department can be very proud of this record and this is a sad day to have to think about not having as many people around to do the work. But we are faced with very difficult times. But it is not about the people. It is just purely about the economy. And we will come back. The economy will come back. But this department plays a very important role in bringing our local economy back. And when we get the economy back, we will be able to bring some of these people back, as well. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you mayor. Joe, when we may have some housing recovery or commercial recovery in 2011 which is some time away from now, how will -- what will be the challenges for you to ramp up? Because we're going to be losing skilled professionals that do this day in, day out. How will that -- you foresee that working?

>> Joe Horwedel: I think it will be a challenge. While we have reinstatement rights of three years for staff to come back, to the extent that staff have been able to find something else to be doing, to come back as an overstrength position originally, and something so cyclical, I think we will have some challenges of tracking some of the staff back. We've been able to redeploy a number of staff into other departments, and that they may be willing to come back to the extent that they took a demotion into those redeployed positions. But again if they are in a position that is not subject to cycles that we're seeing either in the General Fund or in development, it may be hard to get them out. My greatest fear is really that people that we would lose that move out of the area, just because of the cost to stay in this area, that there are a number of really talented folks especially the building inspectors that by their nature may tend to be a little bit more nomadic. That we have been fortunate to attract some really talented staff that have left us and will be leaving us again. And I'm not so certain that we'll be able to bring them back two years from now because I don't think they'll be here in the area to come back.

>> Councilmember Oliverio: And for any of those individuals that go to other departments frankly they'd be risking their jobs again coming back to planning.

>> Joe Horwedel: That's correct.

>> Councilmember Oliverio: Because those departments don't have the challenges we do in the Planning Department.

>> Joe Horwedel: That's correct.

>> Councilmember Oliverio: When I look at the city are charter, kind of planning in it and we have this core functionality that we have to do, what core functions that a city Planning Department of a million people is not really going to be able to be responsive to anymore when we continue with these cuts?

>> Joe Horwedel: Well, part of that was put up on the chart of things that we have moved out of the end and into the fee program, of doing a lot of policy development? Ordinance development, our public information, things that -- if you had no development occurring whatsoever that you still needed to do or wanted to do. We have funded a lot of that out of the fee program as something that serves our development customers, too. We really don't do long range planning other than the general plan update in this city. I think that's something that as we've gone through General Fund cuts we've really scaled back. But I think if you go and look at the same thing with the other departments and kind of development services, of course it is the same challenges. What are the things that really position us to be ready for the type of development we want to accomplish in San José? Of making sure that we've cleared the way for that, and that's really an investment.

>> Councilmember Oliverio: So would you say, suffice it to say that we would be more reactive than strategic?

>> Joe Horwedel: We have been generally other than north San José where we were very strategic, in a number of the areas we tend to be very reactive.

>> Councilmember Oliverio: With the resources we have left, does the department have ability to focus resources on all folks coming into the office, the planning department, sometimes they are not necessarily equal as far as the amount of revenues it might bring the city through economic development, does your department have the ability to prioritize those that come in? Or is that a policy question for the council or -

>> Joe Horwedel: Yes, and yes. We do internally try to do prioritization for economic development projects and other projects that the council has, through our special handling program or policies have said, these are things that are important to the city. Unfortunately there aren't extra resources that are put to that. We essentially move resources around and when we were \$40th million program that was the stretch kinds of things, that I could use an extra building inspector or planner out of that large program to really help throw extra resources at it. And as we've shrunk those are the kinds of things that we have peeled back so really at the end of the day, I need to give everybody some minimal level of service and it's just the challenge that as we are so focused on the cost of service delivery, our customers are focused on it, we're focused on it, you're obviously focused on it, that our ability to go through and deliver extra service to somebody means I'm taking it from someone else, that -- someone else paid for that service. And I think it's -- we're going to have to go through some relearning of how we deliver services to our customers to -- of how much hand-hold thing we can do with some of the less sophisticated ones so that we make sure everyone gets through the system in a reasonable manner.

>> Councilmember Oliverio: Thanks. And then I guess a government or whatever organization, you kind of deal with the hand you have. So in this case it's the economy, it's the state, there are various things that have affected us and we will move on we'll continue and do the best we can. But I think when there's council policies that don't allow for, you know, funding that's discretionary to go to court, subjects and I'll say it all the time, HNVF tobacco albeit outstanding organizations, they're not in my city charter. I really hope as we continue through that process We take a look at that money, that could really assist in this process, of moving at the speed of business, as we move through this economic crisis in the City of San José so we can provide city services, thank you.

>> Mayor Reed: I have another one thing I'm adding waivers from a revolving door policy which is created in different times and really not contemplating these kinds of budgetary layoffs so I'll bring that back to the council on December 8th as part of that review. Councilmember Constant.

>> Councilmember Constant: Thank you. Joe, can you go back to I think it was the second pie chart you had, the one that showed your expense categories?

>> Joe Horwedel: Probably that one.

>> Councilmember Constant: That one. One of the things that concerns me overall in the budget is those items that are kind of out of your control, you see 44% for overhead, and 8% for City Hall debt service, so that puts you at over 52% of your costs that you have no real control over. So my question is really for the City Manager's office, what are we doing in the area of overhead, I've noticed that in many areas we've had this discussion, where overhead charges, whether it be for our own internal departments or external contracts, the overhead rate keeps going up and up and up, the services that Joe's department can deliver go down and down and down.

>> Ed Shikada: Thank you, Councilmember Constant. I think that the upcoming program prioritization process that the council has discussion of last week, and will be heading into as part of the upcoming budget cycle will provide an opportunity for a more detailed look at the components of overhead, and how best to set some priorities among those.

>> Councilmember Constant: I think this is an area where we have to as we are going in not only in this issue but as we're going into next year's budget that we really have to look at. Because I remember the first time I asked for information about an overhead number, it took forever to even get an answer of how that number was computed or what it included. And then the second time I asked it was different. And it really concerns me, because it is such a big number, 44% in this case, and what's your overall budget, Joe?

>> Joe Horwedel: Planning is about \$3 million and we're 16 for building is about we are so 25 .

>> Councilmember Constant: Take 44% of that and you're looking at what, \$9 million of overhead. That's a serious, huge number. So I'd just like to see a lot of detail given to that as we go forward. Because one thing that we know we're going to have is cycle times are going to extend. We have less people doing arguably the same kind of work or even more because they're making up for people who aren't there. And Joe mentioned a couple times, this is a pay-for-service program. But I know the perception sometimes is people feel they're paying for something that should take three weeks but it's

taking four weeks or six weeks and it's not because you don't have good people working on it, it's because you don't have enough people working on other things. It's almost a shuffling of things coming in. If we give one thing to one person we have to take it away from another person. There is maneuvering going on and my concern is that our cycle times are going to become so big and long that that, combined with the ramp up period that Pierluigi was talking about, is going to really hamper us in trying to get back to business, when the economy starts to improve. And while I appreciate that we have big companies like the mayor mentioned that we've been able to move quickly with and get them in, most of our businesses aren't big businesses. And they don't get that attention whether it be from a political level or any level in the organization. And I think we really have to keep in mind away the small business and homeowner economy, how we're servicing them, and again, it's nothing against you or your department. Because I know it's stuff that we're doing to you. But I think we as a group have to really think about that and as we move into the budget, especially with the 100 million number looming out there for next year that we really look at how we're going to do that. And I think part of that answer is going to be look at the overhead, and see what we can do to take more impact, absorb more of that impact in the 44% and less in the 31% which is the front line employee who's doing the work and who's providing the service which I said a number of times we have to keep sight of the fact that we exist purely to provide services to our residents. And that's about it.

>> Joe Horwedel: Just as a clarification, the 44% is probably split equally between the internal in the department and our divisions and for the city side. I think we've worked really hard for the city administration over the years to make sure our City Hall costs are matched to what the marketplace is as well as the overhead piece. It's one that it could be much worse. So it's one that we've been working at it to make sure it's there but we know we've got a long way to go with it so --

>> Councilmember Chirco: Councilmember Pyle.

>> Councilmember Pyle: Thank you. You had said something earlier, Joe, I wanted to hear something again. You said something about a four-hour wait, is that for permits?

>> Joe Horwedel: That's somebody comes into the permit center without an appointment. Wants to talk to staff and ask questions about how do I do something? Because there is not a fee associated with that, it's essentially just free consultation, is that we do kind of run a separate queue for those customers. And that we have staff that are there, but we don't staff that at a high level, because we have a number of other means that those customers can answer a lot of those questions, through handouts we have available in the lobby, the self-help counters where you can access the Website to look at a lot of information. But a lot of people just like the comfort of talking to a staff person and we're really look at do I make somebody who wants to file further single family house addition have to wait a bunch of time because they've got a bunch of people in front of them that are asking questions that don't put investing into the process. We run two parallel lines to make sure the paying customer goes influence and doesn't have to wait that long. There are times when even the paying customer that walks in there at the peak time may be there for three hours or so. It is a part of us shrinking back our staff that our permit center is one of the places that we shrunk. It costs us over \$2 million a year to just run the permit center, and the staff that takes to do that so it is a substantial part of our budget.

>> Councilmember Pyle: I did get those complaints from my district in reference to the long wait. And I think sometimes that can be considered a false economy in that when somebody goes in to get information, and they feel that they've been miss treated and not given the information that they need, they're not going to proceed with the project that they would otherwise have done. So would you comment on that?

>> Joe Horwedel: Well, and it's been a long debate that we've had, to really kind of work through that. We talked about our different customer groups around that, of how we should prioritize our service. And the general answer back from the business is, community has been, is the people that are paying for service should get service. And that if somebody's not paying for service, you know we're not using the General Fund to deliver that service then we can't keep subsidizing them at a kind of a free buffet. It's the challenge is that --

>> Councilmember Pyle: I understand that but if you have nothing to hand out to people and no explanation in writing or whatever, that they -- would help them to understand the problem, all it does is create poor will.

>> Joe Horwedel: And it's the challenge is we do have a substantial information available for our customers that when they come in we walk them through the resources that are available to them, in lieu of talking to someone. And still, people choose to go through and want to talk to someone. It's human

nature. I prefer to do that. But it's one that, it is I guess the consequence for wanting that choice, is that you know there are other options to do it. And if there isn't a means to try and push them to help themselves answer some of those questions, then you know I have to use the most expensive means of delivery which is one of my staff.

>> Councilmember Pyle: Is there information available that they know that?

>> Joe Horwedel: When they talk to our receptionist up front, are they there for general information, we tell them about the information available online, that they can access at the self-help computers that we have in the lobby, we go through and tell them about the brochures, the worksheets of how to do what they're wanting. We also offer phone consultation so they don't have to come in. We can go through and work on a different schedule so they're not queued up in a lobby. There are a number of ways to obtain service from us. The most expensive way is to come down in our lobby and sit down face to face with a staff person, that's part of the reason we do triage on that.

>> Councilmember Pyle: Second question is, why is the sign ordinance delayed again, even though the service is not so robust, I would consider there is time that should be devoted to that.

>> Joe Horwedel: We have paid for staff to work on projects like that' as we have gone and cut planners and it is the largest percentage of staff we've cut out of the department have been planners. That there just is not capacity around anymore so literally it has, I have Carol Hamilton as an army of one that's doing signs, that's doing bail bonds, doing medical marijuana, whatever the latest ordinance that wants to be done or policy getting done. Laurel and I is the other staff to that to help make that happen. There is no other staff. We've cut that already.

>> Councilmember Pyle: Okay, I see that too as a big problem because there are businesses out there that would be doing better if they could bet the signs then get on down the road with that. The biggest question I have is, what is planning doing to pursue business? Business is low. Is there any way that you are actively pursuing business? In other words, letters to homeowners in areas where you know there's been a lot of alterations and remodeling going on.

>> Joe Horwedel: We have. We actually have created an internal hot line for our code enforcement staff, we're out driving around and if they see construction going on they can actually call in and write to one of our call center staff and they can pull up to see if there's building permits that have been pulled for that activity. If there isn't we stop right then and there, red tag them and send them to go through the building permit process. That said, the way our structure is set up for cost recovery, we are not full cost recovery on building code compliance. That was one of the things that was listed for subsidization for the building fee program. Every time one of those customers come in I lose money. We generated construction taxes and all that type of thing but the construction, where they are in mid stream to untangle where they are at is a lot more expensive than if they had done it right. We are pursuing that because it is right. But I won't make money on them. I lose money on every one of them.

>> Councilmember Pyle: And in reference to bumping rights you have all egress and no ingress? Do you have people coming into planning that aren't trained to be in planning?

>> Joe Horwedel: At this point we are losing staff, we aren't bringing anybody in. We haven't brought anybody in for a couple of years now.

>> Councilmember Pyle: Okay, thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. Hey, Joe, if we could go back to that -- we're at the pie chart now. In good times, say, back 2006-2007, could we -- we just lost the pie chart.

>> Joe Horwedel: You mean the percentage?

>> Councilmember Liccardo: No, I was looking at the overhead. I had John faked out there. Thanks for bringing that back. So the front line staff obviously has shrunk enormously, your share of front line staff.

>> Joe Horwedel: Uh-huh.

>> Councilmember Liccardo: In good times would we see the percentage of internal staff be stronger or smaller?

>> Joe Horwedel: The percentage would have been different back in '04-'05 because with the budget at this point and this would be same for all the development partners, fire, public works, planning and building, that we have shrunk down those staff, across the organization but it's been a lot of it at the front line piece. So you would have had previously 13 or 14 staff doing development projects plus I think we had four Sr. planners, that's 17 people doing development. Front line development work in planning. At this point we will have five. So the overall fixed cost of things that we have to deal with are now much larger percentage of it while we've gone and cut management positions, supervisory positions and back

of house positions the reality is that certain fixed cost out there haven't shrunk dramatically. And so those percentages have changed.

>> Councilmember Liccardo: I'm just wondering what we would expect that number to be in good times, is that 44%?

>> Joe Horwedel: Well, I think that's where Councilmember Constant was going, the conversation we've had internally, what was the renal overhead rate? We know the lights need to be on, there need to be supervisor control, we need HR to hire positions, we need attorney's office to help us get agreements done. What is the right balance of that to the front line service delivery? I don't know what the number is now. Gut level says it should be 50% maybe, that's renal, when you go talk to the community that half of your money is going to actual service delivery is a reasonable expectation. I think we've just got to figure out is that, you know, what is that right balance and then what are the things that are keeping us from getting there.

>> Councilmember Liccardo: Okay, thanks Joe. I appreciate this is a very difficult time. We've lost dozens of the most talented and hardest working people in the organization and that's painful, on everyone, most particularly the families of those folks who are losing their jobs. The question I had is, let me back up. Some context. I've been talking a bit with Rick and others about the ordinance that prohibits revolving door employment because I'm particularly concerned with all the layoffs, we are precluding people from taking jobs that might have tangential financial gain in some way. And I'm wondering if you're hearing any feedback from people who are now going out into the job search world, that they're precluded from opportunities because of that revolving door ordinance?

>> Joe Horwedel: That is an issue. We had a staff person that was ready to work with a consulting service and because of the revolving door ordinance, environmentally services ended up hiker them. it is our goal to be able to retrieve them back within the -- through the recall process, that this is a ream barrier for them -- real barrier for them to be able to stay current in the skill they have. We are the 800 pound gorilla in this region so most of the firms that do work around here do some amount of work with us. Even if they don't work on the projects it is a real challenge. So it is one that I am glad that is being revisited because I don't think the intent is with layoffs that we would penalize the staff that way.

>> Councilmember Liccardo: Okay, well I'll be talking to you again in the coming weeks of what we might be able to do with the ordinance. Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor and mayor thank you and others have made some kind comments regarding the difficult situation Joe, there was discussion, and Pierluigi or Councilmember Oliverio was referring to the fact that I guess you could call it a brain drain, we're losing this talent and how easy it is for us to get the talent back, that is a question. I had the same concern that the mayor alluded to and the councilmember just talked about. I think the relaxing revolving door, if it's not in regards to the intended consequences of what it's trying to zeal with, is not only important for allowing the employees to stay current but also stay local. And that's critically important that if there's an opportunity for them to come back to the city it certainly benefits us, especially if they worked here before. But anything that can be done to allow for that to happen and I think that sounds like there's a direction at least, a tenor up here that if you want to go in that direction. In terms of being able to ramp up, how quickly -- and I apologize if you mentioned this earlier when I stepped out but how quickly can you get to council in order to do rehiring, whenever that might be, obviously we would like to be sooner rather than later. But how quickly can you adapt and kind of know what the numbers are and see the trends and make sure we don't fall far behind in terms of keeping up?

>> Joe Horwedel: We have the ability through overstrength positions to really ramp up at any day. It's a matter of seeing what's going on with revenues and actually seeing the revenues climbing versus declining. And at that time to bring back people often an overstrength basis, to the extent somebody's in another job they probably wouldn't take an overstrength job but we have that as a very quick first line of defense and then as revenues have a more sustains pace, we would be coming back to council to add back positions. Clearly through the mid year process we're seeing a trend that's going on sooner than that and how it's been talked about in the organization, I would imagine we'd be back to the council you know on any given Tuesday, to try and get on with that process. Because at that point then I could start reinstating people off the layoff list and call them back and theoretically have them back within a month, maybe two weeks depending on what their current situation is.

>> Councilmember Kalra: I think that's an area that we particularly need to be nimble and adapt very quickly so it is something I certainly encourage. Particularly in regards to trying rehire folks you know if it's

been approximately three and a half years where I've been a Planning Commissioner at the council and we have so many people at the planning level that it's really a shame that we have to let anybody go. I would hope that we could retain the talent in the area so when the opportunity presents itself we can rehire those folks. They've been able to move people around in the capital so they're predominantly in the building and able to come back very quickly. So you know, there's different strategies that we've been able to take to go through and make sure that all the development partners are able to have a strategy.

>> Councilmember Kalra: Yeah, I know that can't be easy to do that so I appreciate your work and working with other departments to be able to maintain as much as possible within house, at least they're staying with the city family, thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you. And Joe just thank you for all the work you do. Your department does a tremendous amount and I think all of us lament the loss of the talent that we're seeing leave the city, and hopefully we can get them back. I know that I've received e-mails from folks that are very concerned about the future, when business does ramp up, and how will we be able to respond to that, and very concerned about the actions we're taking. And I think there's a good aspect to that which mean they believe, these are business people who believe that we are going to come back. I'm just trying to find a glimmer of positive in that. I think we need to listen to them because they are very concerned about it. I wanted to ask you about what we can do to help some of the smaller businesses that I know we've targeted some big projects in terms of fast-tracking. What about smaller businesses and as we all know both nationwide and locally, small businesses are the ones that produce the jobs and small businesses are being hamstrung not being able to get credit and that sort of stuff. I know one in my district and Planning is helping them quite a bit, their going to be bringing 60 new jobs into Evergreen. Is there a way for us to have some sort of fast track or assistance for these companies that are going to bring immediate job growth? Maybe that will bring in more revenue to the city and maybe ultimately help us reduce the chicken and the egg issue, needing projects before we can hire people.

>> Joe Horwedel: We are still really focused on getting businesses into space quickly so we provide a coordinated service between fire, Public Works, planning and building, to do that those will continue because they are full cost recovery and that even -- we do charge a premium for some of those but it allows them to get out the door faster and the customers have been very receptive to that.

>> Councilmember Herrera: Can we do smaller ones?

>> Joe Horwedel: It takes a commitment by the applicant to have a teamworking on it so that they've got an architect and contractor that are capable for that project, and then we sit down with our staff to kind of just run as fast as they can run with it. The challenge where we've had with the small business ambassador program, is on the front end where we do a lot of consulting with customers with what kind of space to go into, how to go in and do it, and we weren't charging for those services. That is one of the things we're looking at is how we deliver that service if we're not able to -- if we're not charging for it then how else do we do that? So is it something we offer as essentially an enhanced service like we do once they actually file and make that kind of as a consulting service that's available? Some of our customers in talking with them actually want to take advantage of that. It won't be for everybody, they won't want that. But we are looking at how do we continue to provide some level of hand-holding but we're also I think needing to be real realistic on it of just the magnitude of businesses and customers that are going through the tens of thousands of customers that we deal with and that we are, you know, continuing to shrink down less than 200 staff now out of all the departments that are doing development services. So just the ability to even touch every one of them at some minimal level is getting really challenging. That's the thing over the next couple of months we're back reassessing our service delivery our permit and our management is looking at that issue and in the staff departments behind them are off looking at how do we do that without kind of bankrupting ourselves.

>> Councilmember Herrera: Some of the smaller companies if they're getting free rent front loaded into the deal they may want to take advantage of spending a little more money for you getting their businesses up and running. It may help the smaller businesses.

>> Joe Horwedel: We are looking for opportunities to get out to those businesses so they don't get too far in so they know how to take advantage of what we can do for them so they don't get too far in and then stuck.

>> Councilmember Herrera: And in terms of the four hour wait for folks that don't have -- that are just asking questions, is there kind of thinking out of the box, is there any -- is there any way that we can have folks that can assist that have that sort of experience that are maybe retired, that are more of ain a

volunteer capacity just to be more informative, sort of like a desk where they can just ask general questions? Like sort of what you see at the hospitals, where you have people working to kind of give you information?

>> Joe Horwedel: Candy strippers?

>> Councilmember Herrera: Candy strippers for the Planning department. Can we do that?

>> Joe Horwedel: It's something we can look at from a planning perspective. Our building inspectors, mark don't hit me, are older staff, our I don't have a lot of retired planners period they usually go to work somewhere else after working for us for five, ten years. So I don't have a lot of kind of capacity to drawback at that end. From the engineering standpoint, some amount of retirement to be able to drawback on, but again, usually a pretty younger crowd than -- you know so it's one of the challenges of how our business -- how we staff our business, and you know the staff where they come from is wildly different. But it's -- I'm willing to take a look at.

>> Councilmember Herrera: I'm just wondering if the questions weren't technical, I guess getting them one of the more technical questions, but if it's similar questions, people wanting to hand-hold, the ability to talk to a live person, if we could offer that, the people wouldn't be as irritated to us, if it's a matter of reaching out to people, to Nancy's point of creating that relationship with the community and extending ourselves a little bit. If we could use somebody that wasn't as valuable to those folks to have information -

-

>> Joe Horwedel: Worth pursuing, check it out.

>> Councilmember Herrera: Thank you.

>> Mayor Reed: Take some public testimony at this time. We have about a dozen people that want to speak. Please come on down when I call your name. So you're close to the microphone. Michael Von Avery, Linda LeZotte, Debby McDermott, Adassa Lev, Sally Zarnowitz. Michael and another one were both here because I saw them. Debbie McDermott, Adassa Lev, Sally Zarnowitz.

>> Good afternoon, my name is Debby McDermott. I've been here about a year ago to tell what you a wonderful job you were doing and how customer-friendly the City of San José was. I am a building expediter so I do procure permits at every city in the Bay Area. And a year and a half ago, I told you that you were the best customer service, and unfortunately I have to tell you that it's really bad right now. I understand, the one thing I do have to say positively, is everybody working, that's left working in the building department works so hard and are trying to do the best job they possibly can from the higher up to the lowest positions. Unfortunately, with the cut that you have made in the employees, the waits are outrageous. And I know that you're focusing on the fact that most of the four-hour waits are for the people who just have questions. Actually, I -- with an appointment, with an express appointment, I had the permit approved, and I had to wait three hours and 42 minutes just to pay for the permit. And I was paying over \$13,000 in permit fees. So there are a lot of people who are paying, and still waiting those four hours. I have really been impressed with the questions and the attitudes that you've had towards the situation. And I don't know if there's anything that, as a customer, I could do to help or suggest. I'd be happy to do that. But it is bad. Thank you.

>> Mayor Reed: Thank you. I've got some cards with numbers on them. I don't know if there was a speaking sequence that people had. If so, we can do that in sequence. But the first one was Susan Walsh, card number 1 and then Hadassa Lev and Sally Zarnowitz. If there is a plan we can follow it.

>> I'm Susan Walsh. We're all here on our own time. I've been a planner with the city for 15 years and I've worked I've seen the firsthand attention and concern, that you all have for the role of planning in the city. The budget cuts will mean fewer planners to develop plans, review new projects, design vibrant new neighborhoods for San José. With only 31 planners left after the budget cuts for a city of over a million people, San José will have one of the lowest ratios of planners per capita of all the Silicon Valley cities. It will leave only four planners to review the development proposals and that's only one planner for every 337,000 people new development proposals faster and will therefore be more competitive in attracting new economic development. I recommend the council consider a plan furlough program to save experienced planners so the city will be ready for economic recovery. Thank you.

>> Mayor Reed: Hadassa Lev.

>> Thank you. Good afternoon. My name is Hadassa Lev and I worked for the city nearly five years in the department of Planning, Building, and Code Enforcement. I'd like to talk about the disruption that the proposed layoffs will have on city service delivery and the institutional knowledge that will be lost and is lost with every planner that is cut. For example, I've been the lead planner on the distinctive neighborhood program since it was launched in August of 2008. And since that time, I've held, I've organized and held

over 20 meetings with the general public and various focus groups. There's been -- the community's been very supportive of the program and of the policy options that we've developed. But now with the proposed cuts, and I'm sorry, then the program is all about preserving neighborhood character. I will be one of the planners that is affected with the proposed cuts. And will just not be available to provide the recommendation that we have put together to decision making bodies such as the historic landmark commission, the Planning Commission and this body. The departments and the city and the community would benefit from seeing the same planner carry out a program from the beginning to the end. I am the person that's most familiar with the details of the program and another planner taking on the program would just not have the amount of time available with the current schedule to be able to ramp up and bring the project to the decision making bodies. With the proposed cuts the work that was already completed for the distinctive neighborhood program could be lost without having completed this program. I would therefore like to support alternatives to the layoff, an unpaid furlough such as was suggested so we retain experienced planners when the economy picks up. Thank you.

>> Mayor Reed: Andrew Crabtree, Sally Zarnowitz, and Beatty. .

>> Envision 2040 unfortunately I'm one of the people and my team are also impacted by the proposed budget action. Throughout the general plan update we have heard consistently, from the general public. Address the city's fiscal issues and to continue to promote San José as a regional and national employment center. We've also heard a desire for San José to be seen as an innovative leader in economic, environmental, social, equity issues. We are on course to bring to the city council a vision for the City's future that is based on a very ambitious goal for employment growth within the city. But a significant amount of planning work will be necessary to achieve that employment growth goal, and without a significant investment by the city in long-range planning it is unlikely that the city will be unable to fully realize those goals. During the covers my 12 years with the city, I've seen many co-workers depart for a wide variety variety of reasons. But those who have chosen to stay here consistently have a strong commitment to San José and to improving its future for its residents. As dedicated professionals those of us who remain will continue to strive to develop and implement good planning policies but with a growing concern about achieving the City's long term goal to truly be a great and innovative city. Thank you.

>> Good afternoon. My name is Sally Zarnowitz. I've been with the city for ten years and with the current and proposed budget cuts I'm the only project planner downtown for mixed use projects. I want to speak briefly about urban land use while architects create site specific spaces urban designers create the spaces in between those buildings and places which make up our everyday lives which are very important to us as citizens and planners are the stewards of those spaces. Oftentimes when owners developers architects bring their projects to the city, that is an important time to help buildings meet the streets and the neighborhoods. A city of any size large or small that is organized into clear areas, that has uses that work together, strengthen financial stability, improve the quality of life in our city, those are well planned cities. And all of us today are shaping this city of San José, every day and for the next 30 years, and it's important to think about the long term consequences of every decision that is made. So just in conclusion, I think that I wanted to state that planners are the glue holding together stakeholders and decision makers and projects. We work with city departments, with businesses, with commissioners, neighborhoods to realize an inviting plan for the city and one that will achieve economic revitalization, environmental conservation all through urban infill and all with the goal of being one of the greenest and cutting edge cities in the region and state. Thank you.

>> Mayor Reed: Avril Beatty,.

>> Hello I'm Avril Beatty. These are the big projects from the Ciscos and the brocades and the sports stadiums to the small business just looking to get their use permits to get their businesses up and running. All of these projects take a lot of coordination between planning building, fire, Public Works police department environmental services and this coordination can potentially be done quickly but it takes time to do it right. And when we mess it up, it can take the applicant even longer throughout the permitting process because they're just looking when they first come in the door to when they get to break ground. They're not look like, what are my time lines for my planning application, they want to know the whole kit and caboodle. If we get further cuts there are either going to be issues of quality or there's going to be issues with getting these people on the ground running. And if big projects come in, and I get told that my priorities are different then the smaller projects get pushed aside and there's nothing that we can do about that. So if it gets to the point that we need to make further cuts within our department, do the furlough. So that way, when the economy comes back to life we'll be able to come back to life with it. Thank you.

>> Good afternoon. My name is Leslie Xavier. Once the proposed budget cuts to the planning department are improved I will be one of the four faces out in the community of a million people. Community meetings are facilitated by planners to make a genuine contribution to the future of San José and develop a safe, attractive and vibrant community. The public outreach process provides a forum for the community to discuss projects and potential issues, before a noticed milk hearing. Thereby addressing controversy before it comes to the public hearing body and the decision makers. Planners take what they learn from the community members and balance that with city policies and urban design principles. Inform a recommendation that results in a final product that becomes part of a neighborhood and part of the city as a whole. As you move forward in the budget process please know that there is no overnight budget. The time that planners spend at these valuable community meetings, also means there's less time for us in the office something in the process is going to suffer, thank you.

>> Mayor Reed: Michelle Beasley, Jody Clark, Mike enderby.

>> Thank you Michelle for allowing us to continual with our out. I'm Michelle in the city of a million people. I know these are tough times, but I want the council to understand the new reality in current planning. I will be the sole project manager for industrial projects and I will be handling at least 80 active projects. Given this is the third round of layoffs in the past year, and a good number of these projects have had multiple project managers, so this is going to cause even more difficult of a transition. As most of my projects will create jobs for the knowledge workers that we're trying to attract to our city and taxes that we are trying to attract to our city, I must focus my limited time on projects that are shovel-ready. I no longer have the luxury of hand-holding inexperienced customers through the permitting process. I will do my best to return phone calls and e-mails in a timely fashion, but these will likely suffer in an effort to ready projects for public hearing. In the end I look forward to working with you and your staff, but please remember that when you hear stories from the industrial school and commercial customers, that there is only one of me, and I am processing their permits. Thank you.

>> Good evening, honorable mayor and members of the city council, my name is Michelle Beasley and I'm with greenbelt alliance. The city is faced with very uncertain. Do I not envy your position and am simply here today to state my support for the Planning Department, which has been doing some excellent work. I have been lucky to work with staff on the envision 2040 general plan which I found to be opportunity to step back and do some good planning especially as cities are coming to terms with climate change and an aging and growing population. Good planning addresses so many issues at the same time, San José can become a healthier, more sustainable and more equitable city with good planning. But we need planners in our planning department to do that. This is such an important issue right now that last year governor Arnold Schwarzenegger signed SB 722 creating the strategic growth council. Among other things the strategic growth council will manage and award grants and loans to support the planning and development of sustainable communities. Funding won't be available until neck year but Green Belt Alliance are heading up the work San José is doing is exactly the work the strategic growth council should be funding and perhaps someone from San José should join us. So if there's an opportunity for greenbelt alliance to partner with the city to ensure funding comes this way we'd be happy to do so, thank you.

>> Mayor Reed: Mike enderby,.

>> My name is Mike enderby and I'm a Sr. planner with the Planning division. Helping to find creative win win solutions that addressed the long term visions of the city, balance developers' needs and neighborhood occurrence. The proposed budget cuts would leave us with four project managers to address every time of industrial commercial and residential project, I'm the senior for this group. These are going to have 80 active projects apiece once projects get reshuffled. I have great concerns, relating to the quality solutions, hacienda gardens, the plants, fleetwood drive and numerous other controversial infill projects in your district that will no longer be able to provide the same level of attention. Implementing citywide goals and objectives of the general plan in the context of individual projects in the trenches, at a neighborhood level is becoming increasingly difficult and controversial. The city council should consider a more diverse approach for funding of development review that recognizes that the beneficiaries of good planning development services should not be borne exclusively by developers but should be paid in part by better use of the General Fund or other public sores, thank you.

>> Mayor Reed: Juan Berelli, Eric Hayden,.

>> I'm Juan Berelli and I've been a planner with the city for six years. Tonight you have heard from other planners and planning division which affect the city and specifically the city's ability to continue to plan for our future community quality of life and for attracting new economic development. The proposed budget cut will reduce our ability to have planners lead community meetings and continue to work effectively with

residents and project proposers to protect and build safe, vibrant, sustainable, strong neighborhoods and businesses, that in turn, attract diverse knowledge workers to live and continue to do business in San José. This proposed budget cut will reduce San José's economic competitive edge in the Bay Area and will also impact planning staff's ability to continue to guide this great city to its future. As a division we've recently suffered through three rounds of layoffs due to deficit reductions, I received a demotion with a pay cut i'm also impacted by this current proposed budget cut. So let me be clear in summary, we want to be part of the solution. We want to work with you to help identify and implement other creative funding and financing solutions to the deficit problem. Please consider and implement, for example, like the state, other municipalities and many private development firms already have a furlough program and other funding solutions, which would allow the city to be poised and ready for the coming economic recovery. Which would allow for our continued enhancement of San José's economic vitality and quality of life that we have all been working so hard to maintain and enhance. Thank you.

>> Mayor Reed: Rick Hayden, Ruth Cavenaro, Warren Krause.

>> Mayor and City Council, my name is Eric Hayden. I'm with Republic Urban Properties. We're residential and mixed-use builders. I'm here to Ohlone project which is an 800 unit development project in San José this year. We you know, paid our fees, and we've been processing and we've had a great experience with our planners being on schedule. I also wanted to say however that the last round of layoffs we had, the two planners assigned to our project were taken off our project and that caused some delays in our time line. Listening to Joe's presentation I can understand where the Planning Department and development services needs to cut the budget. However I want to urge you to not eliminate so many positions that service levels decrease. Also finally in the future have a plan ready for the ramp-up that will occur when the economy recovers, especially for hiring and retraining new employees or whether it's a furlough or whatnot. Thank you.

>> Mayor Reed: Ruth Cavanero, Warren Krause, John Wolfrum.

>> Good afternoon, Mayor, city council members, thank you for allowing us to speak about the happenings of going on the Planning Department. I have the benefit of attending a recent ribbon cutting ceremony with Mayor Reed, at a K-12 school where they installed some PV panels to help reduce their energy costs. I do hope that more of that will take place here in San José, in the very near future. Hopefully, some of those stimulus funds will be coming through and that will help in that regard. Originally I actually came here to speak about saving a program that's very near and dear me, and that's the distinctive neighborhood program. Over the last year, year and a half, we've made some great strides on saving our neighborhoods, our historic homes and buildings. And I'd like to ask that you take those types of topics and areas into consideration when you're looking at this. The numbers are certainly sobering, and I know this can't be easy at all. But I do hope that you can consider that the quality that you want to provide to our customers and clients is still going to be there and that you're ready for some of the new development that's going to be taking place that will help benefit our city. Thank you so very much.

>> Mayor Reed: Warren Krause, and John Wolfrum are the last two cards I have.

>> Good evening, honorable mayor and city council members. My name is Warren Crause. I am a member of AB Mei. And I want you to know that we have suffered some 10% cut and suffered some furloughs and we are also committed to finding a solution to the financial crisis, and we're hoping that we're not a target of the solution. Thank you.

>> Mayor Reed: Don wolfrom. Our last speaker.

>> Hello, Mr. Mayor and council. My name is John wolfROM, supervising acting permit center manager liaison with code enforcement and other things . The permit center is the hub of development services operations. It's the first point of contact and often the last point of contact for much of was permitted. For many residents, the experience at the first floor permit center is their only direct contact with city staff. More of our constituents probably pass through the permit center in one day than come up to the 18th floor in two weeks. The current waiting time and the counter situation to me is a contradiction to the message of politically. The message conveyed in the permit center waiting area now is one of indifference. The serene atmosphere there is misleading. Underneath there is a seething anger and I see even in our long time regular customers with a reputation of reasonable accommodation a stat of disgruntled anger. Customers as they are likely with good assistance to apply for perms later. And interminable waits for service will however result in a loss of some of these customers to our billable service. The current situation should not be a surprise. When severe cutbacks were made a few months ago, at that time, we cut back, economic down turns do not necessarily result directly in a reduction in

counter service. Sometimes an increase, as those who build are likely looking for least costly alternatives to their desired outcomes. For example, in August of 2008, we had 3,000 customers come through the permit center and in the building division only we had 1900 customers. In 2009, in August, we had 3,000 customers come through the permit center and 1900 come through building, the numbers are the same. So yes, we have a downturn in other areas but the numbers in the permit center are surprisingly constant. Lastly, if you have any questions about the types of customers you get in the permit center you have one excellent resource, her name is Amanda Lopez, she used to be with us, she is now up in your lobby as a receptionist. Thank you so much.

>> Mayor Reed: Thank you, that concludes the public testimony. I don't think we have a motion on the floor yet. Nope, we don't have a motion yet so we need to get a motion out. Councilmember Herrera.

>> Councilmember Herrera: Yeah, Joe, I just wanted to ask, I think I wanted to ask you or whoever can answer this, about the feasibility of using furloughs to deal with some of this because I think if there was some creative way we could do that I would like to hear that.

>> Joe Horwedel: We are currently using furloughs, with something our bargaining unit proposed and we worked with them to implement that. It is something that the planners mentioned that recently, that they would like to consider that. So that is something that we'd be open to. Furloughs will not solve the problem, it will not permit the layoffs. It just keeps more people available so that as we come out of this pit, that we will be able to do that faster and easier. So it is something that we're willing to explore, if MEF is willing to work on a proposal, it's something that, you know, we'd be willing to sit down and kind of figure out some logistics on it. It is something that we talked yesterday at the department meeting about, you know some of the challenges because with the furlough, we are having -- we had to deal with, with AB MEI retirement contributions so the retirement system remains whole. That is one of the challenges that the Cal state system is -- they are -- CalPers is going further upside down because they didn't deal with that. That is something we have to look at. The other piece is going from a \$4 million to a \$2.5 million planning fee program, you know, the scale of a furlough is well in excess of a 10%, you know, it may be in the order of 25% furlough, to do that. So you know, again, it is something that we're willing to look at but I don't think it will be the silver bullet to the problem.

>> Councilmember Herrera: Thank you, I appreciate that you're looking into it and your point's well taken about the impact on retirement contributions and I'm sure the folks that have been up here talking about that idea are aware of that. And whatever we can do, if there's any other creative solutions, I think -- I'm just stating I think everybody up here is, we're looking at any way that we could make a difference in this.

>> Joe Horwedel: And the other challenge in this is that we have been trying to move reasonably quick with this and recognize that it is not a fun topic to be dealing with. But it is something when you look at \$4.5 million, with seven months left in the fiscal year, when you divide that out by 28 weeks, it is over \$100,000 a week that every week we don't deal with this, cost us, which essentially is one person a week extra that it comes and as we get later into the year it's two people per week of what the delay cost.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you Mayor. And just one follow-up to Councilmember Herrera's question regarding the furloughs, you indicate it would not prevent layoffs but would have some impact, obviously we're all concerned, nobody wants to lay anybody off, but it sounds like there's been quite a dramatic impact on our service as well and so any way that we can impact both positively, you know obviously we need people in order to serve at an appropriate level and at a professional level.

>> Joe Horwedel: Right now it is really no different than everyone's own home checking account. There are a lot of things that you're needing to pay bills for and that's the dilemma that we're in right now. Is I'd love to have twice as much staff but I can't get that.

>> Councilmember Kalra: And I completely understand that. I'm not suggesting that you supply moneys from some unidentified source but on the question of furloughs itself, raised 50 gross, Councilmember Herrera raised it, understand it wouldn't prevent all layoffs but it would have some impact. With the understanding it's meet and corn per issues and other issues that would have to be dealt with but is that something that could alleviate some of the strain? Because currently laying off, balances the budget, given the deficits internally we're looking at due to the reduction in projects but it doesn't speak to the drop in the front line services as well. What's your take on that if there was some way to --

>> Joe Horwedel: The furlough is not going to solve the challenges we have on the service delivery piece. It's taken more work around the furloughs, things like over time and seniority, because they do become important at that point. So I think the dealing with the service delivery part of it is the really going

back and focusing what is the most absolute critical thing that we focus on, and get out of those other businesses, than just recognize we may need to furlough ideas of projects, you know, programs that we've been opted are very popular but are not as important. And we have moved more General Fund dollars out of the planning division down to the permit center to deal with that issue there. We have not moved it to date into the building program. That's something that we're looking at right now, is do we go and take some of those General Fund dollars essentially that are paying for staff and planning and have them pay for building staff so that we're actually able to put more staff down in the permit center to deal with the inquiries that people have, so they don't have to wait so long. But then I elsewhere in the building. Right now I haven't gotten those permissions to stop doing things. We keep finding more things to do. That's the dilemma.

>> Councilmember Kalra: And my guess is, this is not if first time you've heard of this suggestion, for furloughs, now, is there any way going forward that even if -- even if these recommendations are adopted, that there --

>> Joe Horwedel: They could be unwound?

>> Councilmember Kalra: They could be unwound to some extent if there's negotiations between the city management and the bargaining unit and somehow you find it to be a benefit in terms of your ability to service the public?

>> Joe Horwedel: Obviously if we're able to reach an agreement about MEF about how to implement a furlough with the planners or any of the other parts of -- other bargaining units or other staff groups you know we would come back to the council to go through an unwindness and reinstate whatever positions would allow us to reinstate. When we did the building inspectors it allowed us to save five people. It does have a benefit, it does take some time to work through that and that's something I'd be very happy to be back in front of the council to unwind.

>> Councilmember Kalra: I understand, you can't just say let's have furloughs, it takes more machination that need to occur. At the negotiating table as well. But you know I think there's a couple of us up here already, that can't be done because we just didn't hear it in terms of the loss of these good employees but also in terms of loss of service. So if there's a -- if we can get some kind of win-win in terms of some improvement, we're not going to avoid all of it but if we can do some saving of the jobs and the services I think that --

>> Joe Horwedel: Clearly a furlough will help save people. It won't increase hours, therefore it doesn't change the service delivery. Change in the priorities of what we focus on will affect the service. So that's really I think the other conversation is, are there things that we're doing that we should stop doing and move those staff into front line -- you know greater front line service delivery.

>> Councilmember Kalra: I get that but having a higher level of people could also in some sense allow, I think it's certainly challenging when there's more and more responsible on one person, having more people can in some ways alleviate some of that strain as well, at least allow all the other services to be touched more, thank you.

>> Mayor Reed: Vice Mayor Chirco.

>> Councilmember Chirco: In this time of no good choices I would like to make a motion to accept the recommendation based, and then also to include the conversation that I just heard with Councilmember Kalra, and Councilmember Herrera, and to encourage any kind of strategy, mystery, whatever, miracle, that can be pulled out of the perpetual magician's hat. There are no good choices. And we are just surrounded by bad choices. I have to say, it's difficult to stay emotionally stable in very challenging times.

>> Second.

>> Councilmember Chirco: Thank you. It's just tough. There is not a good way to paint this pig. So thank you.

>> Mayor Reed: We have a motion to approve. Further discussion? All in favor? Opposed? None opposed, motion is approved. It's now about 5:45. I think the clerk is going to have some sandwiches brought in. We do have an evening agenda. I'd like to get the afternoon agenda done before we start the evening agenda. I'm going to go on for about half an hour to do that. So the next item is 5.2, RFP on retail concessions for happy hollow park and zoo.

>> Albert Balagso: Good evening, Mayor Reed, members of the council. Albert Balagso, director of Parks, Recreation, and Neighborhood Services. We did have a presentation for you but in the interest of time we're going to forgo that. I would like to make some comments on what we have before you. When council approved the '09-10 budget we proposed bringing forward a cost recovery model for happy hollow

park and zoo. With that we looked at different options in how we would manage the facility, in that we would look at contracting out certain elements of the operation. What we have before you are one of those elements which is the food and -- excuse me which is the retail services. We are proposing that you authorize the City Manager to negotiate and execute agreement with urban parks concessionaire. We are proposing to award the contract with them through an RFP that we conducted. Part of the direction of council was to work through the existing policy, and we had a meet-and-confer with MEF representatives and AFSCME and we were in agreement that we would bring these contracted services forward through these RFPs. I do have additional language to read into public record, as part of this that was not in the report and I'm going to have Mark Marney our deputy director of parks read that.

>> Good evening, thank you. The two ideas regarding the contract that we need the read into the record are first of all, the first item is the proposed agreement with urban parks concessionaires adheres to existing council policy regarding living and prevailing wages. The second issue ask that the proposed term of the agreement with urban parks concessionaires is from five years from the date of commencement of operations rather than five years of date of execution of the agreement as originally stated. I would like to point out that we do have representatives from urban parks concessionaires here, available, thank you .

>> Albert Balago: And we're available for any questions you have.

>> Mayor Reed: We have a motion to approve. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you. I didn't see the information on the there were 57 people that bid or were exposed to the RFP but only one bid on it. Is there any feedback into why 56 other companies chose not to bid? Did we have something too strict, what was it?

>> You know, as we looked at it we did do some follow-up and talked with some individuals. We think that one of the key components was that the change in happy hollow from the previous operation to the new operation is fairly significant. The scale of the operation for retail services, we're moving from 100 square foot Tuff Shed to a 2400 square feet retail facility and unfortunately we had projected data on performance overall improvements at the park. But we didn't have -- we only had projected data on attendance and how sales were going to occur in the new facility. So I think that information coupled with the economy, and then some of the contractual obligations that the city brings with it, those in combination resulted in the poor performance as far as the overall response.

>> Councilmember Oliverio: Can you speak to the contractual obligations?

>> Well I just think that, you know, some concessionaires are not used to working with cities and understanding some of the reporting requirements. Some of the other issues that go along with dealing with an agency.

>> Councilmember Oliverio: I appreciate that but can you be more specific on what those were?

>> You know what? I think that we didn't get consistent feedback on what those are. Sometimes you know I think that we did hear prevailing wage living wage issues are one of the factors for some of the forecast but there wasn't a -- there wasn't a consistent -- a consistent theme. We heard different things from different individuals.

>> Councilmember Oliverio: Some of those contractual issues weren't there you feel more people would bid?

>> I think it's hard to tell. I think that we answered a lot of questions, I think that one of the issues in talking to folks is that we weren't sure if the issues that they were responding back to us on were truly the core issue or fit was just one of the contributing issues. So it's really hard to say, you know, we really didn't feel like after we talked to folks that changing the RFP process significantly would have resulted in a different result.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Councilmember Oliverio asked the questions, thank you.

>> Mayor Reed: We have a motion to approve. I have no cards from the public on this. And I see nobody waving their hands so I guess we have no public testimony. We have a motion to approve, all in favor, opposed? None opposed, that's approved. Next item is 6.2, city bicycle master plan.

>> Hans Larsen: Mr. Mayor, members of the council, I'm Hans Larsen, acting director for the department of transportation. We have I think a good news item for you, considering the somber items we had before. I have a brief presentation, and I'll keep my color commentary real quick and just run through these slides quickly for you. We have before you a recommendation to approve a bicycle master plan for the City of San José that has the intention to make San José one of America's best big cities for

bicycling. This plan was developed, working with our bicycle-pedestrian advisory committee and the transportation and environment committee. Some of the key goals are to increase the amount of bicycle commuting in San José from the current 1% up to 5%, we want to double the amount of miles that we have in terms of trails and on-street networks. We want to be safer and we want to be recognized as one of the best big cities for biking. Biking is healthy, good for the environment, and aligns with a lot of our policies. The bike network, one of the key elements is to take the creek trail system which is shown here that's built out, we want to create a quality cross connector system that creates a network of connections with the creek trail that allows people to travel very eventually and safely around San José by bike trail. Some of these key connectors are river oaks, in North San Jose Charcot, Hedding Street, San Fernando, San Antonio, Willow and Alma, the William Street corridor, capitol avenue, Branham lane and Colero. Some of the design treatments we're looking at are some of the best practices from around the country and the world, using trails, multiuse sidewalks, wide sidewalks, shared walking and bicycling, colored bike ways and physically separated bike ways. The master plan that we have goes beyond just a network of bike facilities, but looks at over 42 actions dealing with bike parking, bike share system, bikes on transit, education, encouragement enforcement programs. Some of the key policy issues that would be needed would be addressed to implement this are looking at rethinking how we use our street right-of-way now. As part of this plan we are envisioning moving to more of a complete street model where we take our auto oriented streets and make them available for biking and walking and landscaping. As part of this bike plan there's 19 street segments that would actually get transformed from six lane roads to four, four lanes to two lanes. We might have to consider parking removal in some areas. It would take a big funding regional level and federal level in terms of more investment in bicycling infrastructure. We plan too come back to the T&E committee, with specific a recommendations on implementation what we're showing you today the of is a vision for the next ten years to make San José a great biking community and we'll work through the implementation steps over the next year. John Brazil and I are available to take any questions you have.

>> Mayor Reed: Thank you for the short presentation. I have two cards from the public, people that wish to speak on these, I'll take those now Michelle Beasley. Karl Bepcock.

>> Good evening again, Michelle Beasley, greenbelt alliance. We design for people instead of for cars . One element of this is ensuring that it is easy and pleasant to meet daily needs on foot or bike. San José's bike plan is an impressive document that states the importance and need for immigrate integrated systems more cost efficient mode of travel from reducing the city's carbon footprint to making our streets safer. So San José has committed to growing up and not out and encouraging new development near transit stations which is very good planning and completing the streets is critical to making sure infill development increases everyone's quality of life. Greenbelt alliance supports the goals laid out by the city and the performance measures. Directing valuable infrastructure dollars towards completion of the system. With this bike plan San José is making a statement that the city is ready and willing to chart a course of mobility. We support that we believe staff has done an excellent job and we look forward to seeing this within the general plan. Thank you.

>> Mayor Reed: Carlos Babcock and Ross Signorino.

>> Good evening, Carlos Babcock after all this bad news today it is nice to see good news like this for the adoption of the bike plan. A low class alternative for these tough times. silicon Valley bike coalition is happy to endorse the bike plan. Promoting the bicycle for every day use because we believe cycling is a central solution to environmental health social problems facing our planet. Further, we hope that San José will achieve the twin goals of a 5% mode use and share the goal of a gold certification for the bicycle friendly city program. Well in advance of the 2020 goal. SVC would like to thank Mayor Reed, his staff, the city council and the bicycle and pedestrian advisory committee John Brazil. We hope that this plan moves from planning to implementation and that SVC can participate in an ongoing dialogue with the city officials and to update them on any exciting new ideas such as the separated bike lanes suggested by Councilmember Liccardo visionary plan and we need to go a step further, and share hard commitments. In the coming weeks, the Silicon Valley bicycle coalition would like to engage city staff and interested city council members to share our views for the prioritization of plan initiatives to further planning goals and expedite broader participation of bicycling to the public. Thank you very much.

>> Mayor Reed: Ross Signorino.

>> Ross Signorino: Mr. Mayor, members of the council, you know, when I is was reading on this thing I thought thee bicycle lanes were going to be in the trails that we had there. But I never thought you were going to put these bicycle lanes in the streets where it's dangerous. Here you have people talking about

help, peddling in and out of this, you are inhaling more carbon monoxide. You see that particular biker there, he has very dark clothes and you can hardly see him. This is danger. You are going to have kids out there, and you don't know how experienced the drivers are or what they may be on. And any type of accident. We just had a buys cam man that was killed right here -- bicycle man that was killed right here add de Anza college, a woman pulling across the driveway, he had that bicycle helmet on, he died, he was killed this is dangerous to put people out there with bicycles. We are not a bicycle society, get over that! You know, you think it's you'll healthy but it is not. And then at night, and then at night, you don't see them with flashers. They break every law that's out there. They just go right through, I got a driver's license that tells me what I should do but they don't understand this for some reason or another. They seem to think that the right of highway, the right of law, is completely theirs. So I ask you now, turn this thing down! You are endangering people. I'm glad I'm not a bicyclist because I would probably hate you for passing this. Thank you.

>> Mayor Reed: That completes the public testimony. Councilmember Liccardo would you like to defend yourself?

>> Councilmember Liccardo: Well, I'm going to think twice now before I pedal home. Thank you for your comments, Ross. Politely I'll disagree. I just wanted to thank John Brazil who has been working tirelessly with our bike community, really enormous amount of outreach, and I really appreciate all the innovation that he's attempted to inject in this plan. Hans Larsen has really taken a hands on approach. Leading the Department of Transportation, they spend an encouragement amount of time with our stakeholders including a few councilmembers like me. I appreciate the amount of time this took. It's a great plan I think. I want to give a shout out at the folks at Silicon Valley bicycle coalition. Michelle Beasley thank you for all your help. this is the work of many hands but really, John and Hans have been really pushing hard and this is going to make us a leading city I think in promoting cycling. The one thing I do want to point out as we talk about implementation is, I know we're hearing some good things in the press from MTC about that \$500,000 grant that we're pushing for, for bike share. There is a really exciting opportunity here for a bike sharing plan we could have or a program we could have up and running by the spring of 2010 or the summer. That's pretty quick implementation and I really appreciate the advocacy for MTC to make that happen. With that I'd just make a motion to problem of.

>> Councilmember Herrera: Second.

>> Mayor Reed: Motion and second, I'll be supporting the motion And I'll be out taking a bike ride tomorrow morning. Councilmember Oliverio.

>> Councilmember Oliverio: In addition it's a plan it takes money to implement it. Whether it's the painting of the lanes, the bike lanes or the shareows, and then finally, the money to make sure that we have you know, Ross Signorino beckons my father's type of conversation where you know, there's a validity fact that we have in many times cases drivers that aren't safe that don't respect bicyclists and I think you know having enough traffic enforcement unit to make sure they drive the right speed and not unsafely is a big thing and that's important to driver safety as well as a bike lane. Thank you, I look forward to this.

>> Mayor Reed: We have a motion to approve. All in favor, opposed, none approved, that's approved. See you tomorrow morning, I'll be on the streets tomorrow morning. I'm not going to say where. It will be safe. Our next item is 7.1, that's the agreement with City of Santa Clara for the South Bay water recycling program. Motion is to approve. I have no cards on that. All in favor, opposed, none opposed, that's approved. 7.2 is the environmentally preferable procurement policy revision, also known as EP 3 or something like that. We have a motion by Councilmember Liccardo to approve. I have no cards on that. All in favor? Opposed? None opposed, we spent a lot more time on it when we first adopted it so I think we made progress. It's now 6:00. I think we can finish the afternoon agenda, we have three items all related on the housing, we've already had a hearing on, I think we can get that done so people don't have to come back after our dinner break, since the clerk is going to have sandwiches, we'll have time for both, the hearings and dinner. I'd like to open all the three items at the same time. Joint items 2 and 3 of redevelopment and our 4.10. Three different housing projects. We have a motion to approve all three of these. Councilmember Oliverio.

>> Councilmember Oliverio: I just wanted to when I looked back on my votes in the past I did not support these projects because of the exemption on park fees so I'll be not voting for this today, thank you.

>> Mayor Reed: I have some cards requests to speak, Mr. Wall wants to speak on all three, so come on down talk away, David.

>> David Wall: Because of today's atmosphere I'll be exceptionally brief. Since it's already approved, it kind of delays the point that it shouldn't be approved. Basically, because we're on the precipice of bankruptcy. I don't see how the city can keep incurring tremendous amount of debt. You're just laying off staff that would service these neighborhoods. So that makes no sense. We haven't even heard of any talk yet of whether these projects will have their park land development fees waived, which I do not support by any means. There is no disaster preparedness plan for any of these projects insofar as keeping them from going belly up, or the rest of these commercial properties that more likely will start to collapse in 2011 or 2012. There's no economy to support these housing projects. The neighborhood stabilization funds are finite so I do not see how you can entertain any of these projects. Lastly, two places today unfortunately nobody was there who sits before me. One of which was the Santa Clara Valley Water District meeting today. And then I took a drive to San Luis reservoir and spoke to Howard Berman who works at the reservoir. The reservoir has dropped. I didn't have stamps but I have post cards I'll drop off to you tomorrow. The reservoir is at 22%, 26.6% capacity. In other words, you don't have any water. And to keep building residential building projects is irresponsible from a debt standpoint and debt service standpoint, the fact you have no water. Thank you, and I'm sorry for today's atmosphere. But I wasn't responsible for it.

>> Mayor Reed: That concludes the public testimony. I had one question for the staff on this. When we had this hearing last time, staff said that if we were to fund these projects, that we could probably borrow funds to do them, and that would help us free up some cash in the event the council decides we need to borrow from the housing fund to deal with the state take on the RDA. I just wanted to get some clarification on that.

>> Leslye Krutko: Sure, thank you, mayor, Leslye Krutko, director of housing. The one strategy that we are looking at now that has some promise for borrowing were the council to decide to borrow for housing - borrow housing moneys for the CRAF take is for us to borrow for housing and free up cash. So in that particular case we would be borrowing for projects such as these, freeing up the cash and then we could use that for the take. That is the one proposal that is now being discussed. Mayor, if I could have just one minute, I did want to follow up since you listened to some really bad things. And I did want to tell you a little bit about what housing does to economic development. And this will create 361 units to the 80-some that Joe mentioned where now had been approved in '09-10. We will be able, because all three of these projects can start, they can pull their building permits this year. We will be able to count these units under the new state park program, and apply for funds under that new park program. We cannot do that if these projects don't go forward. This project will create \$2 million in fees to the city for the building department, for the Public Works department. And I'm not sure if the Planning Department but definitely the building department. So housing projects do serve an economic development purpose. They also create a lot of jobs and they create significant income in the initial year and then every year thereafter. So I just thought that was important to point out since you listened to such bad news. [applause]

>> Mayor Reed: Thank you. I just wanted to point out, I didn't call out all these projects by name. So people know what we're voting on. 4.10 is related to the multifamily housing at Belovida at newbury park. Number 2 is Brookwood family apartments and item 3 is the Orvieto family apartments. We have a motion to approve all three items. All in favor? Opposed, one opposed, Oliverio, those are approved. Looks like you will break Joe's prediction of only 100 housing units this year, with this one thing. So I think that's a good one to break. That concludes the afternoon agenda except for open forum. I have one card under open forum, Ross Signorino.

>> Ross Signorino: Thank you, Mr. Mayor. I want to talk about affordable housing. Last evening, maybe the redevelopment agency will have to borrow money from our affordable housing budget. And the subject came up Mr. Mayor as you brought it up, other cities are going to have that money taken away from them, from the state, and one questionnaire asked you, how come they're the ones who are not having their money taken away or not having suffered as much of having taken it away. You said not using it. We use our money here in San José, wisely for affordable housing. One another said this is a freebie, I don't understand the word freebie when it comes to practicing humanity, to our fellow human beings. Even during the time of the Roman empire, food was given out to the needy in roam. No matter where they were. Were they inhumane? Must we be less humane? No. Whether people are down and out or elderly or simple pension and they can't make it and the housing is so high and they do need affordable housing for people who are on pensions and they can't get by and this is a great thing for the humanity of San José that it is doing, thank you.

>> Mayor Reed: That concludes the open forum. We're going to recess until 7:00 p.m.

>> Mayor Reed: Good evening. I'd like to get the evening session of the San José city council meeting to order. We have a quorum, so I'm going to go ahead and get started. We have a couple of changes on evening agenda. I need to get council approval for first. Councilmember Campos is ill, and so we're going to defer ceremonial item 1.5 to a later date. And always at the ready, Councilmember Kalra has a -- could fill in. Councilmember Kalra, there's one you wanted to add.

>> Councilmember Kalra: Thank you, Your Honor -- honorable mayor Chuck Reed. Felt like I was in court again. Yes, family week proclamation, mayor.

>> Mayor Reed: Okay, so if that's okay with the council let's take that as a motion. All in favor, opposed, we'll modify the agenda with those two items. So we will start with the first ceremonial item, swearing in with the youth commissioner. New citywide youth commissioner, Miriam Khan. [applause]

>> Raise your right hand, please. Repeat after me. I, Miriam Khan.

>> I, Miriam Khan.

>> Do solemnly swear or affirm.

>> Do solemnly swear or affirm.

>> That I will support and defend.

>> That I will support and defend.

>> The constitution of the United States.

>> The constitution of the United States.

>> And the constitution of the State of California.

>> And the execution of the state of California.

>> Against all enemies, foreign and domestic.

>> Against all enemies, foreign and domestic.

>> That I will bear true faith and allegiance.

>> That I will bear true faith and allegiance.

>> To the constitution of the United States.

>> To the constitution of the United States.

>> And the constitution of the state of California.

>> And the constitution of the State of California.

>> That I take this obligation freely.

>> That I take this obligation freely.

>> Without any mental reservation.

>> Without any mental reservation.

>> Or purpose of evasion.

>> Or purpose of evasion.

>> That I will well and faithfully.

>> That I will well and faithfully.

>> Discharge the duties.

>> Discharge the duties.

>> Upon which I'm about to enter.

>> Upon which I'm about to enter. [applause]

>> Mayor Reed I'd like to invite Councilmember Kalra to join me down here as we have a proclamation in recognition of family week.

>> Councilmember Kalra: Thank you, mayor. And I also want to thank the Clerk's office for accommodating this. Family week is typically acknowledged during the week of Thanksgiving which I think all of us can agree is an appropriate time, we hope we can be with our families and appreciate the love and the sacrifice and the companionship that we get from our families and sometimes the arguments and all that that comes with the turkey dinner. But it's all worth it because we all at the end of the day appreciate what our families mean to us. Family week which this year is from November 29th to December 6th is the way for us to really appreciate our families and appreciate what they mean to us, and appreciate what we get every day from our families and to honor them with one week is something I think is a small part that we can pay to really acknowledge that. And so I'm proud to present to Debra Torrance from the church of Jesus Christ of Latter Day Saints, a proclamation which I'll ask the mayor to hand her so that we can all acknowledge in the City of San José, the week of Thanksgiving week, the week following Thanksgiving week is family week, thank you.

>> Thank you, Councilmember Ash Kalra of taking this moment to declare next week as family week and make this proclamation. I just want to say a brief couple of words. I was raised here in San José in a

strong family and 90 I'm raising a family in San José and they're sitting up on the row right there, hopefully they'll be nice and quiet thank you. I know the importance of strong functional families. After all family is the most basic unit of society. And it is in families that most of our basic human needs are met like shelter, clothing, food, security and love. And doing those difficult math problems as well. The City of San José strengthens families through family friendly events as well as strengthening strong neighborhoods and providing us green spaces. And -- but it can never take the place of family. Nothing can. Just ask any teacher, when families succeed, children succeed. And cities, like ours, prosper. I hope that each you will take the time this week to strengthen your family ties during Thanksgiving so that you will have each other to rely on in the good times as well as when the difficult times come. Thank you very much. [applause]

>> Mayor Reed: Don't go way, Councilmember Kalra. We're going to invite Roxanne Koopman to join us at the podium, as we recognize Roxanne Koopman for taking a leadership role in organizing the inaugural Sakamoto slug run. And Councilmember Kalra will undoubtedly explain what a slug run is.

>> Councilmember Kalra: So Roxanne Koopman is here, joined by her husband, Greg, and daughters Allison and Vanessa. And Roxanne is a physical education teacher at Davis Middle School in the Oak Grove school district, lived in South San Jose for the past 13 years. Her daughters attend Sakamoto elementary school, also in District 2. Every year, sixth graders from Sacramento go to Walden West for a full week of intense science and outdoor learning, and the parents pay \$250 for each of their children. And so away some of the parents and teachers realize were that half of the sixth grade class couldn't pay the full price. We all recognize the economic times we're in and it was sad to see that a lot of the kids weren't getting the advantage of the science camp. That's when Roxanne along with others, put together the idea of the slug run. So here's a tee shirt, the slugs, okay? And the slug runs stands for science learn unleash goals. During the summer, teachers don't have enough to do, we all know that teachers are underpaid and underappreciated, she spent the time and energy to plan this event. Gathering volunteers, signing up, making all the things that go into a successful event. I had the privilege of going to that event and Councilmember Pyle was there. I couldn't believe it was an inaugural event. There were over 200 registered runners and they raised close to \$6,000 and most importantly all the sixth graders had a chance to go to science camp three weeks ago. I would like the mayor to present Roxanne Koopman for making the slug run possible and most importantly having the children go to science camp. Thank you. [applause]

>> Thank you very much. I shouldn't be nervous. I'm a physical education teacher I'm always in front of my students yelling out. I'm so nervous. But this is my daughter who just came back from science camp. Thank you very much. [applause]

>> And Vanessa is only in second grade but she's going to be-she will definitely benefit from slug run again, that I'm going to be doing in the next few more years. So that would be a good thing. Thank you very much. [applause]

>> Mayor Reed: First item on our evening agenda is to take up the independent police auditor recruitment matter with the profile of the IPA to be considered by the council tonight.

>> Mr. Mayor, members of the council, Mark Danaj, director of human resources. I'm joined by Paul Kamera, the from the firm that was directed to make the recruitment. We don't have a presentation but Eiffel make a comment. The item for independently police auditor recruitment is in you're essentially being asked to do three things, one to approve the profile which is the document that essentially guides the search identifying the skill sets that you're looking for in an IPA and also background about the city. Secondly you're being asked to approve the recruitment time line and lastly to provide any feedback or comments on the current draft version of the conflict of interest form. With that we'll be available for questions.

>> Mayor Reed: I have a few cards from the public who want to speak on this item. I think I'll take those now. When I call your name, come close to the microphone. Socorro McCord, and M. Raj Jaidev, and then Ellen Lynn. And if you want to speak on this item or any other item please fill out a yellow card so we don't forget to call on you.

>> Good evening. This morning, at about 10:00, I received a phone call from Paul Kimura, Avery associates that's going to be conducting the search. And he indicated that he was calling to get -- that while he profiled for the IPA had been developed he was calling for more community input. Characteristics, desirable traits. I was not able to speak with him at length today. I'm supposed to call him tomorrow morning. If there are other community members that received a comparable phone call, and think that they can do something tomorrow, then if you don't this tonight, then you're cutting off any

kind of community input that there can be. I don't know what has been done so far, what's been collected. But you need more community input on this. Thank you.

>> Mayor Reed: Ann Im, Raj Jaidev, Ellen Lim.

>> My name's Ann Im. I'm the director of community programs and advocacy at Asian Americans for community involvement. First let me start off by saying that I envision a City of San José where the community and the police department have a very strong relationship. I have lived and worked in other cities where that has been the case and that's very much my desire for our city as well. Unfortunately, as a result of a lot of the use of force cases that we've recently seen I think that this relationship is very strained right now. As much as the city does well, I think that this is an area that needs a lot of improvement. This is why the IPA position is so critical. Regarding this position, I really believe that we need to have an IPA that is not just symbolic, but an IPA that is really able to build that relationship with the community, between the community and the police department. As well as provide true police accountability so that the community has faith in this position. Secondly, regarding the profile, there's very little mention I think of the importance of the solid record in working with diverse communities. There's one sentence that vaguely alludes to it but I think that that really needs to be fleshed out more. And lastly there is mention in the time line about community outreach and about a community panel. There doesn't seem to have been a lot of outreach conducted already and I'm not really sure who's selected to be on the panel, how that happens and who's eligible so I'd like to hear more information on that. I really hope that the city council understands some of the frustration that the community's experiencing right now. And hears what we're saying and is able to engage the community in a very meaningful way as it embarks upon this process. Thank you.

>> Mayor Reed: Raj Jaidev then Ellen Lynn and Ross Signorino.

>> Thank you, mayor and council. My name is Raj Jaidev. I'm with Silicon Valley Debug. I want to thank the mayor and council for releasing Daniel Pham's police records. That was really helpful. As someone who has walked community members into the independent complete auditor's office time and time again, we are deeply invested and looking forward to who will be the next one so we can help them. The simultaneous track alongside with the hiring process, that is to allow the next independent police auditor to captain a sailable ship. Right now the independent police auditor is not that. I'm hopefully that while we're getting into the hiring process, we could equip the office in a way that could allow the best candidate to step forward. What otherwise is sort of a shallow applicant pool. The oversight community in this country is sort of an insular one and talk a lot to one another and if they have a hope that the office that they're stepping into is going to be equipped to meet the demands, the tremendous demands that are going to be placed on it I think we might even encourage a higher caliber of candidate. With that said, too, in terms of the hiring profile, the one thing I thought that was missing, I thought the language was okay, was I really feel there has to be a prerequisite of civilian oversight that's tied to this hiring pool. Mainly because we've been out of an official independent police auditor for a year and a half now, and they're going to be asked to step into the ground running, and we don't have time for a learning curve so I hope that that's part of it. Lastly on the community panel my understanding is during the last hiring go round, advocates were specifically excluded from being on the community panel. I think it would add credibility if the people that the civilians go to for help are part of that panel.

>> Mayor Reed: We will come back to those issues in later council meetings, but tonight it is just the profile. Ellen Lim, Ross Signorino, Van Lei, and Leon Kimura.

>> Thank you for this time. I'm here representing the San Jose State University Asian Pacific Islander faculty and staff association. As you are probably aware, we are quite concerned not only for faculty and staff but also students in campus, I've seen a number of increase of as a result of the number of police issues and I've also seen the increase in the numbering of Vietnamese students being politically involved as a result of the patterns we're seeing recently. So it's a great step to have this IPA hiring process. I also agree with the former speakers that we need to have this continuing engagement with the community, not only in the hiring process, but ongoing, in the future as well. And I like to further discuss with us on that topic with the council in the future. In terms of hiring requirements, at this point as Ann Im has stated, I'd like to concur that I'd like to see not only record of engaging with a diverse community that we have in San José State. Somebody who has engaged with a wide variety of community members, in their previous position could be in a community that's not very diverse. So we're only asking for a record of wide variety of representation without the emphasis on the diversity representation, I think that's going to be a misnomer, it's not going to service our community very well. And also, on the issue of community involvement and continuing to have the partnership with IPA and having the feedback looped to the police

department, again I know this is only on the community involvement at this point but I would like to have further conversations with the council and perhaps with the mayor on how our community could continue to be involved in providing feedback for the process and feeding back to the police on behaviors. Thank you.

>> Mayor Reed: Thank you. Ross Signorino, Van Lei, Leon Kamura, Aaron Racindez.

>> Mr. Mayor, members of council, it is a long day, the whole morning, whole afternoon and here we are again. I came back here definitely for the purpose of this particular item on the police audit. And the moment that you get a first speaker up here, you get up here, the first speaker is mentioned immediately talking about public input, public get-together with different people and so on about the police -- the police -- our police force. And I don't know how much more public input can you give them than you have given them already? Okay, if there has to be more and I'm sure I want to satisfy them, not just to satisfy them but to satisfy yourselves being elected officials that you're doing the right thing towards the people and regarding the police department that we have and accusations, again we were talking about accusations this afternoon about the election committee, again just bringing accusations is not enough. You have to have something concrete to say that is wrong about our police force, not just saying you want to fire the police chief, and maybe even the assistant police chief and so on. Is that going to do what for you, I'd like to know? I think we have a good police force. I think you have to understand the detective part of it is incredible, some of the detective work that they do bringing in suspects to serious crimes in this city, protecting the people. And I'm sure they're working overtime. And I think our police department deserves a great deal of credit. And we got to analyze the criticism and see that it's legitimate a criticism. Thank you.

>> Mayor Reed: Van Lei, Leon Kimura, Aaron Racindez.

>> Good evening, mayor and city council members. On behalf of Vac Nell Kel, the release of 911 tape for Daniel Pham. And I'm here today to have a concern regarding the IPA position and the need for more police transparency and accountability. The city should evaluate the IPA positions before it hires a new IPA, so the city can provide true police oversight and improve police community relations. We would like to request to defer the approval, the time line for the recruitment because we want to see with more time line to finding a good candidate for more qualification skill set and we would like to have more input from the community and thank you.

>> Mayor Reed: Leon Kimura, Aaron Racindes, Tamon Norimoto.

>> Thank you, my name is Leon Kamura, I'm the president of San José JACL, and I would like to thank you all for the IPA selection process. I know that the IPA reports directly to you and I appreciate your oversight in that process. I would like to refer that I have sent you a memo back on May 15th and offering the services of San José JACL, we have a number of members on the board of directors of JACL, including retired police chiefs and former police chiefs. Specifically in regards to the time line for the independent police auditor I would like to reference the fact that you have the council meeting discussion to develop the community panel interview with to be determined date. I would just recommend and suggest that that input from the community panel occur earlier in the process rather than later, so that you can have some good value-added from the input from the community, during your review of the further candidates that come before you. So thank you again for your assistance and thank you very much.

>> Mayor Reed: Aaron Racindez, Tamon Norimoto, Sam Ho.

>> Good evening, mayor and city council. I'm over here again because IPA office has been important to me. You know I had an incident or we had an incident as a family last year when I report to IPA and after that process that I went through, you know for me it was frustrating that the IPA office couldn't do anything but do an investigation. And that's it. And also, with internal affairs, that you know, on their side, I know the investigation, and it's a big frustration for me and from the community, when we don't have a real IPA office. An independent police officer. Or police auditor. So I suggest to defer this and take more time in selecting a good, you know, police auditor that we need in this City of San José. Thank you very much.

>> Mayor Reed: Tamon Norimoto. Sam Ho.

>> I'm Tamon Norimoto, community issues forum I wanted to speak directly to the document in question right now overall in general I do support it. One particular line that I like it's on the very bottom where it starts the position, the role of the IPA is to provide independent oversight of and instill confidence in the complaint process providing outreach to the San José community and making thoughtful policy recommendations to the city council. The IPA works to promote accountability and to strengthen the relationship between the San José police department and the community it serves. However, in order to do that I believe the IPA has to establish a relationship with the community first and as we go out for the

selection process we really need to make sure that the candidates for the independent police auditor position really understands the diversity of this community and some of the challenges working with such a diverse community and many languages and large immigrant community. There's one particular line under ideal candidate that talks about some of the diversity that we have in the city. Solid record of community engagement and cooperative interaction with a wide array of representatives will be key. I'm really hoping that that particular sentence gets beefed up a little bit and talks about the diversity. I realize this is much more of a sales document because we want to have as many candidates come in and so we don't want to you know talk about all the challenges that we have but I definitely want to put this as an opportunity for someone who is best put to work for the best community in the country. I fully support this schedule although the dates may be in question and those are going to be in flux as I approach it. I highly encourage that we have an engaged community through the community panel discussion and when the independent police daughter is interviewed from this community panel consider doing it as an open meeting as opposed to a closed meeting. Thank you.

>> Mayor Reed: Sam Ho, Quinn Vuong.

>> Thank you very much for the opportunity to be here. And we're here because we care about the community just as you do for the office that you hold. And want to thank also for releasing the tape of Daniel Pham because it reveals when a person in that condition get 12 bullets it becomes a question of whether that was a matter of self defense or was it a matter of anger or was it a matter of hate William I think that's important for us to analyze and look at not only were they justified for shooting but also, why 12 bullets? When the IPA disagree with not 25 out of 99 excessive force complaints, 1 out of 24, when there was none, no complaints was sustained in 2008 and only two sustained in 2007 out of 117 that's less than 2% compared to 8% normal I think we really need to look at the way we do our business here. The IPA plays an important role but the question is how effective has the IPA been in the past several years when they don't have the power to make any difference there? And that be a question for us as we invest our money and energy and efforts of the community to ask how effective has it been and how effective can we make it and mainly how independent can we really make it? And I think we really need to take a really good look at this as we go forward because it will be next few years. So thank you very much for your time and I appreciate your help.

>> Mayor Reed: Quinn Vuong. That's the last card I have. Now is the time to get the the cart in.

>> Quinn Vuong, executive director of Ican, we work with Vietnamese families. Daniel Pham which cause a lot of agitation and confusion and fear in the Vietnamese community. Many people have called us and expressed their diverse communities out there to recruit a better, a good IPA, and in improving the overall system. Immigrants account for 60% of San José and Vietnamese account for 10% of San José and I don't think the city understands enough about the cultures and the needs of the immigrant communities out there. Let me give you an example. A city staff told this to me in my place at a meeting. We don't know whether Fung Ho came from, whether the Vietnamese culture respects the law or not. I don't know whether he was sensitive enough to know that was an insult to me and the Vietnamese community. I'm raising that because the city lacks cultural understanding and cultural sensitivity. I would like to see more processes in place to promote the cultural exchange, the engagement with the communities out there. Thank you.

>> Mayor Reed: That concludes the public testimony. Going to have some time for council discussion. I'd like to start by suggesting a couple of changes in the a solid record of community engagement and cooperative, working with the diverse community as suggested this evening, so a solid record of community engagement, working with a diverse community and cooperative interaction. And then the other one I would add at the end of that section for the ideal candidate, a master's degree or JD or desirable, I would add, experienced civilian oversight as desirable. Those were a few that came out tonight, I would like to add those and ask what my council colleagues think about the suggestions. Councilmember Nguyen.

>> Councilmember Nguyen: Thank you, Mr. Mayor. I'd like to thank members of the public, your input is extremely valuable in order to help us move forward with this process. I wanted to ask staff or maybe a representative from Avery about the committee meeting that took place on October 15th. Can you share with the council what type of meeting it was, was the input helpful to you as you moved forward this recruitment process?

>> The October 15th meeting scheduled at the Roosevelt center was not attended very well. As a matter of fact, we didn't have any participants come to the meeting. Part of that was a scheduling challenge that resulted in a bit of late notification. But we also had established an e-mail address asking folks who might

not be able to participate to forward any comments they might have via e-mail. And that e-mail box continues to operate today. Today we have received two inputs from that e-mail address. Additionally, we have taken the opportunity to start to call various members from the community. We started with the IPA advisory committee and began starting calling some them. And we also selected some individuals from the public intoxication task force to reach identity as well. Additionally, they received an e-mail notice indicating that this e-mail address was available for feedback as well. It's important to reach out and talking to folks because we feel it is valuable as well as important through the vetting process to really get a good sense and keep a focus on what is going to be important, and what is important to the community. And I will share that most of the inputs thus far have been very consistent with the job announcement, and really seem to convey several themes that have been brought up tonight, including if I may just take a minute and share some of the input. The fact that this is the under police officer requires a high level of integrity and fairness, that community was quite important, there needed to be a good connection, and outreach, to the community. A style that reflects a high level of diplomacy and skills politically understanding the community of San José and the politics of San José and yet not engaging in politics. And as well having an understanding of how law enforcement works. Those seem to be the common themes. There hadn't been a lot of disagreement about those across the board.

>> Councilmember Nguyen: Thank you. I just wanted to follow up. So far up to today, no one attended the community meeting, you have two e-mails from community members in your e-mail box. I guess my in which question, how long will you continue to do outreach? Let's assume we approve this matter tonight, let's assume you continue community outreach and for how long?

>> Yes, I would like to connect with all members of the advisory committee, there are certain key members within the general community that we'd like to connect with as well. So that will continue. I will share that we did speak, waiting a call back. So we over this last couple several weeks we have been active and will continue to do so even as we go into the early outreach stages.

>> Councilmember Nguyen: Thank you. You know, the process of selecting the new IPA has gone a long way. And I understand that there are community members who want to delay or defer this item. But I think we need to move forward with it. It's been several months now. We definitely need to get an IPA in place. There are issues and concerns in the Vietnamese community as well as the other ethnic communities. At this time I would like to make a motion to approve staff recommendations with the amendments that Mayor Reed put forward previously, thank you.

>> Mayor Reed: We have a motion to approve. Councilmember Liccardo.

>> Councilmember Liccardo: Councilmember Nguyen put it well. I'd just like to add, I think the idea that we might work on the role of the IPA and the scope of the IPA's authority is one that could occur concurrently with this effort to reach out. I'd hate to hold up the hiring of the IPA for us to be able to work out all these complex issues. We know we've made that effort in the past back in '07 it's a very lengthy process and not one that can resolve overnight. I think we need to work in these two issues in parallel. I'm mindful of the concerns the community has whether or not we can attract a good candidate knowing that we have an office that is very limited in scope right now and I think a lot of people would like to see a broader authority in terms of scope. But those are the issues. A candidate who is looking at this position has got to understand there is a whole lot to this position, beyond the minds of the charter or the council. Taking the mind of the community and being able to be in authority in community to speak out in areas of police oversight. So I think this is going to be an attractive position regardless and I think we're all aware of the limitations here, but the urge reasons to have an IPA in place, I think Shivaun has been doing a wonderful job of the interim IPA, I'm sure she would like to give the job up so she can go on to a more normal life. Thank you.

>> Mayor Reed: City Attorney had a suggestion on -- one of the items we're to approve tonight is the draft conflict of interest form, and he had suggestion on the language on that. You might want to include that in the motion.

>> City Attorney Doyle: Briefly, I think looking at the draft conflict of interest form, where it says I hereby disclose any relationships, so that it's clear, items are past or present relationships, just to make sure you're not covering just current --

>> Mayor Reed: Is that okay with the maker of the mowing?

>> Yes.

>> Mayor Reed: And the seconder? So the motion is modified to take care of that language question. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I was going to make the exact suggestion Rick just made. I appreciate that. I will be supporting the motion and mayor I appreciate the amendments you made, they're appropriate. Certainly appreciate all the community members that came here today, and I think Timon Nomoto highlights some of the important sections that are listed here, and I think ultimately the IPA should certainly be a tool for the community, to express grievances to be a tool for the community as far as education and outreach. But I think the most important component, really, is the work to strengthen the relationship between the police department and the community it serves. And so I think whether it's in the way of streamlining processes to open lines of communication with the community, whether it's clearly, if there's any conduct that's inappropriate, clearing that's one role that the IPA can play a role in. But ultimately it is creating an environment where we can strengthen the community's relationship with the police. And so I think the IPA plays such a critical role with that and the person who comes in certainly will need to be someone who can jump in as Raj had said, someone who can jump in and facilitate that right away. So there was a question raised as to whether the person is going to know the issues here in San José. I think anyone that applies that doesn't know the issues we're clearly facing won't be a candidate that would strongly -- in my opinion, they would have to understand what they're stepping into? But have some kind of strategy how they would go about implementing the positive changes that we all would like to see. In terms of the community panel some it's already been recognizes as something very important that the public cannot only see how we deliberate the situation, but obviously the public will have input as well, on the most formal, community level, certainly that won't be the first or last time for public input but hopefully there will be lot of community engagement and in terms of the time line I agree that we should go forward at this point, however I certainly, this has been a position that's been vacant for some time as far as a full time position or permanent position and you know I think the time line looks fine right now but I think we always should be open to the fact that anything that comes up that we feel would be valuable, for whatever reason, to extend any portion of this -- of the time line, any of the activities that are occurring, and there's a need to do that certainly let us know and I certainly would rather go through a process that we feel is fully vetted and we feel is complete and make the decision at that point rather than stick to the time line we're approving today just for the fact of sticking to a time line. We all agree we need to move this forward, let's move it on if there's a need for any analysis in any much these activity I think we all agree that it would be more important than strictly sticking with a hard time line. Thank you.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor, with some modification and with the emphasis on diversity language, I will be able to support a motion, but I am concerned about the outreach period that's set during the holidays. This may or may not be an advantage but I know that the schedule changes during the holidays. So question, is this possible or is the maker of the motion amenable to accept a friendly amendment to extend the outreach period for at least two weeks? To ensure that the outreach as many candidates as possible? And that's my first question. And the second one is the -- you mentioned when your October 15th community outreach. Have you tried to do it in different languages like in Spanish or Vietnamese so we can kind of cast our nets a little bit wider? Or do you plan on doing that or provide some translations or using some of the Spanish language media or Vietnamese language media or Chinese language media so you can reach out to a wider audience?

>> If that's the desire of the council we can do that, we can absolutely facilitate more meetings if that's the desire to do so, if you provide us with that direction we can facilitate that.

>> Councilmember Chu: That would be great. And regarding to extend the period for a couple of months, or couple of weeks, I wonder if the maker of the motion will accept a friendly amendment?

>> Councilmember Nguyen: Councilmember Chu, I am going to really leave it up to the representative of Avery to answer that question. We have on here, from November 20th to January 8, 2010. If you think that's appropriate, then that's fine with me. If you think two more weeks is going to help us get nor input, it's really up to you.

>> Councilmember Chu: My concern is this is over the holiday season.

>> Yes, absolutely, we have two holiday weeks that are incorporated in that time frame. It is a bit on the short side. We would be equally comfortable going with January 22nd as a close date. That would certainly allow us to continue our outreach efforts, as well as if so desired by council, to conduct additional community meetings.

>> Councilmember Chu: Great. So I'd like to make a friendly amendment to conduct additional community meetings in different languages. As far as extended the outreach period to you say January 21st?

>> Councilmember Nguyen: January 22nd if you want two weeks.

>> Councilmember Chu: January 22nd.

>> Councilmember Nguyen: That's fine.

>> Mayor Reed: Okay with the seconder on that motion? Councilmember Liccardo, 22nd? That by definition then will change the date for the council meeting, that will push it out to some later date. As soon as we calculate what that is, you'll do an update of this time line? And is this, will this recruitment time line be posted somewhere so anybody that wants to look at it can see it any time like on the Internet I mean, on the Web page?

>> Yes, Mr. Mayor, we can do that.

>> Mayor Reed: I think that would be helpful because a lot of dates on a lot of actions it's hard to keep them straight without a program. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I just want to thank the community for coming and for sharing your input. I think it's gratifying that some of the comments are being incorporated in what we're voting on now and I know you are taking notice of that and I just encourage you to come to the meetings and to be involved because it's very hard to have the community input as we move forward in this process and I will be supporting the motion.

>> Mayor Reed: We do have a motion to approve with these modifications. Before we vote on that I want to thank our interim auditor, Shivaun Nurre who is with us tonight and all of her staff for all the work they continue to do. I'm just hoping as we extend the schedule out a little bit further and a little bit further that Shivaun will continue as the interim for longer and longer periods. But I won't ask her that tonight. We do appreciate the office and its work that it continues to do. On the motion to approve, all in favor? Opposed? None opposed. Before we leave this item, the -- in case people don't already know this, the council has previously approved the process we are going to use, and basically it is -- almost all of the decisions will be made right here in the council chambers, in a public setting, that includes approving the screening criteria for when we get down to a pool of candidates and appointing, discussing and deciding what kind of community panels we should have and appointing people to those panels will all be done in a session. Dates to be changed based on a revised schedule but those will be decided right here in public. With public input. That completes that item. We'll now move into the annexation issues. We have four of them on the agenda tonight. We'll take each of these individually. Some people testify on them if three wish. The first one is 4.4, reorganization annexation of Franklin number 54. Which is generally bounded by Lewis Road to the north, Monterey road to the West, Singleton road to the South and Sunburst Drive to the East. I have one request from the public to speak on that. Does staff have any additional staff report?

>> Joe Horwedel: Mr. Mayor, this is the last stage in the annexation process. We have been before the council to prezone these lands and then to initiate the annexation. A reminder for the public that this is as a result of the city-county agreement for annexation of county pockets pursuant to the state legislation that allows cities statewide to have a streamline process for annexation of pockets into cities, and that we are doing this at the request of the county.

>> Mayor Reed: All right, 4.4, public testimony I have Clyde Archie Ross. Please come on down. If anybody else has a wish to speak, please get your cards in now.

>> Good evening. Thank you for letting me speak here tonight. I'm concerned how this annexation is going to impact my family and my property. I have the lowest property on the street. I'm concerned about drainage. Sidewalks, I have two driveways. Our family's been there since 1946. We've had a nice, wide open space. In 1997, the city built a private association next door to me. And I feel that the property was raised two feet unfairly right next to my house. Within 14 feet of the side of my house. And I don't want to see something like that happen again. I've got a fence 14 inches from my PG&E meter which is totally against green codes, and the city allowed that and I'm wondering what the city is going to allow when they come in to build the sidewalks, and how it's going to impact. I'm against the annexation, I was back in 1996, and I still am. We bought in the city -- I mean we bought in the county and we should be able to stay in the county. We have wires coming from poles, wide-open spaces, trees, birds, we'd like to keep it that way. I would. Anyway, I'd just like to say for the record, I'm against it, I'm concerned, about increased tax for properties because we're pretty well strapped now.

>> Mayor Reed: Your time is up. Next speaker on this annexation is John Serrano.

>> Good evening, mayor and council. This is the first time I've done this so excuse me. I'm against this because apparently, when the city comes in they're going to be building sidewalks, and they're going to it them, right, am I correct?

>> Mayor Reed: When you're done I'll have staff answer some questions.

>> I'm on disability and I can't afford all that. So I don't see how, you know, I'm going to be able to pay that. You know, that's what my understanding was that once the city comes in they're going to put sidewalks in. They're going to I guess pass -- I mean send you the bill. That's my concern. So I'm against that which is kind of late anyhow. That's it. So ask him?

>> Mayor Reed: No, I'm going to ask him.

>> Oh, you're going to ask him.

>> Mayor Reed: Yes, as soon as you're done. Okay you're done. That concludes the public testimony on this.

>> When do I get my answer?

>> Mayor Reed: Right in about 30 seconds. I'd like the staff to comment on a couple things, one ask to answer the question about the sidewalks but more generally to talk about what will the city do when the annexation when I'd like to give you more detail with about why we're doing this and the regulation to the city.

>> Joe Horwedel: Thank you, Mr. Mayor. It does not trigger the city coming out installing sidewalks, curb and gutter, storm drainage. The standards that are in place today will remain into the foreseeable future. That the city does do a limited amount of those types of improvements citywide. But the amount of demand for exceeds our ability to upgrade these county pockets, where the county did not install to improvements. The city does not have an ordinance that requires homeowners to install those improvements. We have talked about that from time to time. We do not have a requirement. So even if the homeowner wanted to do an addition to their home it would not trigger the installation of sidewalks or storm drains or those types of improvements. So the way it is today is the way it will be in January when it is annexed into the city. What will change with the annexation is that the city would be the provider of police service, of fire service. The services that residents use for library and parks, I think in this area, we already are providing those services. The county does not provide those separately. If there are issues that the neighbors wanted to call for code enforcement, they would be calling the city for that and would not be calling the county for those services. The garbage service would switch over at a future date we do coordinate with the county and the haulers so that that happens on a coordinated basis at one time rather than an ongoing basis. This is an effort that the city did not initiate this program. This is a result of years of discussions between the city and the county. The county has been very clear that they are not in the ability to provide urban services to these pockets around the city, that they are focused on serving the social needs of the community at a county level and that this type of development belongs in the city. That is whether it's in San José or Cupertino or any other of the cities in the region. This has been going on countywide for the last five years. San José has been working at this at a little slower pace than the other cities and that in one more year we will finish all of the pockets less than 150 acres which was our agreement with the county. Ultimately we are looking at bringing in the larger pockets bigger than 150 acres around the city but that will take additional years and changes in state legislation but it is an agreement between the city and the county as a result of litigation that the county essentially forced us to do this program.

>> Mayor Reed: City Attorney.

>> City Attorney Doyle: I just wanted to go back a little bit further in history that the original agreement between the county and the city back in 1993 contemplated these annexations. It was contemplated in 2003 and 2006, a greater commitment to accomplish those annexations that we had agreed to move on back in 1993.

>> Mayor Reed: Thank you. Any other council questions or discussion on this item? We need a motion. Motion is to approve and adopt the resolution on the reorganization, annexation on Franklin number 54. All in favor? Opposed? None opposed, that one is approved. We'll now move to 4.5 hearing on the reorganization annexation of Franklin number 55 which is basically West of East Capitol expressway, East of Monterey road, south of Southside drive and north of Rancho drive. Are there any requests to speak on that item? I have no cards on that one. We have a motion to approve the resolution in this matter. All in favor? Opposed? None opposed. I have no cards. If you want to speak, physical out a card or I'm going to blow right past it. If you want to speak on that one? That's why we use the cards, make sure I don't miss somebody. I don't need the card. We do the cards in advance. Soettes more organized.

>> I did, you turned them in but he didn't call.

>> Mayor Reed: There are four of these, maybe we got them mixed up. Go ahead and testify.

>> Good evening, mayor and city council. I just wanted to voice some of the opinions from my neighborhood. I attended one of the annexation meetings. By the way it wasn't a bilingual meeting, it wasn't held with any community outreach that Councilmember Chu is in favor of, which I was kind of surprised, because there were many Mexican and Vietnamese people that showed up, and they didn't quite jibe with the English speaking city people. So I wanted to provide some feedback, hopefully it'll be healthy feedback. I e-mailed about five pages of individuals who, voting neighbors of mine who signed a petition to go against the annexation. And primarily, it's because we all enjoy -- all understand that there's going to be changes, and overall, we believe that there will be taxes that will be increased, and with not appreciable increase in services. How they respond to our community I understand the reasons of the annex. There's fewer contracts, smaller contracts that you have to deal with. The consolidation makes sense to me. I put on my card that I'm neutral on this, kind of a wait and see. But I wanted to let you know that there were at least five pages about 50 or so individuals who were against it. And I think that the council needs to hear that. A lot of the folks, including myself, enjoy the idea that now we get to participate, just like this, in the future and I look forward to it. If this is going to be -- and I just heard it was adopted so thank you very much.

>> Mayor Reed: Thank you. Well, we haven't counted the vote yet. Just like to say again we're doing this because of our agreement with the county. I know you love the county, the county loves you, they just don't want to provide services to you. So we're going to do that, and it's going to save the county money, and they need the money, so we're happy with you joining San José even though you don't want to. That much we understand after about 25 of these hearings, we kind of figured it out, but we're doing it because of our agreement with the count. So on this one, this is Franklin number 55, we have a motion to approve the resolution. All in favor, opposed, none opposed, that one is approved. The next one is a hearing on the reorganization annexation of parker number 27. Which can bounded by samaritan drive acknowledge union avenue to the West, Wilma way to the West and Rosswood drive to the South. Anybody wish to speak on that one? Have no cards on that one. Have a motion to approve the resolution. All in favor? Opposed? None opposed. That one's approved. 4.7, is a reorganization annexation of Sunol number 82. We have a motion to approve. Let me describe where that is. In case anybody wants to testify. South side of park avenue, West Side of McEvoy. North and south sides of West San Carlos and east side of Meridian. I'll take those now, M. Craggs, Mary Fortune, Chet Lockwood, then Sam Blackford and Terry Bellandra. Please come on down.

>> Good evening, Mr. Mayor and councilmembers. My name is Myra Craggs. I'm here to complete the annexation of the entire Sunol 82 county island consisting of 82 properties. I look forward to having that process conclude without further delay. Especially given Joe Horwedel's memo, which points out if City of San José might lose out on \$8.5 million of federal money, that's a big number to me I'd like to see it come in and second there was a letter from Sunol sanitary district which pointed out perhaps if things didn't move forward they would be short funded not able to repair a major sewer break if that should happen and that would not be a nice way to end the party. So I look forward to moving forward with that with the utmost expediency. Thank you for your time.

>> Mayor Reed: Mary fortune, Chet Lockwood, Sam Blackford.

>> Good evening, mayor, members of city staff, Mary fortune. I'm representing my parents, George and Adele Fortune. We look forward to the annexation of this issue and we're very excited about the economic opportunity this should include a surge of economic development and perhaps envision this area becoming San Carlos road East. Thank you for your decision. Good evening.

>> Mayor Reed: Chet lockwood.

>> Chet lockwood fiesta lanes action group. Here to recognize the hard work that planning staff and the council has done on these issues. Since the major expenditures have been made we feel it's best that this be approved and we appreciate your approval here tonight. Thank you.

>> Mayor Reed: Sam blackford Terry Bellandra.

>> Good evening, council and mayor, thank you for this time. My name is Sam Blackford and I'm a tenant and business other than within the Sunol 82 property in question. As a neighbor we would like to encourage the council to stay the course, maintained the original plan of the 282 parcels for annexation. We feel a deviation from the original plan would be counterproductive and could affect the continuity of the original plan. Thank you very much.

>> Mayor Reed: Terry Bellandra.

>> Thank you Mayor Reed and council we are in support of you following through with your commitment to the community to conclude without exception the annexation of Sunol number 82 in its entirety without

further delay. I have attached the signatures of the following commercial and business property owners who were involved in the successful formal protest of the former Sunol court development. They wish to be on record looking forward to the annexation conclusion with the protested property parcel remaining zoned CP and CIC as per your council vote on September 22nd and for you'll the reasons that our district 6 councilmembers Pierluigi Oliverio state so eloquently at that council meeting we look forward to the thoughtful economic growth and future development of this area as the gateway to downtown and the upcoming vibrant Diridon area. By protecting our existing commercial industrial lands we will provide for San José's future economic growth. Thank you very much.

>> Mayor Reed: That concludes the public testimony on this item. Councilmember Liccardo.

>> Councilmember Liccardo: I hate to say anything when people are saying such positive things about annexation, I don't want to rock the ship any but I had a quick question for Joe. Do we have any idea what the cost to the city is for the county's failure to bring those 15 streets up to standard? I see that referred to in the supplemental.

>> Joe Horwedel: Yes, I received an e-mail today from Hans Larsen that he had been in contact with county roads and it is still their intention to do those improvements. They were counting on the moneys from the state, the gas tax moneys that those were delayed and when those moneys show up that it is our understanding that the county roads crews would be going forwards or they would be moving the money to us but that those road improvements would be happening. So we are -- Hans was feeling pretty comfortable that the county was continuing to live up to the original agreement, or the county was going to move forward.

>> Councilmember Liccardo: They are either going to do it or give us the money?

>> Joe Horwedel: Yes, they were going to do it with county road crews but we're talking about a service agreement with them so there wasn't an issue with the county so I don't know the particulars with that piece but it was one that everybody was in agreement of the goal but the mechanics of how to make it happening.

>> Councilmember Liccardo: That's encouraging. I'm glad someone else is pointing a fingers to Sacramento too. Thank you.

>> Mayor Reed: That concludes the testimony on this item. We have a motion to approve. All in favor? Opposed? None opposed, that one's approved. That concludes the annexations. We're going to move to general plan public hearings. Which is item 10. I see there are no general plan hearings at this time.

>> Joe Horwedel: I was worried.

>> Mayor Reed: Okay, well, we won't do that then.

>> Joe Horwedel: We have two items on consent calendar, 11.1.

>> Mayor Reed: Okay, let's take up the public hearings on consent calendar, land use items, two items on 11.1, motion is to approve the consent calendar. All in favor? I have -- I'm sorry I have one card from the public to speak one of these. So let's back up. And take some testimony on 11.1A. So we'll pull that off the consent and that is -- the motion then would be to approve 11.1 B. I have a motion to approve that, all in favor, opposed, that one that's approved. 11.1 A, PDC 09-017. Gordon marshal.

>> Hello, mayor and councilmembers. I my name's Gordon marshal. I'm concerned with the number of parking available in PDC 09-017. Parking will be reduced from 1.75 to 1.5 spaces per unit. New multifamily developments require 2 spaces per unit. The reduction of current parking is why I'm against PDC 017. Many prospective tenants ask, where do I park? Please amend PDC 017 to eliminate its reduction in current parking and help other buildings add more parking. Thank you.

>> Mayor Reed: Any other testimony on that? That was the only card I had. Is there a motion? Motion is to approve item 11.1A. All in favor? Opposed? None of opposed, that's approved. We have two other items on the land just calendar, item 11.2, rezoning property on the West side of north 10th street. We have a motion to approve. I have one request from the public to speak. Eric Shanehauer is here available for questions, declines to snatch defeat from the jaws of victory, let the record reflect that. Anybody else want to speak on this? I see no cards, no lights from council. All in favor, opposed, that's approved. Taking us to 11.3, rezoning of ream property on north side of Ford road.

>> Joe Horwedel: On this one I would like to make a few comments, Mr. Mayor. In the staff report, we did actually have an error. Let me which page? It's at the top of page 6, it's talking about the preservation for employment lands and unfortunately staff short-cuttet the answer and I think it's not a complete answer. In it we said that the policy only applied to general plan amendments and since this was a rezoning that the employment land framework did not apply to it. Were this not asked to use one of the

alternate use policies that would have been a correct answer. We are asking to use the alternate use policy to put housing on a site that's designated as office. And so under the employment land framework, the site would need to comply with the policy. And in staff's opinion it does comply with the policy, that it is a small isolated remnant commercial parcel, that does no longer suitable for commercial uses and it may be considered for conversion for affordable housing as per how the council approved the policy. The policy does say that we need to have no net loss in employment lands. And since the adoption of the framework, staff has brought forward a number of general plan amendments to the city council, that more than offset the amount of jobs that would be offset, or that could have occurred on this site. Specifically, that we have done conversions of 2.17 acres to general commercial, .36 of neighborhood community commercial and .69 acres of office space a total of 3.22 acres. We have done an almost an additional 6 acres on the Alum Rock avenue to do additional housing. So in finding conformance with the framework, we believe we have more than offset the loss of employment on this site. What I would offer to the council is we are working on another general plan amendment for some projects coming forward and as we bring that forward in the next couple of weeks I would bring forward to the council an actual accounting of all the general plan amendments that we have gone from housing to employment, and then which of those would be utilized for this site, so we don't get double counted down the road so there's clear accounting in conformance with the policy but staff is recommending approval of this rezoning, we do believe it is appropriate use ton this site and is fully consistent with the framework.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor. So Joe on that so four months ago where we had that other item come where we were trying to get the conversion of land in my district, we offset this --

>> Joe Horwedel: Right.

>> Councilmember Oliverio: Since then there was a change of viewpoint but also these other conversions that you're talking about?

>> Joe Horwedel: At the same time as that other general plan was turned down we were approving other from general plan to commercial. South the original request that the council declined was specifically one that we were targeting for this project and another affordable housing project was moved forward but we had already banked if you will employment land capacity on other amendments moving forward. What we're telling council tonight is you can if you are inclined to approve the zoning, you can in good standing it more than meets the intent of this framework. And more than meets the framework.

>> Councilmember Oliverio: Joe, are you maintaining this bucket out there?

>> Joe Horwedel: We don't have an official list of what's again approved tonight. We were doing a little bit of scurrying tonight, when we realized we hadn't dotted that I correctly. We realize we do have some more conversions to employment land from residential that we would account for those and there is a proposed conversion from employment lands to residential for another affordable project.

>> Councilmember Oliverio: Okay, I appreciate that. And you know, this topic answer come up multiple times before and it's not that I have -- we need to provide housing for everyone in this community. But I don't think we can do it in absence to understand how cities are financed. You know, these projects in this case, especially when it's built by nonprofit, doesn't pay any property tax. There's no way to pay for continuing services that we need to supply for our residents. So I mean, City Manager Ed Shikada, tell me how this makes fiscal sense. I know it makes sense in the heart. But you don't pay park fees or the building and construction fees, the fees that pay the roads. How does that work from a physical perspective? It sort of is, I'd like you to answer this. We've had this come again and again. We have to take care of everyone in this city. If I don't have a revenue source, unless everyone guarantees to use their lights on 24-7 and I can get some utility taxes to pay for some of the servicessists very difficult.

>> Ed Shikada: Councilmember Oliverio I suspect this would be a good example of the kinds of policy choices that the council has, prior councils have made. And that this council and the city's organization is currently working within. Again as we come forward with our upcoming fiscal year budget process it will give us another opportunity to highlight some of those policy choices for the council.

>> Councilmember Oliverio: And I hate to be always the bearer of grim news but you have to say it. It's just obviously there, we sit with these all the time on how we finance our city. All cities try create land use to generate sales taxes. On the heart it feels good, on the fiscal, on the general ledger it's a net loss. But I look forward to everything in the future. Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Pair, you indicated there were speaker cards on this?

>> Mayor Reed: Yes, there are speaker cards.

>> Councilmember Kalra: I'd like to reserve my comments until after I've had the opportunity to hear the speakers.

>> Mayor Reed: All right. Councilmember Liccardo.

>> Councilmember Liccardo: Joe, with regard to the employment lands, Councilmember Oliverio did raise an issue that I did have some concern about which is if we're saying that there's a certain allocation of employment land as been created by virtual of creation from residential to commercial, how do we decide which project that benefits when it comes time for a housing project to come along and try to fit in under the policy?

>> Joe Horwedel: We've never had that conversation. That is one of the things that staff knew that we would need to deal with at some point. So this is kind of calling that question. So right 90, we're trying to build the list of just what is even in the inventory of potential credits. They're out there because the next logical question, everybody and their brother is going to want to go through and start using that as the rationale to approve the projects. We've had some discussions on one particular area in Councilmember Oliverio's district, the framework is something about our fiscal health as a city but it's not a replacement for good land use decisions. So we need to go through and make good land use decisions. What is the right land use on the property and then go through and ask, is that something that fits with the framework? But because it fits with the framework doesn't mean that then it's a green light of land use regardless. Because you can have total consistent framework and have the absolute worst land use decision. Is the council interested or inclined to approve affordable housing on a site you've made previous decisions to make to buy the land with affordable housing dollars. So from planning standpoint, it is our presumption that the council is interested in developing affordable housing on the site so we'd rather looked at how to facilitate that decision that was facilitated several years ago. So that's why we kind of put together the list of projects that have already converted the other way. But it is something that staff's very sensitive about that you know a private developer that's wanting to go through and essentially if a market rate developer wanted to do the same project would there be the same answer to it? I think in this case this is a site that's adjacent to neighborhood, it fronts onto a residential street, that it's kind of a challenging location back in there. It's old freeway right-of-way that never has had an office use on it. So you know it is something that is kind of a unique site and it was bought with affordable housing dollars long before the employment framework was ever done. So it is already deed restricted for affordable housing.

>> Councilmember Liccardo: Okay. And I appreciate that we sort of backed into this answer to some extent. But when you describe this as a remnant parcel, I didn't -- when I look at the overhead it doesn't strike me as remnant. It's a major use or significant commercial use. You know, your point is well taken, there's certainly residential around many sides of this, it's just not self-evident to me that this is what you call a remnant parcel, seems to me it could go either way, is that fair?

>> Joe Horwedel: I think that would be an argument to be made. So it does directly about the back side of that shopping center, that you know you could go through and tear down parts of it so that it actually connected. But the way that shopping center is designed is that it totally backs up to this property. Back in my younger days I did that shopping center design.

>> Councilmember Liccardo: Okay. Well, I'm inclined to support this, despite my concerns and reservations about our consistency under the policy. Particularly knowing that there's a target rich environment out there, developers who would love to be able to claim jobs that are created by past conversions that they may have nothing to do with just as this developer would. And we understand there's an interest in affordable housing and there's certainly some argument to be made, you have a residential area at least certainly to the East. I guess we really need to have that conversation as to who gets to lay claim to what jobs.

>> There's a larger policy decision or discussion that we need to have as a community about you know, who has rights to that, how are we going to decide who gets the benefit from those. At the end of the day, it really is going to become a policy decision that the council I think will have to make.

>> Councilmember Liccardo: I'm glad you raised the issue at the top of page 6 because I was a little puzzled by what I saw as well. With regard to the tax revenue issue we build schools, certainly -- well we don't build them, other folks build them for us. We have nonprofit health clinics, we have lots of land uses that don't necessarily benefit us fiscally, but we think they're important in the community. I believe the fiscal issue is an important one but it's not the last one to ask. Thank you Joe.

>> Mayor Reed: I had a couple of questions about the staff explanation, and I'm reluctant to move ahead until we get clarity as to what the bucket is that I've never heard of before. And I very much want to avoid

having the camel's nose under the tent with employment land conversions, because you can be sure that by tomorrow, every developer in town will be looking for the site that they can justify somehow based on whatever's been done that nobody knows what the number is. So I think we're setting off another land rush here and I really want to avoid that. We have worked long and hard over the employment lands framework and I would at least like to have a supplemental staff memo on this project that clarifies what actually is the rationale for it. And so that we don't have the statement in there that staff has clarified orally, we at least have something in writing so we don't have everybody assuming things that are incorrect. And then, the other piece of it just has to do with the actual policy. And could you restate the actual policy dealing with low income housing and how it is discretionary alternate use policy supplies here?

>> Joe Horwedel: Sure.

>> Mayor Reed: And it's not just affordable housing, the policy is more specific than that if I recall.

>> Joe Horwedel: Yes, and one of the challenges ultimately that we will need to go through and kind of clean up the policy is we've never gone back and reconciled the original policy and then the two memos for approving it of how they all line back together. I think the relevant starting place is that the framework talks about retaining citywide job capacity. And that sites in the area of the city other than Coyote valley, north San José, Monterey corridor redevelopment project areas and the Evergreen industrial area may be eligible to convert from employment to nonemployment uses only if there's no net loss of total job capacity within the city and there's an extraordinary economic benefit. And then going on, to the extraordinary economic benefit talks about provisions of affordable housing park related improvements are things that by themselves -- if you were part of a project interdevelopment area those are not qualifying as extraordinary benefit but there is a separate provision that says that a -- find it here -- that in the memo that adopted and approving the policy that small isolated remnant commercial properties that are degrading neighborhoods and have no longer suitable for commercial uses may be considered for conversion, for affordable housing, which include extremely low income units and/or school assembly uses and public or quasipublic uses, and that was included in that use, and staff was to identify such remnant parcels to permissible size that. That is some we have done some remnant of but have not done a citywide assessment of that.

>> Mayor Reed: Let me stop you there, you said extremely low income.

>> Joe Horwedel: Extremely low income.

>> Mayor Reed: There is a difference between affordable housing and extremely low income. Will this project have extremely low income housing in, which I don't know the answer to.

>> Joe Horwedel: Let's see what the level of affordability was. If the applicant was here they could jump forward and answer. Right now we have a zoning requirement of 100% affordable but that we don't specify a level of affordability which is typical for an affordable project that we do that through the funding agreement itself. So I don't know if eden housing is here to --

>> Mayor Reed: Is anybody here from eden housing? Why don't you come down and help us out here. Tell us what you're trying to do on that site.

>> Thank you, Mr. Mayor, Linda Bandolini. We will have extremely low income housing set aside in this project. 20 of the units are for extremely low housing needs, typically 30% below the median income, and typically between 20 and 30% we're still working with the housing department on that number, the specific number.

>> Mayor Reed: Okay. Thank you. Anything else on the policy itself, Joe?

>> Joe Horwedel: No.

>> Mayor Reed: We do have some requests from the public to speak. Councilmember Liccardo, do you have any further questions? Debra Berthold.

>> My name is Debra Berthold and I'm here to talk about the home thing and like the process of all of the things that are necessary to do so. And I think it's very nice for you folks to do so, and I think that the fact that we can use our improvements, but we're getting there, eventually. Shortly, but eventually, yes. And I think that it's all right to say that the fact that current sponsors of the staffs that I know should be cheered on. Very much so. So I thank you for your time and your efforts.

>> Mayor Reed: Cheryl Huett. Followed by Shiloh Ballard.

>> Good evening, my name is Cheryl Huett. I live in a low-income supportive housing development. With 16 other people with developmental disabilities. Our development has become a home for all of us. We are able to participate in the community, but we also were aware that there are a number of people in our

situation that don't have the opportunity that we were given, and we would like to see as many people with disabilities have the same opportunities that everybody else is afforded. Thank you.

>> Mayor Reed: Thank you. Shiloh Ballard and misty Mersich. After that, will be frank Ibara and Linda mandolini.

>> Good evening mayor and council. My name is High Lowe Ballard. I'm here on behalf of the Silicon Valley leadership group. We are in support of this development proposal. Think it's a great location near Monterey highway near the CalTrain line. I actually live in the neighborhood so it's exciting, I get to support something in my backyard for a change. And with that I also wanted to mention a thank you to Councilmember Kalra and note that I have heard from a few different developers, that you have played a fabulous role in being a great liaison to the community, representing the community well, being a conduit of information, bringing the community along and communicating those issues to the folks you are representing so thank you.

>> Mayor Reed: Misty Mersich, frank Ibara and Linda mandolini.

>> I'm misty Mersich on behalf of the greenbelt alliance. I want to support this for a couple of reasons. Infill location, secondly the proposal provides homes that are 100% affordability including 20 homes for mentally disabled residents of very low income and this is often an overlooked and underserved population in our community. And this is made possible through the developer's impressive efforts to minimize excessive parking and provide the right amount of spaces for a project of this nature and finally we feel that the city council should take note of the strong inclusive community outreach process that's been undertaken by the developer. I'd like to point out that Eden housing has conducted an outreach process during the past year including getting design feedback from community stakeholders and the Silver Leaf neighborhood coalition so I'd like you to encourage you to support this development. Thank you.

>> Mayor Reed: Frank Ibara followed by Linda mandolini.

>> Good evening and thank you mayor and councilmembers and our own Ash Kalra district 2. My name is frank Ibara I'm president of the Silver Leaf coalition. We represent residents in the Silver Leaf, Blossom Hill on the north and bordered by Monterey on the left. Outreach to our community answering questions and concerns as well as proactively incorporating the community's comments and feedback into the plans for development for several SLV board meetings, held at the Edenvale library. The SLC some strong neighborhood initiatives SNI for this neighborhood, to convert a vacant former parking lot blighted by years of neglect into our community. We definitely support this project however we would like to ask city council to add into this project the beautification of Ford road, the SLC, specifically asks for median strip, street trees, flowers, bulb-outs, street parking or a combination thereof, that will make this very wide road, Ford road, a little bit nicer. We look forward to continually working in partnership with Andrea, the different scenarios that we just mentioned. In closing thank you again for this opportunity to speak and I want to say to Andrea Osgood and Eden housing, welcome to the Silver Leaf neighborhood. Thank you so much.

>> Mayor Reed: Linda mandolini once again from Eden.

>> Thank you, Mr. Mayor. Members of the council. I too want to say thank you to Councilmember Kalra for his leadership in helping us work with the neighbors. I can't comment on what this site was before, what it should be other than to say we won a contest to develop a site based on a very successful project we did on Monterey road which included family housing and housing for people with special needs. The children who live in that property as Councilmember Chirco and Kalra can attest to, are going on to college and becoming doctors and lawyers and really getting a chance because the city is committed to building affordable housing in this community. We have done a lot of work to get to this point, to develop a really terrific development. I want to thank the Silver Leaf neighbors who maintain an open mind. And worked with my staff throughout the process to fashion a development we think will be a good place to live and good addition to the neighborhood and we'll eliminate a site that is I think kind of an eyesore. We stand to move forward if you approve this this night and we look forward to working with you and I would like to thank housing both in community and in housing, to help us move this forward. Thank you.

>> Mayor Reed: That concludes the public testimony. Councilmember Kalra.

>> Councilmember Kalra: Thank you mayor and I want to thank all the speakers coming you out and I certainly share some of the concerns. Some of them were raised and I'd be happy to add to my motion mayor that your comments that there should at least be a supplemental report clarifying the language with regard to employment lands, something in writing would be important, it would be important to have facts to the oral comments that are made this evening. And I want to thank Frank Ibara for being here from the

Silver Leaf coalition, thank Shiloh Ballard and member of the greenbelt alliance, and along with the housing department and Planning Department, it's been a lot of time not just doing public outreach. When I started in office in January I didn't approach this saying I'm 100% supportive or against. I'm certainly supportive of affordable housing as a concept and I wanted to make sure that this was appropriate for this site and for the neighborhood and I was very impressed by the developers in that they made some major amendments and changes to their plan specifically in relation to comments from the neighborhood and concerns from the neighborhood. It wasn't just surface changes, there were real changes made to the plan. So I appreciate that because sometimes it's hard to get applicants to get developers to get to that point. It seems like it was easily done in this case to address a lot of the concerns of the neighborhood. Eden housing does have an existing project both in Vice Mayor Chirco's district as well as my district, the Monterey, and it's true it's in the SNI area and it's truly a gem and an island there surrounded by frankly apartment complexes that do pose a lot of problems or safety concerns for the neighborhood. Eden Palms management run an extremely tight ship and they have great programs for children. I've had an opportunity to meet some of the children that have -- one was in medical school right now that actually grew up in that housing project. In terms of the economic benefit, I think there are real immediate economic benefits by keeping in the families that are at Eden Palms are working and we are keeping in our community and they're shopping in our neighborhoods and so on. I think a couple of the ladies who spoke this evening really speak very powerfully on behalf of the disabled community to create the independence of the community that is so important. I had a chance to tour the facility on Monterey that was in addition to the Eden housing complex for families. It's going to be a somewhat similar setup here, the families housing and then the development -- housing for developmentally disabled and others. It's a tremendous environment, I think it adds not only to the fact of these people that are employed and to other folks as well. Given the specifics if you've been at the site you will see it is a biohazard site. There is a plan to add parking along the street there that will not only slow down traffic but ultimately beautify the street as well. All in all, the group I appreciate the most is the community for showing up and giving their concerns that have been taken into account. As far as whether this is good for our pocketbook or just speak to our heart, I would hesitate, for leaders who just thought about their pocketbook and didn't think with both.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Would you consider, the description of which project allocations are attributed to housing?

>> Councilmember Kalra: To get the bucket? Absolutely, thank you.

>> Mayor Reed: The motion is amended by friendly amend then. Anything else on the motion, we do have a motion to approve. All in favor, opposed, one opposed, Oliverio opposed, so it passes on a -- I can't do the math. About 8 to 1. Couple of empty seats, people went homesick. So it passed. Last item on our agenda is open forum. Any cards? No cards under open forum. We're adjourned.