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>> Mayor Reed: Good morning. I'd like to get the meeting started. We've got at least a quorum on this side of the dais. This is of course a continuation of our budget session. We are scheduled this morning to do environmental and utility services and then neighborhood services before noon. And then back tomorrow for Public Safety in the afternoon. We finished yesterday, we're right on schedule. We're not startling too far behind although we're a little bit late starting. Environmental services, John Stufflebean.

>> John Stufflebean: Good morning. I have a brief presentation so I'll get us back on schedule. We manage a lot of water, recycled water, potable water, urban runoff quality and the city's waste program recycling and disposal and we also deal with sustainability issues, we call on your energy and natural resources. With respect to the Department of Transportation also does the sewer system, sanitary sewer and the storm sewer. Our key priorities for the CSA for this year include implementation of the City's Green Vision, in particular we're responsible for four of the ten goals, the energy goals, energy efficiency and renewable energy the zero waste goal and the water conservation recycled water goal. So this budget helps us move forward on all of those goals. Beyond the Green Vision we also operate and maintain the City's utilities and we do it reliably and efficiently. Backlog of efficiency, energy needs, the plant master plan implementation. Not many negative impacts, mostly positive impacts. The budget does allow us to repair the aging infrastructure. This is a long way to go but this budget is a big step towards making progress along those lines. We are replacing equipment, pumps and engines and motors that are old and in need of replacement. New ones are more efficient so we reduce maintenance cost when we do that. We'll be making the second year of progress in developing the plant master plan for the facility that is a \$2.5 billion industrial facility that we have. Another major impact to the budget action would be expansion of the recycled water system, expanding the purple pipes and of course work with the Water District on expanding the system beyond the nonpotable system. Storm water system, many additional requirements both in terms of doing more or some of the things we're doing now plus some entirely new activities. And this budget doesn't provide everything we need for that for the five year permit period but it's a good start in terms of dealing with the first year issues. We're also looking at waste to energy and that's a very important issue and very significant issue. The solution -- or potential solution to that will be a multimillion dollar hundreds of millions of dollar fast most likely developed by the private sector and there's a lot of moving parts to that in terms of what waste streams could go there and the different technologies that could be used and the location. So we see this year as a year to help start defining that better. And also redefining our commercial solid waste program. As you know, we have a system, that's the one segment of our solid waste program that is lower-performing and this is an opportunity to redesign to improve that. Here are the proposed rate increases. We feel these are rate increases that are necessary and responsible. The sewer service and use charge increase is 15% as proposed. That is what was advertised last year so there's no need for additional advertising. The monthly increase for the average resident is \$3.91 and most of that 15% goes towards the capital needs at that time treatment plant and in the sanitary sewer system. The second rate increase is the storm sewer increase, and this is a 30% increase. The average impact on a customer would be \$1.76. Again that's much smaller fee, of course that's why the actual monthly increase is smaller. And this is also noticed last year so no additional noticing is a requirement. There are two additional reasons for need for this increase in the fee. One is again the infrastructure backlog, the storm sewer system has been underfunded for many years and there are some very significant infrastructure needs out there and as I mentioned the storm water permit, a lot of new requirements that are going to be costly. Of course they have a very good goal which is to keep our water cleaner. With respect to the recycle plus! rates we're proposing a 2% increase on the single family dwellings, SFD is single family dwellings. The monthly average increase for average user is 55 cents. That increase is basically just the cost of living increase that is built into the contracts that we have. Multifamily and -- multifamily increase, MFD, that is increasing 71 cents per multifamily dwelling and again, this is also basically to deal with cost of living increases and this does include the -- some additional cost that we incurred when we made the switch from the old process to the new process and we increased our diversion from 15% to 80%. So we have a major increase in diversion, both of these were noticed last year, significantly higher than the 2 and the 4 actually so we don't need to renotice that either. And finally on Muni water, the average single family dwelling cost would be increased 11.5%. This is almost -- a large part of this is basically to cover the additional cost of water about half of the cost of Muni is just buying water. And that cost is going up significantly so we have to pass that cost through. The average increase for a Muni water single family would be \$4.39. So that's the summary of our rate

increases. In terms of service delivery, we see a continuation of our -- of good service delivery throughout the utilities. Beyond that we will be looking and continuing the Green Vision implementation and make progress on our goals, we'll continue the utility infrastructure management, managing our wastewater, storm water and water utilities. And of course our garbage and recycling collection will continue. We have one of the top programs in the country in terms of the services we offer and the performance of our contractors and city staff. Again we will not complete but begin the new storm water implementation program. Looking out two years and beyond of course we will be looking at Green Vision implementation, 15 year plan, right now we're in the second year. So we're doing a lot of things this year and next year laying the foundation for major progress in the future years. With respect to age infrastructure of course this is another issue that's going to be a major long term need that we have to deal with over many years. We would look over the two year horizon of completing the plant master plan, advancing the sanitary sewer assessment on the sanitary sewer system and expanding the storm water capital investments again. Again over the two year horizon we would be well into the permanent implementation and having more information about what it will actually take to implement all these new provisions and expansion of the existing provisions. We will also be over this two year period evaluating financing strategies, for example the plant master plan we'll dewith financing strategies for the different alternatives that are brought forward. And of course we're always looking for ways that we can help out the general fund. For example, one of the big ideas is General Fund is the recipient of about \$13 million a year from a disposal tax that we have at the landfills. That is something that could be looked at as increasing that potentially and expanding it to provide significant additional revenue to the General Fund. So in summary, our -- we believe this budget advances the Green Vision goals, provides rates strategies that are necessary and responsible, provides for infrastructure investment and makes the initial investment for the storm water permit. That concludes my presentation, thank you.

>> Mayor Reed: All right, we have some time for questions. Councilmember -- let's see, I'm getting numbers, instead of people on this. Councilmember Pyle I'm guessing.

>> Councilmember Pyle: Perfect 10, right, Pete?

>> Mayor Reed: You were 10, number 11.

>> Councilmember Pyle: Darn. Thank you for your presentation and thank you for all the good work that you're doing in environmental services. I never fail to be impressed. I did want to ask, however, when you make the rate increases, how will the notification be done? I mean, everywhere people look, this is going up, that's going up, this is up, that's up. We're going to get a lot of calls. And so how will the notification be? There needs to be a good justification that's a part and parcel of the notification.

>> John Stufflebean: Right. Well again, the official 218 notification was done last year. So this year we will certainly be getting out to the media in terms of what the rate increases are and then as the bills go out that will be, you know, the increases will be noted in the bills. We have a -- we have some mailings we could do. We could include some additional information about the rate increases.

>> Councilmember Pyle: I think there needs to be a why, you know, that's answered.

>> John Stufflebean: Very good.

>> Councilmember Pyle: Absolutely because if you don't answer the why, we all have to answer it and you're far better than it that's than we are because you do this for a living. So the other question is, are there any -- any hardship cases? I mean, we have seniors that really count every penny three times. And so is there any leeway here at all, or any special help?

>> John Stufflebean: On the recycle plus! rates, we do have a low-income provision for relief for increase, for the rates. Which people can apply if they -- basically if they meet certain standards, they can qualify for lower rates.

>> Councilmember Pyle: And will that forecast also be included?

>> John Stufflebean: Yes.

>> Councilmember Pyle: Oh, thank you, that would be most helpful. So your budget will go up approximately 2.4%?

>> John Stufflebean: Overall?

>> Councilmember Pyle: Overall, right.

>> John Stufflebean: That sounds about right.

>> Councilmember Pyle: And the reason being you're trying to do so much to make our Green Vision living.

>> John Stufflebean: Right.

>> Councilmember Pyle: And workable. And trying to improve the water quality. I think it's time for a little horn-tooting in whatever justification you give, because we have done a lot. It has helped to put San José on the map worldwide, in reference to what we have accomplished. And I think that's a source of pride for a lot of people, even if they're not struggling and they can certainly hands 3.91 more. Is it in addition to the 1.76, so a total of -- I'm not quite sure. The sewer service is going to go up \$3.91 a month and the storm sewer will go up 1.76?

>> John Stufflebean: These are for the average household. On recycle plus! if you have one bin or two bins, you pay so much. For the average household these will be the average increases.

>> Councilmember Pyle: For the price of Muni water, I'm not quite sure how that works.

>> John Stufflebean: Okay. So the Muni water, er we're only about 10% of the city. And those residents would see a -- if council approves the increase, a 11.5% increase in the water bills. Again, that increase is due to the fact that we have to pay more for the water we deliver to them. We're still significantly below the other retailers in town. This year we're 75% of the nonmuni water bill. We understand other retailers will be increasing their rates significantly more than the 11.5%. We'll still be the lowest rate.

>> Councilmember Pyle: That's good to hear. Those with Muni water will get 11.5% plus the storm sewer plus the sewer service?

>> John Stufflebean: Right. If you're not a Muni water area, only the first three categories would apply, yes.

>> Councilmember Pyle: Okay, thank you very much.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. Thank you John, for all the wonderful work over the years. I just have a really quick question. With a little bit of increase in your overall budget I'm just wondering is there any plan that some of this money goes into the creek trash prevention program? Along the creeks there's so much trash and I know we have responsibility, the Water District has a little bit of responsibility, code enforcement has a little bit of responsibility. But one of the things we always get, one of the phone calls we always get is regarding some of the trash in the creeks. Do we have any plans to see if we can reduce that?

>> John Stufflebean: Yes, absolutely. One of the major, in fact the biggest component of the storm water permit in terms of the cost of that is going to be cleaning trash in creeks. So there's going to be a significantly larger effort to keep trash out of the creeks and then there is also additional money for cleanups of creeks itself.

>> Councilmember Nguyen: How do we plan to roll that out? Are we going out to the different neighborhoods and talk to people about getting their participation? I just wanted to know how do we roll out the plan?

>> John Stufflebean: I'm going to ask Melody to come forward and talk about the details of the program.

>> Good morning, Melody Tovar, deputy director of environmental services. Councilmember Nguyen, we're going to spend probably the next three to six months working with other communities to come up with as broad a basis as possible, statewide. With respect to San José especially, cleanup activities, assessing the amount of trash and debris in our creeks over time and really looking at opportunities to augment the infrastructure by ways to intercept the trash before it reaches the creeks in the first place.

>> Councilmember Nguyen: Sounds like a good plan, thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you. I just wanted to add to that, I don't know about other districts, but in my district, Boy Scouts, girl scouts, service organizations are looking for ways to help as well. I mean, this is a great way for those badges, you know, on the part of the girl scouts and the Boy Scouts and they're ready to go. So that might be something to consider. I'll be happy to provide some information on that. Thanks.

>> Mayor Reed: I have a couple of questions. What impact will the water conservation measures that the Water District is asking us to do for the drought, what impact will that have on the rate increases and for revenues, community water?

>> John Stufflebean: Yes, of course, we sell less water, we make less money. And this year we already achieved a 9% reduction in our water use compared to 2004. So we're already -- we already have built in to this budget assumptions that we are going to achieve, continue to achieve conservation and even additional conservation. If measures go beyond and it gets even worse and we have to make additional measures we would likely have to come back for additional increase in mid year or sometime later in the

year if revenues -- water use goes way back and we have to cut. This budget includes assumptions that we will continue water conservation and make improvements in that.

>> Mayor Reed: This would take us to the 15% reduction level that they're asking us to achieve?

>> John Stufflebean: Yes, yes.

>> Mayor Reed: You mentioned the waste to energy possibilities. You can just talk a little bit more about what we can and will do, are doing currently to get that moving this year? We've been working on it for a couple of years.

>> John Stufflebean: As you know we're working on multiples fronts on that. The waste stream, some cities have gone into the development of a facility without really looking at what the waste is going into that and how that waste needs to be processed and what waste needs to be assured as part of the input to the facility. We're particularly focusing on that in terms of the commercial side but what are the waste materials that could go into the facilities. And we're also look at the technologies that are out there. Waste energy got a bad rep because of waste incinerators. There are good technologies that are clean, we want to make sure we have a technology that is clean and also, some of the newer technologies, it is kind of a catch 22 because you want something that's demonstrated but some of the new technologies, probably the best technologies haven't been demonstrated anywhere yet. In fact one reason we have a consultant is there are only a few that have expertise in some of these new technologies, gassification, that sort of thing. One thing we're working on now is really thoroughly understanding what the possibilities are as far as technology. And we also see this as a public-private partnership so we'll be looking for the best process to go through to enable private partners with that and upkeep of the facility and so on and how does the land tie in, our other possible city lands. It is always difficult to assign locations for these facilities and we certainly see the plant land as one possible area. So to move forward with the decisions of what we do for the plant land, we consider waste land as one of the possibilities.

>> Mayor Reed: How will we work for this year?

>> John Stufflebean: Certainly in terms of the commercial redesign, how that would fit in, we'll be looking at some land at the plant, possibly putting that out for use by the private sector, and possibly an RFP process to have someone come in and help put together some facilities.

>> Mayor Reed: I've been told the past several years that the private sector is willing to front the money for a new facility. Do you think that's even possibly accurate, that the private sector will be willing to come in and invest hundreds of millions of dollars, or is that just puffery?

>> John Stufflebean: Absolutely. What they will ask for in return for that, is a couple of things. They will need to make sure that they have a waste stream that is guaranteed for a long period of time. So they will either make sure that the city will direct a portion of our waste to them or they have a guaranteed waste stream. They will typically need a certain price for that, a tipping fee of a certain level. What one of the things we'll look for is what is the fair tipping fee to enter into over the long term compared to the alternatives which would of course be typically landfill. It would be look at that. The third issue we would look at is how would this impact our diversion rates? We want to be sure we maintain the first priority, certainly in our system is reducing and recycling. And so we wouldn't want a waste energy facility to compete with that and actually somehow decrease our diversion. The other side is, which process would generate the most energy? So how could we further the Green Vision goal, by having a process that would generate energy? So we're looking at all those factors.

>> Mayor Reed: So it's not completely out of the question that the private sector might actually invest hundreds of millions of dollars in that?

>> John Stufflebean: Absolutely, there are companies that will do that if you make the right deal with them. Yes.

>> Mayor Reed: Okay. Would you talk a little bit about your plans at Las Plumas, for the possible demonstration locations there?

>> John Stufflebean: Sure. I'm going to ask Jo to come down and supplement. We're very excited about Las Plumas. It's a very special piece of property. In the lower income partly of town, a great place to do demonstration of the newer technology. It was initially thought of as being the county's hazardous waste site, it's a great location for that but as we looked at the site and the possibilities we recognized that there was a lot more we could do there. I'll let Jo take it from here.

>> Thank you, Jo Zientek. We will be bringing a proposal on June 1st to the transportation and environment committee on Las Plumas. Because of the availability of stimulus funding, and where Las Plumas is in the permitting and environmental clearance process, we have been work with the office economic development to possibly include it as part of City's environmental business cluster site. And we

are working with office of economic development, Jim Robbins of the environmental business cluster, and the federal -- Department of Commerce funds, stimulus package funds to do a proposal to use part of the site to be part of our clean tech and incubation options. And that came up recently, and one of the advantages of Las Plumas is because it was so far along in the environmental clearance process it made it an attractive candidate to look at stimulus package funding. And we've already submitted an application for that. We're also moving forward to relocate the household hazardous waste facility there, and an action will be coming to the council at the end of June and we have a bid document on the street to start that construction process.

>> John Stufflebean: I guess I would add it's going to be a very special place in termination of the construction of the improvements we're making. We're doing a lot of environmental demonstration right in -- I've looked at that time designs, the designs are now out. I'd like to thank Public Works as being a great help in actually making some of those things happen. For example we're look at innovative storm water, solar power for the site, different type of vegetation, different type of sidewalk treatments that are advantageous not causing runoff. It is going to be a destination for people to come and see a lot of innovative environmental activities happening.

>> Mayor Reed: So if a homeowner wanted to know, I wonder what I could do around my house to save energy and do environmental things, there would be a time that they could come here and see them in action?

>> John Stufflebean: Exactly.

>> Mayor Reed: My last question has to do with solar and how we can move ahead in this year in this budget with any solar projects.

>> John Stufflebean: Right. Again we're moving ahead on that on a number of fronts. Certainly, we put out the RFP on solar. We are partnering with PG&E to see how they can assist us. But we're certainly looking at both small scale city facilities, solar, and potentially, I should say medium scale some of the larger city properties to either through third parties or possibly through PG&E giving some solar installations in place, and ultimately we're looking at I think the plant master plan certainly solar is an idea that's come up there quite a bit. So that might not be this year but maybe in future years there's a lot of land there, there might be certainly a place for solar installations as well. So we're looking at both work with the Department of Energy, working with PG&E obtaining stimulus money, putting RFPs with the private sector, seeing if there are ways to implement solar.

>> Mayor Reed: Thank you, Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. And John, thank you for that presentation. I had a couple questions in the materials in regards to some of the performance overviews. And first of all, in terms of performance standards, your targets are 90%, 100% and seem to be meeting them. It's very impressive to be able to meet the standards as a high level. In regards to the percentage of recycled water customers wait rating service as good or excellent in responsiveness. The 2008-2009 target of 75% seems like a pretty aggressive target yet it's met at 81%. I was curious, since it was rating on three different parameters, reliance, responsiveness, and water quality, is there some area that drops below in terms of the responsiveness from customers?

>> John Stufflebean: On recycled water?

>> Councilmember Kalra: Yeah.

>> John Stufflebean: I don't think so. Mansour?

>> Councilmember Kalra: The question was asked generically in general.

>> John Stufflebean: The response is our customers are very, very happy with the recycled water system. We have seen very few drop off, you know once they join the system, they get water for less and the water works just fine for them. There have been some issues over the years with concerns about salinity on some plant species and I think we've mostly addressed those and sometimes, you know, if a plant dies, the first reaction is to blame recycled water, whether it's that the that or not. So we have to address those issues and I'll ask Mansour whether he wants to address that.

>> Mansour Nasser: Mr. Mayor, members of council, for recycled water or regular water, usually out of the three, Councilmember Kalra, the reliability scores the highest.

>> Councilmember Kalra: Okay. Some of the other issues in terms of quality and so on, those are issues that are ongoing and may not necessarily relate to the program but something that is reflected in this course over time, and the other question I have is in regards to the performance overview of the street sweeping. And it shows there also, the targets, 80% which I think also is a very high, you know, goal to have for having satisfied or very satisfied customers. And the question I have, and I think this may apply

tom of us when we look at our different districts, different neighborhoods, there are some neighborhoods where you know, have you tons of cars parked on the street, you have much higher density, I can imagine it makes it much more difficult to get street sweeping done, even if you have signs posted or issue tickets or what have you. And I was curious, of any strategies to help, what we can do to help, but strategies you have employed to encourage people to move their vehicles. The greatest factor whether people are satisfied or not is whether it gets done on their street or not.

>> Good morning, council. Kevin O'Connell. Parked cars have the greatest impact on our ability to have a quality street sweeping process. Certainly over the years we've attempted to address that by installing no parking signs in the areas, to engage the community above that we can do what we call enhanced sweeps where we go out to the community, we talk to them about the benefits of moving your cars on sweep days. We pass out fliers, we give them information and tools to engage their neighborhood and their community to encourage people to move their cars. And then we actually do an enhanced sweep where we post signage and we move cars and we have kind of a neighborhood event where we sweep the street clean that day and hope that that kind of carries over into the future. That's one tool that we use. As I did mention over the years we've installed a number of -- about 230 miles of no parking signs. That program is completed for the time. We're now assessing the impact of those areas, looking at to see you know, what is the final impact of installing those signs and deciding do we need to continue with that strategy or look at other strategies? That's where we're at today.

>> Councilmember Kalra: Okay, thank you and I mention that because in areas where the sweeping does occur and people do move their cars were very satisfied with the service of the operators and so on. And so anything you know if there is a situation or a particular street or neighborhood in which we have that situation, contact them and say you may be able to do a little more outreach in that neighborhood, and so on. Thank you.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. John, this question is related to the total number of our recycled water customers, we're estimated we have about 600 customers, and estimated to increase to 630. And with the amount of investment that we put into this, I wonder if there's any effort to proactively increase the number of customers, I mean, to use the recycled water is probably not one of the top priorities to many operators or landlords or businesses in that area.

>> John Stufflebean: Yes, I guess the first thing to say is we have made a significant investment in building the framework of the recycled water system. So one thing we focus on is adding new customers along the existing appliance. That's the cheapest way to add new customers. We have one FTE that is doing that now. And part of this budget is we're adding a second person to recognize exactly your point. Any time we can add a new customer on the existing pipeline, we get additional revenue and are able to add additional water. That is why our budget is to add one person to focus exclusively on adding new customers to the purple pipe system. We focus along the existing pipes, anybody, who has to invest in the infrastructure, how that might help them in the long run, because they're going to get the cheaper water.

>> Councilmember Chu: Great, thank you, nice to hear that.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. John, I know I've been meeting with several leaders of various bargaining units and they've expressed concerns about all the hiring we're doing, at the same time we're facing layoffs. Ace understand it from the CSA, environmental services all the hiring that's being done with nongeneral Fund sources, is that right?

>> John Stufflebean: That's correct.

>> Councilmember Liccardo: Okay, so all of these are coming from designated funds with fees that support those activities and those are moneys that can't be shifted to other General Fund purposes.

>> John Stufflebean: That's correct. And beyond that we are working very closely with the budget office and human resources to always provide a place for someone to land if the position for someone else in the city could go to, we are leaving those position vacant so someone could have a pace to go. The only hiring we are doing would be for an position where it's an essential need in the department and it's clear that there's no one else in the city that had that skill. We had some special skills at the plant. No one else in the city is going to have those skills. The only place we are hiring are position that are certainly utility funded and also position that are critical to our mission and where there's nobody else in our facility that could fill it.

>> Councilmember Liccardo: Thanks, John. I had a question on section VII-109, street sweeping, the first bullet there. Sure, we're all happy up here on the dais to see that 230 miles of park prohibitions have been added to help along with the street sweeping challenge. What I was surprised by when I saw the percentage of streets experiencing impacts, that was reduced from 15% to 8%. My information is wholly anecdotal, and maybe that is a question I should be asking D.O.T. I'm not sure if this is really handled through you guys or D.O.T. Is it through D.O.T? Okay, right, I'm sorry. I apologize. I was look at John and I should be looking at Kevin. Anyway, my apologies. Anecdotally, I get enough complaints about street sweeping challenges because of parked cars that would lead me to believe that we've got 80% of our streets without signs and the number you suggest, 8. You can explain the discrepancy, and perhaps other colleagues have that as well.

>> The 8% referred to here are streets that are severely impacted by parked cars. The way we've defined severely impacted is where about 50% or more of the curb line is blocked by a parked car. We estimate that about 50% of our other streets have some impact due to parked cars or something that is preventing an effective sweep but the majority of the street can be effectively swept. That's an area that we address through constant outreach, through very rigorous inspection, following up the sweeper, make sure they are doing what they can to get to the curb. This bullet here is referring to the 15 down to 8% of streets that were severely impacted by parking, by parked cars. And that's what we targeted with the sign program.

>> Councilmember Liccardo: Great, thank you. My last question related to -- take a moment to get to the page -- why don't I defer it until I find the item. Thank you.

>> Mayor Reed: Come back to you. Councilmember Campos.

>> Councilmember Campos: I want to follow up on that question that Councilmember Liccardo brought up, about the street sweeping in areas that are probably very dense with cars and you talked about the sign program. Do you have that data or could you break that data out into areas that -- what I'm trying to understand is are they predominantly in SNI areas, or they across the board? That's what I'm trying to understand. Because with the SNI areas we have the flexibility to use redevelopment money to help hopefully address this issue. But that's what I'm not clear on.

>> Right. I don't have the data to specifically say, in SNI areas versus nonSNI. Certainly I could provide that. I would say much of the effort especially early on in the plan to install signs in 2003-2004 and the couple years after that were primarily focused in the SNI areas where we did partner with the redevelopment agency to fund and get those signs installed. I do have the data that indicates by council districts or other areas, where the signs were installed. Primarily where we have multifamily dwellings a lot of residents living in a very tight area, and that's kind of where -- that's certainly where we've targeted the sign program.

>> Councilmember Campos: Okay, thank you. The other question that I have is for, I think, the environmental services. You were talking about Las Plumas plant. And it appears to me that you have somebody that will be able to do presentations or be able to educate a person that comes in or a neighborhood that comes in that wants to understand the technology and how that particular facility works. Is that correct?

>> John Stufflebean: Well, once the facility's in operation, we certainly see it as a major educational opportunity and we'll have lots of opportunities to people to become educated on how to make improvements around their house, yes.

>> Councilmember Campos: My next question, you also mentioned that it is housed in a low-income area and there are schools that surround that area. How will we be reaching out to the neighboring schools so that they can use that as an educational component which I would imagine that maybe it's a mile for some of the schools to walk or half a mile, and it wouldn't take a lot of effort for a teacher to say, okay, let's go on a field trip and start changing the way we think about our environment. So I'm just wondering if that's in your plans, or have you thought about that?

>> John Stufflebean: The details are still a couple of years away. But absolutely, work with the schools in the neighborhood would be a terrific idea. We'll make sure we do that.

>> Councilmember Campos: I know it's a couple of years out. When do we foresee that being able to be implemented in your master plan or your Green Vision?

>> John Stufflebean: It would be somewhere in the range of two years from now.

>> Councilmember Campos: Okay, thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. Thank you John for this presentation and impressive Green Vision goals. I think a lot of times, residents are not aware of what goes on behind the scenes in environmental services. What they end up seeing is fee hikes and wondering why. I really support Councilmember Pyle's suggestion about explanation and touting some of our accomplishments so folks can understand the depth to which this CSA really helps our community. I have a few questions. And starting on the water rate increase, it's going to affect 11.5% increase for Evergreen residents, a monthly rate of \$4.39. So it's recovering the cost of the service and I understand slower than other water rates and it's part of that \$250,000 rate stabilization reserve. I'm wondering what would the rate have been without the reserve and when would it be next year, given we have to pay back that reserve?

>> Mansour Nasser: If the \$250,000 from reserve represents about 1% in the rate increase, so our rate increase would have been 12.5%.

>> John Stufflebean: And as far as next year's rate, it depends largely on the cost of water. So it will depend on the district's increase and the San Francisco PUC's increase.

>> Councilmember Herrera: Okay, thank you. And then on the residential garbage rate increase, it was lower than previously anticipated. What was the previously anticipated rate, and how did we end up achieving a lower rate?

>> John Stufflebean: When we noticed last year, we used the fairly high end, so that notice would handle it even if it came in lower. So I think last year we did it 5 and 10, that are? 5 for single family and 10 for multifamily. So we're significantly below that. It's also a little bit less because we compare in terms of our increase, we look at fuel costs from December to December. Fuel costs actually decreased from December of '07 to December of '08.

>> Councilmember Herrera: We want to make sure the public knows that we didn't have to raise it as much and recognized some savings. Also, the importance of neighborhood cleanup during this time, especially since the greater number of foreclosures we've heard a lot more complaints about blight. And so we support the suggestions that have already been made about that. And one other thing on that. Can you address the concerns all of us have here for the low income customers? Is there any -- do you have any thoughts on that in terms of these rate increases of and the impact on some of our more fixed income, low-income folks?

>> John Stufflebean: Right, again we do have in the recycle plus! program, we do have the lower income program. We do have program to help customers if they fall behind. But the major way we do help them is through the Lera program on the recycle plus! side.

>> Councilmember Herrera: Also on the storm sewer increase, the 30% storm sewer use charge, was there any alternatives discussed, you can discuss any alternatives to the steep increase? Because they were notified, residents were notified of some potential increases in 2007, but I don't think anybody really expected 30%.

>> John Stufflebean: Well, I mean, the reason we noticed the 30% was that we knew the storm water permit was coming along. So it's really not too much of a surprise that this is needed. We actually looked at even frankly higher increases because as we look at the total cost of complying with the storm water permit it's going to be quite high. So this doesn't really resolve or deal with all of the potential long term costs of dealing with the permit but we feel it's a good start. So the other alternatives would be to use other funds, General Fund and so on, which of course is not a good alternative. So this is really an essential rate centers, we realize it is high, the fee is in fact low so 30% is a fairly small amount of money. We don't like any kind of increases but we felt this was appropriate.

>> Councilmember Herrera: I meant the general economic downturn. I think a lot of folks are very intrigued about the possibility of having recycled water if they could do that. What's the maximum distance from the purple pipe that would be feasible for the new customers to be part of it?

>> John Stufflebean: We typically look at about a thousand feet. And we will be coming to council with some ordinance revisions that will we think encourage more people to connect to the recycled water. You know, certainly we can look at -- we're also look at major infrastructure improvements on the recycled water system to get us to where there are some additional customers. The reason the pipes are where they are is because that's where the -- some of the major landscapers, the golf courses, parks, cemeteries, that sort of thing were. As we expand the system, we look arounds the city as to where additional areas are that could be included. And then our stimulus package includes expanding the pipes and kind of the next layer of where there are additional customers. So you know we're certainly looking at all the ways we to expand the system. And then ultimately as you can recall from the Water District meeting, going to additional treatment and groundwater recharge will really boost the use. That's still

years away and there's a lot to be done to accomplish that. But that would be ultimately a way to provide a mechanism for using a lot more of the water.

>> Councilmember Herrera: Thank you, John.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed. Yesterday I think it was mentioned something about you know, Santa Clara and having utility plant for electricity. And I think this is really our utility because it is and I think it has potential to make us greatly money over time. Because water is as scarce as energy. Question, though, on the sewer charges. What percentage of that money actually goes to repair the sewer that connects the last mile, your house to wherever else?

>> John Stufflebean: I didn't quite get the question.

>> Councilmember Oliverio: Out of this percentage, this storm sewer charge if I'm correct or not, what percentage of that money goes to actually repairing sewers on common streets where people live?

>> John Stufflebean: Okay, so that would be probably, I think Kevin is looking that up -- that is a D.O.T. function or could you give an answer to that?

>> Councilmember Oliverio: Does any of that get funded through these?

>> John Stufflebean: Certainly. The entire sanitary sewer system is funded through fund. It's the collection statement and the treatment plant. The budget calls for how that's divided up. The actual collection is funded by the house other than but the sewers down the street is funded by this fund.

>> Councilmember Oliverio: Where I'm trying to go is we have miles and miles of sewer and a lot of it's old and it's never been replaced. Let's take any given street in San José and let's say that sewer breaks. The cost to go do that emergency repair with the flooding and should thing off the water versus doing -- changing out old sewers over time I imagine is a vast cost difference.

>> John Stufflebean: Right. So certainly -- so one of the things that's included in here is an assessment of the sanitary sewer system to look at where those lines are that need to be replaced that are either -- there's been evidence there's deterioration in the line or -- I'm going to let Kevin take it from there.

>> I don't know how much of the sewer use fee is collected for that. We are funded in the A \$13 million to perform our regular and corrective maintenance on the pipes. That includes preventive cleaning of the pipes, that includes prefer pipes, response to blockages and overflows, maintains and operates our pump stations and does a level of video inspection and monitoring of the system. About \$13 million a year to do that. In terms of away the overall budget is for storm sewer or sanitary looks like Kate is going to step up and help me out there.

>> Good morning, Kate Drayson. Environmental services officer. Approximately 13.5% goes to sewer maintenance and operation, and another 13% goes to capital.

>> Councilmember Oliverio: And in your perspective is that the right ratio that should be going?

>> John Stufflebean: In our perspective it is pretty close. Certainly, there are a lot of infrastructure needs both at the plant and in the system and how that's divided up between the two, you know, we try to get a balance so that we can make progress on both dealing with the plant infrastructure that's use and the sewer infrastructure that's used. I guess it depends on whether you ask D.O.T. or ESD whether that's in balance.

>> Councilmember Oliverio: Understand competing interests, and understanding none of this happens for free and inevitably it's cheaper to replace versus to manage if the pipe breaks at 3:00 a.m. and everyone is in chaos. For me I would say raise it whatever you got raise to it take care of these things. Because this is the most common basic infrastructure. Because we can get any number of complaints in our office but the day the toilet's not working is a massive issue. And I'd rather take advantage of a down economy, I can't picture a word at this point, thank you.

>> Mayor Reed: Back to Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. My apologies for the delay. Just one question, John. I know we're moving some employs out of MLK, and I know the leasing funds aren't coming out of the General Fund but some funds. At the same time, we're facing painful choices about closing or reducing hours of usage on lots of facilities including three community centers that serve residents in my district, library hours and all that. I know this question may be coming out of left field but I thought I'd ask it anyway. Given the fact that we'll be paying for utilities and space and so forth in a lot of facilities, is there any opportunity for ESD to partner up with PRNS, for instance, to be able to keep part of a community center open for some programming while you retrofit some office space in the back to be able to make money come together and spare a few bucks and still keep a building actually heated and the door open

for the purposes of neighborhoods getting together, or if there's an opportunity for a nonprofit to come in, things like that?

>> John Stufflebean: I'm going to defer to Ed Shikada on this question. Because it's an issue of office space. There's a lot of moving parts to it, so Ed.

>> Ed Shikada: I have to admit I'm not quite sure I'm tracking the office space component of that. As a general strategy, I would definitely say it's part of our ongoing activities, to maximize the use of both stimulus funds, as well as ongoing existing funds for energy efficiency improvements that reduce the operating cost of all of our facilities. And so as a matter of fact, in part of a package that's coming forwards for award, you'll see some solar work and energy efficiency work being done on city facilities, community centers for that purpose.

>> City Manager Figone: And actually if I can jump in I think what I heard Ed as the councilmember's question is, as we're contemplating the space moves out of old MLK, is there an opportunity to move the ESD people into a facility that might close, use that money that we would otherwise spend on rent in order to keep the facility open.

>> Ed Shikada: I got you, I understand, and sorry for not tracking the question. Yes, the opportunities, I think basically the consideration is the capital cost that would be required in order to retrofit a community center. So the other piece is also one of basic operational oversight to make sure that the functionality, the operational functionality in the case of watersheds, with inspectors, environmental inspectors, have the location and the ability to function in a way that works for the department. So with those considerations, we have a couple of options that we've looked at, at this point. I'd say they're too expensive for us to pursue. But we're continuing to look at those options.

>> Councilmember Liccardo: Okay, thanks Ed, and thank you Deb for that.

>> City Manager Figone: We'll keep the idea alive.

>> Councilmember Liccardo: Yeah, and I appreciate whatever creativity you can apply. I know certainly in the private sector, when companies like Adobe are finding they need less and less office space because they essentially utilize a hotel concept, for people to be able to park their computers as a work space where they share, those concepts could be employed in a relatively small space, if we're going to keep the lights on and heated anyway, wouldn't that be nice? That's easier said than done but I hope we could at least look at it. The other question I had was for you, John, relating to the 120 million gallons per day trigger that's set 50 state on our release of water into the bay. I understand that that's been the case for some years. Given the changes we're seeing, I don't know if we're expecting changing in salinity in the bay, given all the issues of global warming and so forth do we expect that trigger to be moving up or down?

>> John Stufflebean: Okay, so there's a lot to that question with respect to the biology that's happening at the bay. But the first thing to remember, we're way below the 120 figure now. We're about at 100. We're not in any danger of hitting that trigger any time soon. There are arguments to be made that the trigger should go away completely. When you're looking at what's happening in the South Bay the impact of the fresh water from the plant is minimal with respect to the endangered species, the reason for the trigger to begin with. We have made that argument that the trigger should go away and thought about that, we have a new plant permit, five year permit, separate permit from the storm water permit but also kind of on our time line and decided we didn't see the need to fight that battle now. But if anything, the trigger could likely go away. In fact, it's possible that we could get a trigger on the other end that says we have to put a certain minimum flow into the South Bay, which we could run up against if we really start recycling water in a big way. So I guess the general question is, we don't think that the trigger is really a problem right now. And if anything, it's going to be less of an issue in the future.

>> Councilmember Liccardo: Okay, that's helpful. I was concerned with the opposite problem, which if the number turned downward then we'd be scrambling --

>> John Stufflebean: That seems unlikely.

>> Councilmember Liccardo: Thank you very much.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: I'll be quick. Just a quick question, I wanted to refer to AB 32 signed into law in '06 which basically decreases water use in buildings, and we've got to be in fairly good shape. Do you have any general sense of where we stack up regarding that AB 32?

>> John Stufflebean: There's a lot more we could do. There's a lot of improvements that could be made in the entire inventory of city buildings. So we're looking at energy savings and water savings across the board and also places where we can install renewable energy. We are going methodically through

buildings, as we make energy improvements, the first year savings from that fund could be used to make additional energy improvements in other buildings. We are also soliciting everyone we can think of to help us perform the audits as well as the improvements. We are asking PG&E and others to come in to help us make the audits to determine where there are potential savings to be had.

>> Councilmember Pyle: That's great, that's wonderful. The other thing I wanted to ask, I ask this very naively, I just don't know. Do we have much in the way of farm lands in San José?

>> John Stufflebean: No. Not much. The only farm land -- the farmland that comes to mind is the plant, and we are using that now for sheep and goats so that's ranching, I guess. And that's going very well. Beyond that there's not a lot left in San José.

>> Councilmember Pyle: I'm a little disturbed because so much of the farmland in this state uses regular, not recycled water. And I don't know how we're ever going to get that changed around but that's disturbing. And then the last thing is, paint, Las Plumas, people have been bringing a lot of paint there as a result of that facility being opened.

>> John Stufflebean: It isn't open yet. The current hazardous waste facility is at another location. Certainly at any hazardous waste program paint is the major material that is received.

>> Councilmember Pyle: So where do people bring it now?

>> John Stufflebean: I'm going to ask Jo to answer that one.

>> Councilmember Pyle: I get some calls of this one so --

>> We -- our program is managed by Santa Clara County. And since we lost our previous permitted site we've been doing temporary permits, and we have had to cut our events down significantly, so we're really looking forward to be getting our Las Plumas set up. We can triple our events every year.

>> Councilmember Pyle: What is the date for Las Plumas to be finalized?

>> We're shooting the date for construction in the last council meeting in June. Then construction will begin. We're trying to evaluate having an opening the first quarter of 2010.

>> John Stufflebean: Right, just to clarify, that's the opening of the phase 1 which is just the health and hazardous waste program. The other facility is further in the future.

>> Councilmember Pyle: People need to know where to take that paint. Harker academy on Saratoga?

>> They can call the county hazardous waste Website and it is on our Website, to make sure they have enough material to handle whatever comes in.

>> Councilmember Pyle: Thank you, I appreciate that.

>> Mayor Reed: I think that concludes the environmental services section, unless council has more questions, we'll move to the next area which is neighborhood services. I think Albert Balagso is going to start this, is that right?

>> Albert Balagso: Good morning, Mayor Reed. Members of the city council, Albert Balagso, director of Parks, Recreation, and Neighborhood Services. And I'm here this morning with library director Jane Light, deputy director from Planning, Building, and Code Enforcement, Mike Hannon, and deputy director of animal services, John Ciciirelli. We are part of the neighborhood services CSA and our outcomes are safe clean parks and to provide healthy neighborhoods and capable communities. On the next slide, you'll see the departments who are involved in the -- in our CSA and the core services that we do provide. I should also point out that throughout the year, for the sake of coordination of members of our CSA include police, the police auditor, fire, emergency services and housing and homeless services as well. Our key priorities and service areas are that neighborhood services CSA delivers services directly to our communities and neighborhoods. We provide and maintain open and green spaces for our children, adults and visitors to our city, places to think, places to play, through our libraries, community centers and the classes that we do provide. The -- some of the key areas that we have been working on include pricing and revenue which we have brought before the city council, and this is a method that we have been initiating in order to preserve and sustain the services that we do have through recovering costs. The activities in code enforcement make our neighborhoods safer and cleaner and the animal care services ensure that animals and communities are kept in a safe -- in our communities are kept in a safe and responsible manner. To the extent possible, our CSA will continue to meet these needs and others into the community that we do serve. Now, as we go into the impacts of the budget actions, mayor, you mentioned earlier the difficult economic times in the overview, and the challenges ahead of us that we have -- and the fact that we've been dealing with service reductions over the course of the last seven, eight years, and I think I can speak for my colleagues aside of me is it seems like we're going in a an opposite direction than we would like to do as professionals. But we have a responsibility to deliver a balanced budget but we think we can keep those services available to our public. The reductions we are

proposing to the library hours, we will reduce hours and limit access to our libraries in our communities. But still ensure that libraries are available and open to all our communities that we serve. There will be service restriction at the King library and that will be impacted through the budget. And we are proposing elimination of the park ranger program in our regional parks system. This does eliminate a layer of services, but it does enable us to maintain the maintenance resources that will essentially keep those maintenance services intact for those parks. We also have proposed the elimination of six satellite community centers with the closure, rather, and reverting to alternative either location for service or into our reuse program that we've been initiating in the last two years that we can find alternative methods of continuing services to the neighborhoods that we do serve. We are also proposing in the year 2010 and 11 to reduce or eliminate, rather, the remainder of the homework center program. In conversations through the school-city collaborative, it is a priority but they've also listed crossing guards also as a priority. And that would be the greater priority if they had to pick between the two. The reduction of code inspector positions returns nonhealth and safety routine complaints to the level of service in prior years, and that basically is a notification by letter. But it does preserve and enhance service levels in the most blighted areas of our city. And animal care is also reducing the response to lower-priority calls and it will be increasing fees generate revenue. Consistent with the mayor's March budget message to delay opening of new facilities, we will be pushing back the opening happy hollow park and zoo until the spring of 2010 and this will also allow us to proceed with outsourcing of food and beverage services and merchandising to increase our cost recovery efficiency for the facility itself. Other new facilities will be delayed and will be brought online without additional resources at this point in time, and those sites include the Bascom and Seven Trees joint facilities. Some maintenance levels will also be reduced. That includes reduction in some of our regional parks by closure of one day and reduction in other parks of services. PRNS is also restructuring its management, and this equates to reduction of one position. We are going to restructure one member in the department, we have vacated one deputy management director and the structure of that as well. There are services we will continue to provide, that includes the antigang program, library services will continue at all location but fewer hours. And the public will continue to have access to our parks throughout the city. Our PRNS hubs and satellite centers will continue to operate, there will be fewer but they will be still open facilities out there, and again, we will try to find alternatives through our reuse strategy. The community centers will continue to work towards improving our cost recovery to prevent us from having to sustain deeper cuts in the future. Our basic methodologies for every dollar earned is one dollar that we don't have to cut in services. Our routine code enforcement responses will be reduced but emergency and priority complaints will be promptly addressed throughout the city. Services in our strong neighborhoods will not be reduced and we still have a commitment to our strong neighborhood areas and that will continue, as well. Animal care and services will continue to ensure Public Health and safety and we will be increasing animal licensing and generating revenue through that. In the next two years we do anticipate that the General Fund resources will continue to diminish. Library already has significant portion of their service delivery through parcel tax. I've mentioned earlier the advancement that we are doing through pricing and revenue to ensure that we have a more sustainable operation in PRNS. In animal care and services we'll continue to preserve high priority response to assets and again move towards increasing revenues as the opportunities allow themselves. The reduced resources will result in fewer services. The reality is that some of our services will be eliminated and reduced or access diminished in some case. We need to focus on our limited resources and services that a municipality must provide and deliver, in the most effective basis point services and responsibilities -- the responsibility of what we perceive as other agencies such as the state and county are viewed as noncore and we would work with them to shift those responsibilities over. The neighborhood services CSA is delivering services like blight abatement, prevention recreation, learning and public safety through our antigang and other programs we provide. And provides essentially qualities of life to other neighborhoods and we're going to continue to do this as we move forward. In the final slide that I would like to put up there before you, there is or there was tier 2. Back. Okay, there it is. This is the tier 2, what I've outlined for you is tier 1. Tier 2 is the alternative that council may consider, in lieu of tier 1 to address other impacts that the city may face in light of the state's actions in the future. So that concludes our presentation and are ready to respond to any questions you have.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: There's a lot of things under this area. Let me get one out real quickly. On the budget obviously on park side we're going to be reduction maintenance and closing fountains,

something I've noted. We've had great success with the volunteers at the rose garden. It is one of the few parks that generates revenue because of the wedding rentals. I'm not sure what wedding would want to rent these areas by the fountain if it's not running. So I guess I'm curious is, if do I have something that generates some revenue to actually negate the cost then why not keep that fountain open or keep that maintenance person there because you know, we just had this ribbon cutting on Saturday where we went from probation to success and we're now a nationwide case study how good it can be when you put volunteers to augment professional city staff. I think you know where I'm going. I think I'll let you answer that question, Albert, thank you.

>> Albert Balagso: The revenues we generate through park fees and permitting goes back to the General Fund. Particularly there at the rose gardens. There are specific fees such as park at lake Cunningham or happy hollow that has that type of enterprising. That has not been established at other parks throughout the city. We are stilling reviewing revenue pricing in the future. That might be something we could examine in the future. That mechanism at the present time is not laid out.

>> Councilmember Oliverio: I'll lay it out clearly, if a park brings in some revenue why kill it altogether? You would have less utility for the park and less revenue coming in, in this case less revenue for the General Fund. Thanks.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Couple of questions on a couple of different topics. For animal services. John, we provide for not only the City of San José but don't we provide for some other agencies as well?

>> Yes, right now we provide for four other cities, Saratoga, Los Gatos, Cupertino, Milpitas. We also have potential for sheltering contracts for Morgan hill and Gilroy at least for the next few years.

>> Councilmember Constant: And those are obviously full cost recovery, is it beyond cost recovery at all, are we making money on those contracts?

>> We do well because primary the service demand in those cities isn't as high as the service demand in San José. For instance if we fund an officer for those funds, they're full days and taken off for Los Gatos calls. They can slip over the border and run some San José calls so we can share services there.

>> Councilmember Constant: Are there opportunities for us to expand that service to some of the other cities? Is there any way for us to be aggressive in that expansion since it seems like a good idea, it is one of the few things that we do where we are contributing a little more than is taken away.

>> In some sense for Gilroy and Morgan hill on sheltering. The county for instance provides animal control to unincorporated areas. But they've received a large donation to build a shelter. So I don't anticipate they would want to give off their program. Santa Clara city is in a joint powers agreement with Campbell and Monte Sereno. They're in a large investment so it's unlikely they would want to walk away from that. I don't know if there's a lot of opportunity.

>> Councilmember Constant: Thank you. The next area is in the area of park rangers. This is an area I have a real concern with. We used to have a unit in the police department that patrolled parks and it was eliminated. We have a horse mounted unit that patrols parks and it's slated for elimination. And we have park rangers that patrol parks, and they're being eliminated. Which leaves our parks with absolutely no Public Safety component whatsoever. And I think we're really fooling ourselves if we say the beat cops are going to take over that responsibility, because we already know that our police department is understaffed and stretched thin out there, trying to cover the beats, and trying to cover the calls for service that exist now. With these eliminations, what is our plan for protecting those parks?

>> Albert Balagso: Councilmember Constant, there are two conversations that I've had with our chiefs, with respect to fire and emergency services, first off, which has been the primary calls for services that have come out of our rangers. They will continue to respond to those services. We will provide additional signage on how to access those services, and the responsibility of -- and opportunities for park users. And we're look at strategic areas to provide additional phones that -- for emergency services that could be accessed by the public. The response I got from our fire chief was, they'll still respond. The response I got was if there's a burn it will get a little bit bigger but they'll get there. With respect to police services, those have been the fewer calls that we have made out there but the ranger in an instance when there was an incident on our regional park, called the police. And the police respond. Again, have you that same instance as with the emergency services, where is the location, and who is that? What I cannot quantify is what the difference would be in police terms, presence, and deterrent. What that means on the site itself. So the signage, and the help, there will be staffing available but it will certainly eliminate that level ever public presence.

>> Councilmember Constant: Well, you know, to my colleagues it certainly concerns me, if you fall down the embankment in a creek, it is disconcerting if that response is going to be a little bit longer. If you live in Alum Rock and there's a fire and it takes an extra 15 minutes to get reported that poses a significant threat. If you have a child lost in a park it's a serious problem. And I think the value of deterrents, and that visible presence by the park rangers is huge. I think we really have to look closely at this because this is not like we're reducing service. We reduced it when we got rid of the parks service. We're eliminating it in this cycle completely. We're not just talking about the horse mounted unit which supplements the rangers in the park. This is a health and safety issue and I urge us to find an alternative. Whether it's reinstating the parks unit which I don't think it's a cost-effective way to do it or maintaining the rangers, we have to do something. This is something I think is going to pose us problems later. I think it's -- it falls into the penny wise and pound foolish category, in my opinion. My next question is, I guess to Albert. Each of our council districts, we have the opportunity to have one large event every year that's pretty much staffed by folks in your office. Between you and general services. How much does that cost you? And I know you probably can't answer for general services. And this is probably something better to come back in a BD. But we -- I've been thinking a lot about this base think when I look at how much staff we get to have a celebration in our district, and I know they're important for the community building and the camaraderie amongst our neighborhoods, it's something I'm willing to cancel my event this year because of the impact we're having. I see that my kids aren't going to be able to go to the bathroom, when we go to tier 2 cuts at the park, or my or someone else's child might be missing, I'd be willing to give up a district event, and I'm sure my colleagues would too, if we have to cut the budget. If we get that information, I know you don't have it now, but on the overall impact to your department, GSA and I imagine police and fire as well, because they provide a significant amount of resources. Then once we get that I think we as a council have to look at that and say over the next two years when we're looking at about \$185 billion in deficits, maybe we have to have heart to hearts with our community and say, we just can't celebrate these two years and let's celebrate when our deficit is gone. Thank you.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. So this is not going to be a pretty session for me. I wanted to focus on the closing of the six community centers first. Apparently, staff is proposing that we want to keep the larger community centers open, mainly because we have programs and services there that can help generate revenue, which I understand completely, where this is coming from, while dealing with budgetary constraints. So that's not something that, you know, is easy for us to swallow. But at the same time, we're looking at the smaller community centers which the six that are being proposed, my first question is, is it possible to reduce some of the hours at the larger community centers or the community centers that are not being proposed to cut, so that we can keep six of these community centers open?

>> Albert Balagso: Councilmember Nguyen, the hours that we're utilizing at the larger parks are meant to create a revenue that would offset operating costs, not only there, but there are centers that make money, and there are centers that don't make money. So on the whole, we're able to create some type balance across the city. When we start reducing that revenue stream, then it's -- it reduces the whole package. So somewhere there's going to be a service cut or service reduction. By not continuing the hours that would enable them to sustain themselves it further impacts the rest of the facilities that are out there. So we continue to slide downhill. It becomes difficult to do that without cutting more facilities, as we start to move forward.

>> Councilmember Nguyen: Don't we have peak hours? And what I mean by peak hours is busy hours. There are some community centers that we don't need to open at 9:00 a.m. in the morning. I'm not sure how many people use facilities that open at 9:00 in the morning, we can look at 10:00 or 11:00 and close at 4:00 or 5:00 instead of 5:00 or 6:00. Those are some of the options we can look at.

>> Albert Balagso: The hours early in the morning are prime hours for childhood development and that is our chief money maker.

>> Councilmember Nguyen: I want to talk about the Alma community center. It is my understanding that this center is not just for residents of district 7 but the Washington action coalition which is an SNI group, and in the proposed budget or in the proposal it states for the seniors program, we're looking at the garden center to locate some of these -- I mean to locate the nutrition program. What about the Washington action community group, where are they going to go?

>> Albert Balagso: Utilizing the reuse model, we have still maintained hours for those groups to go into the the facilities. We have not eliminated the funding to keep the lights on. And so what we can do is to continue to provide that access through reuse strategy, either -- and some of the groups are either

partnering with a nonprofit or through the United neighborhoods to get the resources to go into the facilities. The access is primarily -- I think we discussed that through revenue and pricing, how we can maintain access either through a system of either free use, or shared -- not shared use, but sweat equity for lack of a better term, that they could work into it.

And we'll be bringing that proposal forward through our -- through our MBA of how they can access that at little or no cost.

>> Councilmember Nguyen: I notice you sent out a letter talking about this particular issue, I think it was sent out this morning, or I got it this morning. Have we had conversation with some of the nonprofit organizations about their perhaps interest in these community centers?

>> Albert Balagso: We have started to initiate those conversations. As the budget was issued on the 1st I sent Ann an e-mail out to the various nonprofit school partners and through these Silicon Valley council of nonprofits to start creating the dialogue between nonprofits who might have an interest in helping us.

>> Councilmember Nguyen: And then a final question about the proposed six community centers. Again, I'm looking at these six community centers, and my concerns with this proposal is that almost all six of them are located in low-income neighborhoods. And we all know that in low-income neighborhoods we have residents that really don't have any other outlets to provide recreational programs and services for them. So when we're looking at a situation like this, I just feel that we're creating a bigger problem than actually trying to come up with solutions to the problems that we currently have in terms of a budget. Can you share with me and my colleagues how did we come to identify these six community centers as the ones that we propose to be cut?

>> Albert Balagso: Several years back, we created a list for reuse, and started from smaller facilities to greater used facilities. The ones that we currently have on the list that are being applied for reuse are 17 of the smaller facilities. These creates the next tier of where we start going, moving towards the extreme end being the newest facilities or the hubs. This is the next tier that has a critical mass, as far as resources that are still provided to operate the facilities. It's the quality of the facility, the age, the extent that the services are provided out of there, versus, you know, larger and smaller facilities. So it's a progression. The next tier, if you look at tier 2 starts look beyond those, of the Alviso center, the Alma -- not the Alma but the Alum Rock youth center, the Berryessa youth center. It continues, that tier. We've gone through reuse in the last three years, and we've gone through 16 facilities that we currently have operators or services provided on. This is that next set that we're moving forward with.

>> Councilmember Nguyen: Thank you. And then just my last comment about this particular community center. When I first came into office in 2005, this was also on the reuse facility list and we worked really hard to make sure we can take that off. And the reason we worked so hard was because, you know, this particular neighborhood or community is very unique. This area used to be infested with a lot of gang activities and I think in the last almost four years have formed into a very vibrant community. Where residents plant flowers, they have a sense of ownership to the community center. It's very hard breaking to see something that they worked so hard for, it's being taken away. And I think that we have seniors who are here today, that really participate quite heavily in the senior program. And for me, it's not something that I like to see go. So if there's anything that can I do, if there's any proposal that we can come up with to keep that center open, that would be something that I would like to see. Thank you. And then Councilmember Constant asked a couple of questions about the park ranger program. So I'm going to really go into too much detail about that. But there is some questions I have. We currently also have six part-time positions and 13 full-time positions with this particular program. Is there any way to look at perhaps eliminating the six part-timers, rather than the entire program? If it's a possibility to eliminate the six part-timers?

>> Albert Balagso: We have not gone down the road of examining how that would operate. We could perhaps do that in an MBA.

>> Councilmember Nguyen: Okay. I think that's all the questions I have for now, thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. I wanted to ask -- I really wanted to agree, first of all, with Councilmember Nguyen and with Pete. Pete, I know this is historical, I'm agreeing with you, but I truly am, that's in relation to the park rangers. I've seen graffiti in my neighborhood for first time that I can remember. I don't remember ever seeing graffiti in some of the places I'm now seeing it. I think that if we do away with rangers AOL together, we might be in a case of false economy, we're going to be paying more money to try to rid ourselves of the problems that may ensue. I'm going outside the box for a minute. What is the status of the parks foundation?

>> Albert Balagso: We are still working at establishing that. And I think part of what we needed to put in place is moving some of the personnel structure within PRNS to start managing the public-private partnerships, advancing the foundation, incorporating volunteerism. We've got that scattered into different parts of our department which we're working on but we need to formalize it into a more narrow unit or structure. So we will -- that is on our work plan to continue to evolve and put together.

>> Councilmember Pyle: I think it would be most helpful with some of these problems and then the volunteer coordinator, is that still in process or is that falling by the way side?

>> Albert Balagso: Yes, as a matter of fact we are bringing forward the new volunteer policy to the neighborhood services and education committee this month, I believe. And then forwarding it on to council for approval.

>> Councilmember Pyle: Wonderful. And so are there any other public-private partnerships that the city has that you can think of?

>> Albert Balagso: We're still work on the ones that we do have and trying to -- it's a difficult time to find corporate partnership. But I think the opportunity that we have in front of us is as we open happy hollow park and zoo with the new amenity, when you look at that time other parks across the city -- I mean nation, there are ways that different individuals can get involved so we are definitely going to pursue that.

>> Councilmember Pyle: We're going to need to do some outsourcing then.

>> Albert Balagso: Yes.

>> Councilmember Pyle: I guess you're saying that happy hollow would be an example of where it would be most successfully used.

>> Albert Balagso: One of our priorities here.

>> Councilmember Pyle: So this is heartbreaking. I think this is probably going to get more attention from the public than anything else when you close libraries and parks and all the rest, it really, really is heartbreaking. Now, how does the current code enforcement service delivery model for routine complaint cases, Mike, compare to the proposed service delivery model outside of the SNI, CDBG areas?

>> Excuse me, thank you for the question. We were very fortunate a couple of years ago that the city council, recognizing the necessity of code enforcement, added code enforcement to our division, actually allowed us to increase enforcement, Seven Trees and Donna Bradford areas. We were thankful that the council recognized the needs and the quality of our neighborhoods. The reduction in staff would take away our ability to respond, when we're responding to routine complaints, those are nonlife safety issues, the junk car in the driveway, the appliance that is left in the driveway, overgrown weeds, quality of life neighborhood issues, away we intend to do is send a letter to the alleged violator, advising them of the complaint, giving them direction what they're going to need to do to correct the violation. We won't be able to provide a field inspector to take a look at that situation, probably up until 45 to 60 days, just because we won't have the staff to be able to do that. And again I'm only talking in the non-SNI nonCDBG neighborhoods, which comprises 45% of our city. Kind of the outlying parts of our city those are where our field inspection services will be decreased. We'll still be responsive but we'll use an alternative responsive tool, in essence a letter.

>> Councilmember Pyle: Where my staff takes a look at where there's a complaint, just a look, would that be at all helpful and to report what we witnessed?

>> Would it be important to report?

>> Councilmember Pyle: Up hundred.

>> Absolutely. When the mayor did their neighborhood round table, what we heard was the residents wanted nor proactive code enforcement. The citizens felt it was the City's responsibility to make sure we're maintaining quality neighborhoods. So we really had the opportunity to be proactive out in the community. But if we are going to be successful in code enforcement as we move forward in those tough budget times, I need the residents to participate in those the process. Let me know if there is a property creating a blight or nuisance to the community. We'll do our best to get a letter out there to the citizen to have the opportunity to correct it before essential are imposed. The community needs to participate at an earlier process.

>> Councilmember Pyle: I guess this will go back to Albert. You can explain the difference between the level 2 after school programs and the level 2 homework centers? I think I know but I want to make sure.

>> Albert Balagso: Level 2 after school programs are those that we are operating on a school site. It's the traditional recreational program that we provide. The ones we have been doing have been the three hour a day program and basically have been the form of after school childcare. After school homework

center is primarily homework oriented but it may have enhanced enrichment attached to it aside from just homework itself.

>> Councilmember Pyle: And that would be on the site as well?

>> Albert Balagso: That would be on a site usually provided by the school.

>> Councilmember Pyle: Okay. Since they'll be provided on a cost recovery basis would there be an opportunity to provide this program at more school sites or is that something we have to forget or is this something parents can help to participate in with some donations?

>> Albert Balagso: That's an excellent point. What we wanted to do was start with nine pilot areas, because those are the areas we have the programs in. We did go to charge for services model and we do have a waiting list.

>> Councilmember Pyle: Oh, wonderful.

>> Albert Balagso: We wanted to expand but wanted to try it out, work it out with the parents, talk about the curriculum and the program and set the fee on that basis.

>> Councilmember Pyle: Terrific, thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: I think I'm the fourth person that's going to bring up park rangers. This is an important issue and it's been stated for several reasons why it's important. But I want to talk a little bit about the two items that you talked about, when you referred to the fire component and if a person is lost or in danger, the response time. What I want to understand is, if we eliminate the park rangers, and there is a fire in Alum Rock park, what is the response time? Because you said it could be a little bigger. Well, Alum Rock is pretty big, and if there is a fire that's pretty deep in the hills in there, it probably takes a while before a ranger would notice it. But now, we're even adding more time onto actually have somebody notice it, and then respond to station 2, or station 19, that are close in vicinity. What is actually the time that we would be able to have somebody on site? And if you don't know that, Albert, you can get that back to me.

>> Albert Balagso: I would not be able to answer that. That would have to be -- the fire chief would need to give us a little bit more information on what that might be. But I can tell you that there is still going to be staff on site that would be making that call.

>> Councilmember Campos: Would it be the capability of being able to handle it with the special equipment that I understand is housed at the park?

>> Albert Balagso: That would not be there.

>> Councilmember Campos: So the equipment that the firefighters use, it's the first response to kind of contain a fire, would be out of service and they would not have access to that as well?

>> Albert Balagso: The role that the ranger would have taken would not there be as well.

>> Councilmember Campos: I understand there is equipment --

>> Albert Balagso: There is equipment rangers have on their trucks that would not be there. We have not worked through all the detail whether or not staff, existing staff could take some of that function so I don't have that answer for you.

>> Councilmember Campos: So I think it's important that we really look at this and, if we need to cut somewhere else, and look at maybe tier 2, then that's what we need to do. I'm hoping that we could at least keep this program whole or at least partially whole for areas that we know that are going to be going through probably a very trying summer. We know that people are losing their jobs, we know that our parks are going to be busier than they ever been because people are not going to be able to take vacation that they used to take. Parks are going to be the only resource for recreation activities. I'm really concerned. I need to say something about this because staff, I know you've worked really hard to be able to put this together. But this actually is an important component that I think is needed for our parks. So I just wanted to say that I won't go on any more, because I know that Councilmember Constant did a great job, and Councilmember Nguyen and Pyle, as well. The other thing that I wanted to just touch on was the homework centers. And I know that is something that you want to propose to be phased out. And is that proposal so that we can just eliminate that service, so that the money can go towards another service or to just eventually help the deficit? I'm not sure what your thinking is on that.

>> Albert Balagso: Yes. The funding for homework centers is on the off the top component of the Healthy Neighborhood Venture Fund. So the savings for the elimination of the fund would go back into the pot for other activities, that is reconciliation other elements within the General Fund funds or services.

>> Councilmember Campos: So the proposal is not to go back to healthy neighborhood but to go back to the General Fund?

>> Albert Balagso: That is the General Fund.

>> Councilmember Campos: That is for 2010, is that correct?

>> Albert Balagso: 2010-2011.

>> Councilmember Campos: The school districts are aware that they'll be phased out, they have about a year left of this?

>> Albert Balagso: I have advised the school-city collaborative.

>> Councilmember Campos: Okay, thank you. The other question I have and I just want to confirm this, is in reading in the -- in your budget, in the budget, it appears that the antigang activity funding will actually stay as status quo, is that correct?

>> Albert Balagso: That is correct.

>> Councilmember Campos: Thank you. And then the last question that I have, or the last area that I want to talk about, is the senior services and the nutrition program. And I know you're proposing Alma to be closed as well as Hank Lopez. And I know we have an extremely high population in those particular areas, of seniors that actually look forward to this, and it's part of their survival, as -- whether it's receiving a meal or whether it's the opportunity to be able to socialize, because they don't have any other avenues to socialize. And we know that interacting with people is healthy for everyone. And as we've been told and statistics continue to show us that our senior population continues to grow, how are we really respecting that population to make sure that they have continued opportunities to be able to have a quality life as they age? My concern about that is, if we close these facilities, and they don't have the ability to be able to mobilize themselves to another facility that is two blocks away or even one block away, how are we able to provides that service so they are able to continue to have the quality of life that seniors should be able to have in these times?

>> Albert Balagso: If I could preface the statement, because I don't think I answered it as clearly with Councilmember Nguyen, as well. The first orders of business that we're going to try to do is try finds an alternative provider. When we say the elimination or the closure of the proposal, reuse is about finding partnerships that we can potentially find another waive delivering this service. If we can't do that, then we try to consolidate into our larger facilities which will be like the Roosevelts or the Gardners. At that point, we look at resources we have available for transporting seniors. I do have a van at Gardner. We have outreach and we are utilizing all the resources we have available to us in order to provide that transportation service.

>> Councilmember Campos: So Albert, the van is being eliminated at Hank Lopez and that means --

>> Albert Balagso: The driver position.

>> Councilmember Campos: And what is the cost of that?

>> Albert Balagso: I do not have the cost of that.

>> Councilmember Campos: We are saving tremendous savings --

>> Albert Balagso: I have angel Rios available.

>> Angel Rios, \$35,000 for the van driver.

>> Councilmember Campos: And how does that relate to the cost of the facility?

>> A little over \$400,000. A fraction.

>> Councilmember Campos: If we eliminate that from Hank Lopez, that means that the seniors that are currently attending the nutrition program, would not have the ability to go to a center, is that what I'm understanding?

>> Well, potentially there may be some impact there although we have been successful in finding alternatives as far as VTA outreach and other efforts. But clearly with Hank Lopez, there are a considerable number of individuals who do require transportation, clearly near half of our participants so that is an issue we need to mitigate.

>> Councilmember Campos: Do you know the number of seniors that attend that facility?

>> We serve 80 meals, we average 100 to 125 seniors daily at that facility.

>> Councilmember Campos: And you're saying about half them require public -- city transportation or public transportation?

>> Yes.

>> Councilmember Campos: Okay, thank you. And Albert, I know that your staff has been working really hazard in trying to balance this budget, and I understand that. This -- the services that you provide in your department are very crucial as well as everyone else, I haven't gotten to you Jane, and that is another important area. I think my colleagues, when we look at this area, will look at maintaining some of these vital services. We talk about public safety but it's also about maintaining quality of life for certain

populations that may not have any other opportunities to find these services or pay for these services because they are on a fixed income. And I think that as I've been here for eight years we've talked about the seniors. And I think one of the comments that I constantly hear is that at this age, seniors should be receiving a quality of life that they can enjoy in their retirement years, and as we know that a lot of seniors are living to be 90 and 100 years old. So I will be putting some proposals in. Hopefully you'll be able to get some numbers back to me. Hopefully this is a starting point. Albert, this is not to beat up on your staff but we need to ask these hard questions so we can understand what's before us so we can provide the best quality of service to our residents, as well as make the best decisions as we move forward in the budget. So thank you for that, Albert.

>>> Jane, first of all I know that you've had a tough time, too, making these decisions. One of the things I've noticed as I've gone through the budget for eight years is that libraries seem to be the center of attention, as well as community centers, and parks. So looking at your plan, how will you assess this? And I understand it very well, that you looked at different data to determine what facilities should be open Monday through Thursday and what facilities should be open Wednesday through Saturday. So in look at this, your assessment for libraries to be open on Saturday was because -- I mean, the clump of libraries that you picked for Saturday, is because the other ones just didn't have a high volume, or was that just a hard decision that you had to make? I'm trying to understand that from your definition?

>> Jane Light: Thank you for your question, Councilmember Campos. What we -- we determined that an alternative service delivery schedule would be four days a week, staggering. That was kind of the configuration determination. Then we said you know, we have a certain amount of staff who will work five days a week, who will be spread across these facilities, meaning that full time staff will now work at more than one library. And so we have to make sure we can stretch those. So those were kinds of two parameters. The third parameter then was, we looked at the use, the number of visitors at each library over a six-month period by day of week. Which is a piece of data we regularly keep and examine for staffing reasons. Out of that, some libraries jumped up as clearly being busier certain times of the week and others jumped up as being busier, later in the week or Saturdays. If we took that current use patterns and took the libraries clearly in those categories and plotted them, clearly where do they fall, and then we looked at libraries, there are a number of libraries that are pretty much evenly distributed to visitors throughout the whole week, so that was third category. We found for example that Alum Rock library was very definitely busiest early part of the week. Alum Rock has a high school across the street, a middle school adjacent to the high school, and that pattern is clear, even during the summer months at that facility. When we looked at that time Hillview branch library, which is also on a middle school campus, we found that it, too, is busiest in the early part of the week. But as we looked at, for example, the Berryessa library, we found that it was very noticeably Saturday by at least 15%, busier than any other day of the week.

>> Councilmember Campos: Even though it's adjacent to a school, too? It just --

>> Jane Light: Even though it's adjacent to a school. We decided that school adjacent to city -- visitors per day was more, we realize that sometimes that foot traffic you know is from schools, but it may also be from preschool parents and others. So that was sort of how we started. We did find a number of libraries that really were kind of equally busy. Almaden, kind of equally busy, no big variation from one day to the other. We could look at that and say well is if there is another nearby library that is clearly busiest, one part of the week, this could be the matching partner, as it were. On behalf of Albert too, I would say that our staffs have worked very diligently and we have worked very diligently to come up with the best possible service plan with the resources that are being proposed that we would have. And we both feel our staff and we have done some good thinking. It isn't that we are standing up about any of these proposals and saying this is optimum for our city. It's optimum for our city at this time and the proposal have you.

>> Councilmember Campos: And that's why I appreciate Albert's opening comment because I think it was crucial not only for us to hear that but I think the residents of the City of San José, that as you want to move forward, as the leaders of the department, you are making these tough decisions. I listened to Albert's opening comments and I think those were appropriate. Those are all my comments.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you mayor, I want to continue the discussion about the library hours. In Berryessa, you pointed out that Saturday is a busy time. But I understand, because the Berryessa library is in between an elementary school and the middle school, during the school days in the afternoon is really, really packed. So I would really like you to consider maybe shorten the hours, but leave the library

open on the school day afternoon. And say, if we're giving you the total number of the library hours, also will encourage you to see if you can probably shorten the day, shorten the date, and the days during the summertime, the Christmas holiday season, and then allocate more hours during the school hours, during the school days, because I don't know if that's a possibility. And also, I would like to know if there is any effort of recruiting some retirees to you know, come in in the afternoon, to help the students with homework. So you can answer --

>> Jane Light: Okay, certainly I'd be happy to answer both questions. We found ourselves at this point, after the cuts we have been taking in the past have been kind of in the category of shaving, keeping the same number of days of service which traditionally was six, except for those libraries that had seven, and shaving hours, an hour a day at first then a half-day. We found ourselves no longer able to do that, that a full-time person is going to work eight hours in a day. And you know we can shorten the library hours, but I'm not going to do that, because the staff should be serving the public to the maximum hours they work. The option -- I'm kinds of shortening the days, when the strategy we've been using has come to the ends of its life cycle here in terms of the amount of staff left, and by going to either a five-day week or a four-day week, these part time employees who staff that sixth day are no longer needed, and many of them are the ones who will be slated to lose their jobs under this proposal. As will some full-time people. So we look at retirees to help out with homework. We do have a number of volunteers who help us with homework and with a lot of activities. We are continuing to -- in fact a position we're recruiting right now funded by our parcel tax is a volunteer recruiter -- volunteer coordinator, that position has been vacant for about six months. And we are working and thinking a lot about how to use volunteers effectively in the library, particularly look at baby boomer volunteers who may have a big range of skills, and may not really want to be shelving books in the library as volunteers. So we're working on you know, how can we generate volunteers and motivate them and keep them, who can contribute perhaps teaching liquidates and teaching computer skills that we haven't had volunteers do.

>> Councilmember Chu: Thank you very much. I have one more statement regarding to the park range. I would really feel more comfortable with the closing of the park than to allow the parks open without the park ranger. Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, Mayor. Albert, I had some questions about the community centers, and certainly I feel the concerns expressed by Councilmember Nguyen about the fact that the centers often serve our neediest residents and of the six centers, three of the closures directly impact residents in my district. First, about the nutrition programs of seniors. My understanding, that's a county-funded program, isn't it?

>> Albert Balagso: That's correct.

>> Councilmember Liccardo: So is there a -- are we anticipating fewer dollars for the nutrition programs?

>> Albert Balagso: I'm sorry, I didn't hear.

>> Councilmember Liccardo: Are we expecting fewer dollars from the county for those nutrition programs?

>> Albert Balagso: We have to negotiate with the county movement of any of the facilities, we would take one program from one site to another. I'm not anticipating at this point that that would be less. It would be the ability to move money.

>> Councilmember Liccardo: I know the county is in a world of hurt of its own, so I'm just trying to figure out if any of this is precipitated by a concern that we won't have county dollars or if those dollars are coming straight from the Feds in which case they're relative more secure. Angel.

>> Councilmember Liccardo, actually the funds are there. We don't anticipate reductions to the county nutrition. The good news is we are having discussions with the county, should this proposal be accepted, look at viable alternatives and basically, transitioning that funding to another alternate provider.

>> Councilmember Liccardo: Okay, thanks angel.

>> Jennifer Maguire: May I clarify as well. Jennifer Maguire. That the General Fund and the HNVF fund supplements the senior nutrition program. It's like a 50% or so to two-thirds reimbursement.

>> Councilmember Liccardo: 50% is county or --

>> Jennifer Maguire: 50% to two-thirds is county reimbursed but there is General Fund and Healthy Neighborhood Venture Fund funding to fund these programs.

>> Councilmember Liccardo: Thank you, Jennifer. I guess part of the concern I have is, well, I think it would be wonderful if we could get a viable nonprofit in here running any of these community centers that

would continue do provide service, particularly to our most vulnerable residents. The challenge we're making is the decision to close first and find partners later. And I know we've had a custom conversations about this, Albert, and I would have preferred a world in which we were able to go reach out first and determine where we have partners, and then where we don't, we need to make harder decisions. Doing it in a vacuum is much more challenging. What I've heard from the nonprofit community in terms of the reuse process in the past is, that process is fairly cumbersome. But in the past there was no M&O money being offered to be able to keep the lights on. You've indicated today that there will be money to do that. Do you have any indication about how much money we can offer a viable nonprofit to be able to run a community center?

>> Albert Balagso: Councilmember Liccardo, in the reuse process, the funding to do the utilities and the maintenance of facilities are intact, at all the facilities that we've put into reuse and would continue to be on those that we are proposing now. There is notice funding proposed for operations which is the delivery of the service, and that's where the partnership comes in of free space for service provided.

>> Councilmember Liccardo: Okay. And I appreciate that. I'm wondering, though, to what extent, and I know at the same time we're contemplating a competition policy which I think creates additional challenges for nonprofits being able to come in. To what extent is there an opportunity to be somewhere between 100% and zero on operations? In other words, as you mentioned, it's a \$400,000 tab to keep Hank Lopez going. I've got three community centers slated for closing in district 3. If \$400,000 may be a typical number, it's probably a little bit low for a typical community center, is there an opportunity to say, if we offer 100,000 or 150,000 or 200,000, that would get a community partner in where otherwise we would have nothing?

>> Albert Balagso: If there were a source of funding that could be an option. We are eliminating the resources that are at those facilities and that's where the savings is made.

>> Councilmember Liccardo: Which eliminates my frustration with this timing. Because that's a decision of the council that we could make with the money we have set aside, discretionary money for the neighborhood services. But we can't make that decision unless we actually have nonprofit partners at the table. You know, I'd like to see, at this point I understand these closures are slated for January of 2010. I understand that gives us some time in the form finding partners but doesn't give us time in the fact of finding budgetary decisions. I'd like to see the opportunity to make those decision at mid year so we're not faced with the stark decision of closing or keeping open as opposed to maybe finding somebody who can help partner if we give a little. And to what extent is that an opportunity, and mid year is typically February.

>> Mayor Reed: City Manager wants to give you some info.

>> City Manager Figone: Yes, I think of course this is ultimately the council's call and perhaps for your contemplation and the mayor's in the June message. But Albert, I would think that we, since we do have experience with issuing RFPs and with re-use that we could really maximize this next six months to enter into those discussions. And on any given Tuesday, I know you don't want that as a practice, but certainly at mid year or in time in advance of the January deadline I think we would come back and advise the council as to what the options are. Is that not correct?

>> Albert Balagso: For me that would be correct.

>> City Manager Figone: And from a budgetary perspective, mid year typically lags, so we'd have to see how we are doing in the fall and the progress Albert is making, but certainly come to you in enough time for the council to make a decision.

>> Councilmember Liccardo: Thank you, I appreciate that. The last thing I'd say about the community centers is what I've heard from some nonprofit partners is, the challenge of the process is that the city isn't sufficiently clear about what programs we want. And I think -- you know, I haven't been intimately involved, obviously, as you had. With whatever extent we're able to be really clear about that may be helpful in terms of listening involvement.

>> Albert Balagso: We have the previous work that was done through reuse. So we do have the advantage of having that prior information. But certainly, going back into it, it's still engaging the community as well. Because I think that has been the challenge with I.T, providing something that matches what the community would like to see, and doesn't necessarily match what an agency brings to the table. So it's crafting that conversation, and bringing that to a happy medium, and that will be one of the things that we will be working on.

>> Councilmember Liccardo: Thanks, Albert. And just on that subject, I was just at a community meeting last night in which I was discussing the fact with the community that was being impacted buy fire station

closing. You know, the fact that we've had these many difficult decisions to make in this budget, and I understand that public safety is always elevated in the discourse above many other services. But I can tell you you know, Rudy Martinez who was the president of the Gardner neighborhood association stood up, as people were very upset about the closure of this fire station. He said you know what, if that's what it takes to keep this community center open, a community that used to be known as barrio horseshoe, which is becoming revitalized, because they have a place where seniors and youth activity can occur, changing that community from one known for gang activity into one that is known for family activity, these community centers do matter. So I just appreciate whatever energy we can invest in terms of keeping them open. The -- on page 206, I see that subsection 7, there's a reference to a reduction in CBO funding of \$63,000. I wasn't clear as to what that related to.

>> Jennifer Maguire: What page were you on?

>> Councilmember Liccardo: 2206.

>> Jennifer Maguire: For parks and recreation, it covers a lot of areas. What was in the base budget for them and the reductions, most of them are spelled out but there's a lot in parks and recreation. It would be the boys and girls club breakout prison outreach, conflict charities, Cupertino --

>> Councilmember Liccardo: So there are several.

>> Jennifer Maguire: We'd be happy to put out an MBA to clarify.

>> Albert Balagso: What Jennifer is referring, there are about a handful in our base budget and those are the ones that this reduction applies to.

>> Councilmember Liccardo: All right, thank you, Albert. Jane, I have a question about the libraries. I appreciate you have been performing miracles for the past several years with less and less resources. What would it cost us as a city to buy another day of service at every branch library? What would that price tag look like?

>> Jane Light: I will get back to you with an MBA with specific numbers, Councilmember Liccardo. We proposed a number of options as it went into this year. And one of them was, we're currently at five and a half -- I call it five and a half days of service. And we proposed a five full days and a four and a half day service and a four day service and a three day service. So I'd have to kind of go back and track it. Our plan if, for example, at the four and a half day service, would have been -- we did develop plans for each of these, all branches would be open Tuesday through Saturday to peek up one weekend day and most of the school week. Except on Fridays they would not open until the after-school hours 2:00 to 6:00. And then those morning hours would have been spent when the staff could get a lot of work done, certain kinds of work can be best done when there's no public in the building. So that particular proposal, I believe, was about a \$750,000 a year difference between what the \$2 million cut you see here, and what it would have been at a four-day. But we can provide you with a -- each of those steps along the basis point.

>> Councilmember Liccardo: I don't want to create more work than -- by the back of the envelope calculations about a million and a half a day, is that fair?

>> Jane Light: Probably I mean --

>> City Manager Figone: Jane, if you look at tier 2, I know you know this more than I do.

>> Jane Light: Yes.

>> City Manager Figone: But the 10th proposal, eliminate 8 additional hours, about 1.4 million.

>> Councilmember Liccardo: 1.4 so that's --

>> Jane Light: That's probably the marginal cost I guess I would call it of opening the libraries for a day. Because there are certain of our costs are just fixed.

>> Councilmember Liccardo: That's helpful, thank you. Thank you very much.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. And thank Albert and the rest the staff. You were asked to complete a task that was not an easy one. In looking at my district, Santa Teresa, my understanding Edenvale as soon as it was opened became if not the busiest, the second busiest library in the city. In looking at what days, which day range to choose for each of the libraries, how much was taken into account, the degree of low-income folks that use that -- the particular library? I ask that because, you know, it's important, and I think it's a good way that it's laid out here that at least there's a library open somewhere in the council district for the community to access. However, it may be more difficult for someone that must rely on public transportation or doesn't have any other mode of transportation to get to the other library. And so I was wondering if that was taken into account when considering which libraries would be open on Saturday for example? And the reason I mention Saturday is because especially now

in the economic times we're in, those that are lower income particularly with the great programs that I know libraries have for children, their reading time and the other magic shows and things that I see the staff really put a lot of heart into satisfying the customers, oftentimes, that's the only entertainment option that some lower income families may have in these times, because they can't afford to take their family to a movie, can't afford a lot of the other options. And so I was just wondering if that was considered in -- as the consideration was made as to the day ranges for openings.

>> Jane Light: Well, Councilmember Kalra, it was considered, but given the circumstances that only half the libraries, in order to be able to staff them all, would kinds of probably pretty proportionally, one open nine hours and the other nine hours, so we can share the staff. I should say if you adopted this proposal we'll be monitoring is this closely and may come back. Because Edenvale, monitoring a library that's been closed for almost two years, that we're making some assumptions based on two years ago how those libraries are used, we may find some changes. I will say that is true for all the branches. And we make changes, we're making assumptions based on past behavior. And some guesses about performance measures even about how much use will be impacted. They're educated guesses but they are clearly guesses.

>> Councilmember Kalra: And I appreciate that, especially the continual evaluation. Because when it comes to Edenvale, I've lived in that area close to 31 years, we never had a library until a few years ago. It's hard to gauge what the closing had on usage. With Santa Teresa's opening to see how the flow of customers goes. As to -- I know this is probably a staffing issue, is whether we talk about the weekend, the Saturday, I mean it would be -- would there be an opportunity to shift some hours around to make sure that every single library is open on Saturday, or is there just not enough staffing to do that if these changes were made?

>> Jane Light: If these changes are made there isn't enough staffing to go around and still meet our agreement with our union that below -- full time employees will get two days in a row off. So that is a factor in making these decisions.

>> Councilmember Kalra: And so if there are a movement of hours, in order to -- well, if there's a day of closure, well I guess as opposed -- so Sundays are going to be closed anyway, so there would have to be two consecutive days of closure. So that's part of the challenge in moving staff around?

>> Jane Light: Yes, it is part of the challenge.

>> Councilmember Kalra: Then in regards to -- let me shift gears to the community center issues. Actually, let me start with park ranger issues. In regards to the park rangers, it shows that there's elimination in 22 positions and they monitor nine different Room parks. How is that rotated? Would they go from one park to another park? I would imagine 22 is not enough to have positions at every park all the time, or is it?

>> Albert Balagso: It is a combination. Some parks we have what we call residential assignments. So that's their sole park. In other location they may rotate between two locations. For instance Edenvale agarden park is rotated between there and Almaden. Guadalupe park would have a dedicate range complement.

>> Councilmember Kalra: That has to do with the size of the park?

>> Albert Balagso: The size of the park and the amenities at the park.

>> Councilmember Kalra: I think we all have hesitance particularly in regards of the safety aspects of eliminating the entire program. That is what I would ask, the more creative more flexible and frankly more liberal use of the rangers so they may be eliminating the staffing in terms of having residential at every park and seeing if there's ways we can kind of shift and move people around a little bit more and see what kind of cost savings that made provide instead of eliminating 22 positions, some portion are left where you still get coverage at all the park, particularly given the fact that the some of the parks will be closed on Mondays and given the fact that there will be less resources that maybe you can find some way to have some resources at the parks so there can be at least some response, if there is an issue at a park as opposed to knowing that there's no park rangers and there's not going to be a response. There's a dual issue there, an issue raised by some of the councilmembers, calling and you're not going have someone there but also the other issue, if there are people hanging out at the park and they know there's not going to be anybody patrolling, could lead to other issues as well. Just the fact that you kind of have roving patrols could eliminate any conduct that could be damaging to the park. And going to the community centers, I echo the concerns, particularly the fact that many of the centers that are proposed for closure, affect high impact communities in terms of need. And there may not be other options for activity, especially in my district there are Las Paseos youth center, if that closes, we already closed the

Edenvale youth center, that was put into operation, if that closes, my district is so large and spread out there is really no other option. There is not a lot of place for those teenagers to go. In addition, that youth center was put into place in large part from funding that was due to mitigation from a power plant being built next to a population center, and that was considered the major mitigation, a gift so to speak to the community, that frankly is being used and that's in need. And so was there consideration given to that, to specifically to Los paseos, to some of the other options that customers may have at those centers, that they're out of a certain income bracket, that the reality if those centers close there really is no other place, whether they be a senior or a child that there really is no other option or the them getting services?

>> Albert Balagso: Councilmember Kalra, we did take that into consideration and we did specify some relocation opportunities that we were looking at. But there are also some conversations that we have initiated with different potential providers. Particularly at Los paseos, we think we might be able to find an alternative operator there. In addition to that, we can look at alternative methods, such as we took earlier about a level 2 homework center or a level 2 after-school program, that could be a service type operation as well. There are different methods that we're going to work through and that is part of what we're going to be doing from now until January to come up with a viable option.

>> Councilmember Kalra: And I'll echo some of the comments made by Councilmember Liccardo, you know, if we had that amount of time, if there is any way that even we can help engage in some of those discussions, we have until January, and I think that if those discussions are occurring, I would certainly like to know for certain in my district, other councilmembers would like to know what kind of discussions are ongoing to make sure we can keep these centers open in some capacity. Because there really is no -- there are no other youth centers in the district that are operated by the city. We have boys and girls clubs and so on and that might well be the organization you're talking about in discussion with. The other question I had was in regard to a tier 2 option. Because the funding is very close to the amount of funding to keep these centers open. But the summer aquatics program, I'm just curious, where is that program being implemented, which centers?

>> Albert Balagso: There are six city pools that we operate and I believe three high school contract pools that we also operate as well..

>> Councilmember Kalra: And it's summer aquatics, exactly when is the time frame for --

>> Albert Balagso: It's about an eight-week program that we run that has lessons and recreational swim during the summer. We have two weeks that we do lessons only. Total value is 12 weeks over the summer.

>> Councilmember Kalra: That is fee for lessons?

>> Albert Balagso: Fee for lessons, fee for lessons. There's a fee schedule related to lesson and recreational swimming.

>> Councilmember Kalra: Where are the locations that they ever being run?

>> Mayfair, Biebrach, Ryland, Alviso, Camden, Fair, and Santa Teresa, Silver Creek and Willow Glen middle. Can't believe I remembered that.

>> Mayor Reed: We've got about a half hour left. I think we'll be able to do it. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. This discussion is a heartbreaker. It's -- these services are where the relinquish meets the road. And I want to you know, commend Albert for all the work and those of you in the CSA for all of the hard work. I don't like any of these cuts. And I'm just kind of in thinking about everything that's been said, partnerships and kind of creative out of the box ideas have been suggested and I hope that we're going to take those to heart in looking at a lot of this. I'm going to focus on park rangers first, and I want to just echo whatever everyone else has said already. I'm concerned about us now taking a reactive approach to these parks in terms of Public Safety in terms of the proactive approach we've been able to take in terms of park rangers. I'm wondering if there is any way we could -- and I think Councilmember Kalra suggested it, looking at maybe having rangers, a smaller number of them at peak hours or for certain events or maybe looking at it on weekends, where the parks are used more. Just, is there any other way we can take a look at this? I'm concerned about response time to fire, I'm concerned about safety. And I think everything that we're talking about here contributes to quality of life but we do have to make sure our residents are safe. I mean that is an overriding concern, at least it's my overriding concern. The other thing I was thinking about is, can we, is there any ability for us to augment this with any kind of a volunteer contingent that might be put together under the auspices of the city and the police department? Some kind of a volunteer assistance, not that they would take the place, but to augment that, I'm wondering if there is any opportunity for that? Can I get a comment? Does anybody have a comment on any of that?

>> Albert Balagso: With respect to the volunteer component would I have to discuss that with chief Davis in the police department and see if that would be an option for them.

>> Councilmember Herrera: Because I know the communities care deeply about these parks and if we could have some minimal ranger participation than it creates some kind of volunteer program of adopting the park or being part of the park or as docents assisting in education but also, being able to note or observe things and be able to call in, so they would have that responsibility, I'm seeing if we can support the range program and maintained safety. Libraries, I just want to thank you, Jane, for everything you do. And libraries have certainly changed a lot since I was growing up. Preschool activities and homework centers and places where seniors come to learn the computer and they're just providing so many services for our community. We have one library out in Evergreen and I know that it's going to be closed on Monday and that's a time when our students come in to prepare you know for the week, to prepare for tests and all of that. It's a really vital -- these libraries are vital resources in our community. So I'm just wondering if there's any opportunity in terms of increasing days by looking at any partnerships. And I'm just broadly saying that, is there any partnership opportunity to increase days in library, so that we don't -- so that we can try to increase that?

>> Jane Light: Well, Councilmember Herrera, we're very interested in that. So far we haven't found a partner -- we've found a lot of partners who want to come in when the library is open and we're staffing it and provide augmentation services which is wonderful. At two or three of our branches we have English as a second language being taught by East side adult education, where students take classes in the daytime when they don't have classes available on their campus. This will be affected negatively with fewer days open. But we haven't found partners that bring with them the resources to keep us open. And we're concerned about the homework centers, the very homework centers that Albert is talking about cutting, the library talks about about \$160,000 I think it is a year to operate with college age paid attitudors to help maybe 1st through 6th graders do their homework. And when we lose their partnership, we will be struggling to help kids, not just you know really sit down with someone and help them do that math homework which our staffer can't do.

>> Councilmember Herrera: Thank you.

>> Mayor Reed: Okay, before we go through the council again I do have some requests from the philanthropic speak. And I'd like to make sure we get them into the program here before we lose our quorum. So let's take that at this time, I'll call a few names. Please come on down to the front as I call your name so you're ready to go. Patricia Gardner, Chris Cruz, Steve barianthos.

>> Thank you very much. I quickly am making notes. First I want you to know that the volunteer center is closing in the City of San José. It will be focused on emergency preparedness. As you talk about your volunteer recruitment, I want you to understand that that program is most likely closing. I'm here to talk about the community center reuse most particularly. We have to have a clear process. We've gone through this before. And I really want to say that have you to make sure that it's either community need or the needs of the agencies. And so, many -- some agencies are going to be interested in community centers but there's no money for programming. So I just want to also link the fact that you fund the healthy neighborhood venture program, and that matches my understanding your independent analysis for \$6 million, it's matched for 32 million for volunteers to the city. It's a rim effect. Cutting one impacts the other. So I'm going to encourage you to really look at, what is going to happen in the community centers and if you want is an ex center child care and there's not an agency who doesn't have a current location for childcare, there's no operating dollars for that service. So I want to be sure everyone understands that in the state of nonprofits, 51% of our agencies are laying off or down sizing, 68% believe they'll lose 20% of their funding next year, foundation and corporate giving is down 38 to 40%. I want to make sure that is all in the context of volunteerism and moving money and operating dollars. They're all linked together. We look forward to working with you on community reuse. We think there is some opportunity, some agencies are interested, but it's interesting to know whether any service you'll take in the community centers or a specific use. Those are very unique differences. Thank you.

>> Mayor Reed: Chris Cruz (saying names).

>> Good morning, my name is Chris Cruz, I'm a park management chair at West valley college. I'm speaking here today to represent the college but also the rangers that work in the City of San José. And the proposal to eliminate the park ranger program I think is of great concern. You've expressed it yourselves as a council. And the public safety aspect has been played up very well by the councilmembers. But there are a couple areas that I think you should consider as well. When I first heard about this, and I started thinking about this, I went to the Web and I did a google search and I thought,

okay, put in City of San José park rangers and what I get, first thing I got was a site that stressed the education of our national resources to our kids and to our community. And it's a component that really hasn't been discussed heavily. It's been mentioned a few times. But that's an area that the rangers have a really strong influence in and being able to impact kids that come into their parks, their families as they come into parks and it's very important. I go back to my own childhood and thinking about my first experience with a ranger and seeing my first bald eagle. That memory is here. It's never going to go away. So City of San José park rangers have been doing that in this community a long time with the kids in the community, with the citizens of my community and I think it's really crucial that we keep that in mind. And focus in on that piece. The ranger staff is teaching our next generation of land stewards. And we can't understate the importance of that. Having them in the park, visible for public safety, for education, is crucial to the community. And the community now has an opportunity to interact with people that work for the city government, that have a really high public visibility, and this is also the council's opportunity to show that we have people out there that can communicate with the community, and have that ability to teach about that park resource.

>> Mayor Reed: I'm sorry your time is up.

>> Thank you.

>> Mayor Reed: Steve Barientos (saying names) come on down, sir. Some people have to leave before they get called, that's all right.

>> Good afternoon, my name is Troy Jamal Butler. I'm a West Valley student. I want to make a comment about the park rangers being eliminated from the San José city parks. I think that that decision would actually come back to haunt you. It's so much that goes on in the parks with the rangers there. So without them, I think it just invites more activities to occur in the parks. Thank you.

>> Mayor Reed: Thank you. Adnan and then Maria Noyle Fernandez or Steve Barientos. Any takers? We've got one coming down, come on down.

>> I'm sorry. Mr. Mayor and council, my name is Steve Bariento, I'm vice president of Nac Washington and a member of Alma neighborhood association. At this time I would like to express my opposition to the closure of Alma community center. I faithfully committed myself as a community volunteer for the past eight years. You name it, I volunteer for it. Since I was made aware of this proposed closure I've been canvassing our community with a petition on our disapproval of the closure of our facility. I'm really nervous. Our senior nutrition program and their ability to socialize in their community is a necessity for their daily lives. For our youth community, without this facility and its programs, our community will be in despair. I don't understand kick them when they're up, kicking them when they're down. It's not my backyard, can't see it from my house, but it's totally unacceptable for the closure of this facility. Thank you.

>> Mayor Reed: Adnan.

>> I'm Adnan president of the Washington NAC. Grew up right around the corner from the Alma community center. Want you guys to know that it's very difficult when you guys bring up a closure of a community facility like this. I've never seen something like this. I've been going there since I was 13 years old. The seniors are lovely, we've seen them come and go. It's very difficult for us when we heard the news to say, guess what, Alma community center when it's in our top 10 of our master plan, it's number 1 on our master plan. It's ridiculous. Two years ago, PRNS promised the moon, stars and everything, to say now, we're closing, it gets me very angry. How did you go about choosing Alma community center? How did that happen? Because our senior membership is up, it's up to close to 300. And our youth program is close to 100. So I just want to know how you went about doing that and why do you want to send us to a center across -- I might be a mile away but I grew up in that neighborhood, those three areas and it's a different world right there. Our seniors were treated badly when we were at Gardner the first time. So the second time I don't think it's going to work. That's my only question. Then again I heard tier 2, Alum Rock community centers and Alviso. Does someone get the picture? I do. I don't think that's right, there is 55 community centers, not just the ones in district 5, district 3 and district 7.

>> Mayor Reed: Maria Nowell Hernandez.

>> Good morning, mayor and council. My name is Maria Nowell Hernandez. We have seen ups and downs in our economy. One thing that is clear to us. We have seen people in despair that are facing obstacles. It is even more important to be creative and innovative and how we protect the centers and services that serve our most vulnerable populations. We are making two requests and leaving you with one question today. One, protect our community centers, in which they gather, play, learn and access healthy activities. Two, create creative partnership opportunities with clear timing and precise and

forward. Last, how can our nonprofit organizations help the city? Because to achieve these alternative creative solutions, we really do need clear information on the reuse process and on the timing. Thank you.

>> Mayor Reed: Thank you. That's all the cards I have so come back to finish up the council discussion. I think it was my turn. On page 164 and 165, VII, there's four, that's the charts and graphs. Which, to me, tell pretty much the story. Community centers, we've essentially we're on the track to double our total space in community centers over -- since 2002. We're certainly not doubling our staffing, and we're shrinking the staffing now. Is there a map of the community centers that we're keeping open? I might have missed the map of the community centers.

>> Albert Balagso: Mayor, we don't have them but we are preparing an MBA that shows the history of reuse and we will include a map in that.

>> Mayor Reed: I can't keep track and I'm sure the public would like to know which ones are going to remain open. Second is, somehow we've managed to continue to maintain our parks while staffing has decreased by 13% in the past five years with park acreage increasing by 9% during the same time period. So our staff is working hard and they're working harder and we have asked them to do more with less. And if you look at the chart on 165 you can just see the parks acreage keeps going up and the staffing unfortunately is coming back down. Same thing in the library, somebody mentioned the miracles that Jane has performed, patronage has increased going up up everything but staffing. We've reached the point where we've run out of easy stuff to do. One question about happy hollow, how much of a drain will happy hollow be on the General Fund once it's reopened on a operating basis?

>> Albert Balagso: There is a -- I need some information from Mark Marney -- part of it a drain in the first year just because we're only opening one quarter, so we're missing most of the year but our target will be 100% cost recovery. Mark if you could cover the next years.

>> Mark Marney, the opening is being postponed until March. With that there will be a \$700,000 projected hit to the General Fund. Following next year, though, with outsourcing if we're able to move forward with outsourcing, we're projecting the entire facility to be 100% cost-recoverable.

>> Mayor Reed: Thank you. Just to comment, when you add it all up there's \$12 million in this budget we're looking at for pay raises for these employees with contracts zipped up. We have asked all our employees to take a wage freeze, a true zero, no wage increase, no step energies, no merit increase. We have no agreements with any of our bargaining units for this but there's \$12 million in this budget for pay raises. That would help save some of these cuts and could save a lot of jobs, as well. So we've asked. We're open. Concessions will continue as we go through this budget process and I'm hopeful that we'll hopefully get some agreements. Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. You know, I've said many times in our budget that we really need to look at things in kind of a lens of what we must do, what we should do, and those things, then, that we would like to do. And when I look at the budget, we've heard a lot of comments, you know, \$50 -- \$50,000 would keep the driver at this, I think you said Hank Lopez. We've got all these areas where we can do different things with our money, and some that are definitely in the category of things we should do, and things that we must do. But then there's things that we would like to do, that I think, you know, we really have to look at, like those events in our district that I mentioned. And in this budget we're adding \$50,000 to market the mariachi festival. I know that's something I would like to do but I think we should provide the transportation at the senior centers. And that \$50,000 would provide the bus driver in Nora's district or potentially my district or one of the other districts, or would help out in some of these other areas. I know that's just a small amount but I'm just using it to point out that I know we'd like to do all of these things. But we just have to face the fact that we can't do them all. And we should really concentrate on those things we must do and those things we should do before we get to those things we'd like to do. And that's \$50,000 I think can be put to better use at this time. And then, my last comment, today's odd day, don't forget that.

>> Mayor Reed: Thank you. It has made the day so much better knowing that it's odd day. Any other comments or questions from the council before we wrap up, or anything from City Manager or the staff? I think we're just about done with this section. We will, tomorrow at 1:30, take up Public Safety. I'm sure that will be as easy as this. So we are adjourned.