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City of San José city council meeting.

>> Mayor Reed: (gavel strike) good afternoon. I'd like to call the San José city council meeting to order for April 6th, 2010. We will start with the invocation. Councilmember Chu will introduce the invocator.

>> Councilmember Chu: Thank you, Mayor. It is my honor to introduce Pastor Able Reels from the New Harvest Church located in District 4. In 2001 pastor able took -- thank you. In 2001 pastor able took over new harvest church with only five members, and since then, new harvest church has grown immensely to more than 200 members. The church offer free program for all ages including celebrate recovery, a 12 step Christian program for man and woman, life hurt God heals for teenagers, pastor able has been teach and pray for the inmates and he has also had the opportunity to travel to South America and England to teach and help other pastors. Pastor able, is living in San José with his wife, sister Alice is with us and their four children. Welcome, pastor able.

>> Thank you, distinguished councilmembers and mayor Chuck Reed. I'd just like to take this time to just pray for what's on the agenda that's taking place. I just pray for God to bless everything that takes place in this chamber this morning. This afternoon, that God just give them wisdom and understanding, that whatever comes through, that it's a blessing, that it builds our community, builds our schools, builds our homes, builds the business that we're here, San José is the Silicon Valley, and I just pray to God to continue blessing us, that we're still, that we become still the focal point of the world and California, to be able to whatever takes place, that God's wisdom is upon our councilmembers and our mayor to bring a blessing, to bring growth and prosperity and blessing to bring encouragement to our community that everything they do from this day forward is just touched by God and God's hand and God's grace to continue to just blessing us and motivating everyone and God to just continue having his hand upon him. I just consider it a blessing to be here to have the opportunity to speak and to be able to pray for such a great group of people that God just to move in a powerful way. I thank you. Got bless you.

>> Mayor Reed: Thank you. Thank you for joining us today. Next we'll do the pledge of allegiance and helping us to do the pledge of allegiance is some third graders from Payne elementary school in District 1. So everyone please stand. [ pledge of allegiance ]

>> Mayor Reed: Thank you, Payne elementary school and third graders, welcome. And the good news is, you don't have to stay for the whole meeting. [ Laughter ]

>> Mayor Reed: Orders of the day, are there any changes to the orders of the day from the printed agenda? Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I'd like to make the request for item 4.3 for one week.

>> Mayor Reed: That's the special events services and costs item?

>> Councilmember Liccardo: That's correct, thank you mayor.

>> Mayor Reed: Any other requests under orders of the day? Motion is to approve the orders as amended. All in favor? Opposed, none opposed, orders are approved. Closed session report we have nothing to report out of closed session from this morning. Ceremonial items are next. I'd like to invite Vice Mayor Chirco and Myra Cruz, the chair of early care and education commission to join me add the podium. Today we're recognizing the month of April as month of the young child and we just happen to have a young child here, perfect for this. Vice Mayor Chirco will tell us more about this recognition.

>> Councilmember Chirco: As the mayor already said, joining us at the podium today are Myra Cruz, chair of the early care and education commission, and Dawn Perry, manager of the early care and literacy department, and Jay Lynn Rodriguez, age 4, representing the young child and her aunt. And other than aunt, Jay Lynn's aunt, your name? Maritza. I apologize. Jay Lynn I already forgot and you told me. Thank you Jay Lynn. This month we draw attention to the future of our community by honoring the youngest residents of San José with a resolution proclaiming April month of the young child. San José is the only major city Haase that has a commission to support our youngest residents with quality care and early education. We recognize that zero to five are important years, for children's social, emotional, physical and intellectual development. This solid foundation is needed to produce successful adults. In addition quality early care and education for children are fundamental elements of economic stability for San José's communities and for the growth and health of our businesses. With our early care and education commission 20 smart start centers, daycare providers, training programs which is about to graduate 80 new family daycare business owners, and investment in capital improvements to daycare facilities, our city is doing great things. Through the program we have added nearly 6,000 new childcare slots. But the City of San José has a gap for all the good work we've done, we still have a gap of 17,000 additional spaces that would be needed to meet the demand of our families. So we have much more work to do. Therefore, we proclaim this month of April as the month of the young child in San José, as we

reaffirm our continuing commitment to help ensure the health, welfare, safety and education of our youngest residents through effective community programs and services, that support our families with young children. And kind of a special plug right here, commercial time. Join us on Saturday, April 24th, at the discovery meadow for the 24th annual children's fair. The theme is going wild with nature, adventures in our backyard. It is a day of free family fun to celebrate the month of the young child. We thank everyone here today who has played a role in supporting our young children. I want to especially thank our early care and education commission, and all of our commissioners who work so hard. If we have commissioners in the audience, would they please stand? I know we have the chair here. Are there any other commissioners? They must be working for a living! Go figure. I also offer our heart felt gratitude to those who work/play with our youngest children every day. So mayor would you present the commendation to Myra Cruz. Would you like to say a few words?

>> Thank you, Mayor Reed, and Vice Mayor Chirco. City council members, thank you for acknowledging the importance of early care and education, and surely the importance of quality childcare. I would like to take this opportunity to make a brief presentation. Vice Mayor Judy Chirco I know you were not able to attend our annual smart start conference that was recently -- that was held recently and we have a special recognition for you. But the participants and the planning committee as well as the commission want to ensure that you receive public acknowledgment for the services that you have provided on behalf of our young children in San José and their families. In keeping with the conference theme, of from birth to earth, embracing our children and our environment, a rose has been planted in your honor at the heritage rose garden. And so this is a little -- a little envelope that shows you --

>> Councilmember Chirco: Oh, thank you. I'll have to go visit. Thank you! [applause]

>> Also, Jay Lee Rodriguez a four-year-old who is here today is here to present you with a certificate she has signed. [applause]

>> Councilmember Chirco: Thank you so much..

>> Mayor Reed: Now I'd like to invite councilmembers Chu and Kalra and representatives from 2010 save our sports committee to join me at the podium. Today we're commending save our sports committee for their work in maintaining sports opportunities for student athletes.

>> Councilmember Chu: Thank you, mayor. I'd like to thank my colleague, Councilmember Ash Kalra and the mayor in joining me to present a commendation to the save our sport committee. And the recognition of their commitment to maintaining sports for student athletes in the east side union high school district. Formed by a group of dedicated parents, the save our sports committee was established in April 2009, when the east side union high school district proposed to cut after school sports as a response to the California state budget crisis. Over 1,000 participated in the first inaugural 5K run last year raising over \$100,000 to support the sports program. On April the 25th, 2010, that's coming up later this month, student athletes along with family friends and community supporters will be participating in the second annual 5K run and continue to support help raising the money needed for continuance of the athletic program. We are all proud of the accomplishment of the save our sports committee and commended them today for their commitment to maintaining sports opportunities for students, athletes in the east side union high school district. Here to accept the commendations are Patty Carillo and Sue McAllister and Clara Ching. [applause]

>> Also, we'd like to recognize than Dan Mosier the acting superintendent of the east side union high school district is joining us today. [applause]

>> And in the audience we have Alan Garafolo an assistant superintendent in the audience also. I have a few words, and then Patty Carillo is also going to say a few words. Mayor Reed, Councilmember Chu, Kalra, Herrera and all the city council and honored guests, thank you for recognizing the save our sports committee. I am a committee member and a proud parent of a district alumni. My son, Scott McAllister Morgan a 2006 independence high school graduate is on schedule to complete his engineering degree in four years at the University of California this June. While a student at independence, Scott tackled a rigorous four-year college prep curriculum integrating AP physics and swimming, AP calculus and water polo. In Scott's words, swimming gave me my work ethic and water polo gave me a positive outlet.

Without either high school would have been a burden, rather than a worthwhile experience. Go sixers, go Aggies. The save our sports committee is led -- has been led by Patty Carillo and Clara Ching and is a successful coalition of all East side high schools. And to make some more comments today is Patty Carollo. [applause]

>> Thank you, councilmembers, mayor, I really appreciate you all being here today. This is very important. Without this last year, we would not probably have sports today in the east side union high

school district. So our efforts are going to continue. They will continue while on beyond the April 25th event as well. It is really important that all of us really take part in opportunities that are there to help raise money. This is a great opportunity, and a solution for our school district. And we hope that all of you can be out there with us. It's \$25. It's only one day, a few hours. You can walk, run, bring your dog, dress in a costume. We're hoping to make this an event that is more successful than, you know, bay to breakers one day. So please come out and join us. Thank you again councilmembers and mayor. [applause]

>> Mayor Reed: I'd like to invite represents of the donate life program and Councilmember Kalra to the podium. As we recognize the mop of April as DMV donate life California month. Councilmember Kalra has a few more things to say.

>> Councilmember Kalra: Thank you mayor. Sonia Gonzales, administrative manager of the Santa Teresa DMV office, I was there a couple of weeks ago, spent a lovely hour and a half with great service, and of course most importantly I think is Raquel Jordan, who is the mother of Devon Jordan, who died while awaiting a heart transplant. I really want to thank her for being here, of being the human face beyond this important issue. Currently there are more than 100,000 individuals nationwide and more than 20,000 in California on the national organ transplant waiting list. That means every 90 minutes one person dies while waiting due to the shortage of donated organs. The need for donated organs is especially urgent in Hispanic and African American communities. In addition more than 600,000 units of blood per year are needed to meet the need in California alone and at any given time 6,000 patients are in need of volunteer marrow donors. That is why organ, tissue, marrow and blood donation are life giving acts recognized worldwide as expressions of compassion to those in need. Nearly 7 million Californians have signed up with the state of California donate life California registry, to ensure their wishes to be organ and tissue donors are honored. Thanks to the California Department of Motor vehicles 98% of registered donors sign up through the DMV when applying for or renewing their drivers licenses, or I.D. cards, and I appreciate the fact that it used to be a little sticker, and now it's a pink dot on the license that really -- it's such a great program. And so, Mr. Mayor, I'd ask if you can please present the commendation to Mr. Crompton from the Department of Motor vehicles. [applause]

>> Councilmember Kalra: And I'd like ask Gilbert Warren from the California transplant donor network to make a few comments.

>> Thank you, Ash. Mr. Mayor, councilmembers, staff, and citizens of San José thanks for the opportunities to recognize national donate life month and the hard work and the efforts that the California state Department of Motor vehicles and our local DMV offices have made in helping register the more than 6 million organ, eye and tissue donors on the official state registry. Unfortunately there is more than 25 million licensed drivers in the state of California, and we only have 6 million people who are registered as organ eye and tissue donors so we have a lot of work to do. But with the help of DMV we will get the job done. As Ash said, over 98% of all individuals who are currently registering on the registry are signed up through the DMV. They do the heavy lifting and we love them for the work that they do. And again, that's why we're commending the DMV with this proclamation today and to celebrate the modify April which has been designated as the national donate life month. Now I'd like to have Raquel come up and say a few words regarding her experiences with organ donation.

>> I had two sons, Devon and Allen. Our lives were normal, until Saturday, 1997. Devon was playing soccer and suddenly collapsed holding his chest and having difficulty breathing. He was rushed to the hospital and it was discovered that he had an enlarged heart. Devon was seen by cardiologist and admitted to the ICU. Devon went through a lot of tests to determine what had caused such -- so much damage to his heart at such a young age. It was discovered that a virus was to blame. Devon caught a virus that attacked his heart. I couldn't believe what I was hearing. I always kept my boys current on all the immunizations and checkups so I couldn't believe what I was hearing. Devon caught a virus that anyone could catch, at any time in their life. But for some reason, and especially African Americans. By April, 2002, his other organs were starting to show signs of damage, because of his heart condition. A couple of days before his 13th birthday, April 14th, Devon was put on the heart transplant list. And Devon would die without a new heart. On September 24th, 2002, Devon had suffered a heart attack. He was 13 years old. His heart was damaged even further by his heart attack and now he had three options to choose from. Treat with medications, go home, and not possibly survive, get a pacemaker put in and keep him going until his heart was for surgery. He wasn't strong enough for surgery. Option 3, stay in the hospital and wait for a new heart. I went to Devon and talked to him. I felt this should have been his decision as this was his life and he was the one who was going to have to face it head-on. He decided on the pacemaker, knowing the risk, but he was fine because he said God had his back. The surgery went

well but the doctors discovered that his heart was even weaker than they expected. By November, excuse me, Devon was getting significantly weaker, and we knew he was in trouble. He ended up on some additional machines to help his heart function, but his other organs were having more trouble functioning. Was he going to make it until Thanksgiving without a new heart? Devon fought a hard battle throughout the next few weeks. He ended up on life support but on sun, December 22nd, 2002, our family was called to say our good-byes and Devon died that day. Because of this experience, I have decided to commit myself to being involved with saving the lives of others. I went to Sacramento in June, to help a bill get passed regarding organ donation. I do not want other families especially the children to go through what my family and Devon went through. If anyone ever asks you the question would you become a donor? Please I urge you to say yes. You never know when someone in your family or your child may need an organ. Thank you. [applause]

>> And now just a couple of words from Paul Crompton, DMV field manager.

>> Mayor Reed, city council members, Gilbert and Raquel, Sonia and I are honored and humbled by this opportunity to accept the City's proclamation on behalf of the DMV. And our hardworking staff members in the many local offices that serve the citizens of San José. I can personally attest to the good work that donate California does. A very close friend of mine, himself a fellow DMV employee, and a donate life ambassador, has had a double cornea transplant. As you may already know and have heard this afternoon DMV and donate life California have forged a strong partnership over the past few years and our collaborative efforts have recently resulted in more than 6 million Californians now identified as organ donors on the donate life California organ and tissue donor registry. Today DMV customers who apply for or renew a license or an identification card have the option to check yes on their application and choose to join over 6 million other Californians as registered organ and tissue donors improving lives of people who desperately need these gifts of life. Thank you for honoring the work that DMV and donate life are doing. It is with a great sense of satisfaction and pride that we accept this proclamation. Thank you very much. [applause]

>> Mayor Reed: Next item is the consent calendar. Are there items that councilmembers would like to pull for discussion? I have a request to pull item 2.7, televising retirement board meetings and 2.8 on prevention. Any others? Motion is to approve the balance of the consent calendar. All in favor? Opposed? None opposed, that's approved. Item 2.7, Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. I just wanted to comment on this item. As we've had many discussions about the pension board meetings over the last three plus years that I've been here, one of the important things is to really increase our transparency of what's happening at our retirement system not only for the general public but for our employees here the the City of San José who are working and don't have the time to take off to go see the meetings. This is important because it saves a lot of money. We already have the system here at City Hall, and I went back to look at the memo that we were presented on the retirement boards of how much it would cost to replicate the software and system at retirement services. It would have cost an initial up-front cost of \$16,000, plus \$12,000 per year, not counting the staff costs associated with operating the system, just the hardware cost. So you see that by doing this collaboratively here at City Hall we're able to have a positive financial impact. I also wanted to remind our council that with the demand for meeting rooms here at the City of San José City Hall, it's going to be important that we maintain the same priority for retirement board hearings that we give to our council committee hearings, and that there is always a meeting room with the equipment for those boards to meet. Twice in the past, they have tried moving meetings to City Hall, and have had issues with meetings being bumped or moved to alternate location. But I think it's important for the retirement boards to understand that we as a city council are fully committed to make sure that they have the facilities for their work, because we think that it's a very important part of our city government and a very important part of our budget, and that we work to make sure it maintains the same level of importance as our council meetings and our council committee meetings and with that I make a motion to approve.

>> Second.

>> Mayor Reed: I think we have a motion to approve. I'd just like to note that next year more than 25% of our General Fund is going to be spent by making deposits into the retirement funds. These two retirement committees are the most important committees that we have. It is really important that we have a chance to see their proceedings, the public has a chance to see their proceedings, because they have a great importance to everyone in the city. So I'm happy to see them moving to City Hall. We need to do what we can to accommodate them, that meeting space is always available and there's no additional

expense to be here and I appreciate the willingness on behalf of the boards to give this a try and see how it works for them. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I just wanted to follow up with Councilmember Constant's comments in serving on the board with Councilmember Constant one of the things we're trying to do is reassure them that we are committed to making sure that those meetings are treated fairly. It seems like in the past there was bumping, so there is some skepticism there so I think whatever we can do collectively to show that it's important enough to have these meetings here, that we're going to make sure that any difficulty it causes from the current structure, we'll try to make up for it any way we can and certainly try to reduce the cost as much as possible in the change. And so I think with this at least we can go back to the board and say look, hopefully we say we can have the rest of the council with us and say that we really are committed to showing the boards the respect that they deserve and making sure that the members there feel that the city is going to take their request seriously.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor and I just wanted to add as a member of the police-fire retirement board that that body expressed the same concerns. I definitely supported us moving the meetings here and was led on that along with Councilmember Liccardo. But they were concerned about having certainty for the meetings here making sure that there wasn't any bankrupt cancellations because they noted that that had happened not to a great extent but it had happened in the past. I also just wanted to make note of the fact that even though the meetings are public, it's very seldom that you see public actually attending the meetings where they're located now. So I think it does give a much better chance when they're relocated to have the public actually be able to understand what's going on, it's so significant and important to our future, to the budget and to the future. Thank you.

>> Mayor Reed: Thank you. I think Tom Manheim has a couple of comments.

>> Tom Manheim: Yes I did. I just wanted to assure the council we have already looked through the calendars and have them booked throughout this year and we are already working on the next calendar year.

>> Mayor Reed: Good, thank you. And I think everybody has gotten the message that we can't be cancelling their meetings because they have important work to do. We book them, they need to stay booked, and I'm sure we can accommodate that. No other comments on that? We have a motion to approve. All in favor? Opposed none opposed, that's approved. Item 2.8 is grant application for smart start San José program quality guidelines project. I have a request from Ernesto de Harano to speak.

>> Good afternoon, thank you. My name is Ernesto de Harano, I'm currently a student, master of social work program at San José State. I've been a social worker for Santa Clara County for the past 15 years, had the opportunity to do a lot of group facilitation, court mandated case work and currently evaluation and analysis of program effectiveness. And I understand that the budget times that we're in and in times of budget difficulty the priorities can sometimes shift but I'm here to briefly advocate for two things. One is, spending as much money as the budget allows for on prevention as a means to long term savings. Kind of investing more up front in the services that the city provides and supports. And also, that recipients of city supported funding or support should demonstrate the use of evidence based practices and the services they provide. California education center in Berkeley defines evidence based practice as the integration of best research and evidence with clinical expertise and client values. So I just want to lastly say that using this evidence based practice as a method of providing services will ensure that the clients that the city supports monetarily and in all other ways will receive quality services and will be able to maximize the return on our investment to agencies of the city. Thank you.

>> Mayor Reed: That concludes the public testimony. Vice Mayor Chirco.

>> Councilmember Chirco: Yes, I would like to move approval of this, and thank Dawn for all the work she's done on -- I think it's -- for years I've heard the biggest difference we can make in our children's education is universal preschool and part of getting universal preschool is beginning to look at the standards and accountability and with our smart start program, this begins to incorporate some of the work that Dawn and the early care and education commission have been doing. So I'd like to move approval of this.

>> Councilmember Pyle: Second.

>> Mayor Reed: We have a motion to approve. All in favor? Opposed, none opposed, that's approved. That concludes the consent calendar. Our next item is 3.1, report of the City Manager.

>> City Manager Figone: Thank you, Mr. Mayor members of the council. I just want to take a moment to update you often a couple of labor related items. First of all, the status of our city-labor round table

discussions, and also on our efforts to reach agreement with our bargaining units on concessions to lower employee compensation costs. First of all on the round table as I mentioned last week, we had two meetings as of last week and then added a third which was on April the 1st. All bargaining units except for OE 3 as well as Bob Brownstein of working partnerships attended. I thank them all for their participation, and in particular, want to thank Bob for his leadership. We have now received a total of 20 ideas from the bargaining units, and some of these are subject to meet-and-confer and it is generally acknowledged by the group that the list of ideas will probably not result in any personnel cost savings, at least for next year. But the ideas are worth continuing to research, and many of them, though, if they do bear fruit, will be more of the mid to longer term. That said, we are going to now follow up and do our due diligence, in some cases we will break out into a couple of smaller groups to seek clarification and to further refine the ideas so that the research is complete. Just to give you a sense, the ideas fall into the categories of -- generally of fees, legislative pursuits, health care reform, some borrowing strategies, operational practices and process review including our contracting processes and our procurement processes. The formal work as a round table I think is completed for now, although I did indicate to the bargaining groups I wanted to reconvene them towards the end of April in order to share with them, just prior to the publication of the proposed budget, share with them our balancing strategy before it's released on the 3rd. And this list of ideas can be found on our Website under top news on the home page under the city's labor relations information. But we will get a list out to the council to -- so you can have it at your fingertips. And then in closing, let me just say that our discussions do continue with the 11 bargaining units, as we pursue your direction to seek 10% concessions, and as soon as we receive proposals, we will bring them to the council and post them on our intranet. That concludes my report.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, City Manager. I was looking at one of the items on the list that you had posted on the Internet. It says use enterprise funds, for example the airport to offset the General Fund deficit. I would assume some of that is difficult legally, correct?

>> City Manager Figone: Yes, it is. And when we do publish the budget we will be able to again remind the council what it is we can do to get funds from special funds. But our options are very limited.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Thank you. There's no action on that just a report from City Manager. Our next item is 3.2, a status report on citywide capital improvement program.

>> Katy Allen: Good afternoon, mayor, members of the council, Katy Allen,ic Public Works director and joining me is Dave Sykes, assistant director. Today we want to give the council an overview of our capital improvement program, it's been about a year that we've done this. Wanted to mention that over the last decade we've used the report to provide a status report to track what projects are underway in the buildout of our capital program in addition to upgrades to existing facilities and the capital investment for rebuilding a lot of our infrastructure. It's really also, a methodology that we use for full accountability of project delivery on the commitments that we're making to our community as we build out the capital program. So this report provides that detailed information on current projects and it also reflects the budget and the schedule that council has adopted. In keeping, though, with our streamlining efforts, the effort that we put forth in this program really is a little bit of a reduction of the report that you might have seen in the past. I think we've tried to do our best to highlight the important aspects of the capital program. But before I turn it over to Dave to cover some of the project elements, I wanted to give you a sense of context, as we work towards the capital program budget that council will be hearing, the first couple weeks of May. The -- at the height of the decade of investment, there was a lot of projects that we were tracking. To date we have completed 1327 projects. 89 will be completed this year. And we have 132 active projects. Midway through the decade of investment, the five-year CIP peaked at \$4 billion. And over 600 projects were active at any one time. And 132 projects were completed. At the -- in one single year at our highest point. In the current year, 89 projects will be completed, and our five-year CIP that we will be putting together and bringing forward to you in May is \$1.9 billion which is roughly half of what it was during the peak. The delivery and success of this program really reflects a tremendous amount of work by the entire organization including the city attorney's office, the City Clerk, many operating and support departments as well as project managers throughout Public Works. But as the Public Safety, library, park bond programs come to completion, as well as the airport program, we are in the home stretch so to speak. I wanted to mention one fact which is for the ninth consecutive year our annual CIP is in the \$1 billion range. So for today's presentation what we want to cover and focus on are three things. The first is the recent successes of projects that we've had, we also want to cover the competitive

bidding environment. But finally we want to acknowledge that the capital program is in transition and that as projects come online the strategies that we're using in putting together the future capital program is based on a few different strategies. So with that I'll turn it over to Dave.

>> Although the CIP is in decline as Katy mentioned the program is still making a lot of very positive impacts to the community. We have got a few highlights up on the screen. The first is Roosevelt community center although that project was completed over a year ago, we just recently found out that we did attain gold level LEED certification which is a fantastic achievement and that project is servicing the community very well. The undergrounding of overhead facilities is making a huge difference in Japantown, and this is all funded by utility committees. And finally the work that's going on to rehab sewers making them more reliable is a positive impact on the community and shows that it really doesn't take a glamorous project to make a positive impact. The downturn in the economy has had a positive impact on the CIP in terms of cost savings for projects. We're currently averaging about ten bids per project. Not long ago we would have been very happy to receive three. The low bids that we've been getting have been well below our estimates. Our estimates, typically fall within a range of the bids. But the low bids have been much below our estimates. Really, representing the fact that the bids that we're getting many of which are below market rate, and that's a term that we've kind of put together to really describe the fact that these low bids are probably below cost. We are going to be making adjustments to our estimates so that we can be more accurate in terms of predicting the eventual cost of projects. I want to highlight the fact that one of the negatives aspects of the competitive market is the fact that bid protests are on the rise. We used to get one or two a year. Now about a third of our projects get a bid protest most of which we resolve before they come to council but nonetheless these bid protests are very costly to manage and most of them are really based on trying to find a flaw in the other guy's bid versus some sort of issue with the plans or specifications. To mitigate this we are looking to develop a protest fee to deter frivolous protests, in essence the way it might work you pay a fee to time a protest. -- to file a protest. If your protest is found with merit you would get the fee back, if it's without merit we would keep the fee to cover the cost of the protest. I'm going to switch back to Katy to cover the remainder.

>> Katy Allen: Just have a couple more slides. This slide we wanted to use is kind of a picture of the program we're coming out of. I mentioned we're in the home stretch and the park, library, public safety and airport programs will be done probably in the next three to 18 month window. So this is the program that is currently underway but is starting to transition to something that will look more like this. So I'll go ahead and just put a slide up. And what you see here are a number of projects that look different. And so let me cover what we are -- the strategies we are using in putting together the pavement, the pipes, the environmental and green initiatives, the LED lights and also the plant work. We're looking to the General Fund, and the land use decisions that get made. So that as the city densifies or whatever, land use becomes approved, we want to make sure that we have the infrastructure that's in place to support that development. We also want to look at the economic vision and the Green Vision, so that our facilities are operating as efficiently as possible but that we're using the best technology and to keep our operating cost down. And then also, as we shift to deferred maintenance and infrastructure, looking for funding strategies, as Dave mentioned the undergrounding program in Japantown and also the sanitary sewer programs, really don't use any General Fund dollars and they help defer in many cases some of the costs associated -- or cost savings to the General Fund. So moving to our last slide, just the -- see here -- is going through in the coming fiscal year, so this is the program that council will see in the next three to four weeks, is to identify potential savings to the General Fund that we can use through the use of capital dollars. We also want to leverage new funding resources through the recovery -- the stimulus dollars as well as grants and maximize in every case the way that we -- in every situation to offset General Fund savings. But then also look to other projects that are nongeneral Funded to offset O&M, and some of these projects include the water pollution control plant, the sanitary storm program, and a variety of other projects that will continue to serve our community but won't necessarily be a burden on the General Fund. Mayor, that concludes our presentation and we have a number of project staff here in the council chambers to assist in answering project or program questions.

>> Mayor Reed: Okay, I've been here over nine years and 1300 capital projects at least done in that period. I do remember the beginning of the ramp up for these capital projects and the difficulty that we had when I first came into office with managing capital projects and the tremendous improvement that staff has made in that in order to handle that many projects and billions of dollars. And I know you've made it look easy over the last few years but it took a lot of work and so I want to congratulate the staff for doing a great job, very effectively spending the money and I know that the vast majority of those projects

were on time and under budget. Sometimes we only hear about the ones where there's problems but those are rare indeed. And I appreciate the work that we did for the people of our community. And spending their dollars, because a lot of those dollars were because they approved bond measures specifically, to allow us to build these capital projects. And I think Katy you and your staff have done a great job, along with all the CIP team. I know the CIP team has got like a hundred people on it and maybe it was even larger when we were at the peak. A lot of people helped do this and it's something that we can all be proud of. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. Yeah, good reason to applaud actually. I wanted to join in because certainly you deserve both our congratulations and our thanks for an extraordinary amount of work and really high-quality work over the last decade. So thanks for both you and your team. Also thank you for the LEED gold certification on Roosevelt. I know that's just one of the many awards that that wonderful community center has earned in the last year for its design and for its green features so it's fantastic and I support going forward with the protest fee. I think it makes a lot of sense given all the work that staff is devoting to the spike in protest. One question I had was about moving forward and I know that politicians already want to think about what is the next bond we're going to push. This isn't necessarily the time to push it, it may or may not be, obviously it is a time of great scarcity so we need to be thinking about that. But we have talked over the past year certainly at T&E and other committees about what package of infrastructure improvements could we push that would substantially reduce our general fund cost profile and, you know, LED street lights is certainly sort of the archetypical kind of example that people point to, but undoubtedly there might be a whole host of others in which we could actually leverage bond funding in some way and come out ahead in the long run. And I know that may be a small subset, I don't know, but I'm wondering has there been a some progress internally in sort of defining what that set of projects, how large a set of projects that might be and whether or not it makes sense to try to package something like that and go out to the voters and say this is a way of reducing our costs and making for a greener city?

>> Paul Krutko: Councilmember, Palm Krutko, chief development officer. We haven't gotten all the way to the chain you were on about thinking about going to the voters. But one of the things that internally the development services department are focused on, working with the planning Department, is being sure that we're thinking ahead relative to the implementation of the general plan update. The general plan update has got a very -- where it's going it's got some very specific intensification that would need to be done. And I know that in conversation, and I'll let Katy comment on this, Katy and Dave, we've been concerned that we have had a capital plan that was the right capital plan for the community that Katy showed you that was very much vertical in nature. But that we have substantive horizontal needs and horizontal and below-ground needs. And so we need to as a team we're beginning to put our arms around that so we are thinking that. I've had that conversation with the City Manager and we will be working on that and I think we will be bringing something for council's consideration fairly soon. Not down the path completely of are we ready to go to the voters yet but at least identifying what we think the horizon is for the capital needs of the community. Katy may have another comment.

>> Katy Allen: Councilmember Liccardo though it may not be a great victory, I do want to mention that the stimulus dollars have reduced our deferred maintenance in the transportation side by about 3%. So it's a small step but an important step.

>> Councilmember Liccardo: Yeah, we'll take it.

>> Katy Allen: Also on the sanitary program the dollars that we put into the piping systems has been reduced last year by 3% as well. So we aren't turning the corner on it but it's good to know we are holding on the backlog that we have. But as Paul mentioned I think it's a variety of sources that we're going to have to look for, there's certainly on the rate side in our utility programs making sure that we have a system that is well maintained that will support the general growth but also that we have fees and charges that are commensurate with the cost of operating and maintaining our sustain. Obviously we have all talked about it in the past is our transportation backlog, our backlog on street maintenance which is by far and large the largest number. I'm going to look in the audience and see if someone from D.O.T. is here that can assist us with an update. There is some polling going on and polling that was completed and the feedback on that wasn't necessarily going to support a voter initiated measure at that time.

>> Thank you Katy, Councilmember Liccardo, Jim Ortbal, assistant director of transportation. Our backlog in street maintenance is about \$250 million currently. We did report during the council study session in February on some past work we had done going out to the community in terms of polling and understanding their willingness to support additional funding for street maintenance. We came in in the

area of about 58% support. And if you're going to go at a special funding measure for a particular infrastructure you need two-thirds.

>> Councilmember Liccardo: Right.

>> In terms of your question on is there an area bonding could help? The city did do a street maintenance bond package in the mid '90s with the concept being if we defer maintenance it's five to six times more expensive if it falls into the deferred maintenance category. The challenge is you have to have a funding source to pay back the bonds. So certainly as we would consider anything we would look at that as an item but you do have to have the funding source to pay off the bond ultimately.

>> Councilmember Liccardo: Understood. Thanks Jim, thanks Katy.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I just have some concern about left a brand-new facility vacant for a long period of time and I'm questioning what they do to their warranties.

>> Katy Allen: Councilmember Chu, as I understand your question, it is the facilities that are in the queue for completion, and as we look at the different options on opening or not, we're working to price out what those options are, certainly we don't want to sacrifice or compromise the quality of our facilities so we're work through what are the various cost scenarios between opening or deferring the opening and that is something that will come forward back to council during the capital program budget.

>> Councilmember Chu: And the warranty question?

>> Katy Allen: The warranty, that is a good question as we build facilities we get a warranty from the contractor. It's helpful to be in the building and know what warranty is going to be required. We're working very closely with general services to preserve that warranty issue and make sure we don't lose -- let me say it a different way we don't incur additional cost when the facility opens. We're getting pricing from the contractor to extend the warranty as well. So we're kind of in that exploratory stage as well, putting the prices together so it can come back to council kind of in the complete package.

>> Mayor Reed: I had a couple of questions about the deferral issue, as well. We do have direction from the March budget message to defer committed additions that would increase operating and maintenance costs and there were a couple in particular that I wondered about and that's fire station 37 which is a new fire station, which I understand we've not started yet. So it's not that it's under construction, but that would be a committed new addition with a whole new set of firefighters, a couple million dollars a year to staff. But that's one of the list of committed additions.

>> Fire station 37, we did just start the design process but that process will take about a year to complete. And ultimately we have that time to make the decision on whether that project needed to be deferred or not.

>> Mayor Reed: And then we have fire stations 21 and 36, which are in the process, but those are replacement so we can move the firefighters from one station to another without increasing operating cost.

>> That is correct.

>> Mayor Reed: Okay, and then one of the things that I think you need to do in the budget process, is look at RDA funded projects and other places where savings deferrals on RDA projects could save on operating dollars. The art projects that are sort of separately funded, and whether or not any of those could be deferred to save on operating dollars or overhead dollars even though they are not directly managed by Public Works, they're managed elsewhere still the same concept trying to save us some General Fund dollars. Any other questions? I think we just need a motion to accept the report. We have a motion to approve the report. All in favor, opposed, none opposed, that's approved. Our next item is 3.4 procurement report and proposed amendments to the municipal code. Scott Johnson has a report on that.

>> Scott Johnson: Thank you, Mr. Mayor members of the council, I'm Scott Johnson director of finance and I'm also here with Mark Giovannetti, our division manager for purchasing within the finance department. And Mark and I would like to present a brief report to you with three main elements, first is to provide background on the City's procurement program also second to highlight the achievements that we've made to date related to past reforms that this council has approved. And finally to summarize the recommended reforms that are included in the procurement report that we submitted to the Public Safety, finance and strategic support committee this past March 18th. Over the past five years, there have been significant council decisions and events that have helped shape and form the recommendations in this particular report. So this presentation briefly summarizes the procurement report by providing an overview

of past reforms with recommendations for an additional enhancements designed to drive further process efficiencies without sacrificing competition, transparency and controls, and with the goal of maintaining low cost for the city purchases and services and to continue to create capacity for citywide procurements, especially given our budgetary challenges that we're faced with today. So with that a little bit of background. In 2007, the council approved policies that were implemented as a result of audit recommendations that were made by our city's internal auditor and we also received a civil grand jury report. And then in 2008, in a report to the Public Safety, finance and strategic support committee, that report addressed numerous achievements and recommendations, and one direction from the committee in 2008 was to index contract approval authority for supplies, material and equipment, and services. In addition, under the leadership of Jim Ortbal, Walter Rossmann, our former chief purchasing officer, and also Mark Giovannetti, through the city manager's beyond budget cuts initiatives and the busting bureaucracy action team, as well as support from the City Attorney's Office, there was citywide brainstorming sessions with input from many departments throughout the city, addressing various ideas to further streamline the procurement process without sacrificing competition and transparency. In addition, Mark will mention that we, the finance department, is also responsible for the disposition of surplus property, and the current threshold for selling auctioning items the \$400 which was established in 1994, and we are requesting to increase that threshold to \$1,000, and outreach in a manner similar to the way that we solicit for bids and proposals. So let me highlight some key changes to the 2007 procurement ordinance. First, there were increases in contract approval authority for supplies and equipment, as well as for services. In addition, we implemented a protest process for all solicitations, and the appeal rights to council for procurements that were greater than 100,000. The impact related to these reforms that were implemented in 2007 were that we had reduced cycle times by over 50%, we have less than a 2% protest rate, we implemented a protest process with the appeal rights to the council. We also issue quarterly sunshine reports, since 2007, and those are now available to the public on the finance department's Website. Some of the impacts on these changes are the supplier and staff feedback acknowledge these past improvements. As I mentioned the quarterly reports are now available online to the public for a greater -- we have greater bid visibility and transparency. And our purchasing time spent on managing large bids and contracts rather than transaction processing for smaller quotes and routine purchases. So the procurement achievements that we've -- we've acknowledged, we've recognized are, let me give you a few examples. Council policy which is the 0-35, for our procurement protocol process, you have also implemented a conflict of interest, a confidentiality policy, and online RFP manuals, those are examples of policies we've implemented since 2007. The e-procurement system has been well received by both staff and external suppliers. We've improved our debt exposure and supplier outreach, we have better transparency, it's easier suppliers to respond, staff can evaluate quotes online, and publish the award online. We also have implemented purchasing cards, RFP requests for proposals, contract writing, contract management, these are examples of citywide trainings that we've offered to assist departments in navigating through the City's procurement process. And finally, we've delegated small single routine transactions to department staff through the use of our Pcard program. So now Mark is going to briefly go over the proposed reforms that are in the current report before you today.

>> Good afternoon. The protest process as it currently stands is the same, essentially the same for an \$11,000 purchase as it is for an \$11 million purchase. So what we're recommending for awards less than \$100,000 we call them informal solicitations, writing an administrative follow that the code refers to as opposed to having the code define what that policy or that process is. And the objective would be to shorten the cycle times while at the same time giving suppliers an opportunity to express their concerns that they might have, any concerns they might have concerning the process. As Scott mentioned earlier, the delegated contracts authority to staff is currently \$250,000 for services and \$1 million for product purchases. We are not recommending any changes to those thresholds for the next three years, at which time they will get adjusted per movement in the consumer price index. Everything else being equal, council should be seeing the same number and types of recommendations of award in three years, after the adjustment's made that's being brought before them at this time. About the concept of incidental services, right now if for example if you have an \$800,000 purchase for office products that should be subject or let's say for furniture that should be subject to the \$1 million threshold, if there are any incidental services for example setup cost installation cost as any value as part of that purchase the code requires that the entire purchase be declared a service and subject to the \$250,000 threshold instead of the \$1 million threshold. So we're recommending expanding that definition to allow incidental purchases in a product purchase up to the 25% of the contract value not to exceed the services threshold that's in

place at that time. So it would be \$250,000, 25% of the contract value not to exceed \$250,000. Multiple awards off one solicitation, the municipal code right now is singular. You award to the lowest bidder or the best value proposer. We'd like the flexibility to award to more than one if it makes sense to do so. Our bid sync e-procurement tool does have a verse option facility, we would drive down prices if we use that. And online formal bidding currently for formal bids, there is a requirement to have a physical public bid opening. We'd like to make that virtual, more and more municipalities are going to virtual bid openings. If a -- there are instances where nonprofits will act on behalf of public agencies to facilitate a solicitation for those agencies, I think the staff report describes the Kalifa group for library supplies. We would like the ability to take advantage of those contracts that were facilitated by a nonprofit on behalf of public agencies. The municipal code specifies the award criteria in RFPs currently. Experience, qualifications, cost, the ability to provide ongoing maintenance and support and their required criteria. And we would like to make them discretionary, subject to the approval of the director of finance. They always don't make sense. All of them don't make sense all the time for every type purchase that we do. And then as Scott mentioned earlier there was a \$400 threshold set for the sale of surplus property in 1994 and we'd like the ability to increase that to \$1,000 at this time.

>> Scott Johnson: Mr. Mayor and members of the council in summary, we believe that implementing these reforms will allow for further streamlining of the city's procurement process, without compromising internal controls, quality or transparency. And will result in cycle time reductions, reductions in savings and purchasing pricing. So with that you know we ask that council approve the recommendations in the report and direct the City Attorney to amend the municipal code accordingly. And that completes our presentation.

>> Mayor Reed: Thank you. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. Some questions regarding the recommended changes. In regards to the protests, and lowering or making the threshold \$100,000 and above, to have to go through formal bid protest and below I think to go through Department of Finance, the finance director can make the final decision on it, how many protest, if you have a number or estimate, how many protests since the revision in 2007 have there been for products or purchases for bids under 100,000?

>> Scott Johnson: Councilmember, it's less than 2%.

>> You're asking for the number?

>> Councilmember Kalra: Yeah, less than 2%, I mean how many transactions is that?

>>> It's about 10 a year.

>> Councilmember Kalra: So 10 a year, that would fall under a new category of informal if we made the changes? What I'm referring to is under 100,000, it is the suggestion that it go to the director of finance rather than having the same protest procedures as items over 100,000.

>> Currently, if a solicitation, less than \$100,000 is protested, we follow the -- we evaluate it, we respond to it and the final decision rests with staff. The issue is, it's ten days. It adds ten days to the cycle time every purchase. And most of the transactions that we do in purchasing fall under that \$100,000 threshold. It's very -- lots of transaction but collectively they don't represent most of the dollars that we purchase. It's probably the 80-20 rule definitely applies.

>> Councilmember Kalra: It's to allow for a speedier process but how would the appeal procedure does that?

>> Currently the way the code is written there is no appeal for solicitations less than \$100,000. The final decision rests with staff.

>> Councilmember Kalra: Okay so in looking particularly at the table on page 3, under the protest procedure for informal solicitations under 100,000, the recommendation is to set up an administrative procedure to be set up by the director of finance. Currently there is no such setup?

>> Correct. We'll work with the attorney's office, the city attorney's office to write such a procedure.

>> Councilmember Kalra: And the 25%, so purchases up to \$1 million, it indicates, would include -- allow for incidental services. Installation, training, maintenance but installation you know, so if it's a product that cost \$800,000 and \$200,000 to install, let's say the dollar less than the million that would qualify under a new procedure to be allowed, to be done through the current procurement process? In terms of the bid opening, the virtual versus public, allowing for online bid submission, online bid opening, what is the -- just for the record what's the process right now, publicly what has to be done for it to be considered a formal public opening?

>> For formal bids, which would be supplies, material and equipment greater than \$100,000, we receive sealed bids, and then at the designated time as defined in the solicitation document there is an opening, a

public opening, and anyone that wants to attend can attend, and all the prices are read off at the public opening of the bids. At that time, the bids become public so anyone who wants to get a copy of someone else's bid is entitled to do so. We feel the virtual will actually -- and I'm sorry maybe go ahead I'm sorry --

>> Councilmember Kalra: Please, kind of contrast it with the suggestion.

>> The virtual we've actually been doing a pilot with virtual openings for informal solicitations and the way it works is as soon as the designated time elapses, all of the pricing automatically becomes available online. We think it will enhance transparency and visibility because if someone might be inconvenienced, a bidder, to actually have to travel to city hall to get -- for the public bid opening, they can sit at their computer and they pop up just as soon as the bit closes. It's been very effective for the informal solicitations.

>> Councilmember Kalra: And what if any drawbacks are there to this? Right now you could post it even through the public opening process you could still post it simultaneously online as soon as it closes so someone still has that same benefit of having the information received instantaneously. So is the benefit I assume is going to be staff resources?

>> We can do both. We really don't see the benefit in doing so. If it's available online we would just explain in the solicitation document that's available online, and it's a tool that they're all familiar using because they used it up to that point. They submitted their bids online and so on and so forth.

>> Councilmember Kalra: Okay, so the folks that you are asking to go ahead and go online to get the information on the bid closings and all that up to that point they were already required to submit online or is that one of the options they have to submit online?

>> For informal they're required, for informal solicitations less than \$100,000, up until a month ago they had the option to submit online or they can submit a hard copy by the deadline. A month ago we went ahead and made it just mandatory, you have to submit online, surveyor feedback the response has been very positive.

>> Councilmember Kalra: What obstacle would this create for any potential bidder if we were to make that a rule across the board whether it was a informal or formal over 100,000? Do you foresee any -- what objections would you foresee or any obstacle that you would foresee if we all of a sudden would make it online for all types of bids?

>> We haven't seen any with a pilot for the informal solicitations any real obstacles around we haven't had any negative feedback in the months since we've implemented the mandatory online for the informal.

>> Councilmember Kalra: For those bids over 100,000 have you also had -- have folks had.

>> Solicitation off the system but then they fill out all the bid forms et cetera and they submit those hard copy. So really what we're asking them to fill out at their computer at their desk they'd be asked either to do that upload it and enter the bottom line bid, base bid or we would just -- they would go ahead and put their base bid into the system and we receive the bids that way.

>> Councilmember Kalra: Given the one I don't know if it's concern but at least one of the logistical issues that may come up is, especially since you're going to be dealing with some pretty large numbers, if you're now going to open it up to bids all the way up to a million, so it could be contracts you know hundreds of thousands of dollars and if it's a process that someone's not familiar with to make sure that we have the ability to walk folks through it and the last thing you want is a protest because this new procedure that they weren't properly informed of. And so has that kind of staff time been contemplated and kind of reeducation process for some of the folks who may not be familiar? Has that been contemplated or is there some trainings that can be planned so we make sure we don't have any of those issues come up?

>> Well bid sync the service provider they do in fact have a 1-800-number if there is any question on how to use the system and in the solicitation has a Q&A process an objection process so if there's any concerns that -- clearly if there's any concerns about unfairness as part of the bid itself they have an opportunity to voice those objections and the system itself if they have any questions on how we're they can voice those oaks.

>> Councilmember Kalra: And what are the -- in regards to the bid sync system in regards to other systems that have gone online, and so on, are there other procurements up to this general amount up to a million dollars?

>> The state of California is on bid sync and some of their departments have gone on moved to online bids. Contra Costa county they're on the system, have not. city uses it we use it some of the more robust features we have been using in bid sync an we have been taking it a step at a time and we did have a

comprehensive supplier survey, the feedback on the system is quite positive so it is not a system that they're unfamiliar with. It's just taking it one step further and having them submit their bids --

>> Councilmember Kalra: I know bid sync is pretty widely use. I just wanted to make sure, this is a pretty big change for those who have been accustomed to doing it in a different way. understand the system appropriately. And the last issues going back to the 25%, why was that number selected? And why do you feel that's April appropriate number rather than just keeping it the way it is that just having it strictly go towards supply purchases?

>> Well, the 25% we're seeing roughly 25% service content if you will, in our procurements, that have a great deal of product content like a furniture purchase. It's almost without fail that they're going to have setup, delivery, installation costs associated with them. So 25% is a number that we felt kind of reflected what we had been seeing in a lot of our purchases. And again it's not to exceed the service threshold that's in effect at the time that this purchase is being made. So currently would be \$250,000.

>> Councilmember Kalra: And this seems, I mean it seems relatively high, what you're seeing up to 20, 25% and so that if you get a software product, would it apply there too, if you have four, \$500,000 software product and the cost, \$150,000 for training and installation and so on that is something that would also apply to?

>> Well in that example obviously the training exceeds 25% but software is defined as a service currently.

>> Councilmember Kalra: Oh, I see, I see, 25% of the contract price and so oh one last question on the multiple bids. How do you determine what if low bid is if you split up a bid if it's logical to split up a particular item into multiproducts, how would you.

>> We would define it in the solicitation. So frequently if we have lots, we would award it by lot.

>> Councilmember Kalra: And awarded bids to multiple bidders and quantity unknown, can you give me an example of where you would like to have done this in the past couple of years and you continue have?

>> Like an open purchase order for automotive parts. So it's hard to know who the low bidder in that particular case, because you know you're going to buy automotive parts for a fleet for general services, but you don't exactly know what they are. And also you'll want to -- so the low bid, you can have a basket of goods that may or may not reflect what you're going to buy. And also, general services they frequently like to have backup supplier, instead of just one supplier, and frequently with two open POs with two different suppliers say for automotive parts they'll go ahead and compete when their requirement comes up so they'll compete the tires or whatever the part is.

>> Councilmember Kalra: So yeah under the generic category of automotive parts, competitive bids on those individual types of products?

>> Correct.

>> Councilmember Kalra: Thank you.

>> Mayor Reed: I think that's all the questions we have. Need a motion. We have a motion to approve the recommendations. Councilmember Campos.

>> Councilmember Campos: Mayor, I just want to record a no vote on this, and I will not be supporting this. I thank you for the presentation. But I think that -- and I hear your reasoning but I think that I've spoke to this before that I think we need a little bit more oversight from the council on certain aspects of this but thank you.

>> Mayor Reed: On the motion, all in favor? Opposed, one opposed Councilmember Campos, that's approved. Next item is 4.1, funding agreement with the housing trust of Santa Clara County. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. I just want to first say for the record I've had conversations with City Attorney, and with regard to whether or not I need to recuse myself from this item. My understanding is I do not based on those conversations, so I will be voting. I just wanted to commend Leslye and her team. I really appreciate the emphasis on strategy number 2 that's listed here on page 6 of the memo relating to --

>> Councilmember Kalra: Sam, before you start I need to recuse myself. It is 4.1? I apologize for interrupting but I am going to recuse myself.

>> Mayor Reed: Thanks.

>> Councilmember Liccardo: Thanks Ash. Leslye and her team for the emphasis on strategy 2 on page 6 regarding the opportunity perhaps to be able to engage in leases with the former homeowners with options to purchase. I think this is really a promising avenue and I hope that we're able to be successful

with this early on and maybe even focus more resources towards that option. I think that's really a way out for an awful lot of our families. With that I make a motion to approve.

>> Second.

>> Mayor Reed: Motion is to approve. I'd just like to thank the federal government for the money that makes this program possible. We don't exactly have a lot of cash available in the City of San José and it's great to have the federal stimulus package, the ARRA package it's sometimes called, to help us with this. Councilmember Nguyen .

>> Councilmember Nguyen: Thank you I just want to reiterate Councilmember Liccardo's support for item 2. This is a wonderful strategy in our city especially in areas like my council district as well as the downtown area. But I'd also like to extend my thanks and also commend the housing trust of Santa Clara County for all the work that they've done for many families who are in dire need of affordable housing here in our city. So thank you very much.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. Leslye, first of all I want to thank you and your staff for meeting with me and sharing the details before this came before council. And I wanted to congratulate not only you but the City of San José for being awarded the money so that it can go in to helping the families in the City of San José to hopefully keep their homes, or at least, have an opportunity to purchase a home. I think this is going to help a lot of San José residents to be able to stay whole in the City of San José. And also, for item number 1, I also know that the housing trust does great work, and I think entering into a partnership with an organization that has done tremendous work on making sure that people continue to be able to live in this valley with the housing at one time being so expensive. So with that, I'm supporting the motion.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: I just wanted to acknowledge. I know Kevin Swet, the executive director of the housing trust is here, and should be recognized for their extraordinary work to helping secure this funding and all the work they've been doing in the community .

>> Mayor Reed: I think that concludes the council discussion on this. I have no requests from the public to speak. Nope. Do we have a motion yet?

>> Councilmember Campos: I'll move for approval -- I think we did yes.

>> Mayor Reed: I think we did. We have a motion to approve, all in favor, opposed, none opposed, one abstention, Councilmember Kalra.

>> Lee Price: Thank you mayor, Councilmember Kalra recused himself because he is a member of the board of the housing trust of Santa Clara County.

>> Mayor Reed: That having been concluded, councilmember Kalra can return. Item 4.2, public hearing to vacate a portion of the McClellan avenue grant street and Edwards avenue. Councilmember Liccardo.

>> Councilmember Liccardo: Just wanted to thank all the folks who have been involved, Peter Jensen, Albert Balagso, and everyone else, at least I think Albert's been involved in this, mostly Matt Cano, okay. I'm glad we got this over the goal line protect a lot of homes from flooding. So with that I'd like to make a motion I believe to open the public hearing? Is that the formal motion? Okay I'll make that motion.

>> Mayor Reed: City Attorney.

>> Yes you can open a hearing and then you'll adopt a motion at the end of the hearing.

>> Mayor Reed: All right, we have a motion to open a public hearing. All in favor, opposed, public hearing's open anybody want to speak? I have no cards, correct? No one wants to speak so that concludes the public hearing and is there a motion on a resolution, then? Motion is to approve the resolution. To conditionally vacate these streets. All in favor, opposed, none opposed, that's approved. Now we'll take up the exchange agreement item 3.3, that's the exchange agreement between the City of San José and the Santa Clara Valley Water District concerning reach 6 flood control project. We have a motion to approve. No request from the public on this one to speak. Motion is to approve, all in favor? Opposed, none opposed, that's approved. I want to thank the Water District for working with us on this and the project that they're going to implement. Item 5.1, reduce citywide aquatics program. Before we take this up, our sunshine rules, I think, it's not clear whether or not we've met all of the dates and times for getting this in front of the council today because of the publication of the staff report and the supplemental staff report and the timing of this. I think we should entertain a motion to waive the sunshine requirements. Motion is to waive the sunshine requirements on this so that we can hear it today without postponing it another week. All in favor, opposed, none opposed, okay. On the item itself Al he berth Balagso is going to take the lead.

>> Albert Balagso: Thank you, mayor and council, Albert Balagso, director of Parks, recreation and neighborhood services. Julie Edmonds-Mares is assistant director, Angel Rios, deputy director, and Jeremy Shoffner, aquatics supervisor. We are going to do a brief presentation for you on the recommendations that we have before you and I just wanted to touch on one item, the -- in light of the conversation that we had last week regarding reuse in community centers, we added the supplemental memo that enabled us to bring forward the item looking at how we might involve partnerships and alternative service providers as part of this discussion today. So the gist of the conversation that we'll have with the presentation would be covering that item.

>> Thank you, Albert. We're here today seeking your approval to reduce the current citywide aquatics program. It's -- this would be an episodic change of service for the current year separate and apart from any fiscal discussion for the budget cycle which would occur in the future months. Our need to move forward has been predicated by the challenging fiscal budget situation, the 2010-2011 reduction targets, and the cyclical nature of our business. In PRNS our services done align with the fiscal cycle, and so it's a challenge for us to make recommendations to program changes, because our peak summer season occurs over the time frame which straddles different fiscal cycles. Hence the need to come forward and talk to you about reducing one program, in an effort to try and maintain other programs, which you'll be talking about in future budget considerations in the coming weeks. The reason for moving forward with aquatics in a more timely manner in advance of the budget is to provide users with an opportunity to seek alternatives, and aquatics is a service that we consider an enhancement because there are other service providers in the municipality that would have services available to our customers. Also, another reason for moving forward and expediting this change is that we can halt our ramp up, if you will. The aquatics program in its entirety is 28 FTEs and on the surface that doesn't seem like a lot of people. But year round we only have 1.75 FTEs in this program. So the other 26 FTEs, it's really 120 people that we hire to run this program. And so we've held back on doing that because if we were to reduce the program we would halt and not have to move forward on that. The current aquatics program, six pools as you're well aware, we've listed them for you and in addition to the Almaden lake. Traditionally we have three lease sites, Santa Teresa, Silver Creek and Willow Glen, although we wouldn't be able to operate at Willow Glen this year because of construction at that site. Most of those sites have swim lessons and recreational programs, the Camden also has lap swim, water exercise and pool rental. So the amended or supplemental memo that we brought forward today provides an amended proposal that would have city staff operate no less than two sites with preference given to the Mayfair and Camden locations. And the reasoning behind the Mayfair and Camden locations is that both give us geographic dispersion in an east and west coverage. Boast are co-located at hubs, to have synergy with foot traffic and with city staff coverage. So we would be recommending and ensuring that at least those two sites would occur. We would be seeking alternative service providers methodology, to really in a really expedited manner, attempt to find service providers at the other city sites. Additionally, we would have additional conversations with our school partners and if they were interested in finding other vendors we could market the availability of those pools as well. But our emphasis would be on providing services provision at the city sites. We would be focused on a cost neutral approach that would equate to the same savings that we've outlined in the memo. Potentially coming up with a facility rental agreement with each of these sites should we find alternative service providers. Consistent with our mission, to provide city residents with services, we would also envision requiring vendors to provide recreation swim for a certain number of hours at city rates. So we would have access for our neighborhood residents. However the vendors would then be free to charge market rates in other areas in order to cover their cost to freight the site. So we would anticipate that things like swim lessons would go up should a vendor partner with us to provide services. The accelerated process would -- we would need to get that out of the box this week, having a request for interest, request for qualifications, ensuring that folks were able to meet indemnification and insurance requirements, that they could align with the Red Cross certifications and once we determine in a short period of time if they were able to do that enter into contract negotiations which would be cost neutral to the city. We have had some inquiries from four different service providers who have expressed interest in partnering with us, and want to have more dialogues and conversation. We're also recommending that the discussion about the future of the aquatics program be deferred to the budget process itself. We recognize that this would be a significant impact to constituents in our community and we are committed to listing out alternative service providers whether we're able to partner with folks or whether there are other vendors in the community already providing services such as the YMCA or San José State. with that that's the end of our presentation and we're available for questions.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. Obviously no one takes pleasure in looking at this item. I see Teresa, Tina Morrow, Eric Shanehauer, Lisa Kennedy navigating for open pools for many years. and we obviously don't want to do anything that will close the pools. But we also recognize the fiscal realities. I wanted to thank angel Rios and Dan Wax and everybody on the team for engaging with us as we've been reaching out to various nonprofit groups. I probably should disclose that I've had discussions with boys and girls clubs safe splash and West Coast aquatics whatever that is worth. As we're trying to find alternative providers for these pools. I very reluctantly am willing to make a motion to approve the staff recommendation with one amendment which is based on the supplemental memorandum of course, that rather than simply reporting to council with an information memo in May, that this actually come back to council, with a status update about the progress in the negotiations with various providers at these pools. And hopefully we may have some agreements as well to approve. So the amendment was simply that it would come back to council in May around the same time as our budget process so that we can make any decisions we need to make at that time.

>> Mayor Reed: We have a motion. I do have some requests from the public to speak, we'll get there in a moment. Councilmember Pyle.

>> Councilmember Pyle: Thank you. I wanted to talk, if I might, for a minute about swim facilities that are going to be very difficult to close. For example, a regional park, Almaden lake park. There is no practical way to fence off the swimming side. When you have swimming pools that have gates, that can be shut and locked, that's a totally different scenario than a lake. So the recommendation to eliminate the aquatics program, in addition to the ranger, brings up some serious safety concerns for me and liability concerns. If the ranger program at Almaden lake park is eliminated, in addition to the lifeguard programs, who will actively remind people to stay out of the water? And if someone does get into trouble in the water, who will be there to help them? So if you want to tackle that, that's fine with me.

>> Councilmember, you raise a very valid and challenging point. Right now, the Almaden lake is open five days a week, and we do use signage and we cordon off the area for those times that the lake is inaccessible. And so we would have to rely on the same level of messaging, clearly that becomes even more challenging during summer times when it's hot, so unfortunately based on this proposal we would rely on signage and cordoning off the area.

>> Councilmember Pyle: Then I'd like to ask our City Attorney, is signage going to do the trick when it comes to liability? This may be one of those save a dollar spend a fortune.

>> Signage does protect the city in many instances and I think in this case we are going to have to rely on it because of the budget. The law does provide that so long as the public is aware that they then assume some risk and liability, if in fact it's been properly noticed.

>> Councilmember Pyle: So the signs would have to go all the way around the lake.

>> It has to be reasonable so that public would be aware of the risk or the danger.

>> Councilmember Pyle: Okay. If an alternative service provider cannot be found, is there some other way that -- well, this is the only body of water that is open, that is fresh water, that people in our city can use. So I just wanted to know, if I come up with some kind of money somewhere, I'm not sure where, is this something that we could later take a look at?

>> Yes, Councilmember Pyle, we outlined in the attachment to the main memorandum the cost for operating each site, that's based on last year's cost both the expense and the anticipated revenue. Use we could modify the program in terms of time and length if that fiscal challenge needed to be reduced somewhat. We do have a time constraint here. And so really, to be feasible it would have to be within the next couple of weeks that we would find a fiscal resource. Because absent that we would have a challenge hiring getting staff trained and getting them operational.

>> Councilmember Pyle: I understand, thank you.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you. I just want to echo Councilmember Pyle's concern about the safety, at a closed swimming pool. I would say Alviso, I lock the door but there's still a cost associated with it. You're not going to drain the water so you have to keep the water running and occasionally, add some chemicals to it. Am I right?

>> Yes, Councilmember Chu, we did hold funds aside to ensure that all pools, all city pools, all the city facilities, be maintained at a acceptable level so they would not go into disarray, that was approximately \$144,000. We did lower the amount of chemicals and the amount of utilities, because we wouldn't need to heat those pools but we did maintain enough to keep them at a status quo level.

>> Councilmember Chu: Maintaining them when they were just closed there would be no startup cost to reopen it?

>> That is correct.

>> Councilmember Chu: All right, thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor and on that comment, I agree with that strategy you know, if you do get a provider that comes in on short notice you can quickly get these pools up and running. I'll be supporting the motion and agree that it would be something nice to have reported back to council although I know when we come to may there will be a lot of things reported back to council on budget time. A lot of these things are important to the community and to I definitely agree with that. In terms of I wanted to bring up in looking at the numbers and had a couple of background questions on Santa Teresa high school looks like Santa Teresa and silver lake High School we have a contract with east side union high school district. I imagine.

>> Councilmember Kalra: And is there any thought, I don't know if this has already been done or contemplated to go back to east side union to see if we can renegotiate. Because if they're not able to find a provider at this late date that's a lot of revenue they're going to lose out on and we all know they need the revenue too. There may be a situation where we can dramatically reduce the cost. Has that been discussed or contemplated at this point?

>> We have advised them of this action moving forward and the potential of us not leasing these sites. Another alternative strategy that we're going to implement is to let other vendors know that these sites are available and so therefore it could be that another vendor could pick up the sites as well.

>> Councilmember Kalra: Okay.

>> Thus far we have been unable to bring the lease payment down below the \$21,000 per pool that we currently pay.

>> Councilmember Kalra: Around so currently with the current motion being proposed, recommendations being proposed it doesn't preclude us from making it clear that at this point at least that those pools are available to other providers, if they wanted to step in as well?

>> Yes, available to other providers yes.

>> Councilmember Kalra: What do they -- are the charges across the board at the different pools all the same as you charge community members?

>> Yes, they are, we have a standard rate for recreation swim, \$2.50 for youth and \$3.50 for adults and \$5 for ten lessons 30 minute lessons and that's for residents and \$65 for nonresidents in the youth arena, its a little higher for adults and competitive rates are a little bit higher than that.

>> Councilmember Kalra: Is that also being contemplated, raising the rates, some of the pools if you look at Camden it's pretty close to cost recovery, other ones aren't so close but some of them with a little bit of increase and some of the fees with adult fee or what have you it might get close enough to cost recovery as we know and hear it from the community these pools are in demand. Has that been contemplated to try to close the gap rather than closing some of the pools, leave some of the ones that get close to cost recovery?

>> Yes, we've evaluated that and the difficulty is that we would need to increase swim lessons from \$55 to \$150, and recreation swim from \$2.50 to \$8 overall to make the whole program cost recovery and that's really more than the market would bear and we would price ourselves out of the market.

>> Councilmember Kalra: It would definitely price most of the public out of the market, I don't think unless we have some Olympic team that wants to use it or something. But for the leased pools when you do the discussions with East side union on those two pools at least maybe if they were willing to come down on the price if there's some happy medium where raising some of the cost and still allow it to be accessible to the public while at the same time lowering the cost we're paying to east side if that could somehow bridge the gap that's something I at least ask that you make an effort to do. Thank you very much for all your work.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. Staff I have a quick question about the fair swim center. I'm looking at page 3 of the original memorandum, and it seems to me that the fair swim center has the second highest use among all the sites. And the highest number of swim lessons. So I was just wondering if you can explain to me why is this being recommended for closure? When this is indeed being utilized to the highest extent possible among the residents.

>> Yes, councilmember, that, fair is the unique center in that there's actually three pools so it's a little different than the other sites that are one single pool. And if you turn to the estimated cost of operation per pool in the attachments you'll see that in addition to having a high number of participation it's also a very expensive operation to operate. So the annual cost or the program cost is \$295,000 to operate that one site. And whereas the revenue is \$91,000. So at the projected net operating cost is over \$200,000. And hence the challenge.

>> Councilmember Nguyen: Thank you. I am going to support the motion reluctantly, obviously, in the low-income neighborhood such as the fair area, this is a tremendous asset for the community. And to think that there is a possibility that it could be closed at the beginning of this summer, I think is really, it's a tragedy. But given our budget constraints I don't really think that there is any other options we have. So I really hope that you know if different organizations or community groups in our city are able to step up and help out in our times of need, so thank you for all your work.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you. Yeah, not a pleasant thing to be looking at here and I'm going to reluctantly support this because I think you've done some really thoughtful work and under tough circumstances. But it looks like, you know, a reasonable plan going forward. I just hope that in terms of -- and I'm kind of focused on the schools on the east side as well, that we might find operators that could step forward at Silver Creek and the other school to, you know, to take that over. I know that swimming's really important. I remember growing up in East San José and going to Overfelt high school, to have access, that was the only way to have access to swimming in the summer so it's a tough situation. I'm glad it's going to come back before council. Let's hope we can still work on this and find alternatives. Thanks.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: I've been advised by City Attorney I should probably clarify my motion and that was of course to come back to council. My understanding is staff is already seeking authorization for the City Manager to approve any contracts which I fully support because I want this to move as quickly and seamlessly as possible, I of course would want to maintain this. The amendment was simply to come back to council with a status report so if in fact we find out that a very minor budgetary modification could enable us to secure a contract to keep a fair or another pool open that we're able to do that and be fairly nimble through the budget process rather than being chained down to numbers that are set without the benefit of whatever information we might get in discussions with our nonprofit partners.

>> Thank you for that clarification.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you. I just wanted to clarify some numbers. According to the chart there's about 7589 people that come to Almaden lake park.

>> That sounds approximately correct.

>> Councilmember Pyle: And when they come in is there a parking fee?

>> Yes, there is.

>> Councilmember Pyle: And what is the income from that?

>> The income on the park fee is \$10,000 annually.

>> Councilmember Pyle: That doesn't make much of a dent to \$130,000 does it? But is there a fee charged for each person that comes in?

>> There is, \$3 per adult, \$2 per youth.

>> Councilmember Pyle: And that just -- are the figures there what that comes up to?

>> Yeah, basically what you see there in the attachment in the original memo is a revenue stream of \$46,732. What that covers is entrance concessions, there is a pedal boat rental and parking.

>> Councilmember Pyle: Of the potential for income and \$130,000 price tag so I've got to find somebody that will fund the difference.

>> Yeah, and I just want to clarify, it is a 46,732 revenue stream and so the difference is approximately 79,968.

>> Councilmember Pyle: I was adding the parking in there too. You said that was 10,000.

>> The 46,000 is inclusive of the park.

>> Councilmember Pyle: Inclusive of the parking, all right, just wanted to clarify the numbers, thank you.

>> Mayor Reed: Want to take the public testimony at this time. Please come down when I call your name so you're close to the microphone and today we're going to start with anybody who's wearing a

floating toy. They get to go first. It appears to be the Shanehauer family. Seems to be the only ones who came prepared for this meeting.

>> Good afternoon, Mayor Reed members of city council, my name is Eric Shanehauer with Kennedy and Landry, we live at we hope it would be open. I -- we're fully cognizant of the fiscal challenge of the city. We don't envy the position you're in. We're sorry you have to make such tough choices. But we do think teaches young children to swim is an important safety program that the city provides and we hope you'll consider two possibilities of keeping some services at our pool. The is, on recreation swim, we've already raised several thousands of dollars from our own neighborhood and community to pay for our pool to be open maybe one day a week. And so we hope that the city will be open to a very simple, streamlined, fast approach to get the gates open with the money that we provide. And that's going to take extra effort, I know, I've negotiated contracts with the city. And you know, we'll be lucky to have one by December. But anyway I know everyone is going to work hard on that. And the second is on swim lessons. Your swim lessons are two-week sessions, nine days over two weeks. And you go daily. And I think it would be great to rotate those two-week sessions amongst the pools. If you're going to keep them, you know, with water in them, and operational, you know, why not rotate two weeks in our neighborhood, two weeks in Alviso, two weeks at Biebrach, so that the most needy residents have a chance and have access to lessons. Because loading up young kids and going to Camden or Mayfair just is not feasible and if you're a low income family that doesn't have a car it's a real negative impact. So bring us two weeks of lessons so the most needy people can have those lessons. Thank you. [applause]

>> Mayor Reed: Thank you. Just a minute. I had two other speakers here on this card. I want to make sure that they -- want to verify that Kennedy and Landry agreed with your comments. You agree? Good. Let the record show that all three of them agreed. Tina Morrill, Pat Beall, Dave Peterson.

>> Good afternoon, I'm Tina Morrill, I'm chair of the Friends of Ryland Pool, and I'm here to show my support of the city collaborating for all of our pools to stay open that's really important. I know that you're fully aware there's a lot of health benefits that are associated with having open pools and also safety benefits. And it's also a bonding place for families and kids. So the friends of Ryland pool and the surrounding communities we agree that the pools need to stay open. I want to share with you -- see if I can -- thank you. So in the past week, we've spoken with our wallets, we've opened up and said yes, we definitely want to pledge some money to be a partner with the city. However we can, so that we can get operators in and keep our pools open, we want to have scholarships available for our kids. Aside note. I've hung onto the rotary Ryland pool public banners to save the public some dust those off. We've looked at every opportunity. As you can see in the memo our past attendance has increased and we want the opportunity to do that year after year. Doesn't make any sense, pool's open, oh, pool's closed, pool's back open. The last point I'd like to make is in negotiating the operators, the friends of Ryland pool there wasn't a minimum met on a couple of days, they closed the pools and there were a lot of unhappy kids. So city council if you guys step up and get the pools open us guys will step up and fill them with happy kids. Sound like a plan? Thank you.

>> Mayor Reed: Pat Beall, Dave Peterson, Lisa Hill Pierce.

>> Mr. Mayor, members of city council, I'm Pat Beall, and I'm here to talk to -- in support of the staff recommendation to keep the aquatics program at Camden open. I do have one question about that. And that is, when you speak of keeping the aquatics program open, is had any question about not keeping the lap swimming or water aerobics program open year round?

>> Mayor Reed: Go ahead with your statements and we'll answer any questions staff has raised. We'll we'll get back to that.

>> I'm a lap swimmer, I swim year round. I've used Camden many, many years. When I'm in that pool, I swim three days a week, I get this -- the feeling comes over me practically every time I'm in the pool how grateful I am that that service in my community is there. That that facility is there for me to use. So I would really that it idea that there is any consideration, not that I've heard that, that the year round swimming not be continued, the lap swimming. I use it with many, many other people. I know people I've been swimming at Camden since the pool reopened when it was renovated back in -- when John -- when John was city councilman, I'm blank there. And I know people have been swimming there forever. Just like me. And so I hope it's going to be staying available but especially be available for the children to take their lessons. It's so very, very important. So thank you. And the other thing is, I know this is probably the hardest year you guys ever had here to make any decisions about anything. I wouldn't be in your place for a million dollars. But thank you for being there, and you know -- takes a lot of courage to do what you're going to have to do.

>> Mayor Reed: Dave Peterson, Lisa Hill Pierce, John sellers.

>> Mayor Reed, council, Dave Peterson, California sports center and I wanted to put a face to a name. Basically, some of my staff are here, there's still a few here. The others had to leave because they start teaching at 3:30. So despite the engaging conversation that was going on earlier they couldn't stick around for this fun part. I wanted to also emphasize that we're a for-profit company and a couple of the comments Councilmember Liccardo mentioned about nonprofit, and I want to thank Mayor Reed, I think it was on KLIV recently mentioned of services that can be provided both from the nonprofit sector and the for-profit sector and that the opportunity to expand or enhance or improve those services can come from all resources, as well as the business community. So I, and some of the CSE leadership team are here to support the directives of the department here and Cal sports center is known more for its gymnastics than its swimming but we have been in contract with City of Sunnyvale, an outstanding arrangement, if you're not familiar with it, seven years operating that facility, we provide services above and beyond anything you're doing currently at the Camden lifetime community center as well as what we can do with other programs around. We believe we can help and we're here to show that support to our San José communities. I live in District 2, I have businesses in three of the six districts that are part of the gymnastics businesses and we look forward to working with the staff and helping the city out of this part of a very challenging time. So we would welcome that opportunity as a business and with other businesses. Thank you.

>> Mayor Reed: Lisa Hill Pierce, John sellers, Paul Le Baron.

>> Hi, my name is Lisa Hill Pierce, and I'm here, I live in the downtown Northside neighborhood. I'm here representing my four-year-old son, who last year took lessons all year at Ryland pool. I have been fielding questions from him every week since lessons ended, when is my pool going to open, when is my pool going to open and I'm heartbroken that our pool is scheduled to be closed this summer. We were at the pool almost every evening, we saw our neighbors there, we met new friends from all over the city. We had picnics in the park. After the lessons. And I would have to say that it was one of the things that gave me the most sense of community, living in our neighborhood. It really made me feel like we lived in the neighborhood. We've dealt with crime, we've dealt with our car being stolen, with graffiti, and it gave me a sense of pride to be able to just ride our bikes down to the pool. And watch my son learn how to swim. It was a magical summer for us. That's because of Ryland pool. We are heartbroken that it's slated to be closed, that's pretty much it.

>> Mayor Reed: John sellers, Paul Lebaron. Dee Aurista.

>> Yes, I'm John sellers, I want to show you -- oh, there you go, that's my swimming record. I've swam over 1200 miles in the Camden pool since 2005. I swim two miles at a time. I'm 65 years old. It has been a great benefit to me at one point, I had a back operation so I couldn't swim and my blood pressure was 190 over 90. Now, an hour after I swim and I get home my blood pressure is about 125 over 65. So it is a substantial, real difference to me, and people of my age, that the fact that it's very economical, has enabled me to do it as much as I do. And of course I love it. Now, I'm a bit of a radical thinker so I'm going to -- I distributed this paper to you, thoughts about city aquatics program and city government in general. And I advise you to all read it. Word for word. I'm a little dyslexic, so I might say something like, "I darn to" instead of "I dare to" and stuff like that. But when I was in high school, I was in a math contest, and that math contest had 200,000 participants. I placed first and my score was two standard deviations above the nearest competitor. Now because of my idiosyncratic nature that and a dollar will get me a cup of coffee. But I have noticed that generally, most organizations in this day and age are driven financially, and the financials --

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

>> Oh, well --

>> Mayor Reed: Thank you for your testimony. Your time is up, though.

>> Okay, sure.

>> Mayor Reed: That's it. Dee Urista is our next speaker. So sir, your time is up, I'm sorry. Others wish to speak. Dee Urista, Paul Lebaron and Patricia Lebaris Mason.

>> Good afternoon, mayor, city council. That gentleman with the children who spoke, inspired me. I think we need to think out of the box. I know there's solutions out there that we could find maybe to support our pools. And Gardner pool went through a real hard time to get it rebuilt, what, a year ago, two years ago? And I'd hate to see it closed. Our community really needs it, and uses it. But I have some ideas that I'm going to be sharing with my councilman, because I really think that it's possible to get people out there

to support us, to reuse our pools, and maybe find, you know, outside groups that can sponsor us. I really do. So thank you very much.

>> Mayor Reed: Paul LeBaron, Patricia Palomares Mason, Ross Signorino.

>> Paul LeBaron. I don't know how this has come to this man for five decades there's been swimming here. At Camden when they sold that property there was a deal they were going to keep the pool and the property open to the public. Oliverio, I'm sure you went over to Willow Glen pool to go swimming, you know you mentioned, swimming, that's part of growing up in San José, man how can you people talk about taking this away? They're rebuilding the locker rooms at Camden. Why, save that money and keep the pools open for the kids, man. You can feel the energy, 100 yards away you can hear the energy of the kids. That's summer in San José I beg you, appeal to you guys go back in those brain cells and remember what it was like in summer. Don't make it so you got to belong to a country club, cabana club, don't shut us out of the pool you know and turn it over to another business that's going to squeeze every buck out of us to make a profit, that's better than nothing but what happened? Just what happened?

>> Mayor Reed: Patricia Palomares Mason, Ross Signorino and Rudy Martin, I believe.

>> My name is Patricia palomares Mason. First of all I want to legality you know that I'm a peace maker and as a peace maker I have a responsibility. I have a community that I must support and help. A peace maker must be worried about their children, their elders, the community. Peace maker means you make an elder important because they can take care of a grandson, a granddaughter by taking them swimming, by taking them to a park to enjoy the day. A peace maker means also have a youngster being able to go swim, especially in this time that there is going to be no summer school. So if there is a pool open and money is going to be coming in our young ones would be learning how to swim, as a peace maker we would still be bringing money into our city but yet we would be keeping peace in our communities. Yet I ask as a peace maker let's get out of the box. Let's reach out to companies that maybe can publicize like baseball fields you know publicizing their ads maybe we could do something different from another city but yet we are peace makers. Making it safe for our communities, our elders, our young ones and our children. But most of all our community and our city. Thank you.

>> Mayor Reed: Ross Signorino, Rudy Martin.

>> Ross Signorino: Thank you, Mr. Mayor, members of the council. I brought my life preserver up here to speak with you. I'm drowning in red ink.

>> Mayor Reed: If you want to go first you have to wear it but too late. Too late, you're last.

>> Ross Signorino: Mr. Mayor, you know it's a sad shame even when I was a kid in St. Louis, Missouri during the great depression we always had a swimming pool during hard times. Kids need to be occupied, they cannot stand idleness. Swimming is one of the best recreations they can do. This is what the future people of the city will always remember what the city did for them and we cannot allow this to go unattended, these swimming pools. Even if we have to cut out services or some other service and make a sacrifice along some other areas, I'm sure the people of San José would understand, maybe if we had to do away with street sweeping for two months out of the summer or something like that if you could save enough money there then to go ahead and keep some swimming pools open. But again this is vital for kids. They look forward to it. It's a thing when they can go in the water they feel free and loose and they can do a lot of things and they have this occupation that they can look forward to. This is not just some little toy or something we're doing for the sake of saying well, we'll just do it as something extra. It is not extra. It is vital. Thank you.

>> Mayor Reed: Last card I have is anybody else want to speak, time to get the card in. Rudy. You're the last.

>> Thank you very much. Thank you, good afternoon. We are here about -- I was here about two years ago and we talked about opening the pools. And we got support, our community, Gardner community, Biebrach park got support from all of you and I thank you, continue to thank you for that. And now we are in a situation in which we are cutting back. How are we going out on this? Because this is a group thing, it is not an individual thing, it's a group thing, community, council. How we going out? There's a couple ideas, Pierluigi Oliverio came up with an excellent idea, cutting the cleaning here at City Hall to accommodate some of the pools. You individuals are intelligent individuals to be in the position you are. I ask that you press a little further and find different ideas, exactly thinking out of the box in order to accommodate even the idea of rotating the swimming would be an excellent thing. Even the new young kids can experience swimming in the park the community park because that is a point in which we reach out to the community, us leaders in the community, us volunteers, that is our tool to reach into the individual. Thank you for your time and God bless you.

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

>> Councilmember Campos: Thank you, mayor. Albert I know that there was a speaker that talked about the community raising some money for their pool in their neighborhood. What process will that go through if it's not a for-profit or nonprofit that will provide the money but if, say, there are different entities that are able to fund-raise money for a particular pool? What process does that go through?

>> Albert Balagso: Councilmember Campos, if there is funding that is raised by the community is readily available to donate to the city, they can do that. We can do that through a trust, a gift trust. We can collect that money. If the donor would like to do it to a nonprofit, to get the tax benefit, we can use the San José parks foundation or other nonprofits that we work with to receive the money.

>> Councilmember Campos: And so if that scenario does happen, and it sounds like a few of our residents are in the process of working, it would not prevent them from being able to meet the deadline of having the pool open for this summer, or is that still to be determined?

>> Albert Balagso: We've got about a two to three-week turn around time that we've got to make a decision to move forward or not. The -- it's the critical mass of getting all the staffing and training together, and meeting an opening date.

>> Councilmember Campos: Okay. All right, thank you, those are all my questions.

>> Mayor Reed: We had a question that Pat Beall raised during the public comments regarding Camden and what's going to be left there.

>> Yes, mayor, assuming that this goes forward, and the city continues to operate the Camden pool our intent is to continue to provide all the services currently being provided at Camden. I do want to clarify that this proposal does address the summer session only. Camden is the only year round pool that we operate. This proposal deals with the summer portion of that.

>> Mayor Reed: Okay. Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. Seems like we just had a similar conversation about family camp and I know we're going to have it again with community centers and I know we're going to have it again with libraries and we're going to have it again and again and again. And I think Ross is the one that said we're drowning in red ink and I couldn't agree more. That we've had these nine years of red ink, five years of red ink in the future adding up as we know to somewhere around \$225 more million dollars. And we find ourselves in a situation where every single program needs to be saved and each program stands on its own merit. And many people that I've seen here today have been here talking about the benefits of our other programs and I agree with them on all of them. One member asked, one person asked how did we get here? We got here because we still have yet to fully address the structural budget deficit. We got here because we, year after year, instead of finding ongoing corrections to the budget, we continue to find one-time solutions to the budget. Just like we just did a couple of weeks ago, when we talked about the Mayor's Budget Message and how we were going to deal with the discussions on concessions. And I predict we will be having this conversation not only several dozen times this year, but we will have it again several dozen times next year, and the following year. What we're seeing is a result of many years of not facing reality, and fixing the structural budget deficit. We need to do that. We have services that are going to basically be slashed citywide. It's not just the kids who are going to need the life preservers, it's almost all the residents in the city. Because our city is sinking in the red ink and we need to make sure that we continue to pursue ongoing changes so we don't have the same conversations year after year, month after month, program after program. We need to look at what I like to call the self-inflicted wounds that we have which are our policies that prevent us from being nimble enough to adapt. We talked a little bit about those in the priority-setting session with the City Manager and the department heads a couple of months ago. We talked about it again when we had Bill Sherry here with the airport talking about the situation coming to a head at the airport, and the actuality that we could actually see a failure of our airport if we don't take action. We know that we have many operators out there, both in the profit and nonprofit community, that have experience in running programs such as Dave Peterson. I've been out to the school -- pool at Fremont high school and seen the operations there. Yet we have policies that, for us to say yeah, Dave, let's do this, will take us a minimum of 18 months to be able to go through the process to determine if we can do that. And we'll lose an entire swimming season, an entire park season when kids are out of school. As someone mentioned there's not even going to be summer school in many of our school districts. This is, again, a problem that we're going to be discussing over and over and over again. And we have to find solutions and we have to get out of the one-time solutions, and we have to get out of let's save this one service. We need to save services across the city. We owe it to our residents. We owe it to our businesses and we owe it to each other to do that. And I

know I kind of sound like a broken record but I'm going to keep saying it every time we talk about one of these budget situations. We're here because we put ourselves here. Not just us, the 11 of us here but the 11 members of the councils in years past by the budget actions and the policy actions we take. So I hope we can remember this pain and these calls for help when we're having our budget study session and when we're trying to balance the budget and we're trying to figure out how to preserve services and how we identify the policies that we need to repeal or suspend so we can save our city and save our services.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed. Councilmember Constant you are right on point with everything you said. I concur with you, ever since you've been on the council except for maybe a couple of issues. With that said I know Councilmember Liccardo you're advocating for allowing some other groups to be part of it I appreciate that advocacy. Whether they're for profit or nonprofit, if anybody wants to be able to use our infrastructure to open the door for our youth for the summer, great, let's allow for a streamlined process and you know, Albert, park staff, if we have a council policy that gets away with that then you need to let us know today before we vote on this issue. If there's something directly that this council can give you direction to throw out a policy so that you can do your job and we can open the pool you need to tell us that today. Don't wait for it to be so you know where we don't have that option. I really appreciate the testimony from Mr. LeBaron, the Shanhauer family, Tina, Pat Beall, Rudy, they're very good things. Going back to Pete's comments, we clearly know there's a value here, or it's the value for the Alma community center last week that was under \$400,000, now we're at 650. But at the end we know that the services we provide touch our residents and provide them great value and there are other services things we do that don't provide value directly to the residents. And I'll bring out the bag you know, it's janitorial. I really appreciate the hardworking staff we here have at City Hall but at the end of the day, we frankly pay more than the market rate. And we do know for a fact 100% fact that if I outsource janitorial I can put all that cost savings and have an aquatics program fully funded, or keep my libraries open citywide an extra day of the week. What's more important? The status quo of how we deliver a clean City Hall, or the million residents that live in this city? The council can change that on any given day, and I hope at some point when we hit the breaking point, whenever that's going to be that we do that. But otherwise I don't want to have to continue to take away services when I don't have to. Inevitably on a \$118 million budget deficit I'm going to have to. But open things like that when I have a choice I would make that choice and not the choice of cutting services to the residents when I don't have to.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. I just wanted to thank all the members of the community that took time out of their day to be here. I know if this meeting were held in the evening we'd probably have a couple hundred folks out here talking about giving testimony like Lisa did about children who are pining for an opportunity to get back in the pool. So I wanted to thank them. I wanted to thank Tina Morrill in particular for all of her efforts passionate about for a long time for a good reason because a lot of the people in the community care about this. I want to address an issue that was raised by Councilmember Campos about how the money could be employed. Albert I understand we've got a narrow window of opportunity two or three weeks for city staff to be there. But if a YMCA were to come along and say all we need is a couple more thousand bucks two or three week deadline if there were other sources of funding for them to be there. Is that fair?

>> Councilmember Liccardo, the two to three week deadline is based upon the fact that we've already advertised the summer eight week program that begins on June 14th.

>> Councilmember Liccardo: Right.

>> So to execute that June 14th start date we need to have things solidified in the next two to three weeks. Now if we were going to do a different type of program and start a program at a particular site at a later date then we could have more of a time window.

>> Councilmember Liccardo: Well I'm just hoping we could be flexible enough if for whatever reason because of various challenges in dealing with the city a for profit or nonprofit group can't meet the specific dead line we're not going to shut them off for this year. If they start the service in July that's certainly better than the alternative which is nothing.

>> Yes certainly we'll have those discussions.

>> Councilmember Liccardo: Okay, I appreciate that. I wanted to clarify the motion because I'm not sure it's explicitly in the memo or not that Almaden lake would be included as one of the facilities for which we would be seeking alternative service providers. Is that part of the staff recommendation? It's hard to tell.

>> It's not specifically called out so if we could incorporate that in the motion that would be great.

>> Councilmember Liccardo: Okay I'll do that then because I know it reserves pools and Almaden lake is a really big pool. [ Laughter ]

>> Councilmember Liccardo: If that's okay with the seconder. Okay great.

>> Mayor Reed: Okay so the motion is amended modestly.

>> Councilmember Liccardo: Okay, thank you. And I also was hoping that between now and the time that you come back to council, you know the rotation program is an intriguing one. I don't pretend to know the advantages or disadvantages, I'm just hoping it can be analyzed and be brought back to council so at least we can have that conversation.

>> Definitely we'll explore that and bring that back with our report.

>> Councilmember Liccardo: Thanks Julie, we appreciate it.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: I have heard from the reason thing I've heard earlier in keeping the pools in ready form is precisely because you know for the opportunity of someone that just steps in last minute that can come in even if it's part way through the summer and also the second point that Councilmember Liccardo just raised is that if for whatever reason Mr. Shanehauer's suggestion of good work we'd also have to keep all the pools in a state of good repair anyway and I know in the long run you want to keep them in good repair but I would just agree with those comments in particular of allowing the flexibility going forward.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Just for clarification. Councilmember brought up the follow-up question if a provider would come in and leverage community money at the last minute, does that need to be part of the motion or is that just something that is understood to come back? I just wanted to make sure we don't miss anything and that everything is clarified.

>> That's what we understand the motion to be.

>> Councilmember Campos: Okay, thank you.

>> Mayor Reed: I think that concludes the council discussion. We do have a motion that has been modified from the earlier version as outlined by Councilmember Liccardo. Any further discussion or questions? On the motion, all in favor, opposed, one opposed, Councilmember Oliverio. So that motion passes on a 10-1 vote. That concludes the item. We hope that we have good luck with some other providers. Quickly. 6.1 is our next item. Master parking rate schedule.

>> City Manager Figone: Mr. Mayor I'm going to open this up. Thank you very much. On March 16th you approved a series of incentive programs to help stimulate the economy in San José. One of them, the downtown parking and census program is now ready for business to use today upon your approval. Jim Ortbal our assistant director of transportation department will provide a brief overview of the actions and our planned marketing efforts to ensure this business attraction, retention tool is effectively used and I would like to just take a moment to thank staff for the terrific turn around in getting this back in front of you in particular Laura Wells and her staff in the Department of Transportation, Johnny Fan in the city attorney's office and Jim Ortbal for his leadership. Jim.

>> Thank you Debra. Since council I think we've been working at the speed of business to deliver the program that offers up to two years of free parking and discounted parking to new businesses and existing businesses in San José. With the action today, staff will have the tools to work with building owners, brokers, and businesses, to provide long term park leases that provide significant savings to their bottom line. Up to \$120,000 for new businesses, and \$60,000 for existing businesses that extend a lease. It's certainly an aggressive package of incentives and we think it's going to help tremendously in securing new tenants in our downtown. Probably the most important aspect of the program right now is marketing. Those efforts began immediately after your direction on March 16th. I know Councilmember Liccardo's office put out a press release I think that afternoon, the San José downtown association is our formal marketing partner in the downtown. They issued a press release at the time as well. Our Website, [SJdowntownparking.com](http://SJdowntownparking.com), the top lead item is this incentive program, in terms of trying to get the word out on that. The San José downtown association, their newsletter that goes out to over 4,000 businesses, brokers, property owners in the downtown, this is the lead story for that newsletter. The chamber of commerce is assisting this effort. They are putting it in their newsletter. So we're really trying to utilize many collateral marketing opportunities to get the word out. Our downtown parking guidance system will be scrolling brief messages about this opportunity as well. And finally, we'll provide all of the council office with this short brochure that you can use for your businesses, and your constituents, to get the word out on this important program. So with that my remarks are done and I'd be happy to answer any questions.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Jim, thanks for all your hard work and your leadership. I'd like to make a motion to approve.

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

>> Councilmember Kalra: Thank you, mayor. I just want to indicate my support for this particular measure. I know on March 16th I voted against a whole slew of business incentive initiatives. I think this one will certainly particularly because we have a lot of empty spaces that we are not getting any revenue for, during their challenging times allow them to have less money into the extracurriculars that really cost them a fortune at the end of the day. I'll be supporting this motion particularly in regards to hopefully bringing some companies into downtown in addition to helping those that are already there.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I was proud to sign on the memo that resulted in this but I really want to appreciate Jim for results. This is what it's about. Getting it going, as a former small business owner this would make a huge difference for me if I were looking to try to locate a business down here. So I think we just need to get the word out and move this forward. Thanks.

>> Mayor Reed: I have no cards on this one. I want to thank staff for getting this done very quickly. It really is at the speed of business and word has gotten out. I've heard from a lot of people who think this is really important to closing some of the leases that they're hoping to get so hope we get a good success on this one very quickly. Help fill up some of the buildings. We have a motion, all in favor? Opposed, none opposed, motion is approved. Our next item is 7.1. Public notice of sewer service and use charge and storm sewer service charges.

>> John Stufflebean: Good afternoon, John Stufflebean director of environmental services. I don't have a presentation but I would like to make a request of the council based on some new information, and a recent reduce of the storm permit requirements we'd like to amend our recommendation on item 7.1. On recommendation number 1, which is the notice for a 6% increase in the sewer service and use charge, we recommend taking this action. So no change in recommendation number 1. On recommendation number 2, which is the rate notice for the storm sewer service charge, we now recommend that no rate notice be sent at this time, and that rates be evaluated in future years. Therefore, we recommend dropping recommendation number 2. This is consistent with recent communication we've had among the City Manager's office, the city attorney's office and environmental services and based on a recalibration of the storm sewer budget for next year. We now feel we can meet the critical needs without an increase in the storm sewer use charge. With that I'll answer any questions.

>> Mayor Reed: I had one question, I got a letter questioning the range, 3 to 11% how can somebody figure out where do they go to figure out whether it's 3% or 11%?

>> John Stufflebean: They can certainly call the environmental services administrative staff and help them understand it's based on the category of business and the type -- basically the quality of the wastewater that they discharge.

>> Mayor Reed: There is an attachment to the staff report, attachment D, with lots of different uses but I don't know if that answers anybody's questions. If there's anything posted online that they can look at and see if their service is going to be a 3% or 11% or something in between or they just need to call?

>> John Stufflebean: They can certainly give us a call and we can help them through that.

>> Mayor Reed: Okay, Councilmember Liccardo.

>> Councilmember Liccardo: John, thank you for the clarification. My question is with the change in recommendation number 2. Does that suggest that there's some capital projects we're pushing out or deferring or taking off the list? What prompted the change in your understanding about our capital needs? Or even the operation needs that would be funded by a rate increase?

>> John Stufflebean: Right, so the changes relate to both the permit requirements and the capital needs. We do feel we can meet the current requirements of the permit and the capital program needs without a rate increase based on some recalibration. So it's basically based on just some new discussions that we've had with the budget office and the city attorney's office.

>> Councilmember Liccardo: All right, so I know everybody's been working pretty hard to get over the goal line with the new permit requirements. Is there some perception now that there's less stringent requirements that are being imposed on us that enable us to think that we can ratchet down our costs somehow? I'm trying to understand what's changed.

>> John Stufflebean: I'll let Melody our expert chime in but it really relates to the timing of when the requirements are needed. This is a five year permit, some of the requirements can be deferred a bit and we they melody.

>> Melody Tovar deputy director environmental services. When we took another look at the permit we found we could move some of the projects closer to our due date. We are never in advantage of waiting but we can do that in the spirit of keeping the rates more level for the next year. We also found that with some of the requirements, my best example is the requirement to implement a green street, which is a street that is retrofitted to landscape design in the street itself we can treat perhaps as a capital project if and when we can receive some regional funding or grant funding. So we don't have to miss an opportunity next year even though we don't budget specifically to do that. We can leverage our capitol funding program to do that.

>> Councilmember Liccardo: The background colonel I have now is a very cheap time to be going out there doing the things we have to do in terms of maintenance or building of our infrastructure, in future years will get more expensive I think we all expect particularly when we know contract bids are right now on various construction projects so I just express some concern now about the idea of pushing projects out if we really need them. But I understand you guys have been evaluating this, so happy to go along with the expectation that we can get additional coming back to T&E.

>> Mayor Reed: I have no requests from the public to speak on this. Any other questions ? I have a motion to approve the staff recommendation as modified to drop item -- second item. Further discussion? All in favor? Opposed, none opposed, that's approved. Thank you. Our next item is the open forum. I'll take that at this time. Ross Signorino, Martha Holland, Joaquin Parra Jr. Please come on down close to the microphone.

>> Ross Signorino: I'm close to the microphone, Mr. Mayor. Mr. Mayor, members of the council, I want to take up the issue which I didn't have too much time to speak on at the last time of medical marijuana. I think we're all humane enough to understand what medical marijuana is and that we do want some dispensaries legally in the City of San José. But also, something that should be considered is Councilwoman Nguyen's remarks about law enforcement, and this regard, if we go into an area of getting to an area where we're not watching the medical marijuana dispensaries. And there was a woman who got up the last time you remember she was a guardian angel. And Mr. Mayor she spoke twice by the way I think you let that slip, something to watch for the next time but nonetheless, I think that that is correct what she said. Because you can go there as many times as you want if you have a doctor's okay to go ahead and get medical marijuana, you don't have to explain how many times you need medical marijuana, you can go there and get it as often as you want. And therefore, you could start selling it yourself, it's a point that has to be considered. How can you regulate this, in spite of the fact that you want it, the council votes for it, it's a good thing, it's humane, but nonetheless it is something that has to be watched. I know this for a fact the guardian angel said that she knows some people that sell it after they get it from the medical marijuana dispensary. So it's a law enforcement problem that you may be heading into and you should look at this carefully before you decide how you going to handle this. You know, don't be like other councilpeople in the past, you just went into something without any regard for the future of what the plan may be. Watch this carefully because it can turn out to be --

>> Mayor Reed: Time.

>> Ross Signorino: A lawless situation. Thank you.

>> Mayor Reed: Martha Holland Joaquin Parra Jr, Andrea Mills.

>> Good afternoon. I would like to take this opportunity to thank the mayor, city council, and members of the community for allowing me the opportunity to speak on an issue that has tremendous consequences on the health of our nation's children. As a concerned resident of San José and a mother of three children, the issue of obesity is a subject that hits very close to home. Obesity is a serious health issue that is linked to a number of chronic conditions including coronary heart disease, stroke, diabetes and some cancers. According to the CDC, an estimated 17% of children and adolescents, ages 2 to 19 years, are obese. There has been a steady increase in the number of obese children over the last 30 years. Obesity also affects the state's economy in California, medical costs associated with adult obesity were in excess of \$7.7 billion. So what is California doing about obesity? California governor Arnold Schwarzenegger has signed numerous bills that support changes in the food environment and aimed to improve physical activity through changes in state government, school and industry policies and practices. Although passage of these bills has California headed in the right direction I would like to propose the following suggestion. On February 9th, 2010, first lady Michelle Obama launched her

childhood obesity let's move initiative. It is a nationwide campaign and federal tax boards created to bring about positive changes among American children. I would encourage members of the city council to research the let's move website and encourage local community leaders to participate in the healthier U.S. schools challenge program. This program can be incorporated into our local schools with the help of the superintendents, principals, teachers and school officials. Awareness of this program can also be achieved through the community participation and partnership with programs such as the Santa Clara County supplemental nutrition assistance program also known as snap. Finally, participants play a crucial role in their child's lives --

>> Mayor Reed: Sorry your time is up.

>> Thank you so much for your time.

>> Mayor Reed: Next speaker is Joaquin Parra, Jr, Andrea Mills and Denise Hart.

>> My name is Joaquin Parra, and I'm a resident of the city of San José and also a youth supervisor over the Washington lu youth center. You had a tough task ahead in creating a budget for young child, and the recognition bestowed on save our sports. Every day at the Washington AY youth center is the day of the child, the youth and young adult. I work with the youth and families in the most impoverished and gang impacted area of San José, we're helping them change their lives by providing the support and opportunities they need to address the barriers provided them from thriving succeeding and reaching their full potential. When the month of the young child ends I hope it doesn't end with the center being a budget casualty. For the cost will be much greater to the city, the lives of the youth and families of the Washington community. I ask all of you to please do not make your decision on the deficit crisis. But make your decision on the lives you will all be saving. Thank you.

>> Mayor Reed: Andrea Mills, Denise Hart, America Aguirre.

>> Hi, my name is Andrea mills and I'm also a master of social work student at San José State university. I wanted to gang prevention task along with councilmember Nora Campos. The gang prevention task force currently is working to expand the gang injunctions here in San José. However the gang injunctions Nora camps'can list what I found is that in order for an individual to remove from the enforcement list they must seek their own attorney, and go through a court hearing. I would like to bring attention to the process of being removed from the enforcement list in San Francisco. An individual gang member whom the City Attorney has obtained a civil injunction against, may voluntary apply to the city attorney's office for removal from the enforcement list. Each individual gang member will then have a chance to fill out an opt out petition in which they can provide information as to why they should be removed from the list. The process of gang members being removed from an injunction list in San Francisco is far less costly and time consuming than getting an attorney as gang members in San José here would have to do. I feel an easier method of getting removed from the gang injunction enforcement list should be available in San José and the City Attorney should look at factors such as if the person is an active gang member, if they're pursuing an education or if they're employed or if they're engaging in any other activities that demonstrate willingness not to engage in gang related activities. And consider these factors in being removed from the list and both mi professional and personal experience I've ex gang members turn their lives around and individuals who spend half their lives in prison become active members of the community. I believe a similar similar to that in San Francisco should be available to gang members here in San José who have turned their lives around. I believe every person --

>> Mayor Reed: Sorry your dime is up.

>> Thank you very much.

>> Mayor Reed: Denise Hart, America Aguirre.

>> My name is Denise Hart, I'm an MSW student in San José State. I thank you for your commitment to the people of this city and for the opportunity to speak with you today. I have worked with children with disabilities, developmental disabilities for 16 years and today I'm here to advocate for those children and those families who live in this community. Within California there are 21 regional centers that oversee services to people with disabilities. Within those regional centers early start services are provided to children from birth to age 3 who are either born with a disability or who are at risk of a disabling condition. This includes children with autism. Approximately 1500 children are currently served out of our local regional center. These children are provided with the early intervention services they need that have been proven to be effective in assisting children gain essential developmental skills. Early intervention services reduce the need for these children to enter special education under the public school system, once they are school age. Due to the California budget crisis, the regional center system's budget has been cut by millions of dollars. Regulations in the early start laws have changed and they are directly

affecting the eligibility criteria for these children to be given needed early intervention services. Due to these cuts regional centers are turning away these children and their families. They no longer qualify for these services, not because their developmental needs have changed but because of the budget cuts. Please stand with me in representing and advocating for these children and these families living in this community as our neighbors. Thank you.

>> Mayor Reed: America Aguirre.

>> Good afternoon, Mayor Reed and members of the city council. My name is America Aguirre, I'm a resident of San José and a director of the Washington NIU center. I would like to thank Washington AIU center last week it was an important event and over 300 families attend on the celebration and I hope next year we'll be here to celebrate our 11th Cesar Chavez celebration next year. Thank you.

>> Mayor Reed: That includes the open forum, that concludes our meeting, we are adjourned.