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City of San José city council meeting for Tuesday, May 12th, 2009. [ Gavel ]

>> Mayor Reed: Good afternoon. I'd like to call the San José city council meeting to order for May 12th, 2009. We'll start with the invocation. Councilmember Campos will introduce the invocators.

>> Councilmember Campos: Thank you. I would like to introduce the James Lick choir. They will be hosting an annual music festival for the community at the end of the month. The students will be singing, "ain't that good news," accompanied by Mr. Harlem Otter on the piano. Welcome. [ ¶music¶ ] [ Singing ]  
Ain't that good news ¶¶ ain't that good news ¶¶ [ Singing ] Ain't that good news ¶¶ news news news news news ¶¶ [applause]

>> Mayor Reed: Thank you for that great invocation. We are joined here today by some students, in addition to James Lick High School, we have I think five third grade classes from Lynhaven school district, in district 1. And we have second grade students from graystone elementary school, and I'd like for those second graders to please stand up. They're going to help us with the pledge of allegiance. And now, everybody else please stand for the pledge of allegiance. [ pledge of allegiance ]

>> Mayor Reed: Thank you, James Lick and thank you elementary school and Lynn haven elementary. I hope you had informallal tour today. First, changes from the printed agenda. I think we have none. We have a motion to approve the orders of the day. All in favor, opposed, none opposed, that's approved. Closed session report, City Attorney.

>> City Attorney Doyle: Mr. Mayor, the council met in closed session this morning. We will be adjourning at the end of this meeting to take up the remaining items.

>> Mayor Reed: I'm pleased to have the let them hear foundation join me at the podium for the first item. Today we are declaring May as better speech and hearing month in recognition of the many programs and services that the let them hear foundation has for hearing loss. Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. This is indeed a wonderful time. Hearing loss is the most common birth defect in the United States with 1 out of 300 newborns annually suffering from hearing loss, that can be pervasive. Children with hearing loss who do not receive early intervention services can average cost of \$420,000 per child and the lifetime cost for society tops \$1 million per individual. Yet only 20% of individuals with hearing loss are being properly assessed and followed within six years of age. Let them hear foundation was formed as a 501C 3 foundation in 2002, to bring the miracle of hearing to those who choose not to live in silence and have access to medical care for all, regardless of service provider or country of residence. LTHR is dedicated to educational support, medical services and equipment dedicated to hearing loss. Mayor, if you would please present this to our wonderful people here. [applause]

>> Hi, everybody, how are you? Good. Can everybody put their fingers in their ears for a second? That's what it's like to live without hearing. You don't get to hear anybody talk to you. You can guys imagine not hearing your mom tell that you she loves you? That will be pretty hard, huh? What we do is bring hearing loss to kids who are under privileged in different parts of our locale in the Bay Area, we have a clinic that provides reduced costs for kids. That's pretty important because a lot of times parents aren't given objective unbiased information that we need. This is for choice, to give us the people access to choice the way they want to live their lives the way they want. We've worked nationally with insurance companies and we've traveled to different countries to bring the miracle of hearing there. So thank you very much for the opportunity to be with you today. And again it's the let them hear foundation. [applause]

>> Mayor Reed: For our next item I'd like to invite the Chief of Police and the representatives of the police department to join me down at the podium. Councilmember Constant, former San José police officer himself had intended to be here to speak on this item but he is not able to be with us today. On April 10th, 1962 president John F. Kennedy proclaimed May 15th as national peace officers memorial day and the week as national police week. This tradition has been followed each year since then, and May 15th, 2009, is identified as this year's opening day of observance across the entire country. Nationwide and last year, 2008, 140 officers gave their lives serving their communities, 12 of those officers were from California. San José police department has lost 11 officers in the line of duty in its 160 year history. Two officers, Gene Simpson and Gordon Silva, were killed 20 years ago, right where the City Hall stands, outside the rotunda. Officer Jeffrey Fontana was killed in 2001, and the matter is currently at the trial stage. It is a painful reminder that our officers face on a daily basis. On behalf of over a million people in the City of San José we want to say thanks to the men and women, about 13 to 1400 of them, who are uniformed officers who serve tirelessly to offer the same safety assurances to the public that the slain officers did.

On behalf of the entire city council and indeed the entire City of San José, I want to present the proclamation to Chief Davis on behalf of national police officers week. [applause]

>> Rob Davis: Mayor and council, thank you very much for this recognition. We do appreciate it. In fact we take note of the fact that you mentioned that the trial for officer Jeffrey Fontana's criminal case is in process and just this morning they started the opening statements, and many of us have had the opportunity to meet with the District Attorney and Jeffrey Fontana's parents. We also make mention of the fact that there will be a more formal ceremony at the rotunda and we appreciate the support we've gotten from you to help memorialize those of the police department. Thank you.

>> Mayor Reed: We recognize May as historic preservation month in the City of San José.

>> Councilmember Liccardo: Unfortunately Vice Mayor Chirco cannot be here, but together with our landmarks commissioners, it is my pleasure to celebrate historic preservation month as the oldest city of State of California, one little known fact, Pierluigi, you should know this since you used to live in the Spartan Keyes neighborhood. San José is the home of the creation of the the fruit cocktail. From this city, to countries throughout the world, went fruit cocktail. We've been very busy throughout the year, the city council has designated 11 landmarks throughout the year, many of those are old and impressive houses, many to former figures, Mayor Ed Renzell, survey work in the Washington Guadalupe neighborhood, once known as goose town, Italian American immigrants including my grandmother. The community has turned into a Latino community, the history is being uncovered. We are fortunate to have these neighborhoods, a great asset to our city. I wanted at this time to ask the mayor to provide Ed Janke, the head of our historic landmarks commission with a plaque to commemorate this month and to commend them for their services to our community. [applause]

>> In behalf of the landmarks commission with me today is vice chair Pat Colone, vice chair Heather Jackson, others not being able to attend, we are very appreciative of this honor and this acknowledgment and certainly like old buildings and all the things that go with them, and even the fruit cocktail. On a personal note, this is my 11th year on the landmarks commission, having served four different mayors. And I leave the commission in June. I thank the mayor and the council for putting up with us. But more importantly, the duty that has arisen from this, in naming the various buildings as Councilmember Liccardo has said, city landmarks. Anyway, thank you very much. [applause]

>> Mayor Reed: Now I'd like to invite Councilmember Kalra and representatives from the San José biocenter to the podium. We are approaching the fifth anniversary of the opening of the San José biocenter. We want to commend them and acknowledge the team that's worked on it for a job well done, we extend our thanks to the redevelopment agency, San Jose State university foundation, and San José biocenter, executive director Melinda Richter, and winning awards as a nationally recognized incubator. Councilmember Kalra, lucky guy, I think have you additional words.

>> Councilmember Kalra: Very excited that knits my district. It's about the City of San José, that's something we all should be proud of. And I'm very excited to be given the opportunity to recognize the San José biocenter for winning two very prestigious awards, and more so for just recognizing the great work put in by their staff. I've had the pleasure to get to know the Edenvale staff on the biotechnology center as a whole. And for some background as the mayor was saying, in an effort to continue to grow innovative companies, the redevelopment agency developed the San José biocenter in 2004. The San José biocenter has 33,500 square feet of individual wet labs shared labs and meeting space. The agency has spent \$10 million in tenant improvements to advance core research in San José. There are 22 tenant companies, 14 affiliate companies and these companies have raised \$850 million in growth capital. In 2009 the center received awards, Randall M. Whaley award and Diana Adkins award. The biocenter is a new time and cost efficient model for emerging science and technology companies. We always talk about the best way to market San José. The best way to market anything is through success so I really want to commend Melinda Richter and the rest of the biocenter for providing that success and I look forward to many more years of success for helping promote business here in cutting edge business, at that and today we honor them, the San José biocenter for their contribution to the economic development of the City of San José and for their leadership in the advancement of science and technology. I'd like the mayor to present the award to Melinda Richter, the executive director of the biocenter. [applause]

>> Well, thank you so much. It's again such a privilege and a pleasure to execute on the vision that the mayor and the council had, to really not only innovate, new technologies and create new jobs but to actually provide new technologies that are going to enhance and save people's lives. For the average person who's walking down the street who may have cancer or hepatitis C or diabetes, our companies are there, work every day, to make sure they can help solve those problems. So I would like to thank the

mayor, and the city council, for being such great supporters of what we do every day. I would like to thank the redevelopment agency, because they've been great partners, real team members with us, going through the day-to-day operations. I'd like to thank my team who has been there 24/7. We get alarms at 3:00 in the morning and we're there supporting our companies. We have sponsors here with us and without them we couldn't do it either. And most of all I'd like to thank the companies who are out there risking it all. One last thank you I have to do. This biocenter was a twinkle in the eye of someone who brought it forward, and has been living with us every day and making sure that we're as successful as we could be. So I'd like to thank Ru Weerakoon for being a real champion for us. Thank you so much. [applause]

>> Mayor Reed: Next item is the consent calendar. Are there items councilmembers wish to pull off for discussion? We have a motion to approve the consent calendar. All in favor, opposed, none opposed That's approved. First item is the homework center program, allocations. Level 1 homework center allocations.

>> Albert Balagso: Good afternoon, Mayor Reed and members of the city council. Albert Balagso, director of Parks, Recreation, and Neighborhood Services. We do have a short presentation here for you today, but before we start that, I would like to introduce deputy City Manager Norberto Duenās, and Neil Ruffino who will be assisting in that presentation. The document before you or the report before you is the culmination of work done in the last year, following the direction of council to do an evaluation of the homework center program, as well as work with the superintendents in the school-city collaborative to come up with the solution of how to apply the remaining homework center funds in lieu of a \$755,000 reduction approved by council last year. This is -- these recommendations reflect next year. And we also have in the audience representing the school-city collaborative superintendent Mark Leibman from the Berryessa school district and representatives from the San José school district assistant superintendent Bill Erlandson as well. With that I'm going to pass the presentation off to Neil Ruffino.

>> Good afternoon, Neil Ruffino, Parks, Recreation, and Neighborhood Services. I'm presenting the administrative recommendations to the homework center funding allocation for fiscal year '09-10. The recommendations that are identified in the memo are as follows: To accept the Silicon Valley education foundation report along with the school cities collaborative summary. Allocate the block grant of school funding to districts serving kindergarten through 8th grade, maintain the fiscal year '08-'09 funding levels to the nonprofit organizations the library and our community centers, establish a minimum grant on site of \$10,000 and expand the use of weekend and or summer offerings. Over the past year park and rec staff has worked with multiple stakeholders to identify greater efficiencies and the best use for the homework center program. The city contracted with Silicon Valley education foundation, and identify potential recommendations on improvements. We have had consistent and regular dialogue with the school city collaborative and through its joint use submedicate and one on ones with a broad example of superintendents. With a reduction of \$750,000 that was taken into fiscal year 9-10 we want to manage the reduction, we want to listen to our school community, we want to meet and support the needs of the school district, create greater flexibility for those districts and manage their funds, create efficiencies in our contract managements, establish common goals and ensure that we establish central contacts within the school districts. In review of both the systems evaluation as well as the direct impact, input from the superintendents, there were a number of mutually recommendations that were identified including that the homework center program was important and needed in all school districts and for all children across the city. The allocation also should be based on an equity model and the homework center programs do provide a safe place for our children. However there were a few divergent ideas that came forward. The Silicon Valley education foundation recommended that the program should focus heavily on academic alignment and math and science. They recommended some nonprofit intermediary to manage the funds. Both these recommendations aligned with their surveys of 15 companies whom they would be looking towards for financing of the program. The school superintendents however want to ensure that the primary goal of this program with was to continue to provide a place for children to do home wore work afterschool. Support their overall district schools and if reading writing and language arts was a focus they wanted the funds to support that. They wanted to emphasize in the economy that changing the horses in mid stride would be challenging and intermediary would only work if there was a specific target around increased funding availability. Staff took the input and gathered that we gathered through numerous input sessions and worked through four education models that are in front of you. Our final recommendation before you today is that education funding should go as a block grant, fund only schools serving K through eighth grade and have allocation based compared to the overall city K-8

enrollment. Again, like all other budget challenges not every high school wins. High schools in our lowest districts would not receive funding. However this creates a funding for a prevention strategy to support the needs of younger children as well as more critical middle school years. With that we're open for questions.

>> Mayor Reed: With that I'd like to add we have had a lot of conversation with our superintendents also others on this school-city collaborative. Vice Mayor Chirco has worked hard on this but she's just unable to be with us. I would like to hear from our superintendents early on. So Mark Liebman, come on down. Mark is the current chair of the superintendents association, city-school collaborative.

>> Good afternoon everybody. I am superintendent of the Berryessa school district but I am today representing all the superintendents in the city and the county in this issue. First I want to say thank you for having this discussion and your commitment to two issues, one is off the agenda and the one that's closest to the superintendent and that's your support of the crossing guards. Have you no idea how much we appreciate that. And we do appreciate the challenges you are facing because your deficits are our deficits. And so you -- that is a courageous decision on your part. We'd like to talk about the recommendation today and ask you to make another courageous recommendation. That is on the homework clubs we have in the city and that the districts provide for our kids. This is an incredibly important aspect of what we do as schools and what do you in the city. I was going to turn around, when all the kids were here, and say, there they are, that's who we serve, but they all left. So we're a little short on that. But those are the people we serve every day. And one of the top concerns in our community and I'm sure you hear it along with us is what happens to kids when the school bell rings at the end of the day. How are we helping those kids to continue to grow, to continue to learn, to have support and most importantly, the reason this program was set up, to be safe after school, especially those kids who would walk home or take a bus home to an empty home. Today we are here to recommend that you approve these recommendations before dawn and we'd like to share a couple thoughts along the way on why you might want to do that. First, as I already said, it provides a safe place for our children. And that is, first and foremost in our minds. Unfortunately, the State doesn't see fit to fund our fund, for those kinds of programs for our kids. We need your help to do it together. Some of your funds, some of our funds, to make those work so those become slum critical to us. We know you're in financial difficulties. We share them. The proposal before you cuts our allocation to our district 60%. This proposal doesn't serve us well because our schools have been absolutely aggressive in going against the money and we have had you people to support us, thank you Kansen. But it's the right thing to do for our kids, to make sure everyone gets a piece of the pie so their kids can be safe. Third, we'd like just a short statement on the differences between the education foundation and us. We don't always agree personally I'm an incredibly big supporter of the ed foundation. I spent a long time with them, they're doing incredibly wonderful things. But every time they come one a solution it's science and math. This is not science and math although that can be part of it. This is about the safety of our kids. After long meetings with the mayor and staff and superintendents, we've decided that each district have different needs. Some of them may be math and science certainly we don't object to that. But each district has different needs. Based on the children and their parents. This is giving us the ability to do that. Secondly, it absolutely cuts out a lot of the bureaucracy. We had ten of our schools apply for -- each one did a grant, each one came to the city, each one was evaluated, each had a check issued to it. We are offering as district to coordinate that on a base amount. We'll make sure all of the school districts get their fair share, based on the fair allocation. One will be from Berryessa, one from San José unified. There won't be that plethora, to make sure the money is where it should be. Third, we have a different recommendation for you that while we absolutely support this 100%, we have this great idea for you and people who sit here have great ideas for the people make the decisions so I'm going to share one. One thing you talked about you gave \$100,000 to the ed foundation, to do the evaluation. Two, you have overhead within parks and rec. We as superintendents in the collaborative and we as the City of San José, are going to ask you to take that money and roll into it the awards to schools and let us do the evaluation for free. We can do that for you and we will do it to your criteria and we can do it well. Schools are the most accountable organization in our nation, with more rules than Carter has peanuts. We can do that for you and that will bring more money directly to kids in our communities and we would like to ask that you do that. So overall, let me stop by saying, I'll answer any questions you have. We thank the city, we thank you, it's an incredible relationship we have to work with city departments, to work on problems like these. We all believe that this is a great recommendation, we only ask that you don't close the door for the following year. Let us have those conversations and see where that is when it gets there because this service once it goes

away will be one of the hardest to return so we can ask that you at least leave it on the agenda. You may not be able to fund it, we know that but at least leave it on the agenda for discussion. Any questions?  
>> Mayor Reed: Any questions for superintendent Liebman? I don't think so, at this point. Mark, thank you for chairing the collaborative effort. We really appreciate the work that the superintendents put into the relationship and all our programs.

>> Thank you very much.

>> Mayor Reed: We also have Bill Erlandson and Karen Fuqua from San José unified would like to speak.

>> Hi there, I'm Bill Erlandson and Karen Fuqua is here also. We have had a wonderful relationship with the City of San José and the afterschool homework centers and for that reason we'd like you to consider leaving management of the homework centers to the city without an intermediary. We would want to see as many of the resources go directly to the schools as possible. In that light, we'd like you to seriously consider the \$10,000 per site, working with each of the principals and their communities have been remarkably creative in make sure that the kids have access to the homework centers. For that reason many of them have said we can do this for as little as \$6,000. We would like you to consider that because not only will be provide us greater flexibility but also preserve programming that we wouldn't normally have. Thank you.

>> I'll just reiterate what Bill said. I had an opportunity to talk to our principals and talk about the \$10,000 limited and I think what I really found is that they want to be able to spread this money from north to South. And our north end schools have a better ability to leverage their dollars, and whereas, south end schools don't have the ability to leverage. We have a lot of students that still need homework centers and you are one of the first to have homework centers out there. I'd ask that you give us that flexibility with that \$10,000 limit so we can kind of take that money and spread it a little bit further because there's still need in the south end where we don't have that money to leverage so thanks so much for considering this.

>> Mayor Reed: Thank you. Is there anybody else that wants to speak on this item before we get into councilmember discussion? Thank you. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you mayor. Albert, it seemed as though the suggestion it seemed by Bill and by Karen was a reasonable one about eliminating the minimum dollar amount. Are you amenable to that?

>> Albert Balagso: Yes, we can do that.

>> Councilmember Liccardo: I appreciate that Albert. Albert, I know we've had the chance to talk a little bit about this. And I want to say right off the top, I think the second hardest job in the world is being a school superintendent. Probably the hardest is being a teacher. And particularly with all of the funding constraints that schools encounter and constraints I guess is a nice way of putting it, particularly as we look at the situation the State's in. I'm concerned because as I see it, we have two objectives that are being pitted against each other. One is that there is a safe place for kids after school. And another, that the objective being achievement, that is a curriculum based program that would somehow or another help kids achieve. And I don't think those objectives need to be pitted against one another. I think they're far from mutually exclusive. And certainly, if kids are in an environment where they're learning and they're achieving, we have every reason to believe that's as safe as any other environment we want to put them in in terms of homework centers. What I'm concerned with is that we're not setting the bar. And you know, I'm reminded of a speech given by former principal Adam Escoto, Horace mann teacher. Adam said, the most important things for teachers is to communicate respect. You communicate respect by letting them that every kid can and should achieve. And with the model based on the SVEF report where the city is certainly not involved in tracking grades, they're not involved in track performance or test scores or anything like that and the majority of these homework centers seem to be not as well. So we're just settling, just settling for a safe place for kids and that's enough when we could be trying to do more. Particularly in a context where we know there's a very high probability this money's going to run out after this year and we could look at there as an opportunity to say, well, here's some seed money for a pilot program of some kind. Now, I understand SVEF may not be the organization to do that because they have conflict of interest issues here. But it seems to me there is an opportunity at least to say, take some small chunk of this and say, how can we possibly leverage private money to fund homework centers, when the city is going to be out of the homework center business or at least looks to be based on where the money is. So I think this is the way for us to basically kick the last bit of dollars out the door and then to simply sort of wave good-bye to the program. And that's my concern that we're sort of resigned to

that. And I don't blame any of the superintendents for saying, hey, we'd rather have the money come to us without strings attached. Because these are superintendents putting up with eight years of No Child Left Behind, and all kinds of ridiculous strings from Washington with no money. The money with strings and money without strings, we'll take money without, that's a reasonable choice. But my concern is that we're not being creative enough or at least not allowing others to help us being creative. Again, it doesn't necessarily have to be at SVEF. I know we talked about this at some length Albert. I was included that the SVEF report wasn't included at all in our report. They weren't notified about this, I had to notify them, I just feel as though we've kind of been programmed toward a direction without really considering the alternatives, and it doesn't have to be all or nothing. It doesn't have to be, we give all this money to a nonprofit. It could be, hey, here's some seed money. Here's a couple hundred grand for, you know, the community foundation for somebody to be able to be out there leveraging other money for homework centers that might be more targeted or curriculum-based and measuring results in the way that SVEF seems to advocate. So I'm going to respectfully vote no. I understand there's an enormous amount of work gone into this. I know Vice Mayor Chirco feels very strongly this is the right approach. I respect her opinion on this but I think we're settling here and we could be doing more regarding the scarcity of resources we're facing.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, Mayor. I would like to thank Albert and your staff as well as the school-city collaborative members for your effort to put together this proposal. As a school board member myself, I'm a strong advocate for local control. And I think the new model will allow school district to have the flexibility they need to focus on their resources. They know where to spend their hard money the best. And this is really what provide a more efficient delivery system. I understand that the city and the schools, as well as the SVEF will continue to look for private funding to continue leverage to provide the best education for our students. So with some minor modification from the staff proposal to change the minimum from 10,000 per site to 6,000 per site, I'd like to make a motion to approve staff recommendation.

>> Mayor Reed: All right. We have a motion on the floor to approve the staff recommendation with the modification to \$6,000 minimum. Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. I certainly will back that motion. And I did want to say, I've never felt that homework centers were a core service operation of a city. I think that rightfully it belongs with the schools. No disrespect meant to you, Albert. But I think the schools know more about homework centers than any of us would, ever. But I would like to enjoin you Councilmember Liccardo, in reference to trying to get more bang for the buck, in reference to those centers. And I'm hoping that within the next year, when we'll know more about what is going to happen, and believe me, it doesn't look rosy, I'm hoping that there will be more outreach to the corporate community, who's desperately looking for trained people in the corporate world to help promote their products. They're going to be counting on us, if they're a part of the solution, I think they would be happy with that. And I think they would more than willingly step up to the plate. And so that's it. I'm hoping that we can get more people to join in and keep this alive and well and flourishing. Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I certainly agree with much of Councilmember Liccardo's sentiment, and again, with the same respect that I believe he showed towards the school districts, in allowing the flexibility in understanding that certainly the representatives that are here from the school districts and those that are the ones that have to operate the sites at their schools know much more than we will about the operation of the schools. However, they're certainly -- whether it be SVEF or a lot of other organizations, there are other organizations out there that know better than about how to leverage dollars or fund raise than we do. Some of the thoughts put out there like using a portion for seed money to see what we can do to create more of an ongoing stream of funding, as well as the thought that we can expect more than just a safe place. Obviously a safe place is critically important for our youth. But I think the achievement gap and other issues that we're looking at at the global level is equally important. And I appreciate the school representatives asking for the minimum to be removed because I do think that that will help in terms of allowing enough flexibility to determine how to use that money best in your own schools. And if a principal or if a school or representatives of a school site if they're able to be more efficient and they do so in order to help another school, another part of the district, I think that's a great thing. And that aspect of the motion I think is something that may prove to be good in terms of flexibility. But I'm concerned that there is not enough of an emphasis on what else, besides, as

Councilmember Liccardo says, besides a safe place that we're really achieving in these homework centers. After all, they are homework centers. They're not after school daycare. I'd like a better feel for what kind of achievement, what kind of growth is achieving for the students that do attend. Thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you. First of all Albert I want to thank you and your staff. I know you've been working on this prior to me becoming chair of the committee. And I'd like to thank the superintendent and the assistant superintendent for being here. And I really value your input on where this money should be spent and how we should leverage it. So I appreciate that. But one of the things, Albert, that I wanted to have a brief discussion with you about is, the plan of the future is to phase this money out. And I think that what the superintendent said is that we should actually not phase it out until we can actually have a discussion about it. And I think that next year, and I'm not trying to put more work on your plate, but I think that as you bring that forward, that discussion, before we actually phase it out, or determine what will happen next, that might be a good opportunity, and I'm not sure what committee it should go to or should it go to the school collaborative to have that discussion, maybe that's what we should look at before phasing it out, looking for new opportunities to be able to create seed money or organizations to be able to handle that to see how they would use that for leveraging it. I think it's important for us to move forward with the motion that is currently on the floor but maybe we have that discussion with the committee or the school collaborative so we have options that we can look at as a council before we make a final decision on whether the homework center program is just eliminated completely or maybe there's a bridge between having seed money for a foundation and figuring out how we still are able to allocate money to school districts, to the superintendents that run those schools, to figure out how they can internally leverage that money. I thought those were some great suggestions. Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I want to thank Albert and Neil and the rest of the staff who worked really hard on this item. In spending as much time as you have on the background for San José. I think we all pull together in terms of the city supporting this program and our schools. It's the great thing I think about San José and our community is that we recognize that we're all serving the same folks, the same residents and the same children and this is an example of it. This proposal, I like the fact that it covers all the districts, that it recollection that each district has different needs, that it does give flexibility and control back to the schools, reducing the middle man and getting more of the dollars right to the kids. I do share the concern about achievement, and all those -- and the things that Councilmember Liccardo talked about. But I also think that being safe is very, very important. I know in my district, Evergreen school district, they are very, very appreciative of having this money and support for after school programs and safety is a big issue. It's really important because you can't really be achieving if you're not safe. So I think safety's very important. And hopefully, as Councilmember Campos said, that before this program's ended, we can find some kind of a way to bridge, to leverage other money to keep it going in the future. And I'll be supporting the motion.

>> Mayor Reed: I had a question for Albert, probably. The staff memo doesn't speak to proposition 49 and the afterschool program funding that's come into the state. You can just talk a little bit about how that relates to the money that we have for after school programs?

>> Albert Balagso: Sure, I'll have Neil give you the answer on that.

>> Neil Ruffino again. There was the state Acis funding, proposition 49, also federal 21st century funding which goes to after school programs in the lowest districts in the area. We transitioned out of that role again allowing the school districts to have the direct control of the funding from their school districts, or from the state and federal government directly to their schools. We in park and rec are a current provider for only nine of those sites. They actually contract us in the parks and recreation department to provide nine offerings at those school sites. That being said in Santa Clara County, every school that's 50% more free and reduce lunch has applied and is receiving the after school program. From it, the schools when we did these assessments between how the homework centers are at those school sites alongside their funding most of those schools actually ran multiple programs. The homework center allowed them that flexibility to enhance other titled money. So most of them were running concurrently. A year back or so we were looking at what if we raised it based on the proposition 49 funding. The reality of the schools wasn't working out. For them, they would have felt that impact. The schools that were receiving proposition 49 were still dependent on the homeworker center funds at that point and that was the information we received.

>> Mayor Reed: Thank you. I'm going to support the motion. We had quite a bit of time to talk about this at the school-city collaborative. And while I share our councilmembers' concerns about academics and standards, we're only talking about maybe \$6,000 to \$10,000 per site. And I'm reluctant to put a whole bunch of requirements onto our schools who pretty much know what they're doing anyway and for that small amount of money to add a whole bunch of terms and conditions isn't fair or efficient. And one of the things we are doing is cutting down on the paperwork. Because as superintendent liebman was saying, he had ten different contracts and negotiations. So we're at least shrinking it down. It's not very effective so I think this is a vast improvement on how we handle the money and I think as long as we get some kind of standards as I've identified in the motion, the performance measures can be evaluated, we'll have some idea that the money has been spent well and effective. But that's what our schools do and they leverage us and so I'm going to support the motion. I think it's going to be a better program than we had in the past even though we have less money. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I just had a question on the pie that's shown now as far as the allocation to the middle schools. Just how for practical purposes what does that mean when it says schools over 600 receive 26,000, schools under, numbers wise how does that play out, in terms of numbers, away would they get, 26 versus 15?

>> That was one of the proposals that we looked at. Let me pull the memo out. In terms of that type allocation, you talking about the third bullet specifically on the middle schools?

>> Councilmember Kalra: Yes, yes.

>> The option based on this allocation, all 35 middle schools would receive funding which they would actually receive quite a bit of funding around that, all the milt schools directly but would leave out all the element schools. When we asked the superintendent that was one of the things we felt was not going to be able to spread out the money far enough.

>> Councilmember Kalra: That was one of the proposed allocation. But even in that proposed allocation though, okay, I get it, okay. Well, thank you very much, appreciate it.

>> Mayor Reed: I think that concludes our council discussion. We do have a motion on the floor to approve the staff recommendations with one modification. All in favor, opposed, one opposed, two opposed, Liccardo and Kalra opposed, that passes on an 8 -- no, 7-2 vote with two members absent, Chirco and constant absent. Thank you, superintendents for coming to participate in this. That conclusion that item. Report of the City Manager, 3.1.

>> City Manager Figone: Mr. Mayor I have no report today.

>> Mayor Reed: 3.2, report of Rules and Open Government Committee for April 22nd. All in favor, opposed, none opposed, that's approved. Motion by Councilmember Nguyen. Item 3.5, Senate Bill 346 carried by Senator Kehoe, motor vehicle brake friction materials. We have a motion to approve. All in favor, opposed, none opposed, that's approved. Item 3.6, Senate Bill 497, carried by senator Correa. The school recycling programs. All in favor, opposed, none opposed, that's approved. 3.7 is report of Rules and Open Government Committee for April 15th, 2009. We have a motion to approve. All in favor, opposed, none opposed, that's approved. Item 4.1, report of committee -- sorry, Community and Economic Development Committee, as amended April 27th, 2009. Councilmember Pyle chairs that committee.

>> Councilmember Pyle: The information is in the packet. I move for approval.

>> Second.

>> Mayor Reed: Motion is to approve the report. All in favor, opposed, none opposed, that's approved. 4.2 is release of development cost for north fourth street family apartments project.

>> Councilmember Liccardo: Mayor, I'll be recusing myself.

>> Mayor Reed: Councilmember Liccardo is out of the room.

>> Councilmember Pyle: Move to approve.

>> Second.

>> Mayor Reed: Motion is to approve. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed. I will not be supporting the item today on the agenda. We have still not resolved the issue of park fees for affordable housing and it's been about eight months so I look forward to that conclusion happening sometime soon but I can't support this item today, thank you.

>> Mayor Reed: We have a motion to approve. All in favor? Opposed? We have one opposed. Oliverio. Two absent. So that passes on a 7-1 -- 8-1 vote. Do my math here. I'm sorry. One abstention. 7-1-1-0. We've got seven votes in fair. That's good none. So that is approved. Item 4.3,

policy changes to the housing rehabilitation program. We have a motion to approve. All in favor, opposed, none opposed, that's approved. 4.4 is the federal stimulus funding for the CDBG and homeless prevention and rapid rehousing programs. We have a motion to approve. We're always happy to get funding from the federal government. I think Leslye Krutko has additional information to give us.

>> Leslye Krutko: Thank you, mayor, yes, Leslye Krutko director of housing. I did want to mention with regard to the CDBG funding, we are eligible to receive \$2.7 million in funds. That is included in our request here to amend the action plan. But last week we did receive guidance from HUD. It is indicating that we have to be more specific than we've been in this document. So we are going to have to come back to you on June 2nd, with specific projects that we plan to assist with this. The deadline for application is June 5th, so it's extremely quick. They have just given us guidance. But we have to have our final projects picked out by June 2nd in order to meet that June 5th deadline. No, we need to approve this today you about we'll come back, we have to come back again on this particular item. So I just wanted to alert you on that.

>> Mayor Reed: Okay, so we'll move ahead today knowing that we have to do an amendment or change or modification or whatever the federal government wishes in order to qualify for the application. Further discussion, Councilmember Liccardo.

>> Councilmember Liccardo: Thanks Mayor. Leslye, since you approached the mic I'll ask you a question. That HERA 2008 neighborhood stabilization money, does that have to be used for acquisition, is that why we're land banking?

>> Leslye Krutko: The NFP funds have to be used for acquisition. Acquisition of foreclosed property.

>> Councilmember Liccardo: Thanks.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: So Leslye, would this money be eligible to go to legal aid?

>> Leslye Krutko: The CDBG funding?

>> Councilmember Campos: Uh-huh.

>> Leslye Krutko: We're currently talking to HUD about this. This is very specific economic development funding. We're inquiring about our ability to use the funds for more traditional public service functions. Our first response back was no. But we are asking for more detail.

>> Councilmember Campos: So you'll be able to report back to us, because you're coming back to council on this item?

>> Leslye Krutko: We will be able to report back to you. However, the action that council took on current item was to fund legal aid for three months and to reevaluate, to have us work with them on their financial issues. This economic recovery money has to be committed and spent very quickly.

>> Councilmember Campos: Okay.

>> Leslye Krutko: So I'm not sure it's the right money for this particular -- for the legal aid purpose, because we've got to resolve those financial issues.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Couple of people from the audience who want to speak on this. We'll take public testimony now. Bob Dolce and Teresa Tran.

>> Thank you, mayor and members of the council. I want to support the plan that the housing department is coming forward for the rapid rehousing programs and homeless prevention dollars. One of the things that's important is that it be used for rental assistance and for limited short term case management and utility assistance and I really support that approach. But in conjunction with that I think it's important that the City's plan be done in conjunction with the plan that Sunnyvale would be coming forward and the county will be coming forward to use the same money so that we can have as seamless an approach as possible so that it also can be spent quickly. I support the part of the plan which will enable collaboration with destination homes for us to achieve the goals and strategies of destination home of alleviating and preventing homelessness for many people on the brink. And also I would like the plan to include outreach to the homeless mentally ill, department 64 of a county court system where judge manley is constantly seeking assistance for folks to get them into housing and prevent homelessness. Thank you.

>> Mayor Reed: And Teresa tran.

>> Thank you, mayor and councilmembers. I'm Ann tran and I'm a local pediatrician also a board member for neighborhood housing services of Silicon Valley. And I would like to say that I do support the plan of providing rental assistance, however, I urge you to also use the fund to help unemployed workers avoiding foreclosure. Now, as you know, our unemployment rate continues to rise, and many workers, blue collar workers, white collar workers, unskilled laborers and highly skilled professionals are losing

their jobs and they're having a tough time meeting their mortgage payment. And because they have no jobs, these unemployed workers cannot refinance their homes through private lenders. Nor they can qualify for the federal mortgaging and financing program. So currently they're receiving no help from anyone. Current these workers will lose their homes before finding new jobs. What this means for San José is there will be more competition for low -- cost rentals and a worsening homeless program -- problem. Besides collateral damage to San José economy. All this can be prevented if these unemployed workers receive temporary financial help to tide them over while they find a job. At neighborhood housing services of Silicon Valley, we have established porch light funds to provide such interim financing through low interest short term loan and we aim to build the fund through donation from federal and local government, from the community and from corporate foundations and currently the fund has received from the community a total of \$460, and it is a good start but it's not enough to help.

>> Mayor Reed: Sorry, your time is up. Sorry, your two minutes is up. Thank you very much.

>> Thank you.

>> Mayor Reed: That concludes the public testimony on this. Any additional council questions or comments?

>> Leslye Krutko: I'd like to ask, the rap funds cannot be used for folks who have lost their jobs. Unless a renter who is in a foreclosed property and being displaced. I would like to say the city is opening its foreclosure center on Thursday and that is a place where someone who is at risk of losing their home should go to and we'll be advertising that as well.

>> Mayor Reed: What's the location for the program?

>> Leslye Krutko: The location is at the one-stop center at meridian in Parkmoor.

>> Mayor Reed: That's the best place for people to go to find out services that are available. We have a motion to approve, all in favor, popessed, none opposed, that's approved. Item 4.6 is a rezoning of property at the Northwest corner of Carla drive and Almaden expressway. We have a motion to approve. All in favor? Opposed? None opposed, that's approved. 7.1, amendment to service rates for the recycle plus! program. John Stufflebean will have a report.

>> John Stufflebean: Gavel, John Stufflebean, director of environmental services. I have a short presentation. Rate increase of 55 cents for the average company, multifamily increase of 4%, average increase of 71 cents for the average customer. Rates will be effective July 1st. The reason we're in today earlier than the usual budget items, because of our budget cycle we have to get this approved earlier since this begins with the June cycle. The multifamily rate, the California budget council has approved there rate increase. Why are we doing a budget increase? The fundamental reason is we have contracts that have built in cost of living increases and we need to cover those costs and make sure the fund stays healthy, and we are expanding the neighborhood cleanup, and we need to maintain a fully cost recovery system, so the fund is fully covering the rates that are paid. As a quick comparison, we are slightly higher than the county average, most other cities are increasing their rates as well. Always want to mention when we put this slide up is we do offer one of the most comprehensive suites of service. We offer moreen for our customers than most other cities and towns in the Bay Area. Just kind of a quick refresher course on what we've accomplished this year, we've increased the residential recycling by 29%, very nice increase. Our new contractors are working out well. Multifamily recycling we mentioned before, 15% diversion we're now at 80% diversion, we've worked out with the contractor as far as processing on the end. Those contractors, we estimate about 65, well the actual number of 65 green jobs created because of that change. And that calculates to a greenhouse gas avoidance equal to 9,000 cars on the road. Greenhouse gases are the lowest in the Bay Area. We are able to serve more households than previous years and we increased the diversion of the neighborhood program from 15% to despite the fact%. That concludes my presentation. Any questions?

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Those were great sales points and those are going to be in the with the bill, is that correct?

>> John Stufflebean: Yes, we can take care of that, yes.

>> Councilmember Pyle: We would love that. Because we don't like to get tons of calls. You know? And this would help us tremendously. I think we were going to put it in our newsletter as well. I think emphasizing the fact that we are one of the lowest in the Bay Area, and actually, our rates would have been higher had we not done such a good job on the recycling. I think that people want to hear that. It makes them feel good. So thank you.

>> Mayor Reed: Okay. I don't think I have a motion on the floor yet. Councilmember Liccardo, did you want to speak -- we have a motion to approve by Councilmember Pyle. That because it.

>> Councilmember Liccardo: I wanted to thank John. In March 2007, we were very reluctantly and painfully going along and to see that the increases are now 2% and 4% is a real testament to the great work you guys are doing and thanks for that and thanks for the boost in multifamily users. That's really extraordinary.

>> John Stufflebean: Our universal policy is to only bring the rate increases we absolutely need, so.

>> Mayor Reed: I think that's the end of the questions, I have one request to speak. I'm sorry, I think some of the machines are locked up here. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed. John, on your slides it talked about the 3% colas. Obviously everyone is very well aware of where we're at right now. And I guess did you ask the question or could you ask the question on hey, you got the contract. You know, but do I necessarily need to give you a cola? Because I'm reading a letter from the South Bay labor council asking about our existing contracts we have in the city and are any of them increasing and it appears to me that this one's increasing when in reality they should be asked to keep the contract but take a free --

>> John Stufflebean: We have a special, it isn't really a typical cola for this contract. It is a very specific, called a rate index we use and we very specifically calculate the costs from year to year, the big item is fuel, the others are labor cost equipment cost. The costs are directly related to the actual increases they saw. Next year we'll see the impacts of the recession, if indeed some of the prices were to go down. One of the reasons we could keep them so low, the fuel costs went down. One of the big reasons they were only 2% and 4% increases. These are very specifically calculated contracts specifies exactly how they're calculated. The contractor submits those we check them over. They only get the increases they specifically deserve because of direct cost increases.

>> Councilmember Oliverio: The refuse rate index, how does that break out, like fuel is X percent?

>> John Stufflebean: I don't have those memorized, I can get them for you. It's based open what percentage of their contract actually is fuel. And that fuel increase is then calculated on weighted that much and then how much of it is labor cost and how much have labor costs increased and contract is weighted by that much. Again there are four or five factors used and the percentage is used and I can get that information to you.

>> Councilmember Oliverio: Okay, thank you.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. Pretty much down the same line. Do we have the reopener cost with those garbage collectors? Because I know that 55 cents is not a lot of money. But I understand that you just mentioned that the fill costs actually went down. And we're laying off people, so where is the increase coming from?

>> John Stufflebean: Fuel costs went down, other costs went up, that just helps keep it lower. The contracts are specified for six months. To make a change in that contract would be problematic.

>> Councilmember Chu: Thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Does this also factor in with the population change? You started off with X population, we have grown and they haven't said well wait a minute. So that's folded in as well, is it not?

>> John Stufflebean: Yeah, that's included.

>> Councilmember Pyle: They're serving more people.

>> Mayor Reed: Okay, anything else on this?

>> Councilmember Oliverio: John, does this have to be passed today or could it be deferred a week?

>> John Stufflebean: It needs to be passed today so we could have the proper time to get the notice passed in June.

>> Councilmember Oliverio: Being it has to be passed today I won't be supportive because of I don't have the background.

>> Mayor Reed: All in favor, opposed, Oliverio is opposed and Councilmember Chu. So that does pass 7 to 2. Ross Signorino you wanted to speak on this.

>> Ross Signorino: I didn't come up here to protest the rate increase, because it's going to happen, and I can see why. Actually, I agree with John, and councilwoman Pyle asked the right question too. The quality of recycling I think is exemplary. When I went back to Cleveland last year, they had to put everything, leaves and everything in bags. We don't have to do it, our yard clippings get picked up, I was

surprised to see that over there. Believe me they have a lot of leaves they have to put in bags over there, Adam and Eve wished they would have had that many leaves. Thank you very much.

>> Mayor Reed: That completes the testimony. Anybody wish to reconsider the motion? The motion stands, approved on a -- 7-2. I forgot an item, 6.2, report on bids and award the purchase of hold room furniture. Bill Sherry is here. We have a motion to approve. All in favor, opposed, none opposed, that's approved. 7.2, nonprofit recycler services agreement. Motion by Councilmember Nguyen to approve. All in favor? Opposed, none opposed, that's approved. 7.3, commercial solid waste collection fees amendment. We have a motion to approve. All in favor, question from Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. This is a fee recovery actually for late payment. I guess the question is for the City Attorney, can we go beyond the cost recovery on this disparity?

>> City Attorney Doyle: You can do it to establish late charges or late penalties, yes. You have to have something to serve as incentive. It isn't an exorbitant amount. You can charge or implement penalties for late payment, yes you can within reason.

>> Councilmember Chu: I'm just questioning why we set it up at 300, or why not 500?

>> Mayor Reed: Council decision.

>> City Attorney Doyle: Again, within reason, you don't want to get too excessive, but you want timely payment.

>> Councilmember Chu: Is there any rationale behind the 300, how much do we receive for a late payment on a yearly basis?

>> John Stufflebean: A lot of people were late this year. Perhaps staff could help me with those numbers.

>> Councilmember Chu: Percentage wise, if it's not absolute number.

>> Christine Walter, program manager. We had about 30 late reports over the course of the year. I'm not so -- about sometimes 100. I'm not sure what the previous years were.

>> Councilmember Chu: About 30.

>> About 30, for the last calendar year.

>> Councilmember Chu: Thank you.

>> Mayor Reed: Okay, we have a motion to approve, all in favor, opposed, none opposed, that is approved. Item 7.4 is commercial solid waste franchises. Motion is to approve the recommendation from staff. All in favor, opposed, none opposed, that's approved. 8.1, card room annual review on crime in San José report. Chief is here, we'll have a presentation.

>> Rob Davis: Good afternoon, mayor and council, we're here today to present the annual report on the impact of gaming on San José. Joining me are Richard Fong and Richard Teng. I'd like to thank them publicly for the work they do on this. It is one of the most difficult jobs on prevention. I'd like to turn it over to Richard Teng for presentation.

>> I'm going to let Sergeant Fong present the PowerPoint, and then I'll comment with respect to the progress.

>> Richard Fong, San José police department division of gaming. I'll be doing the presentation in regards to the crime stats in the card rooms. I'd like to start by saying the San José police department maintains records of all reported incidents and calls for service, reported incidents are incidents in which a report is generated by a member of the public or a police officer. In order for reported incident to be specifically attributed to a card room, the individual card room addressed must be noted on the police report as a location of occurrence. Call for service are calls requiring dispatch of a patrol unit. As for reported incidents, in order for a call for service to be specifically attributed to a card room, the individual card room addressed must be noted on the call for service as a location of occurrence. Only those stats directly related to card rooms in fiscal 07-08 are in this report. Some calls are reported incidents may be related to card rooms that occur away from the card room's physical location, i.e., home any invasion or loan sharking. Incidents may or may not have resulted in arrest and not all result in a report. With that in mind, call for service bay 101, fiscal year 07-08 is 277 and Garden City, 178. For reported incidents we have 197, for bay 101, and 101 for gardennity. And in terms of the actual arrest, graph format, in prior request by city council, we have 42 for bay 101 and 18 for garden city. And those are pretty much the bulk of the crime stats for the two card rooms. And I'd like to turn it over to Mr. Teng.

>> Okay. I'd like to take this opportunity to communicate to the city council, with respect to the regulatory power grants at the time. Under the direction of chief Davis since 2004, we are addressing more and more activities relative to the regulatory program as opposed to just a crime-reporting session. And that is, we'd like to report to you any and every activity that we've noted in the card rooms. One thing that's

very important for me to point out to you, that there is no disparate treatment with respect to the compliance testing with both card rooms. And as a result of -- there's no secret right now that we are working towards a better outcome with respect to the compliance attitude at Garden City. Overall, both card rooms have been cooperative, in conjunction with the discussions relative to the settlement discussions, before, during and after. So we do have a good relationship between the card rooms and the division, and that they are reporting all the crimes and other noted incidents of exceptions as required. I'd be happy to take any questions that you may have.

>> Mayor Reed: I'm not sure I'm getting signals from anyone who wants to ask questions. So just wave. Councilmember Pyle.

>> Councilmember Pyle: I'm not sure Sam if you had your hands up first so I'm going for it. If I do my math correctly, about 15% of the reports that wind up being viable, 15% are actually arrested. Would that be pretty close to being accurate? So in other words, if you had -- I just saw that somewhere, you said Garden City had 178 calls for service, 114 were reported incidents. And of the calls for service, 18 resulted in an arrest at Garden City. So that tells me that's 15%. And then I haven't figured it out for bay 101, it looks like it will come out to be about the same.

>> Generally, when you look at the gross gaming revenue, foot traffic, very logically you can deduce that some of these things do have an upward mobility.

>> Councilmember Pyle: What accounts for the fact that bay 101, it's at 42%, whereas Garden City is 18? Is it just size of the place, the number of players there? Away would account for that?

>> Councilmember Pyle, those are not percentages. Those are actual numbers that have gone up.

>> Councilmember Pyle: Oh, I see, why the big difference in the numbers?

>> Well, we have talked about this in-house and we have discussed this with card rooms in the past and also recently. And that is, we can attribute that increase, at least the increase in bay 101 is a lot more than Garden City is due to the location, where bay 101 is. It's very close to the freeway and you have a lot more transient traffic in the area as opposed to Garden City being in the middle of town.

>> Councilmember Pyle: Sure, that makes sense. Do you see an increasing amount of fraud? I would imagine in these times, there's a lot of hardship out there, that that would be big on the list.

>> Councilmember Pyle, you have to understand, I'm sure you know, that the only inventory the card rooms have would be cash, and cash equivalent. Those are the things that the thieves target most. You can see that in that area that has gone up.

>> Councilmember Pyle: Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed. Question on pedestrian stops, suspicious vehicle, vehicle stop, all listed in the chart, and D.U.I. Do those all originate from the club or is that just where the person was pulled over?

>> Some of the pedestrian stops generally are going to be the officers while they're doing premise checks or while they're walking in the parking lot. The D.U.I., traffic related, when we reviewed the reports, we'll take to look to see if it's an officer that's doing the traffic stop off the streets but just pulling into that parking lot and those we'll discount. We won't count those. The ones we're actually including are the ones that the officer is in the parking lot and initiated in the parking lot.

>> Councilmember Oliverio: So all violations of the vehicle code that are arrested that are on my chart, and the information provided to council, are people that initiated that they came from the card club 100%?

>> They were at the card club or in the parking lot of the card club when it initiated.

>> Councilmember Oliverio: So if you -- if an officer pulls someone for speeding and pulls into a parking lot --

>> We discount that.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. So these statistics only reflect what happened inside both of the card rooms, correct?

>> Yes. At the moment, our only way of tracking it in our RMS system is via the address. As stated, crimes that may have occurred away from the card rooms but may be related to them, such as like we said home invasion, theft, that originated from there but they followed people away, domestic violence there is no way for us to attribute it to it.

>> Councilmember Nguyen: What if you get a call and go to the house and there was a domestic violence reported, the wife says he beat me up because he lost all his money at bay 101, is that attributed to what happened at the card rooms or is that separate?

>> When we come across it we'll attribute it to the card rooms. I ran across that, I've actually worked at both financial crimes and domestic violence, gaining more training to the department members so when they see that when they review the reports to forward it or notify us of it so that we can include it in our report and that has been done in the past, yes. If we can get that kinds of connection we will attribute it there.

>> Councilmember Nguyen: So in this report some of those numbers were included here. If those were the incidents that took place.

>> If we were notified of it, yes.

>> Councilmember Nguyen: Okay, and then just last question. So having these numbers, and knowing what we know and what took place at these two card rooms what are the plans for preventive measures?

>> Councilmember Nguyen, Richard Teng, division of gaming again. With respect to training the card room personnel we conduct that on a very, very -- on a continual basis if you will. For example when I first came in 2002, there was a big disparity between what the card rooms have reported as crime, as opposed to what we've tracked in the PD. So throughout the time, the last few years, that absolutely had become better with respect to how they view a crime as something that's reportable. So the preventive measure we've taken would have been on an ongoing basis. We have meetings about once a week, on different matters, and we have a general card room meeting every two months to discuss things that are surrounding both card rooms. And these card rooms have issues, or incidents, that they bring to our attention, we'll call the meeting whenever possible.

>> Councilmember Nguyen: Thank you.

>> So there's a lot of communication between us and the card rooms.

>> Councilmember Nguyen: And sorry, just one final question. So obviously there are a lot more things going on at bay 101 than Garden City. I assume those factors are attributed to more incidents, probably the size, loot bigger, what about security?

>> Their security actually is a very good security force. They're pretty well trained. And in regards to the prior question you had, my officers probably go out there every other day, and probably talk with the security managers and secure officers on a daily basis. They're available on a 24 hour basis. We tell them, whenever have you a problem, we'll discuss it together and come at a solution.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. Richard, I looked pretty carefully, at the lest. And it looks like these are venues for pretty bad things to happen. The fact that we don't have more bad things and more severely bad things happening is a testament to the good things you guys are doing. So thank you for that. The question I have, building on Councilmember Nguyen's question about how information gets created to create this data. It sounds like it's somewhat anecdotal, that is, it depends to some extent on the ability of the time the arresting officer's ability to have the time to actually make the call to your unit, is that right?

>> Councilmember Liccardo, we have the requirement of title 16 that the division of gaming control must be notified any time calls for service being made.

>> Councilmember Liccardo: I should have asked the question better. I guess I was referring to calls for service outside the geographical area where the card room is located. Is that kind of hit or miss or do you feel that we have a reliable system for if a guy gets pulled over on a deuce and he was drinking at bay 101, if that happens ten miles from bay 101 it's going to be attributed to bay 101?

>> Rob Davis: We're very conservative not overstating what crime may be occurring. Most of that information is collected by somebody reviewing this report that keys over to the fact that we've got to send this over to gaming so they're aware of it. We know we're not capturing 100% of them. To the records system, prompts in a box if you will, was this associated with a gaming club then it will be much easier for us to track that. But we are missing some of them because of the system.

>> Councilmember Liccardo: So \$6 million from there, when we have the software it will be automatic, correct?

>> Rob Davis: It will help.

>> Councilmember Liccardo: I know we were starting, we were beginning to track data in the entertainment zone, if I'm not mistaken. Are we doing it outside the entertainment zone to see if we're picking up some of these folks?

>> Rob Davis: Not that I'm aware of.

>> Councilmember Liccardo: Okay.

>> Rob Davis: But it's an interesting question and I'll certainly talk to staff about that.

>> Councilmember Liccardo: Well, anyway, I appreciate all the good work. Last question I just want to ask, I know as a DA I shouldn't ask questions I don't know the answer to, you but I'll ask the question anyway. Based on what you've seen in the last report and knowing that there are card rooms that are considering moves of various kinds, we saw the senator Corbett's bill and others, do we have reason to believe that things get worse if the card rooms are close together, or is it harder on us given resources running back and forth if these card rooms are far apart? Do you have any strong sense about what is a better arrangement in a world in which you know you're going to have two card rooms?

>> I came from Nevada. So -- [ Laughter ]

>> A lot of card rooms and casinos there, very close to one another. From our records, from a law enforcement standpoint, whether you have four card rooms or 40 card rooms, and how close they are really doesn't make that much difference to us, because as for right now, we have three officers and a sergeant assigned to my unit. On a daily basis a sergeant direct at least one officer to a card room and performance unannounced card room review and performance procedures. Doesn't matter where they're located, staff is still going to be the same, the methodology is still going to be identical. From a records standpoint I'm not so sure that makes a difference.

>> Rob Davis: I think the unanswered question is, to the extent the card rooms were closer together, would that make a marketing benefit for them where more people would come to San José, people could technically bounce back and forth between the two clubs, so it would be a bigger draw for them to come here. We don't know if it would draw more people which obviously would have more of an impact on the crime rate.

>> Councilmember Liccardo: Thanks chief. That's something I hadn't considered. Thanks.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you mayor. Thank you both for the presentation and your expertise in this issue. Couple of specific questions. One in regards to disturbance. There are four specific categories of disturbance, there is a general disturbance which steeples have arisen in volume at least bay 101. I was curious, it seems like a generic term. Is that something, because as you look at the arrest numbers, and they are not very high, in terms of disturbance, is that just something where someone's causing a scene or something along that lines or do you have any specificities how someone is classifying a disturbance?

>> General disturbance is verbal type where players are arguing or having issues with each other. They're sitting in pretty close quarters. And when there's discussions as to how they're going to split up the money that tends to occur a lot.

>> Councilmember Kalra: There wasn't specific increase in disturbances in general, general increase in disturbance.

>> We're break it down to be specific.

>> Councilmember Kalra: In regards to fraud and forgery, which is certainly an area of concern when you're talking about card clubs, there was a significant increase there and there was a question or at least a comment in regards to the current economic situation leading to that. Is there any other reason for that, has there been an increase either by the clubs or by the law enforcement in investigative tactics, any other reason other than to say that's the economy and that's why we see the increase?

>> Councilmember Kalra. I believe the increase in forgery and fraud and those kind of items, you know, you have to say this is pretty cyclical. There are times they could go higher. So there's no rhyme or reason why they wanted this last year as compared to the year before or to future. So it all depends. But then again, I can say that because activities had gone up quite a bit with respect to foot traffic, and if you look at, again, go back to I'm an accountant so you always got to go back to gross gaming revenue, okay? So if you look at that time the amount of increase from last year to this year and you look at the increase, really, is very insignificant, to speak of. We have a very strong and strict check-cashing procedures in place. So not just any check they can cash. So I mean, there are some safeguards in place. But not -- but not to say that this is a foolproof system.

>> Councilmember Kalra: And again, this is a very small sample size, jump to any conclusions or make conclusions based on numbers shifting one to two years. I was just curious if there are any trends you saw in particular. I have had the opportunity to see the security setup at bay 101 and the cooperation with the police department in that. So at least from the surface I've had an opportunity to do that I feel pretty

confident in listening to you as well as seeing what kinds of setup they have there that all measures are being taken, you're just not going to get everybody obviously when you are talking about a cash business like this. And the final question I have is more of a contextual question. A higher number of egregious crimes. In termination of overall crimes, I didn't get a sense, it's hard to gauge because there isn't a real sense of the number of people that are walking through the doors, and I don't know if that would be something too burdensome in the future in terms of these reports but I think it might give a better idea in looking at the numbers than trying to add some context to it in comparison of not just other types of businesses but within the business themselves to see okay, the rate of crime has gone up or these categories have gone up. We all see the volume of foot traffic, the door percentage X amount, there's been an increase in profit. And so in these times, sometimes, the business goes up at some of these establishments when the economy's down. That kind of information might be helpful in deciphering the data. Otherwise, the data is just data, you can say it looks good or looks like things are working well but it's hard to know that without the additional context.

>> I'd like to add another comment to this. Is that at the end of the year when we do audit the books and records of the card room we've often found that the percentage of bad debt, uncollectible things of that nature is very insignificant, compared to the volumes of checks that they cash. So it's true. You cannot have a foolproof system. But this -- it can be improved. And by improving I mean not actual enforcement practices. But actual compliance of reporting practices particularly with Garden City.

>> Councilmember Kalra: And just given your experience, having had the experience of working in Nevada, looking at both these clubs, not just in terms of fraud and forgery but violent crimes and so on, do you feel good about these numbers?

>> I feel pretty comfortable. Because if you look at Garden City and bay 101, although they're just termed or defined as a card room but if you put into Nevada sense they are just another category 1 casino. Just as any one of those right on the Las Vegas strip, when they made over \$12 million a year.

>> Councilmember Kalra: Thank you.

>> You're welcome.

>> Mayor Reed: I have a couple of questions. How many people per year do through these card clubs? I'm trying to get a feel for the relative scale of the arrest. Because when I look at the arrest numbers, 60 arrests in a year, that's like a bad weekend in a couple of other places. I won't mention any council districts in particular. But that's 1/6 of 1% of the arrest in the city. So based on the number of people going through there, is that high or low compared to shopping centers or flea markets or other areas?

>> Mayor Reed, I have to agree with you.

>> Rob Davis: Well, there's just one point mayor, again, we're conservative in the statistics because we're only tracking what we know happened at those clubs. But we know there are constant other types of crimes, gambling problem that could lead to a domestic violence issue. We know it's larger than that, it's difficult to put our arms around what is associated to those specific clubs.

>> Mayor Reed: The same thing could be said about valley fair or the shopping center or the flea market. I spend a lot of time in the flea market when I was -- had a younger family. We used to go there and there were lots of complaints of crime at the flea market, stolen items, things like that. Seems to me this is a relatively low level of crime, compared to the amount of people that go through there. That goes to my next question, which relates to the resources we're dedicating towards this, having been through over a week of budget hearings, I'm very sensitive with how we deploy our resources. The resources, requiring the dispatch a patrol unit, that means we're sending somebody out there. The question is are we sending somebody out there for every one of these calls for service which by definition I guess we are. Do we really need to? And what is meet the citizen?

>> Meet the citizen is when an actual citizen calls up and says they want to speak with an officer. Calls for service, someone calling in 311 or 911 saying they have a need for an officer present. So we would have to go.

>> Mayor Reed: If somebody called up and said, "my car just got broken in," in Alviso, to make a point, they complain that nobody shows up. Is this the only area of the city that we respond or what kind of police resources does it take compared to other calls in other parts of the city?

>> Rob Davis: Clearly, we're prioritizing. If you call for an officer we're going to send somebody there. But based on what's going on in the city. But if somebody is demanding the presence of an officer, we're going to send someone doesn't matter if it's the clubs or somewhere else.

>> Mayor Reed: The fraud/forgery, somebody's passing a counterfeit bill, is that fraud or forgery and where does that fit in? Because I'm guessing occasionally people try to pass a bad bill.

>> It could actually be counterfeit currency, it could also be a counterfeit check. It could be credit card fraud. It falls into all that category.

>> Mayor Reed: And do we report that to the federal government or do we have to handle that all by ourselves?

>> The counterfeit currency, we'll write the report and we forward those to U.S. secret service. The others would be assigned to our financial crimes unit.

>> Mayor Reed: Do we dispatch a officer to those?

>> Rob Davis: Let me clarify that. We're doing that based on the demand for calls for service elsewhere in the city. So it's not automatic where you call up and you say I want to see an officer because I want to, fill in the blank, I want to report a broken window, somebody through a rock. An officer is not available, but if someone is absolutely demanding a call from an officer, we will send someone out there eventually, whether it's a supervisor or an officer. But the policies for the club is not any different than anywhere else in the city, they follow the same for fraud or burglary.

>> Mayor Reed: What about handicapped parking?

>> Rob Davis: They could put it out at beat information, we're getting a call, somebody is violating a handicapped spot. If somebody was in the area in service, they'll roll by and handle that.

>> Mayor Reed: My complaints, problems I've had, when I was a councilmember the times the police can't respond because we don't have officers and if we're responding to minor things at the card clubs that means we're not responding to something else somewhere.

>> Rob Davis: Right. We're not giving any particular attention to the card clubs than anywhere else. If there's a complaint at a handicapped spot at valley fair or somewhere else, if there's a officer they that can handle that they will dispatch, just the same as at the card clubs.

>> Mayor Reed: Welfare check, does that mean somebody is pass being a welfare check or do they have to have their welfare checked on?

>> In most occasions, someone will call saying they want somebody checked on. I'll give you an example, card room, someone is sleeping in the car, we don't know what's happening, you can check on them, it's a welfare check to make sure they're okay.

>> Mayor Reed: All right. Then the other section I had questions on was on the gaming license investigations. Somehow three members of the state senate have gotten interested in San José, we've got a bill being carried by Corbett which she sort of took over from senator Yee. I'm waiting a phone conference from Dean Florez carrying another bill. I need to know the status of all our license investigations and background checks and things we're doing. Do we have that data when I talk to senator Florez or anybody else I can say we've got 500 people in process and this is where they are?

>> Since April 16th, 2009, up through May 2nd, we processed a total of 80 work permits, 80 application. Out of the 80 we issued 48. That left 27 pending, pending on the DOJ return. That's on the criminal check. So that was a very aggressive plan. And once July 1st rolls around, we're going to be bringing that in-house. So that there will be no lapse of time between the application that's filed, until the work permit is issued.

>> Mayor Reed: Do you have background investigations that have been pending longer than three or four months or I don't know what your standard is for reporting.

>> Mayor Reed, what I was talking about is on the work permit. These are for the front line people. The dealers, the cashiers. Now, with respect to key employees' licenses, those are for the critical positions that can exert a huge amount of influence on the gaming operations. We have several investigations going at the same time. But please, bear one thing in mind. No one has been damaged by the waiting for key employees license, because everybody out there is working either on a temporary key employees license, or temporary key employees license or permanent key employees lines.

>> Mayor Reed: Do we have standards for how long it should take to get through that key employee license from beginning to end?

>> I can give you a quick example, when the Garden City folks first came in and applied for a key employee license or stock license, the time would be the same. It took approximately six months to get a key employees license. Where had this person domiciled in the last ten years, there have been a lot of things tossed into this equation. It depends upon the complexity. The financial worth. Because this is after all a due diligence examination. Whether or not the person's qualified to hold the position within the City of San José's card rooms.

>> Mayor Reed: My lights are still not working, so I think there are other councilmembers who want to speak on this. Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. Thank you for the report. The question is on this cost recovery. Could you refresh my memory on how we do the cost recovery, or cost sharing with the operators?

>> The cost recovery, Councilmember Chu, is that what I believe is that is going to happen after July 1st. Right now the division of gaming control is fully funded by gaming fees collected from the card rooms. Whatever we don't use goes back to the card rooms. We have not broken down to how many hours we've spent with say application A or how many hours we have spent on compliance testing on card room B so comes July 1st the division of gaming control will be divided into two separate section, one would be the business compliance testing, the daily unannounced checks of you know, work permits and things of that nature. Then another section would be for strictly issuance of gaming licenses and work permits. That has to be tracked specifically by, per application. So that cost would be a cost recovery based upon how many hours, if you will, that's billed to each application.

>> Councilmember Chu: How about the call for services?

>> That would be -- that would fall within the administrative regulatory section that's funded by the card rooms.

>> Councilmember Chu: Okay, so like bay 101 have more calls for services, they would be charged more than the Garden City?

>> No, sir, that would be -- that -- that -- however many calls made by bay 101 or Garden City is not going to be tracked based on billable hours, if you will. That would be funded by the fees we collect from each card room.

>> Councilmember Chu: That would be funded by the pool and pretty much taken from the pool?

>> That's correct.

>> Councilmember Chu: And another question regarding to the counterfeit. The counterfeit bills. My conversation with the operator of Garden City, they were under the impression that the PD that wants to be there, every time they have a counterfeit \$20 billion, is that true? Is like Macy's, they just put it in an envelope and mail it to the San Francisco FBI, on a weekly basis. But in the card room, our PD has to be there to fill out a form.

>> Rob Davis: What happens is, when you try to track the crimes and prepare a report for city council, if you take tall counterfeit currencies that you receive, put them in an energy once every two or three months, there is no way for us to track and review with crime staff what's happening at the card rooms. What we inform them is, when they do have it, let us know, we'll write a report and get a true tracking of what's going on there. The way they were doing it there was no way to track the counterfeit currency at the card rooms. If we let it go the way it was doing prior, instead of what you were seeing now, you would have three, four, five maybe incidences of counterfeit currency and that would not be a true reflection of what's occurring at the card rooms. This is was the only way to properly track what's happening at the card rooms.

>> Councilmember Chu: How much value does it.

>> Mayor Reed: Add having a closer tracking of those counteraffiliate \$20 bills? Do we get our money worse?

>> I'm not sure what you mean by that.

>> Councilmember Chu: There's a lot of calls for services. You know, you taking the time of patrol officers to go to the casino just to write a ticket for a counterfeit \$20 billion. There's how many of them? Hundreds of cases like that. Is it worth the investment I think is my question.

>> Rob Davis: Sergeant Fong, are they actually advising you or track it themselves?

>> They would be doing both.

>> Rob Davis: Could you specify on that?

>> They would have a report drafted, however as the chief stated before this would be prioritized and be given a low priority. It would only be dispatched to an officer during his free patrol time so he could respond there. It would not take away from officers in terms of priority calls for service. I believe this would be given a level priority 3 or 4 out of 1 through 5, 1 being the highest.

>> Councilmember Chu: Okay. Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. Thank you, Richard for all the information. As everyone else has said, considering the size and the number of folks that we can sort of guesstimate, there are a

lot of folks coming through these establishments, it looks like a pretty good record. Most of my questions have already been asked by the mayor. I wanted to know the numbers of calls per reported incidents and how many officers are coming to the card rooms. I'm not sure you addressed this or not but federal violations, I was wanting to know more detail about the federal violations you had listed there as a category.

>> I'm sorry. Federal violations would be in part of the counterfeit currency.

>> Councilmember Herrera: The counterfeit currency?

>> Yes.

>> Councilmember Herrera: And I'm also wondering if there are categories there that police don't respond to. Question for chief. We have gone for things where we're moving things from 911 to lesser priorities. Are there things on here that are going to be moved to those kinds of lesser priorities so we actually wouldn't have to send a patrol officer out?

>> Rob Davis: It would be the same thing as the associated with card room as any other area of the city. For instance, if somebody called in, we have a case where, say for instance, if somebody called something simply saying there is a vehicle in this parking lot that has an expired registration tab, that's going to be a very, very low priority. Anything else in the district would take priority over that. If you take a thing that says traffic hazard, there is a car blocking a driveway, it wouldn't be any different than if we got a call from a shopping center or a neighborhood issue. There's no distinction how that he gets dispatched versus anything else. Simply because they're here doesn't necessarily mean somebody has called in there. You could have a person driving through a park lot and if he or she saw a violation of a handicapped zone, that wouldn't necessarily be called out. Some are observed by officers as they're driving through area.

>> Councilmember Herrera: I'm asking are they generally lower priority. Is there anything on here that I think is going to become not requiring an officer to respond to it in general.

>> Rob Davis: In general as I'm looking over the list most of them if they got calls we would be dispatching on them. Found property, something they found in the parking lot they'd like to turn over to the police department, or the officer would ask them to bring it down to the police department, the same in the rest of the city. Most of these if you look at them, the type of calls where you would try and dispatch an officer.

>> I'd like to add in one thing. I just came back from patrol back into the unit. To be quite honest to you, a person would call about dogs warning in the street. If people call, we will not come, as police. If you call 911 or 311, we're coming. It could be just as simple, I'll be quite honest with you, as a holdup alarm but the person is calling back to say, it's an accident, I didn't mean to do it. We're still sending two officers out there just to make sure.

>> Rob Davis: Again it all depends if we have people in service. If we're in that proactive patrol time, we don't mind responding. We'd rather have them respond to try to solve the problem if we can.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Very quick question. I think you had three cases with child abuse. What does that look like, what is the form of child abuse?

>> The most common one we'll see in regards to the card rooms will be the person was supposed to babysit, and they leave the child in the car.

>> Councilmember Pyle: In the car.

>> Not watching them and they go in and do what they do.

>> Councilmember Pyle: Okay, I suspected that. Thank you.

>> Mayor Reed: Anybody else have questions on this? I think not. I have one request to speak. Nope, that's on the next item. I have no request from the public to speak on the item so I think we need a motion to accept the report. Motion is to accept the report. Do you want to speak on this Mr. Signorino? I have a card for -- I can't read the number. Come on down. Sorry, I thought it was for the next item. That's my fault.

>> Ross Signorino: I realize that, thank you, Mr. Mayor. [ Laughter ]

>> Ross Signorino: Many, many, a former mayor, mayor Gonzales, tried many times in the old City Hall to close down the card rooms. And citing of course here we have many citations. He attributed to it why he wanted to close them down. But here we have taken these numbers and putting them together, you have 169 arrests. That's just, we don't know what the legal stream has to go through then, the process to our legal stream, what the cost is in that regard. It's a wonder that the county doesn't present us with a bill. Because they handle the legal stream. And one time, councilman Chu brought up a fact, how much it

costs us to arrest a person when they're in the card rooms, what the cost was in that regard. I would hope he would have repeated it again, but he didn't. But none the less at the same time if you make copies of that you'd like to present it to the city council. Not only do we have arrests here, you have the social implication that has been brought up so many times. How many people from the Vietnamese community has come up here and testified what it's doing to their family, family violence, family financial problems. They mortgage their homes, there's a lot of things. Not only Vietnamese but other people as well. It does have grave social implications. Last, I'd like to conclude, maybe I'd like to correct Coleman Chu, that it's not the FBI that takes care of counterfeit, it's the secret service. Thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion to accept the report. All in favor, opposed, none opposed, thank you. We're done on that one. We will now take up a joint matter with the city redevelopment agency, that is item 9.1. Actions regarding development of a major league baseball stadium. Before we get into that, I need to disclose that I've had lots of conversations with a lot of people, including Michael Mulcahy and Susan, hammer, county supervisor Cortese, dozens of neighborhood leaders, Lew Wolff and others working on this and other regards. In fact I had breakfast with Lew Wolff this morning. He is doing fine. I think there will be a staff presentation after we get the staff all in place. Need the remote control? Okay, John Weis is going to lead, I believe.

>> John Weis: Yes.

>> Mayor Reed: Okay. It will take just a minute to get the PowerPoint presentation up.

>> John Weis: Mr. Mayor, and members of the council. On April 7th, we met here, and you asked us to come back with a series of things on major league baseball. The first was a resolution of the council supporting the A's move to San José. The second was a list of negotiating agreements, and the third was a community outreach program. So we have done that. You'd asked us to come back within 45 days. And before I go into a presentation, I thought I would like to go over the group of people that are working on this. Paul Krutko and I are respectively leading this city, and agency functions on this. Kip Harkness and Lee Wilcox are doing the community outreach and Dennis Corbiac is the community outreach effort. We are supported on this by Tom Murtha and Rush Akata. We have quickly put a team together and the city and the agency have put this resolution together for your consideration. Which basically says, that -- expresses the desire to support the A's if major league baseball favors a relocation of the A's to San José and expressing a willingness to work to develop a major league baseball park on the site located at Park Avenue and Autumn and Montgomery Streets. The next part of it is to get into a discussion of the negotiating principles and these are the principles that Paul and the agency and I have worked out and presented for your discussion. The stadium must generate a significant economic benefit to San José and have a positive impact on the City of San José's General Fund. Number 2, the major league baseball team at no cost to the City of San José will be responsible for financing and building the stadium structure, and improvements on the approximate 14 acre designated stadium site. Number 3, the major league baseball team will be responsible for financing all stadium operating costs related to its activities within the stadium, and the surrounding area. Number 4, the name of the major league baseball team must include San José. And number 5, if the city or redevelopment agency recommend a contribution in the form of land or financial contribution for any other ballpark specific items, a vote by the citizens of San José will be required on the entire stadium project. So those are the five negotiating principles. We also are bringing forward to you the four basic principles in a total outreach program. And those are as follows: That we will, first of all, we'll be working off of processes that have already been run by councilmembers and the mayor. And those will inform the work that we do. But we'll be developing a program going to individual and small group meetings which is a process and procedure that was used successfully in a process we used recently in North San José and medical center. We will have formal town hall type meetings in each of the areas, and to the good neighbor committee, Diridon area, the mayor's memo went out, will be considered next Tuesday and we'll move forward with a dedicated Website that we'll start as soon as is practical, to put as much information on that Website as possible about all the work that we're doing. And so that is the work that we wanted to present to you today and we'll open it up for discussion, thank you.

>> Mayor Reed: Thank you, John. Thank you for all the work that staff has done on that. I'd want to add a few comments first. I have met with lots of neighborhood leaders, board members from Shasta Hanchett, also known as SHNA, Greater Delmas Park, to reach out to them early in the process and to try to ensure that they get engaged and understand what we're proposing to do with our good neighbor committee. The good neighbor committee formation, and identification of membership, is on the council agenda for next week. But would I say that one of the things I've learned from each of those meetings is

that our outreach and engagement process ought to be to answer people's questions. To the extent that we can. I've been to lots and lots of community meetings, we all have and I think to the extent we can answer questions, we'll be much better off than just taking questions and having this gigantic list of unanswered questions which occasionally happens, not at our community meetings but other community meetings that I've attended to. So getting answers and posting them on the Website and engaging people to get them answers I think would be very helpful in ensuring that our neighborhoods are participants in the process and whether or not they agree with us but at least they have their chance to get engaged and to speak their mind and that we take into account their concerns and we work on resolving issues collectively with our neighborhoods. Second thing is, we still don't have anybody we can negotiate with. We're still waiting for major league baseball to give the "hit away" sign to Lew Wolff and the A's. We are putting this to put ourselves in the best position possible in the event that Mr. Wolff gets the approval of major league baseball to come negotiate a deal with us. So we're a long ways from a project, which is why we can't answer all the questions that people have. But we do know a lot about the possible stadium site, because of the work that we've done, the environmental impact report that we've done, economic analysis that we've done back in 2006 and 2007 and those documents are very helpful and if we can get them all collected in one place on the Website that the staff is proposing, I think that will be very helpful at making sure people understand what we're doing, and the issues, and the resolution of issues as we get there. Again, my lights aren't working so I don't know who wants to speak but I know Councilmember Liccardo does.

>> Councilmember Liccardo: Thank you, mayor. I just want to disclose I've met or spoken with I think all the -- or most of all the folks that the mayor mentioned as well. I wanted to thank Susan Hammer and Michael Mulcahy and Larry Stone for their help in this effort. We know this is a critical time, for our city as it is for many cities across the country, but this is a real shot in the arm for us and I'm looking forward to making this happen. I also wanted to thank Kip and Lee for your willingness to jump in. You're being handed a hot potato wrapped in foil. And I imagine whether you wanted to or not you got it. My experience in meeting so far with many neighborhoods, and neighborhood leaders, Delmas Park and Gardner and elsewhere is not all folks who live there are baseball fans but they are all aficionados of calm neighborhoods and less traffic. And so we've got our work cut out, and we know that. So thank you for your willingness to get involved. I just would be happy to make the motion at this time, and perhaps we could set up force discussion.

>> Mayor Reed: Okay, motion by Councilmember Liccardo. That's the three recommendations from the staff recommendations, is that correct, Councilmember Liccardo, all three? Okay and a second by Councilmember Pyle. Others to speak on this? Councilmember Pyle.

>> Councilmember Pyle: Thank you. I would just like to say if enthusiasm is a commodity that we need in order to push this over the edge, we've got that in spades. And I really appreciate all of the special enthusiasm coming from former mayor Susan Hammer, Larry Stone, Michael Mulcahy. I can't see who's sitting behind you, I don't want to leave anybody out -- not to mention Lee and Kip. I think we're on the right path and I certainly have a lot of enthusiasm about this and I'm willing to do whatever it takes to pull this together. Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I want to thank the committee that's been working on this and disclose that I did meet with former mayor Susan Hammer and Michael Mulcahy. Thank you for your leadership on this. This is really exciting. As a native San Joséan, this is within our reach. Our city and our whole South Bay region, we heard from the public the other night. Some of the most impressive thing is how far this thing reaches. Santa Cruz, Gilroy, Morgan Hill, we're going to have a huge fan base, they're going to be as well as San José looking forward to this park. So I look forward to being part of the community engagement process working in my district. Definitely that's going to be really exciting. This is a transformational time in San José. Let's bring it forward and let's play ball.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you. First of all staff your outline in your presentation is very clear, it's very precise, it's clear direction on where we're asking you to go so I really appreciate that. The only question I have is, regarding the Website. I know that you're going to have a dedicated Website. And I know that all the community meetings in the world are going to be wonderful. But we know that there's going to be a few people that are going to want to either e-mail a person or be able to contact a person. Well, we have one dedicated person that will be able to handle the communication with -- communications with community members and residents of the City of San José.

>> Councilmember Liccardo: Councilmember Oliverio. [ Laughter ]

>> Councilmember Campos, Kip Harkness of the redevelopment agency. You're welcome to send them directly to me, call me on my direct line.

>> Councilmember Campos: That will be on the Website?

>> That will be on the Website, my direct contact information as well.

>> Councilmember Campos: That's great. This is a great opportunity for us. As you outlined this puts us in a great position so when the opportunity does present itself, we'll be ready to go. Thank you. I'll be supporting the motion.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed. Well, in your opening comments I want to thank you personally to your outreach to the outlying neighborhoods in the vicinity and outlying vicinity of the project. I made comments when this first came about. I won't make further comments. The good neighbor committee is also not just for a baseball stadium but looking at the entire Diridon station area since that -- there will be a massive use of something at some point based on the future of transportation and the location in our downtown.

And oh, I just wanted to make a friendly amendment. That we have a list on the good neighbor committee that has a variety of businesses and neighborhood associations, but my friendly amendment was to allow someone, a representative that the board would elect from the greater Gardner NAC to be part of this.

>> Councilmember Liccardo: I believe that is on for next week, right?

>> Mayor Reed: Yes, we'll get greater specific on that.

>> Councilmember Oliverio: I think you know I'd like to have the greater Gardner NAC represented in. Thank you for your time.

>> Mayor Reed: Others on this? I have requests from the public to speak. We'll take that now. Okay. Michael Mulcahy. Larry Stone, Scott Sofer. And maybe, if we plead, we'll get Susan Hammer, as well.

>> Mr. Mayor, city council, members, thank you. Michael Mulcahy. On behalf of former mayor Susan Hammer, we both co-chair pro baseball for San José, Inc. We're here to support the initiatives you're taking today and just to say how impressed we are at how professional and organized and proactive the mayor and all the various staff members and city council members that are putting their shoulder to the wheel on this, you know, it really does feel like we have incredible momentum. Larry Stone and I were just joking. We wished the A's had that kind of momentum on the playing field right now. But we'll take them as a 500 team any day. But again, we just want to encourage you to keep moving, keep pushing. We're at the ready to continue to do the work we're doing and thank you very much for the effort.

>> Mayor Reed: Larry Stone, Scott Sofer and then Ross Signorino.

>> Mr. Mayor, members of the council, I'm feeling pretty confident right now. Three or four years ago, I had a very brief meeting with commissioner Bud Selig when he was here in San José and he made it clear that the territorial rights that were granted to San Francisco Giants were absolutely sacrosanct and would not be rescinded. Recently the commissioner created an independent panel as you all know to explore all options to relocate the A's to a new ballpark in Northern California. "All" should include the City of San José, which we all know is the only viable option that anyone knows about at this point in time. If the commerce's position with respect to territorial rights hasn't changed and he isn't prepared to rescind the Giants rights that they have, why should he -- why would he create a panel that includes Santa Clara County as a potential option? I'm as encouraged as I've been in 21 years in trying to work with others to bring major league baseball to Santa Clara County. And I'm glad that it is or will be I hope a potential option. Getting and being prepared is precisely the right move, and as I'll repeat what Michael said, and that is, just keep it going. You have to be prepared and when that time arrives, which I think it will, that those territorial rights will be rescinded with of course some compensation I'm sure involved you'll be ready. Thank you very much.

>> Mayor Reed: Scott Sofer and then Ross Signorino.

>> Good afternoon, mayor and councilmembers. There's been a few occasions in the mercury over the last month when this process has been compared to the arena. And five weeks ago the city issued an economic impact analysis to the of the arena that has been -- that was used to suggest that the baseball park would be a great thing for the City of San José, and it may be. However, reviewing that economic

analysis, I notice that the spreadsheet had only the benefits and none of the costs. Which is a fatal flaw in using that for determination. So I've provided copies of that so you can see for yourselves. And in addition, I've gone and done a little trip down memory lane at the library on the arena process which took the proposed arena from \$20 million for \$135 million in costs for the City of San José. And presently, cost our General Fund about \$3 million and about \$12 million in revenue debt services, near as I can tell. That's not accounted for in the economic analysis. Now, we're probably spending somewhere between five and \$10 million a year perhaps more subsidizing the arena currently. Ultimately, then, that's from RDA funds. Ultimately those RDA funds are meant to be paid back with interest and then some to justify them being removed from or deferred from the State tax revenues for the purpose of making parts of San José better. So that in the future, those funds will come back to the State, in greater amounts just to pay for the education and everything else that they're diverted from now. I ask you when you're thinking about any kinds of sports facility, what happens in 25 or 30 years or 40 years, whatever the State decides how long we can keep those funds if there's not a sporting team there? In some ways, a sporting facility would use RDA funds to support is one of the most risky investments you can make of those --

>> Mayor Reed: Sorry, your time is up. Ross Signorino.

>> Ross Signorino: Thank you, Mr. Mayor. Members of the council. I too, am very hopeful that the A's would be able to come here to San José, that the national league or the baseball commissioner will be able to settle this territorial rights in San José's favor. But nonetheless, Mr. Mayor, you spoke on the idea, of course this is not going to cost us anything, I think that's a huge plus. I tell you. It makes my heart go a little faster on that one. But nonetheless, the thing we have to consider, too, that it's going to take infrastructure improvement around that whole area. And I think that's a good thing, because infrastructure benefits the city regardless of whether the stadium comes there or not. It's happened many times in many areas, where these sports facilities have taken place, and that would be the way to go. One of the things, though, that you're going to have difficulty with the neighborhoods, and I can't blame because they're not in my backyard, is the noise factor. And I think I have a solution for you that that would not bother the neighborhood at all. The noise factor, is to dome the stadium. Put a dome on the thing, so you can keep the light down, and the noise factor, especially at night when people are home, they're trying to rest. So that would be one way. It's too bad that the dome here at City Hall is not on wheels, when they have night games, we could have lent it to them, you see, that would have been the thing to do. So keep in mind, the dome is very important to this project, and I think you could have a lot of happy neighbors if you go in that direction. Thank you.

>> Mayor Reed: Thank you, that concludes the public testimony on this. I had an additional comment about the negotiating principles, which I support, and I'm going to support the motion. The negotiating principles are important to set the framework for a lot of work that has to be done before we get to a project, and a transaction. There are many, many other issues that we have to look at, that have to be talked about as part of that. But these principles help us know where we're headed. And we are headed, I believe, with this project, to something that will have a positive impact on the General Fund. And we're not proposing to build the stadium. We're proposing to let major league baseball or the A's or whomever wants to do it to build the stadium. But I am proposing that we get the sales tax revenues and the hotel tax revenues and the utility tax revenues from the stadium, and that's worth millions of dollars a year, and we can look forward to having a successful baseball team in San José if everything falls in place just right. So I'm looking forward to working on this. We'll be ready if and when major league baseball gives us a chance. And I urge my colleagues to support the motion on the floor. Other comments on -- Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor and I want to thank everyone for coming here and making the comments. Michael Mulcahy, Larry Stone and Mayor Hammer I notice did take the data being passed around. That's certainly an important component why we're moving forward, whether it makes sense for us fiscally. I want to thank John and Paul under Deb and Harry's direction of put being a proposal that accurately reflects the sentiment and the concerns that we have as a council, we discussed this previously as well as some of the thoughts and concerns of the community. And in particular, that one, the three main areas which I think it's really important and I'm glad to see it's very clearly reflected is number one, that it does generate a significant economic benefit to the City of San José, and have a positive impact on the General Fund. I think that's an underlying principle and thought as we continue to remind ourselves when we go forward. I'm confident with the leadership of the city staff that we can make sure that's kept as a primary kind of guiding principle. Additionally, the fact that the name San José will be included in the team name I think is critical, certainly the identity is very important and has a great

economic benefit to our city beyond just having a baseball team physically located here and then finally the outreach which I think is fantastic, the degree for which the outreach is detailed here. I want to thank mayor Reed and Councilmember Liccardo in how they're going to make an industrial role to make sure the neighborhoods surrounding the stadium are met. And finally I think having Kip and Lee leading in that community outreach, it's a great responsibility but I couldn't imagine two better people in doing that, to make sure the neighborhood's concerns are met. I am concerned, that even if it's early on, it's good to prepare in a wise and intelligent manner. I think we're doing that. Thank you.

>> Mayor Reed: That concludes the council discussion. We have a motion for the three items, three recommendations from the staff for approval. All in favor, opposed, none opposed, that's approved. Thank you very much. The A's get on a winning streak real soon, I hope. Last item on our agenda for today is -- well, for the afternoon. We have to come back tonight. Last item for the agenda today is open forum. I have no cards. I do have one card, Ross Signorino.

>> Ross Signorino: Mr. Mayor, members of the council, I would like to reenact what happened here May 5th, the day we had the meeting Cinco de Mayo. We had that rumpus, we didn't know what it was about. He I took the time to see, I passed by and I noticed that the Hispanic people that came in here to speak, they had signs coming in here. And those signs had no sticks on them, no poles or anything on their signs. And they were well within the guidelines, Mr. Mayor, that you sat down in the rules of conduct when people come to the meeting. They were harmless signs, I read them and they were piled up against the wall. I was wondering how did that happen? I can only assume that the police took those signs away from the people unlawfully. Then I asked this question, where were the security people here at San José to tell the police they were lawful signs? They could bring them in here but they did not apparently. They were held back. Then when I was passing by I saw six police officers up there dressed practically in combat uniforms ready to go to work for some reason in a combat manner. And these people just wanted to come in here and present themselves to the government of San José and speak for what was going on and the way they felt about it. And I think they were badly mistreated. I think that something should have to be done. To look in to see further investigation, what happened right here before our eyes. Mr. Mayor, much to your credit, I must say this. When they came in I saw the amount of people that came in. I thought you were going to give them one minute. But much to your credit you let it stand, the two-minute rule and they all had a channels to speak. Again I say much to your credit and much to your credit if you investigate this further. Thank you.

>> Mayor Reed: That concludes the open forum. We're going to adjourn back in to finish our closed session agenda and then we will have another hearing tonight starting at 7:00 p.m. We'll have a brief conference while we regroup in the conference room.

>> Mayor Reed: Good evening. Please take a seat. I'm going to try to get our council meeting started here in just a couple of minutes. Please be seated. There are still a lot of empty seats. So if you're standing, there's a place for you, I think. I'm pretty sure I have most of the councilmembers in the chambers and eventually all get collected and we'll be able to start. If you are standing in the back, there are places for you to sit. Good evening, and welcome to San José City Hall. This evening's meeting is a continuation of hearings on our budgets. Council has been doing study sessions for days on end, and we've had a lot of people that have come in and talked during the daytime. But we set this special evening meeting to make it an opportunity for other people to come in and comment on the budget proposals that are in front of us. We have a lot of work yet to do. But eventually, we will, before the end of June, have a balanced budget approved by the city council. Because unlike the State of California, we don't have a choice. And unlike the federal government, we don't have a printing press that's so convenient when you need \$100 bills. So we will get through this process, and I want to thank everybody who's come out tonight to participate. We started back in January with a survey of the entire community, randomly selected 1,000 people to be interviewed by telephone to try to identify the priorities of the entire community, not just the people we talk to on a daily basis, but the entire community through all neighborhoods, all ethnic groups, all income groups, and then we had a neighborhood leaders' priority setting session. We had a priority setting session with councilmembers and senior staff, and we've held budget meetings in most of the council districts over the last several weeks, and we still have some of those that are taking part in the budget process in each council district. But tonight is a night for those who want to come in and talk to us. But through this effort, this community-based budgeting effort, we've identified a lot of suggestions that have come from our employees and from people in the community. Some of those suggestions could save us a lot of money, some of them are out of the box, and they're not included in the manager's budget proposal. What I'd like to do to start this meeting is to

talk about some those ideas because they keep coming up over and over again. And I've asked the staff to explain why they're so far out of the box that we couldn't include them in this budget. And so I posed a series of questions to the staff that they will answer here at the beginning, that means everybody can understand some of the constraints that we face in trying to solve these budget problems. And then you'll have a chance for you to comment on those and anything else that you care to comment on with regard to the proposed budget, and that's operating budgets or capital budgets. Looks like we're going to have an overflow crowd. So room 120 is open, that's in the council wing. We still have some empty seats, I can see them, so come on down, you can find one. But if we do have people who arrive after we fill up the chambers, the overflow room in the council wing will be available, and you can watch the proceedings there, and then come in when it's your turn to speak, if you wish to speak. So with that, I want to turn it over to the City Manager to begin the staff presentation.

>> City Manager Figone: Thank you, Mr. Mayor. We do have staff here this evening, and we do have some slides, and so the experts in each of the areas will take us through them, and then I'll do the wrapup. I'm going to turn it over to Alex Gurza, employee relations director.

>> Alex Gurza: Good evening, Mr. Mayor, members of the council, Alex Gurza, director of employee relations. The mayor, in his memo dated May 6th, asked us to respond to several questions, and you'll see the first question is one of the questions in the mayor's memo. And the short answer to that question is, the city can do these things but within certain procedures. So they're not in the proposed budget because primarily, the city's workforce is represented by bargaining units. Approximately 95% of the city's employees are represented by a bargaining unit. The city has a certain obligation to negotiate on pay and benefits. And so that's the first bullet point there is, the city has a duty to negotiate. Certain benefits can be considered as what are called vested benefits. Those are primarily in the category of retirement benefits, where we could not change retirement benefits for current employees or retirees, for example, but could have different benefits for new employees, employees that haven't yet worked for the city. Another issue is that right now, the city council is grappling with the issue of the '09-10 budget. Our labor contract with our unions have different terms. So there are certain contracts which we consider closed contracts, meaning those contracts cover all of 2009-10 fiscal year, and therefore, those raises and the benefits that are contained in that contract are considered closed, unless the bargaining unit agrees to reopen and renegotiate the terms of those contracts. Open contracts are those contracts that are expiring, and that provides the city and the bargain unit representatives the opportunities to negotiate things like you see here on this slide. Now, if negotiations do not result in an agreement, then there are several options. One is to try to reach an agreement through a mediation process, where a mediator comes in and tries to assist the parties. For police and fire, sworn personnel, if we cannot reach an agreement then that goes to binding arbitration through the city charter, where an outside person then decides what pay and benefit changes will be imposed for police officers and firefighters. The last option for everyone else is, the city does have the option to unilaterally implement changes in pay and benefits for those contracts that are open. So with that, later we'd be happy to answer any questions, but I'll turn its over to Scott Johnson.

>> Scott Johnson: Thank you, Alex. One of the many questions that we've received is, why can't the city sell the Dolce Hayes mansion and avoid about \$4 million a year in debt service? And in answering that question, I just want to take you through a little bit of history. In 1994, the Hayes mansion building was renovated, and it was reopened as a day conference center. And so that was phase 1. And then in phase 2, in 1996, the city constructed a series of guest rooms containing about 135 guest rooms. And in 2002, we had phase 3 of the project for a meeting space, a spa, a parking garage, and then Edenvale park improvements. So in total, of those three improvements we have debt outstanding of almost \$65 million for the Hayes mansion. And the market value, based on a standard of two times the gross revenue that's produced from the conference center is estimated at approximately \$28 million. So therefore, if we were to sell the Hayes mansion, we would need to pay off \$65 million of debt. But if we sold it, we would only receive approximately \$28 million from the proceeds. And we would have to find other funding sources to fund that difference of almost \$37 million. Some good news is that since Dolce Hayes mansion has -- Dolce conference center has taken over the management of our facilities, in 2004, the revenues have grown. They've grown over 50%. Where, when Dolce started taking over management in 2004, revenues were about \$10.5 million, and now they're at approximately \$15 million. In addition to that, through the operations, Dolce has been able to drive revenues up and reduce cost, so that we have a net operating profit that goes towards paying for the debt service. Last fiscal year, when we closed our books, we had about \$1.4 million that was generated from the operations that helped pay for the debt service costs. For

next fiscal year, we're projecting that there will be a net debt service requirement from the General Fund of about \$2.7 million. So the short answer is that if, as we continue to drive revenues up, then the value of that asset will improve. We will also be funding, you know, the operations as we move forward. So as the value goes up, the debt requirements go down. In the long term, you know, the value should be sufficient to pay off any debt service that remains on the Hayes mansion. And now I'll turn it over to Albert. Thank you.

>> Albert Balagso: Thank you, and good evening. Albert Balagso, director of Parks, Recreation, and Neighborhood Services. The question also asked, is why can't we sell one of the golf courses and save \$1 million a year. I would like to start off by giving you a little bit of who plays on the golf course, and there is a diversity of users of the golf course, from men and women, youth and seniors, the disabled as well as the diversity of our ethnic population. Of the paid rounds that occur during the course of the year, approximately 50% of those rounds are senior or youth. 40% being senior, and 10% youth. I'd like to give you an overview of the three courses that we do have, to give you an idea of the constraints on the land itself. San José Muni is operated under a long-term lease with extensions, runs through 2022. There is no debt service on the property. The revenue generated out of this golf course is about \$500,000 a year, which contributes towards covering costs for the entire golf program. The site is open space, not park land. Change in the use would require us to buy out the lease, which is estimated to be between eight and \$12 million. For Los Lagos golf course, it is operated under an operator agreement with a private company. It has a debt of about \$20 million. It recovers its operating cost and some of the debt service, but not all. It is park land -- or part of it is park land, and it also has environmental mitigation constraints. Any use of this site or sale of the land, rather, that is park land would trigger charter and require a vote of the people, and the cost for conversion for other uses would also have some cost associated, because we would go to -- have to deal with the regulatory agencies as a result of the mitigated lands that we have on the site. If we did convert the use for other city uses, we would still have to cover the use of maintenance and debt service. Maintenance is covered at this point in time; debt service is not. As for Rancho Del Pueblo, this is a nine-hole golf course. This is a month to month lease based on council direction. It has debt of approximately \$6 million. It does not recover its operating cost nor its debt service. This is open space and not park land. Conversion or sale would require some planning and environmental studies for best and highest use if we were to look at other converted uses of it. However, what the current Real Estate lending and development climate, that doesn't seem likely in the near future, and the front work would require some years of study in order to do the community outreach and engagement necessary to make those conversions.

>> John Stufflebean: John Stufflebean, director of environmental services. The next question is why can't we lease out Muni water and get annual payments to the General Fund? The first reason is that water rates -- the first consideration is that water rates in the Muni water area are about 75% of the rates in the area of the city served by private water companies. So a lease would likely result in higher rates for Muni customers. Beyond that, maintaining the current operation enhances the ability to achieve the Green Vision, water recycling, and conservation goals. One of the fundamental considerations is that leasing Muni water would put at risk the water supply agreements with both San Francisco and the Santa Clara Valley Water District. In both cases the involvement of a private company in what is currently a public operation presents numerous legal and financial barriers. Next, proceeds from a lease would likely not be able to be allocated to the General Fund, and the city would not likely to be able to allow water rates to be increased beyond the levels needed for water operations as would be needed to generate revenue for the General Fund. The recycled water system cannot be leased due to a number of reasons, particularly the large amount of outstanding tax exempt revenue bonds. The city would lose approximately \$800,000 that's paid by Muni to the City's General Fund as Muni's allocatable share of the city's overhead. And finally, the cost of evaluating the issues relative to a lease and completing a competitive process would be very high, would need to be borne by the General Fund, and would likely result to no benefit to the General Fund. So with that, I think I'll turn it back to Deb.

>> Ed Shikada: Well, actually it would be me behind you. Mr. Mayor, members of council, Ed Shikada, deputy City Manager. The last question is, why can't we sell the old city hall and use funds to deal with the city's structural budget deficit? In terms of the old City Hall, there has been quite a bit of activity of late, the most recent direction from council being to pursue a public-private partnership for renovation of the facility and is currently on the city's asset management work plan. I'll come back to that in a moment. At the same time, the building's unresolved historical significance does create some uncertainty about alternative constraints and opportunities for more significant redevelopment of the property,

certainly if it were to involve demolition of the city hall structure. And finally, that were we to pursue a more significant redevelopment, such as complete sale of the property or the adjacent parking parcel, there are a number of issues that would need to be addressed, including community compatibility, also compatibility with the adjacent public safety uses, the potential for future capacity needed for both public safety and other city uses, as well as the County's expressed interest in the property. So with this, and since the last few questions related to a number of city assets, we thought it would be also worthwhile to note and recognize the areas in which progress has been made and is ongoing and note that the city has made revenue generation from lease or sale of properties a priority under the structural budget deficit plan. And so as a result, back just last month, in April, the city council did direct adoption of a work plan and the evaluation of alternative uses on a number of properties, including the former City Hall and also declared 16 small properties as surplus to the city and available for sale. The proposed budget also includes revenue estimates and some limited funding for preparing a number of properties for the up-front costs associated with sale or lease. And finally, additional properties will be brought back to the council in the next calendar year, recognizing that unfortunately, these major property transactions typically do take years to complete. So with that, I'll turn it back to the City Manager.

>> City Manager Figone: Thank you. And just by way of wrapup, we've talked about constraints, mayor, to answer your question. But I did want to take a moment to comment on our ongoing organizational improvement efforts, because there are many areas which -- where we're not constrained. And we are a continuous improvement organization. The proposed budget does include some significant out-of-the-box proposals for delivering services in a more financially realistic way. One example is the Parks and Recreation, Neighborhood Services pricing and revenue plan. In addition to big ideas like these, we are also in need of ongoing incremental improvement efforts. And we're currently engaged in many across all departments to make our city operation as efficient and productive and focused as it possibly can be, so that we can build the service delivery capacity that is required during times of diminishing resources.

This is why one year ago I did initiate a multiyear organizational improvement effort called beyond budget cuts to start working with our employees to streamline bureaucratic processes and strengthen our employee empowerment and initiatives. The efforts involves city employees at all levels from front line to management and our city labor alliance representatives. Most of the work that's being done is being done in action teams that are tackling particular issues. We've had some initial successes, including this budget document in front of you. Although it's very thick, it is streamlined, and we expect more improvements down the road. I believe greatly that the deepened budget crisis heightens the need to continue this work and to tap the ideas and initiative of our employees in all departments. And I do want the council and the community to know that I'm completely committed to this effort and to moving forward with streamlining city processes to reduce staff time and paperwork. For example, whether that be our procurement process or agenda process, relaunching the employee suggestion program, continuing to look as service redesign efforts in our departments, using technology to aid coordination in reducing staff time and paperwork, and piloting high-performance work teams which could lead to higher performance and/or reduced cost to provide services to the public. It is my sincere hope in closing that we will continue to have a strong partnership with our employees, our city staff leaders, our labor leaders, and again, employees at all levels, to continue to evolve our great public service organization so that it can thrive in our reality, which is an environment of constrained financial resources and increasing community demands. And with that, mayor, that ends our presentation.

>> Mayor Reed: Thank you, City Manager. I have a lot of people who want to speak tonight. As you can see, we have a lot of people in the council chambers and we do have people in the overflow. So I'm going to take public testimony, and I will call probably half a dozen names at a time in case there are people in the overflow room out in the wings that have put a card in, they can come over and make their way in. But as I call your name, please come on down to the front. There's some -- still some chairs down here and places you can stand so that you're close to the microphone. Because I want to make sure that we get everybody that wants to speak a chance to speak tonight. In order to do that, given the size of the crowd and the number of people that want to speak, I'm going to limit speakers to one minute. But if you don't get enough opportunity tonight, we'll be here tomorrow morning at 9:00 and Thursday morning at 9:00 and Friday morning at 9:00 continuing to talk about the budget. And there are opportunities for comment during those sessions. So we'll start out with Yolanda Cruz, Nancy Ostrowsky, Tom Bradford, Eric Larsen, and Greg Ramirez.

>> Hello, my name is Yolanda Cruz, and I'm the president of AFSCME MEF. The greatest concern we have is that the largest hit in this budget are to MEF rank and file employees. We are the front line service

providers in the community that we serve. MEF represents employees who work in the community centers, libraries, Planning, Building, and Code Enforcement, Public Safety, Support Services, the call center, public information help desk at City Hall and many other support services throughout the city. The staff cuts listed in the City Manager's budget are not without serious impact to the services we provide. These cuts will impact families, children, seniors, teachers and businesses alike. We are committed and dedicated work force that strive to provide the best quality services in the communities we work. Our memberships take pride in the work we do and are very concerned about how the proposed cuts will impact not just us personally but the communities we serve. Unfortunately, MEF employees are not the strategic decision makers in balancing the budget. Instead, we are the recipients and impacted individuals of these decisions just like the public we serve. We recognize that this deficit is a series issue approached by the city --

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Mayor Reed: Nancy Ostrowsky, Tom Bradford, Eric Larsen, Greg Ramirez.

>> Good evening, Mr. Mayor, councilmembers, city manager, city staff. My name is Nancy Ostrowsky, and I am senior staff at IFPTE's local 21 representing the Association of Engineers and Architects in the City of San José. On April 1st we sent you a letter to all of you and offered the same concessions that the mayor just a week ago put out a press release on, just a week ago. However, we are now faced with layoffs. A true zero increase for one year, no wage increases, no step increase, no merit increase, you've identified your numbers. We met your demands. We've met with most of you highlighting the concessions stated in our letter. So Mr. Mayor, city council members, City Manager, we ask that you consider what your own document was and move quickly and stay on target with us. It was written just a week ago. Thank you.

>> Mayor Reed: Tom Bradford, Eric Larsen, Greg Ramirez, Marilyn Kirby, Patrick Skillsky.

>> Mayor Reed, city council members. I first want to thank you for the chance to present an issue that's been untruthfully handed to you. My name is Tom Bradford, and I work for the City of San José at the Mineta airport as a CSO which handles all the emergency incoming calls and dispatches accordingly. You heard testimony last week from one of our administrators over on 1st Street. He told you that positions in the ACC would be saved. That's not true. I'm one of the four people that's going to be cut, if the airport budget passes. And if that happens, the response time and the reliability of the ACC might become compromised. TSA may not be able to -- may have questions regarding issues that happened throughout the terminal because we can't have enough -- we don't have enough people up there to staff these areas which are crucial for everybody in here who flies out of that airport after it's been remodeled.

>> Mayor Reed: Sorry, your time is up. Eric Larsen, Greg Ramirez, Marilyn Kirby, Patrick Skillsky.

>> Hello, my name is Eric Larsen. I work with the City of San José in the strong neighborhoods initiative. I'm going to tell you a little bit about my story. A couple of years ago I was bumped down from community coordinator position to a community activity worker in the last budget cut round. And it was a big hit for me. I took about a thousand-dollar pay cut. Had to cut up all my credit cards. My wife and I, at the end of the month, it was zero in the bank, basically. And it was tough. I enjoy working for the city, and providing services to city residents in many gang and violence neighborhoods -- where there's a lot of gangs and violence. You know providing services at neighborhood meetings. And you know, I know it's -- there's a lot of other city workers, there's about 150 that are going to be in my boat where I was a few years ago.

>> Mayor Reed: Sorry, your time is up.

>> Thank you very much.

>> Mayor Reed: Greg Ramirez, Marilyn Kirby, Patrick Skillsky.

>> Good evening, Greg Ramirez with AFSCME. I've heard a lot of nice talk about reaching out and partnering with employees, but so far there's been no meaningful dialogue. We've asked for information from Mr. Garza, haven't received it. If you are really serious about this and reaching out to the members, let's have conversation that we requested. Let's have meaningful conversation about what's going on. There have been a lot of management decisions that have gotten us here to where we are at, and maybe the people down working with the citizens can share some ideas with you that would work. Thank you.

>> Mayor Reed: Marilyn Kirby, Patrick Skillsky, Roberto Fiero, Estrella Gilano, Carolyn Martin.

>> Hi. My name is Marilyn Kirby. I'm a mobile home park owner, and my park is in District 7. Since the mobile home commission has been defunct since October or November of 2008, I'm here to respectfully

ask you to review and reduce the roll back, the rental right and referrals fee which increased a whopping 120% increase this year. While apartment owners' fees decreased 20% which is 140% spread under the same rent control ordinance. It affects thousands of mobile home park owners as well as park owners and I would just ask you to review it. It's 55% more than any other state, county and city fee. Thank you.

>> Mayor Reed: Patrick Skillsky, Roberto Fiero, Estrella Gilano, Caroline Martin.

>> Good evening mayor, councilmembers, Ms. Figone. My name is Patrick Skillsky, I am a representative on the CLA, the city labor alliance. I am also an officer with the ABMEI, the building inspectors' union, and I'm the trustee for the federated retirement board. I'm going to read a statement that is from the city labor alliance. We, the members of the city labor alliance, are responding to your statement last week that layoffs of city employees could be avoided if our bargaining units agreed to take true zeros in the coming fiscal year. No wage increases, no step increases, and no merit increases. Many of our bargaining units made precisely this proposal over the past few months to avoid severe curtailment of quality city services and the loss of dedicated city employees. We are concerned because a response from us from city staff did not reflect your direction. Over the past decade city employees have made millions of dollars in sacrifices that have preserved city services and improved the quality of life for all San Jose residents because we live here too and we believe in our city. We passed up raises, we increased our own contributions to our health coverage and to our retiree health care benefits, and we work cooperatively with the City Manager's office to cut costs to city residents while improving the --

>> Mayor Reed: Sorry, your time is up. If you give the letter to the City Clerk she will make certain it gets circulated to us, thank you. Robert Fiero, Estrella Gilano, Carolyn Martin.

>> Hello, Mayor, city council members, my name is Robert para, I've been a native here in San Jose since 1982 and was raised here in Downtown San Jose. At the age of 26 and a Latino, I'm proud to say that this Saturday I'm actually graduating from San Francisco state university with my bachelor's of arts degree in dance, emphasis in performance and choreography and dance education. I come here not to ask you, but to tell you that your support and time is needed for the arts. If there's one thing in the community we need in San José is to build a better arts community and provide funding for the arts. Having arts programs, businesses and agencies can prevent issues happening in our community like, for example, gangs and gang violence. One solution to the problem is providing our community, especially our youth, especially with our Latino community, it is the arts. I ask you this question:

>> Mayor Reed: Sorry, your time is up.

>> Thank you. Support the arts.

>> Mayor Reed: Roberto Fiero -- [applause]

>> Hello, mayor and council. I'm Julie Melanfee, I'm a council of Northside, and I have Robert here to read a letter to you from the Northside.

>> Honorable mayor and city council members, it is important that the city know that there has been a significant and sometimes even heroic investment of time and energy in the Northside in the past few years. The once shattered and desperate communities are now working together to end be in the community center. Where there was once 30 people taking advantage of the lunch program after the operator management changed the center, under the city staff's care there are now 88 regular attendees. We are now at a takeoff point in terms of actual fundraising by the Northside community council. There will be a monetary goals establishment and even now there are fundraising opportunities calendared for the council. This is a home nonprofit organizations. It is a vital ethnic home, a positive facility for the ever increasing senior population of the area, and it is directly linked to the residents of the La Buhaya apartment complex which is connected to the center. It's a long fight for VTA community bus line 11 serves Hensley, downtown San Jose, Japantown and Northside with transportation --

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

>> Thank you.

>> Mayor Reed: Estrella Gilano, Caroline Martin, Francisco Lopez, Connie Langford.

>> Good evening. I'm Estrella Gilano, representing the veterans and our families. We oppose the closure of Northside community center as proposed and in 2009-2010 operating budget set forth by the City Manager. Every third Sunday of the month we the post the veterans and auxiliaries, veterans dependent made at Northside center to work on our programs and continued support to our active militaries and their families. The homeless veterans which is adding up, especially the wounded from Afghanistan and Iraq. We are the living proof of our veterans. Our veterans polled for our freedom, or we are not here tonight. I humbly ask for the support of our city council and our mayor and everyone to please support us, Northside, spare for our veterans in the community. Thank you. [ applause ]

>> Mayor Reed: Caroline Martin, followed by Francisco Lopez, Connie Langford, Ulysses Sanchez.

>> Good evening, I'm Carolyn Langford, I'm a Vineland friend, a Cambrian and library -- Vineland library user, and wife of an unemployed engineer who is now a library volunteer. I've seen firsthand how libraries are an equalizer. And I'm sure you've heard it before: Can't afford even that half price book, don't have Internet because you just can't afford it, you have to go someplace else, and libraries are providing that for us. Our local communities and families need libraries while we have this economic downturn. There aren't a lot of other options some days, and my husband is good proof of that. Going to four days a week with what were rising use of libraries just isn't going to cut it. Please find the money to fund libraries for five days a week. Thank you. [ applause ]

>> Mayor Reed: Francisco Lopez, followed by Connie Langford, Ulysses Sanchez, Patty Palmer and Pam Helmke.

>> Hello, I'm here to fix the Northside and tell you guys not to close it because you guys knew you were going to take not only our freedom but our fun, help us to prevent us from joining gangs. They cancel our sports, and we have fun as we are in the Northside. It's a really good center and it helps a lot of students in the grades, and you know, just to keep us away from streets. It helped me to get better grades in school, and it helped me to get better at sports such as basketball and football. And all I'm saying is don't close Northside community center. [applause]

>> Mayor Reed: Connie Langford, Ulysses Sanchez, Patty Palmer and Pam Helmke.

>> Good evening. My name is Connie Langford. I chair both the city of San José's senior citizens commission and the council on aging advisory council, as well as serve on the aging services collaborative for the county. I'm here to speak tonight against the closing of the four senior community centers. The senior citizens commission in the City of San José is recommending keeping open Alma, Hank Lopez, Northside and St. James centers, from 10:00 a.m. until 2:00 p.m. at a minimum. Primarily as nutrition only sites, staffed solely by food service people which are city employees but are grant-supported. The nutrition programs at these sites are county-funded and it is our understanding that the county will be making no cuts to their nutrition program in the budget.

>> Mayor Reed: Sorry, your time is up.

>> Oh, shoot!

>> Mayor Reed: There are a lot of people want to speak, I'm sorry. [applause]

>> Mayor Reed: Ulysses Sanchez, Patty Palmer, Pam Helmke.

>> Hello, I am here to represent the Northside, and I would like to say that we should keep the Northside open because it would help us from being in the streets and doing drugs. And if it wasn't for the Northside, we wouldn't be here right now. And if this isn't happening right now we would be just doing something else right now like smoking or like doing drugs. And that's all. [applause]

>> Mayor Reed: Patty Palmer, followed by Pam Helmke, Miles Standish, Todd Martin and Dave Updike.

>> Mayor Reed, and members of city council, my name's Patty Allonge Palmer, I'm a second generation native and a 30 year resident of San José. I'm also a board member with the Youth Science Institute which was founded in 1953 in Alum rock Park. I'm here officially representing YSI's board of directors to express our concern and opposition to the city's proposed park closures and the elimination of park rangers. The elimination of park rangers along with weekday park closures would have a devastating effect on YSI's ability to continue delivering programs at Alum Rock. This together with the 15% reduction in our CBO contract for services with the city puts our Alum Rock science and nature at risk of closure after 56 years. Many Eastside teachers count on YSI to fill a critical need for hands-on science curriculum both in the classroom and in the park. For many Eastside students, that field trip to YSI at Alum Rock Park marks their first true encounter with nature. The closure of Alum Rock park, one or two days a week would reduce the number of San José children we can serve by up to 40%.

>> Mayor Reed: Sorry, your time is up.

>> Thank you very much. [ applause ]

>> Mayor Reed: Pam Helmke, Miles Standish, followed by Todd Martin and Dave Updike.

>> Mr. Mayor and councilmembers, as a park ranger for the city of San Jose for 23 years, I firmly believe in the Public Safety role that we play, but one of the areas that we get very little attention in is our role as resource protection officers. San José is uniquely blessed city, with many, many acres of open spaces and dozens of species that are on the endangered and special concern list. We are the first line of defense. California Fish and Game shares one warden for three counties. Our colleague is a busy man and we're there for him every day. Without San José rangers on patrol, actively watching, there is no other resource in the city to protect our open space, our lands, our waters, and our wildlife. From water

pollution cases that we have actively worked with fish and game, through poachers, fisheries, habitat destruction and water pollution, and even the recent Koi herpes virus outbreak in our Koi collection which is managed by the park rangers, the science and technology that we bring to the table helps protect what is unique and special to San José. There is no one that can replace us. We do it at a reasonable cost, bringing in outside consultants would be more expensive.

>> Mayor Reed: Sorry your time is up.

>> Thank you. [applause]

>> Mayor Reed: Miles Standish, Todd Martin and Dave Updike.

>> Mr. Mayor, my name is Miles Standish. I don't represent anybody other than myself, I guess, but I came here because I'm particularly interested in supporting the city park rangers and I do oppose their elimination. My question to you is: If they are eliminated, who is going to replace their services? Since 1540, when rangers were first coined, the name ranger was first coined in the annals of parliament, rangers have protected resources and they do so today throughout the world. Many at the cost of their lives. Park rangers have a dual responsibility, in that they have to protect not only the resources but the people that come to the parks, as well. Other city services are not prepared to take over these services that the rangers now do. And --

>> Mayor Reed: Sorry, your time is up.

>> Okay, thank you very much.

>> Mayor Reed: Todd Martin. [applause]

>> Mayor Reed: Henry Ty -- could you wait just a second, Todd. After that, Dave Updike, Roger Abe, or Abe, Roger Guerrero, and Roger Lassen.

>> I'm a retiree from the city, from the police department. I'm here to make some comments about the park rangers and also the police mounted unit. As you all know the park rangers handle a lot of calls for service including things like graffiti, auto burglaries, first aid, homeless problems and others. And gang problems and drug problems. If they're not there to handle these, you're going to have a huge problem with calls for service for extra police and fire having to come out to the parks with long travel times, and the people are not going to get the services that they're getting now with the park rangers. Also, there's going to -- it's likely without the uniform presence you're going to have a gradual degrading of the quality of life in the parks. People are not going to be coming in there anymore. They're not going to bring their grandchildren there. And the parks are going to become more of a liability than an asset to the city. And the quality of life's going to degrade. So I'm supporting the park rangers and the horse mounted unit in the police department. Thank you. [applause]

>> Mayor Reed: Dave Updike.

>> Mr. Mayor, city council, my name is David Updike. I'm supervising ranger for the mountains recreation conservation agency. I come to you from Los Angeles, a seven-hour drive to give a one-minute presentation. I wanted to show MRCA's support for the San José park rangers program, also president of the PRAC, I'd like to show PRAC support as well, and my personal support and that's why I drove out here personally to give this presentation. The ranger position is actually multiple titles in one. It's a law enforcement, emergency medical service, wild land fire, resource management, interpretation, and park and trail maintenance. All these services in one you're getting in every ranger that's out there. San José's program has 3,000-plus acres, approximately, 15 to 20 miles of a trail that's growing to 100 miles pretty soon, and you only have 13 rangers doing that, and this is servicing over 1 million residents that use these parks. So I really urge you to reconsider and find an alternative to your budget plan. Thank you very much. [applause]

>> Hello, I'm Joseph Guerrero. I just want to say thank you for this opportunity. I was really surprised to hear the decision for the cut to the parks. Growing up in San José my whole life from attending happy hollow and Kelly park to graduating at the municipal rose garden, I've known San José for withholding the standard of their parks, through safety and presentation of them. I do notice one thing though, is that no maintenance person can ever replace the position of a ranger, neither can a ranger replace the position of a maintenance person neither can park or PRNS staff any position of that. Neither at this time I have an answer or a recommendation for a decision. But I know San José can do better through cooperative thinking, creative thinking, and working with local unions and workers, thank you. [applause]

>> Good evening, my name is Roger Abe. I'm a park ranger at Alum Rock park. I'd like to speak on behalf of some of my volunteer participants and partners, trail volunteers who put in over 4000 man hours over the last four years, partner volunteers for outdoor California, one of our former trail volunteers, is now a park ranger. Local Boy Scouts who completed over 40 eagle service community projects in the

park over the last four years. Poets who have contributed through 18 years of poetry in the parks programs, partners, poetry center San José, You Can Take Me Hiking Society, San José sister city program, elimination of the park ranger program cuts not only public safety, it cuts the fabric of our community. Park rangers are catalysts for the interaction of parks and people's needs and desires to contribute to the society, free recreation and volunteerism. We are in a time of change that requires us to work together, to work creatively, to work towards green initiatives, that is what we do in parks. Please do not neglect us. Please support us and join us. Thank you. [applause]

>> Mayor Reed: Roger Lassen and then Jesse Bick, Susan Thaley, Will Bick and Angelina Gonzales.

>> My name is Roger Lassen. I've been doing volunteer work with seniors for the last ten-plus years. I'm on the senior citizens commission, but I'm speaking for myself. Very concerned about the cuts. Especially with the senior centers, I'm a liaison to Gardner as well as Northside. As some would say I'm dealing with the poorest of the poor. There's real need. I don't think most people understand what's happened in the last year in regards to some of the poor people and their desperate situation. I also have to say this. I know a lot of city workers, and I like them. But the city must do cuts with the operation and get the efficiency up, have a lean, mean budget, and this is not it. Now, I know I'm not going to be popular. But that's the obligation of the city council. Residents have to come first. Thank you. [applause]

>> Mayor Reed: Jessie Bick.

>> Good evening, I'm Jesse Bick, I'm your average citizen. My message is simple but important. Save the San José ranger program. Basically, San José is a big city and when you have a big city I think it's important to have a green belt. You need to have a place to escape, you know, when there's this many people in one spot you need to just go somewhere where you're comfortable and open and free and safe, most of all safe. And the rangers make that a possibility. Really, everybody has said all the things they do. I don't need to repeat any of their job descriptions. Just the one thing that amazes me is how beautiful the parks here. How many hours of enjoyment I've gotten out of them and lastly the fact -- I'm just amazed that the rangers themselves are willing to make the sacrifice, even just today I read at the -- the no-increases in wages of any kind. And that -- I think that should speak pretty highly for them.

>> Mayor Reed: Time is up. Susan Bailey. [applause]

>> I'm Susan Bailey, and I'm here speaking on behalf of the tax paying private sector residents of San José. The City of San José cannot print more money and neither account residents. Last year, we were informed that the budget would probably be with -- in four years, \$137 million in deficit, we're now already at \$77 million. Two-thirds of the budget expenses are compensation and pension benefits for city employees, without a new approach to the debt this will never be eliminated. What did we do 40 years ago? I've lived here for 39 years. What was the template then? We have to revisit and see where we have gone awry. I would make a few suggestions. Put the compensation of the city employees more on par with the private sector. Subsidize living and housing must be cut. To expect the general population to make up for people who cannot afford to live here is not our responsibility. What my husband and I have worked for all of our lives is not yours to take. Illegal aliens should not be subsidized. If the debt continues the city may have to declare bankruptcy. Then all of the union contracts would be null and void.

>> Mayor Reed: Sorry, your time is up. Will Bick, Angelina Gonzales. [applause]

>> Hi, good evening, Will Bick. You probably met my brother already. I'm here to speak on behalf of the San José park ranger program. And I'm actually coming to you, I'm a park ranger, but I am here to speak as a park user. I really enjoy my parks. I enjoy going to them on my days off. And it absolutely scares and saddens me that we would life our parks without stewards. It is a quality-of-life issue, it's a community issue, we can't have our safe, clean, green parks without the rangers. Just like a successful garden cannot flourish without a gardener, the same goes with the parks. We have to come up with a different plan. Thank you. [applause]

>> Mayor Reed: Angelina Gonzales, followed by Norm Kline, Melanie Helmke, Brenda Smith and Danielle Ortiz.

>> Hello and thank you for hearing me today. My name is Angelina Gonzales, and I am a former San José federal funded family literacy program, and I presently teach at University of Santa Cruz in the teacher training program. I'm here to support the San José park ranger program and I believe that program is a star program. The rangers build a community. They prepare for holidays. They take care of the petting zoo. They provide support and education to schools. Motivate children with significant recognition and help San José citizens and newcomers to the city to build a new home. I please ask you to consider to save a star. Thank you. [applause]

>> Mayor Reed: Norm Kline followed by Melanie Helmke, Brenda Smith and Danielle Ortiz.

>> My name is Melanie Helmke and I'm here in support of the San Jose park rangers. As a single parent, my son has grown up in the parks of San Jose. It has always been the rangers that he has counted on to be there. He always knew that he could get help with the rangers faster than the police who would have to travel to the parks. It has been the rangers that have helped him learn to fish, to learn to care for open spaces and waterways. Our police force will never be able to support our children in that way. We need our rangers to protect the parks from violent gangs and graffiti. We need our rangers to continue to teach the children about nature. I do not comprehend how the city can talk and think about building soccer stadiums and baseball stadiums and not how to care for our parks and our children. Parks are free for everybody to use. It is with safe parks that our children can get away from video games and television and start to lead healthy lives. Please do not cut our city park rangers. Thank you. [applause]

>> Honorable mayor and city council, I'm Norman Kline, another average citizen. I'm here to support the regional parks system. Two points very quickly. On reduction of the regional parks maintenance, please consider other innovative ideas, including outsourcing. Conservancy agencies like they have in San Francisco, Chicago, New York City. Find ways to keep the maintenance high and costs low. It takes generations and generations to build up these parks, and just a few years to defer them and let them go. Deference abatement in parks is like deference of roads. We know what the problem is there. Just an example of this, a very small one, might be the proposed savings of \$70,000 to shut down four very small fountains, relatively. \$70,000 I'm sure a lot of pools, supply houses and service houses would be lasting right now. There are some things that can be contracted out. Some things that can't be outsourced. Be innovative be bold.

>> Mayor Reed: Brenda Smith. [ applause ]

>> Hi, my name is Brenda Smith, and I'm here to ask you to reconsider the cutting of the park rangers from the budget. As a parent, I've seen park rangers reunite lost children with their families. I've seen the rangers fight fires side by side with fire crews. I've seen the rangers perform CPR, saving park visitors' lives. Cutting these individuals will hurt all of the City of San José. We know the economy is bad. Parks are becoming all we can afford now. We need to keep these individuals to keep our parks safe, to keep them usable, and to keep an open space for all of our people. City of San José is supposed to be a smart, up-and-coming city. This decision is not. Thank you. [applause]

>> Mayor Reed: Danielle Ortiz, followed by Judy Currington, Susan Crane, Penny Aguila and Mark Boyd.

>> Good evening. I'm here to speak in favor of saving the police mounted unit. Not just as an officer's wife, but as an educator and as citizen of this beautiful city, since I have less than a minute I'm going to read it from the mouth of a babe, third grader. Dear Mr. Mayor, I think that you have made a grave and wrong choice to try to destroy the mounted unit. The officers, even if you move them to other divisions of the station, cost the same. You could have called the friends of the San José mounted unit to have paid for them. So on the cost side, nothing to worry about it. The mounted unit has been around for 23 years, since 1986. People feel safer with the visibility of the horseback policemen. We can go up to them and address the problem. If the policemen are in cars, you have to chase them halfway around town. Frankly, it's much easier. Mr. Reed, I hope you'll consider letting the mounted unit stay. I know that you have a lot of work and that you are dealing with it admirably. But can you please consider letting the mounted unit stay. Your fellow citizen. Please make the San José mounted unit a priority. [ applause ]

>> Mayor Reed: Judy Purrington, Susan Crane. Penny Aguila, Mark Boyd.

>> Good evening, mayor and councilmembers. We all understand that lower revenues provide you a dilemma as to how to wisely spend the available funds in the city. These times make some of the services that the city provides more important than ever to the community. For some residents and city staffers, it would be a fine idea to shutter the libraries for the duration. For those of us who live in the historically underserved neighborhoods know that we need our branch libraries not four days a week but a return to seven days. We use our libraries to their fullest, and that includes for job searching and filling out applications online. This fills a need that some of us don't have at home. I urge you to look at new and creative ways and maybe the utilizing volunteers to help keep the doors open of the libraries, because it's so important. I urge you to look deeper into the infrastructure and find some other ways to cut. Thank you. [applause]

>> Mayor Reed: Susan Crane. After Susan, Penny Aguila and then Mark Boyd.

>> Good evening, Mayor Reed, and members of the council and staff. I'm Susan Crane, a new resident of Downtown San Jose, and an employee at the San José museum of art. This Sunday we had over 2700 people at the museum for our free family day. Kids, parents, toddlers, grandparents, young people on

dates who were enjoying activities at the museum hanging out and enjoying Downtown San Jose. This is the highest attendance on any single day we have ever seen. In fact, this year, in spite of our internal budget cuts to programs, attendance has been very strong all year. More than ever people want what the museum and other arts organizations downtown have to offer: A quiet moment for self-reflection, the excitement of thinking about new ideas, and a place for socializing with family and friends. In spite of our participation, it's been a hard year for us as for others. We've cut our budget dramatically and repeatedly. We've reduced our benefits, we've taken furloughs. We're determined to maintain the range of service we offer to the community because of success of events like Sunday.

>> Mayor Reed: Sorry, your time is up.

>> I urge you to restore the cuts to the OCA grants. Thank you.

>> Mayor Reed: Penny Aguila and Mark Boyd. [ applause ]

>> My name is Penny Aguila. Mayor Chuck Reed, members of the city council, good evening. First of all, I would like to thank you all for giving the American legion auxiliary and the American Legion post 858 a home they can call. Our work with the ethnic and cultural advisory committee, funded by the county mental health department, mental health services act, we extended our services down at Northside community center doing case management in which city parks and recreation cannot deliver in full capacity because of city's policy. We are asking you to keep Northside community center open, and we would suggest that put it again, open it for bid, until the next operator is found and selected in an honest and clean process. Thank you all.

>> Mayor Reed: Mark Boyd, followed by Jerry Mungi, Corazon Tomalinas, Reece Willer and Steven Levin.

>> Good evening, Mayor Reed, and members of the council. I'd like to take this opportunity to speak to the need to keep the Green Vision moving forward. The tough budget environment we are facing makes its more fortunate to pinpoint the parts of the green vision that will help us establish a framework for a sustainable recovery and at the same time show the kind of local leadership necessary to reduce the threat of climate change. Al Gore's repower America challenge and the Green-for-all coalition have put together impressive strategies to solve the economic and environmental challenges with one solution consisting of green jobs and renewable energy. The green vision is a 15 year strategy and I think it's important to see it in terms of its long range objectives. The ebb and flow of politics makes this type of long-range goals very difficult, but I'd like to point out the city council of 1990 showed the kind of long-term planning necessary when they created the Guadalupe park and trail project that we are now enjoying. I reviewed the Green Vision's annual report, and I'd like to thank the City Manager and her staff.

I thought it was well done. It clearly showed areas where we're making great strides, like waste diversion, recycled water, connecting trails, green buildings, clean tech jobs, but I think it clearly shows where we are falling short. We only have --

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Mayor Reed: Jerry Mungi, Corazon Tomalinas, Reece Willer, Steven Levin.

>> Good evening. My name is Jerry Mungi, and this seems to be a redo of last year, where we were given the options of raising revenues or cut services. And we've just heard tonight that we can't do anything about cutting the cost of delivering those services because of the sanctity of the union contracts. We also heard about how important numerous programs are here to the community, and I suggest if they are that important, then the employees ought to consider taking a pay cut. So that we should be able to have those services if it means that much to them and the people they serve. And a lot of these programs, it seems to me, really allow individuals to abrogate the responsibilities to themselves and to their children and their families. We should be fostering family ties and not having the government do it for us. Thank you. [applause]

>> Honorable mayor and city council and Ms. Figone. Thank you so much for all your work in what is a painful process. In these hard times, our families will use the parks. We need to keep the rangers. We will also need to attend free events downtown. We need the mounted police. Besides, I was just going to suggest, deploy the mounted police to the hot spots in the city identified by the gang task force. The senior centers, please try to keep them open. Specific to Northside, that center draw from all the other districts, from Berryessa, especially and district 7 where I come from, see that? And also, with home for the veterans and the minority groups that work together. We have an advisory council that needs to be involved in planning and changes. Thank you.

>> Mayor Reed: Sorry, your time is up. [ applause ]

>> Mayor Reed: Reece Willer, and Steven Levin, followed by Bob Boydston and Wilma Hashayi.

>> Honorable mayor and city council members, my name is Reese Willer. I'm a communications worker for the city, have lived and worked in the city for almost the last six years. I received my notice that I may be bumped from my position or laid off. I'm the person who gets called at 2:00 in the morning to go up to that mountaintop and fix the radio that the police and fire use to talk to the dispatchers. I used my 20 years of experience and expertise to effectively repair and restore service quickly. Radio communications is a life line for both police and fire. This service that I give, gives me great satisfaction knowing that I may have helped someone for calling for assistance. I understand money is tight. A year ago, the biggest decision in my household on a Friday night was where to make dinner reservations. Now, the discussion is, after my savings runs out, will I --

>> Mayor Reed: Sorry, Your time is up.

>> Thank you. [ applause ]

>> Mayor Reed: Steven Levin, Bob Boyson, followed by Wilma Hashi, Susan Ebele.

>> Good evening mayor and city council members. I've been a tax paying resident in San José for almost 30 years. I want to remind you that city exists for its residents and taxpayers, not for overpaid, high-benefit employees. You have 6,000 employees. Assuming they have three people per family, that still leaves you, according to the recent population estimate, over a million residents and taxpayers who are not part of city employee families. There is no need to cut services. Just cut employee expenses. Cut employee salaries and benefits, especially the benefits after people retire. Don't say this can't be done because of state law. If state law is the problem, get the legislation changed, because we have legislative representatives that you can have propose things to legislature. The private sector is laying off, average of 10% of employees in most companies, and cutting salaries 10%. You should do the same in city employees. Zero increases is not enough. If people don't like pay cuts, they can leave the city employment. I'm sure you'll have hundreds of other people apply for the same jobs, more than one to take those jobs.

>> Mayor Reed: Sorry, your time is up.

>> Thank you. [applause]

>> Good evening, my name is Bob Boyson. I live in the Almaden valley. In my opinion, your primary responsibility is to give the citizens of this city good Public Safety and good public service. Unfortunately, there is another thing crept up, to apply and protect good paying union jobs. I'm sorry about that. Now, on another matter, I am president of our Boyson family foundation. We give grants to some eleven organizations. Seven of them are in the Bay Area, five of them here in San José. That's San José stage company, San José rep, San José Tyco, the wildlife center, and the humane society. Now in spite of the big hit last year to our assets, they dropped in half, we did not cut our grants to these organizations. And we intend to do the same this year. No cuts in the grants. And I hope you'll be able to, when you consider grants, follow our good example. Thank you. [applause]

>> My name is Wilma Hashi. And before I start, I'd like to make one statement about city employees. I'm not a city employee. But I know the city has a lot of hardworking city employees who are not paid the big salaries that they might get in some industries. So I support the city employees and I think they do a good job with what little they have to work with in many of our facilities. [ applause ] The City of San José has one of the most used library systems in the country. One of the pieces of art in the King library is the tweety bird chair. The chair is a symbol that represents the mining days in San Jose when a bird was put in the mines to determine the quality of the air in the mines. The tweety bird chair in the library represents the relationship between the community and the library. The community has been very supportive of library ballot measures for many years now. They voted for the money to build new libraries and for materials to put in the libraries. Now when the community needs them the most the city is closing the doors and libraries will only be open four days a week. The library has become a place to go to get help for jobs, a place of families for entertainment, and a place to hang out for the kids in the summertime. It is a place of refuge for the heat --

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Mayor Reed: Susan Abele followed by -- wait one second please -- after Susan, Bob Sipel, Elizabeth Guimarin, Terry Riley, Beverly Rose Hopper.

>> I'm Susan Abele, and I'm here to talk to you about libraries as a core service to the communities and how we can avoid cuts to library services. Libraries are the heart to our community. One way we can avoid cuts to libraries is to take some of the \$10 million settlement San Jose received from tobacco

companies. Currently San Jose city council uses this for funding nonprofits one year at a time. Instead, move the tobacco settlement moneys into the General Fund to cover core services like the libraries. Another way to find money over time is to raise green fees at municipal golf courses. At least three other golf courses in San José have fees double our municipal courses. In summary, during these tough economic times, San José needs to focus on its core services like libraries. Money from the tobacco company settlement and money subsidizing municipal golf courses could be better spent in keeping our libraries open. [applause]

>> Mayor Reed: Bob Sipel, Elizabeth Guimarin, Terry Riley, Beverly Rose Harper.

>> I actually have two one-minute cards. Do you want me to turn around after the first minute, or try to cram it all in, in one? Anyway, my name is Bob Sipel. I'm the president of the Rose Garden neighborhood preservation association. I'm here first to talk about preserving the park maintenance program, more specifically, that of the rose garden itself. While there are other important parks, as the mayor and the council Oliverio most recently received an award nationally for our rose garden, it has specific needs. It's not a whip, blow, and mow type of park. So the maintenance there is extremely important. In addition, we're talking about shutting off the fountain. Probably the greatest amount of marriages done in this city are done at that park. And by the way, it's cheaper to have a marriage there at the park than it is there at your own home. So maybe we can work together to creatively change the billing system to add to the economy and be able to keep those maintenance staffing there. Others have spoken to the park rangers, so I'm not going to address that. Second item, if you don't mind --

>> Mayor Reed: Sorry, your time is up.

>> Should I go back for the other one minute?

>> Mayor Reed: One minute. Elizabeth Guimarin. Elizabeth, Terry Riley, and then Beverly Rose Harper.

>> Hi, I'm Elizabeth Guimarin with the friends of San José rose garden. I recently became a master volunteer. I help take care of the roses. We have a volunteer program that takes care of all of the roses and we partner with the City of San José. In my first month of volunteering I have talked to people who are visiting the rose garden from Santa Cruz, San Leandro, Oakland, Novato, San Francisco, Sonoma, Redding, Chico, and Portland, in Oregon. The rose garden is a draw, as you see, from all over, and now is a treasure of the West Coast of our country. This partnership with the city we need and require from you the core with the infrastructure of the rose garden, which is taken care of by the staff, and then safety from the park rangers. The features that make this rose garden attractive is a valuable asset to the city, to the neighborhood, as it is named the rose garden neighborhood. Thank you. [applause]

>> Chair Reilly, co-founder of the friends of the San José rose garden. I've left you a packet. Please take a moment to look at it. In the past 18 months volunteers have put in over 7,000 hours valued at over \$160,000. We have planted over 735 donated roses. We've brought the garden to national attention. We work with park staff daily to help us with our volunteer efforts. Park staff also runs the daily general assistance program. Without onsite park staff, we would lose that valuable resource. The fountain is not like any of the other decorative fountains on the shutoff list. There are weddings in the garden, and you have two choices, the stage or the fountain. Two weddings can happen at the same time. The fountain generates revenue, and we need to increase the fees, the market rate for weddings, and have the fees go to fountain maintenance. The fees haven't changed in years. You shut down the fountain, and weddings will be reduced. Park rangers come by on a daily basis when the three schools let out to curb vandalism and fights. We need them. The budget process is just beginning, so please take a very close look on how we can keep our volunteer crews motivated and to generate revenue in the garden.

>> Mayor Reed: Sorry, your time is up. [applause]

>> Mayor Reed: Beverly Rose Hopper, after Beverly, Ethan Rutman, Rachel Takud, Charlie Chen, Christy No.

>> Yeah, that's good. Thank you, hi, I'm Beverly Rose Hopper, co-founder of the friends of the San Jose rose garden. The rose garden's been rescued, restored on a two-year project with staff and volunteers working together. The rose garden's a regional revenue producing park with national honors. But eliminating the staff, shutting down the fountain which is a focal point of weddings and events, will decrease revenue and destroy what's been achieved. We know what happened last time when we relied only on rotating staff: Dead and dying roses and a demoralized staff. This is not a mow-and-blow park, it doesn't work. What does work is a dedicated staff partnered with volunteers, and this program is now a model in other communities. Volunteers cannot do it all, and the proposal sends a wrong message to volunteers and staff. Volunteers supplement services. They're not the sole providers. Yes, I know it's tough economic times. The rose garden was built during the depression because we recognized the

importance of a beautiful park that's open to all to lift the spirit and renew the soul. Together we turn the rose garden around. Don't turn your back on us now. Thank you. [applause]

>> Mayor Reed: Ethan. Ethan rotman, and then Rachel Takud. Charlie Chen and Christy No.

>> Hi there. I'm Ethan rotman with the Department of Fish and game. The city of San Jose has been a proud partner in the South Bay Fishing in the City program. The value of your involvement in this program has been more than \$2 million to the City of San José. This is money that's been paid for by other agencies, the value of other agencies staff involved in city programs, the calculated value of volunteers at these programs and donations from individuals and organizations. Your involvement has been made possible, through the dedicated efforts of your park ranger staff. We're also able to do it through the volunteers that are with me tonight, to hear -- that are here in support of your park ranger programs. On behalf of South Bay fishing in the city partners which include rotary international, the Bay Area sport fishers, the Santa Clara County parks department and the Department of Fish and game we look forward to a long standing and continued relationship with the City of San José. [applause]

>> Good evening, I am Rachel Takud, a workers compensation claims adjustor. I'm here to speak not only on behalf of city employees who risk losing their jobs, I speak for my unborn child who still cannot speak for himself. Our ensured co-employees received timely indemnity benefits and medical care. They were ensured with the quality of service they received through the workers compensation team. On a personal note I am appealing to the council to also consider the effects this layoff would have to the employees and their respective families. I have a lot of dreams and plans for our first child, and it really pains me to think that when I give birth to him on June 8th his mother would not have a job. Instead of being excited about his birth I only feel fear and deep concerns for his future. I hope that the council will find it in their hearts to help me and all other employees with our mission to continue --

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

>> Thank you very much. [applause]

>> Good evening, my name is Chari Chan, and I am one of the newly hired workers compensation adjustor who will be potentially affected by the proposed position cuts or layoff. Given the current situation and hardship faced by all of us, I fully understand that you need to make cuts that will affect us city employees. But elimination of positions in a department which is already understaffed is not the best long-term solution to this problem. We are already working at more than the state recommended case load per adjustor. Cutting two or four of our staff would increase the workload of those who are left behind by almost double, making processing longer with a lower quality of work due to less time for detail. Unavoidable delays will be a factor, and costly mistakes will be unavoidable. I hope the city council will stick to its original objective when they initially approved the hiring of the additional workers compensation adjustor back in 2007. Thank you .

>> Mayor Reed: Christy No, then Han Van, Bob Brownstein, Gay Gail, and Richard Zepelli.

>> Good evening. My name is Christy no. I'm one of the workers compensation adjustors potentially affected by the proposed budget layoff. Workers compensation is responsible for the administration and management of all worker -- work related injuries for city employees including police and fire. Our overall goal is to provide injured employees with appropriate medical treatment so they can return to work in a timely manner to provide services to the residents of the city. If their proposal to eliminate adjustors is approved it will ultimately lead to higher caseloads where delays and costly errors will occur. As it stands now, the work comp program is already understaffed, and the proposal to reduce adjustors to even lower levels will result in more money in the long run, because there will be less times for adjustors to thoroughly review claims. For this reason I ask that you reconsider the decision to eliminate this essential position that many employees come to depend upon during a time of need. At a personal note, I am the mother of a ten-month-old son, have come to rely upon this job to provide for my family. I have worked here for almost four months, and it's been a wonderful experience. I hope that you will continue to allow me to contribute to this great city. Thank you.

>> Mayor Reed: Han Van. Bob Brownstein. Bob, why don't you go ahead. Han Van is not here. Bob Brownstein, Gay Gail, and Richard Zepelli.

>> Bob Brownstein: Mayor Reed, members of the council. Let me suggest three strategies that you might look at to meet some of the requests you've heard tonight. First, in a budget situation like this one, it is legitimate to use a limited amount of the excess fund balance. You will have an excess fund balance this year. Normally it's at least \$10 million a year. What that means is, if you want to preserve a service that costs \$300,000, you only need to find \$100,000 in June to cover the service until the CAFR is published, and then take \$200,000 from the excess fund balance for the rest of the year. Again, to a limited extent,

it's legitimate. Secondly, if there was ever a time in the history of San José that we should use redevelopment resources to the maximum extent to help public services, this is that time. And finally -- [applause]

>> Bob Brownstein: -- if the state does force an imposed loan on the City of San José, it is not necessary to cut services another 12 to \$14 million. The constitution requires that that loan be repaid with interest in three years by the state. The city can borrow from its own reserve funds, until that three-year period has been concluded. Thank you very much. [applause]

>> My name is Gay Gail. Last year -- I'm a city employee, and last year my job was cut through thoughtful consideration. This year, I got another letter, my job will be cut again, on an arbitrary basis. One of the reasons the City of San José is having difficulty responding to the fiscal financial crisis is because the budget process was designed for employees to be seen but not heard. Your employees have the experience and expertise of being on the front lines of providing city services. We have repeatedly delivered for our citizens in the past, yet despite their value and importance to this city, and its residents, when budget problems arose their input was ignored. Our purpose in responding to your statement, Mr. Mayor, is that the city labor alliance stands for a better city of San José. We stand ready to deliver for all residents again once we're allowed to fully participate in the budget process and once we have the information we need to ensure that fair and equitable treatment is applied to all of the employees. Thank you. [ applause ]

>> Mayor Reed: Richard Zepelli. After Richard, we'll have John Max Reger, Claire Powell, Lisa Jensen, Angie Hellstrop Alvarez.

>> Good evening Mr. Mayor and city council, I'm here to discuss public safety, which the city council has put a priority on, as well as the mayor in San Jose. My concern is the closing of fire station 30 and 36 on communications hill. This will cut us back to one fire station covering part of downtown and all of district 6, which is about the size of Palo Alto that has seven fire stations for the same area. We have the lowest level of fire and emergency medical services in the county, and it's misleading by use the eight-minute standard reaching it 80% of the time. There is a national performance standard of six minutes. We're the only city in the Bay Area that doesn't have a six-minute standard. And at eight and a half minutes, comparing us to the best which is Sunnyvale at four minutes response times, we're not looking very good. San Francisco has a 6.5 minute response time with all their high rises. Oakland with all their problems has a seven minute response time 80% of the time. So my concern is by cutting back on the central city service --

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Mayor Reed: John Max Reger, Claire Powell.

>> Good evening, honorable mayor and councilmembers, my name is John Max Reger, I'm a shop steward for operating engineers number 3 and a negotiator on behalf of operating engineers number 3. I work in the capacity of environmental inspector number 2 for the City of San José. Our budget proposes elimination of part rangers. Our rangers provide safety, they provide education to the public regarding local flora and fauna. They prevent problems in the parks. I have concerns that the elimination of the rangers will result in crime in the parks, vandalism. This is not in the best interest of the City of San José and it will cost the city more than it will save. Regarding another item, I am concerned about since I joined the city in '92, I offered to do volunteerism, offered to do a master thesis for the city, no response. In 2008 offered to do volunteerism on GASB, no response. Offered to do volunteerism for city manager professional development for city employees, no response. Other employees have volunteered for things in the city as well, no response.

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Mayor Reed: Claire Powell. [ applause ]

>> I'm here tonight to voice my concern for the proposed closing for the JTS Northside community center. I'm aware that these are tough economic times. My husband is currently employed. We have a mortgage here in the City of San José and small children. My belief is that this is all the more reason to provide opportunities for the community to come together and support each other. That's why I choose to volunteer my time there, leading laughter yoga. I see firsthand how the center is greatly beneficial to the community, and invite everyone here to take a break tomorrow and attend my class for free there at 11:30 a.m. Just head up 6th Street, about five blocks, it's on the corner of sixth and empire, right-hand side. If

you go past the train tracks you've gone too far. Please do what you can to keep this center open. In my opinion, closing the center would be absolutely laughable. [ Laughter ] Thank you for your time.

>> Mayor Reed: Sorry your time is up. Lisa Jensen.

>> Good evening, Mayor Reed and council. There's a direct relationship between blight and crime. Just this weekend one of my neighbors had their home broken into by someone who used an abandoned foreclosed home nearby to case their home. They just moved here from Alameda. Welcome to San José. Neighborhoods like mine that are redevelopment areas suffer a roughly 18% higher crime rate than neighborhoods that are in nonredevelopment neighborhoods. Our neighborhoods are suffering the highest foreclosure rates in the city, and the blighted communities quickly become hot spots for crime. I would like to thank you for taking our recommendation last year to move some of the redevelopment agency money into police services in the redevelopment -- in the downtown area, and I would like to encourage you this year to consider taking some of the redevelopment funds and use them for police services in redevelopment neighborhoods like mine. If the agency could cover an appropriate amount of these services in redevelopment neighborhoods perhaps a certain amount --

>> Mayor Reed: Sorry, your time is up.

>> -- would go a long way towards protecting the health and safety of the community. Thank you.

>> Mayor Reed: Angie hellstrop Alvarez, followed by Carol Garvey, Diane Fisher and Rosa Perez.

>> Good evening. My name is Angie hellstrop Alvarez. I'm the executive director of MACLA, a latino arts center in San Jose's sofa district. My short message is to make arts funding a city priority. We have a couple hundred folks here this evening that have the sticker that also ask you to support the arts. As a steering committee member of the community budget working group, I'd like to share one idea with you that focuses on streamlining contracting practices, and long term would provide budget savings. As the leader and the chief fund raiser of a nonprofit organization, I'm intimately familiar with contracts, from RFPs to monitoring and reporting. During tough budget times the City's responsibility is to get the most for its money. Determining this requires detailed information from private vendors as well as nonprofits. The community budget working group believes that after establishing consistent track records by providing high quality services and strong compliance, private vendors and nonprofits should be eligible for a good contractor's seal of approval. By implementing prequalifications --

>> Mayor Reed: Sorry, your time is up.

>> Thank you. [ applause ]

>> Mayor Reed: Carol Garvey, Diane fisher.

>> Hi, my name is Carol Garvey, downtown resident and a member of the community budget steering committee. Our group has generated recommendations that can save money now. Two ideas: Number one, the city needs to be -- correction. The first idea is closing out encumbrances. As of last year, 6% of the general fund in San Jose was encumbered. The average for other large cities in California is dramatically lower at 2%. If the city were to liquidate just as old encumbrances, we would save \$2.4 million. Number 2, the city needs to be smarter about the timing of when we transfer dollars from the General Fund to the other funds. Last year the city transferred its debt payment for the new City Hall 207 days early, costing us valuable interest. Overall, the General Fund could save hundreds of thousands of dollars this year in interest payments if we transferred dollars just in time. Thank you. [ applause ]

>> Mayor Reed: Diane Fisher. Followed by Rose Pareda, Brian Darrow.

>> Good evening, I'm Diane Fisher, director of the Jewish Community Relations Council, and I'm here this evening to speak to you on behalf of the community budget working group. Thank you for this opportunity. I'm here tonight to recommend that the city audit its use of consultants. When faced with the question, how many consultants does it take to balance the city budget, I don't think the answer should be, let me see, I have to talk with my consultants. The use of consultants need to be carefully reviewed. In good budget years, consultants can definitely add to the city skills but in times like these consultants circulate only be hired in two circumstances. One, if the staff really doesn't have the skill set needed to get the work done, or two, if the benefit to the General Fund clearly and significantly outweighs the cost of hiring the consultant. Conducting an audit of existing consultant contracts and attempting to renegotiate their terms is totally inconsist -- is consistent with all the other city actions in this downturn. We know you face a difficult task, and the community budget working group is here to help. [ applause ]

>> Mayor Reed: Rosa. Rosa Pareda, Brian Darrow, Delilah Marilto, Adon.

>> Good evening. My name is Rosa Pareda from the Alma neighborhood association. In the year 2000 the historic neighborhood initiative plan was implemented in the Alma neighborhood, an economically

disadvantaged area. The community became proactive in changing our own living conditions. In collaboration with SNI, the residents of Alma have continued to bring our best efforts forward in an attempt to increase the quality of life in the Alma neighborhood. For the last nine years we have worked with many city departments, RDA, PRNS, city forests, VTA, code enforcement, San Jose PD, and many other city departments to keep our neighborhood safe and the Alma center open. As a neighborhood, we had nothing else besides the Alma center to engage our youth and elders in positive activities and away from social negative behavior. When evaluating the close of the Alma center, please consider that we have over 900 children between the ages of 9 and 17, two to three families living in single dwelling homes. The neighborhood is densely populated with little to no other resources outside of the Alma center. We are geographically isolated, and the poverty within our residents makes the hub concept irrelevant and simply out of the reach of our community.

>> Mayor Reed: Sorry, your time is up.

>> Please keep the Alma center open, thank you. [ applause ]

>> Mayor Reed: Brian Darrow, followed by Delilah Murlito, I think. I can't read the handwriting very well. Adon, and then Kathy Kimball.

>> Hi, I'm here to speak quickly about a proposal from the community budget working group, the longer-term proposal, and that's the idea of partnering with other jurisdictions to form legal defense councils or legal defense consortiums, rather, when considering whether to implement new fees to cover the costs of dealing with negative environmental impacts that are associated with certain business activities. So for illustrative purposes, one example we talked about is plastic bags. And the idea is out there that cities should put a fee on companies that manufacture or distribute plastic bags, because there's a lot of cost associated to cities in terms of dealing with those bags, when you talk about litter, when you talk about filling landfills. But the problem is that every city, for good reason, wants someone else to go first in terms of implementing a law like that. Because if there is a lawsuit, another city therefore will be the one getting sued, instead of you. And that way, a city can just wait until a legal precedent is set before they actually implement their law. So our idea is that if no one wants to go first in these situations, then cities that are interested should get together, join a partnership, and San José can do it through the league of cities. So you'd implement your innovative regulation through one of the cities --

>> Mayor Reed: Sorry, your time is up.

>> And then the cost would be shared amongst all of the other ones who are part of that partnership. Thank you very much. [ applause ]

>> Honorable councilmembers I'm representing the people of Alma community. We're requesting the council review the PRNS hub concept. This concept negatively impacts and excludes economically disadvantaged communities that do not reside within the PRNS hub centers. We're requesting recommendations to provide equity parity to the economically disadvantaged communities as well as implement culturally competent measures within the PRNS hub concept. Alma center is number 1 priority for our top 10 list which is a blight area. Closing Alma center will increase social ills 20-fold. Our youth need your help, and so do our elders. In phase 1 closing centers there are two centers that serve economically disadvantaged Latino community. Both are being considered for closing. This means there will be no community centers for the economically disadvantaged Latino indigenous seniors. Please remember the hub concept may work for affluent areas but not for Alma. Say yes to Alma, thank you.

>> Hello everybody, my name is Alain, and Alex is here with me. He is a participant at the Alma community center. I know you guys have difficult decisions to make right now. But what I want to let you guys know is that Alex and myself are here to work with you guys, so you guys don't close the Alma community center's doors. If you guys want to bring in a nonprofit or something like that, we want to be part of this conversation. Because this is a very important community center to the Alma community and to the surrounding communities. Just let us be part of the conversations. Don't do anything, you know, just pick a nonprofit just because you want to rush it, let us be part of the conversation, thank you. [ applause ]

>> Mayor Reed: Kathy Kimball, and then Chian Hong, Ru Ping Gao, Raymond Wong, and Julie Lem.

>> Mayor Reed, Mrs. Figone, city council members, thank you for providing this forum for community comment. My name is Kathy Kimball, and I'm the executive director of the San José institute of contemporary art. I address you this evening to encourage you to make arts funding a priority in the budget next year, along with at least 100 or more of my colleagues and supporters here tonight. Imagine this city without the arts. Imagine this city without just one or two of the arts organizations that are represented here tonight. We are a critical part of financial ecosystem of the city, and during the past 20,

30, 40 years, we have remained loyal, dedicated, and committed advocates for San José. In order for San José to survive and thrive, the arts need to be sustained during this current economic storm. Art is not a luxury, a lavish thing that we fund from leftovers of our budgets. It is not a plaything or an amusement or a pastime. Art is a basic need of human survival. It is one of the ways we make sense of our lives.

>> Mayor Reed: Sorry your time is up.

>> Thank you. [ applause ]

>> Mayor Reed: Chian Holmes.

>> There is a very spectacular event that I've had the honor of participating in for the past three years. It is called the Chinese moon festival, and it is simply a decoration of the rich history behind one of the many cultures of the world. Park rangers help us facilitate this unique event by patrolling the park to ensure safety as well as providing medical assistance to those who needed it. In fact, I have seen the benefits for having park rangers firsthand as I witnessed a very prepared park ranger administer first aid medical assistance to a park visitor without any hesitancy. Before the actual event, park rangers help us plan the actual festival by giving aid such as lending their very dedicated and generous helping hand. Park rangers value the opinions of the community and they showcase their understanding by protecting our parks. Park rangers are a vital component of our neighborhood community and they should not be removed. Thank you. [applause]

>> Hi, my name is Rae Pingau. I'm here for the support the rangers. Please do not let them dispense with the park rangers. We are all members of the Chinese moon festival leadership community at Overfelt Gardens. We are here because Pauline and Sylvia Lowe could not be here. They requested us to share our thoughts with you. Mrs. Lowe is 84 years old and she says last time the rangers were eliminated, she tried to watch over Overfelt Gardens herself, and she says she's getting too old. Thank you. [ applause ]

>> My name is Raymond Wong, and I'm a junior at Independence High School.

>> My name is Julie Lam, and I'm a sophomore at independence high school.

>> We're part of the Chinese moon festival committee at Overfelt Gardens, and we are here to speak up for the community that we interact with.

>> First off, we would like to have the parks 365 days, open 365 days a year from sunup 'til sundown.

>> Second of all, we want our rangers full time and part time, because they are the ones that protect our environment, they assist us volunteers, and they also allow people to enjoy our public facilities.

>> In addition, we would like to keep the parks facilities supervisors, because they help coordinate our events such as Chinese moon festival, where we serve the community and teach others about our culture.

>> This means a lot to us. Thank you for your time. [applause]

>> Mayor Reed: Ken Vick, followed by Tina Morrill, Elizabeth Lefebvre, Coleen Whitney, Kim Laney.

>> Good evening, Mr. Mayor and council. As you -- my name is Ken Vick, and as you may have already guessed, I'm here on behalf of the park rangers. My system and I have availed ourselves of the parks, specifically Overfelt and Prusch, and I'm impressed with in what good shape they're in. There's no graffiti, there's no trash. The place is very peaceful. There's not much going on. So in view of the way the economic times are going, I should think that the burden on the parks is going to be greater than ever. So in terms of bang for the buck, I think you'll get quite a bit out of your park rangers. My son Will is a ranger, and I can attest that he brings -- he thinks more about his job than just being there. We often talk about things that he could do to improve the park. So anyway, I would counsel that you reconsider cutting this program. Thank you. [applause]

>> Good evening, I'm Elizabeth Yee Lefebver. I'm a master volunteer at the municipal rose garden. At over 1 million population, San Jose is recognized as a big city. Most big cities possess significant and unique attractions that markets image on the national scene. The municipal rose garden is one such treasure. Once a sad commentary on the neglect of our public parks, the rose garden is now enjoyed by locals, residents from surrounding cities, and tourists from near and far. The now magnificently blooming rose garden is a jewel of the city, a jewel that celebrates a dedicated partnership of you, our local government, corporate sponsors and volunteer citizens. Please don't cut staff, turn off the fountain, or eliminate the park rangers. The rose garden's continual maintenance is part of the vitality of San Jose and integral in making the city an attractive place for people to live and to work. We don't have to search --

>> Mayor Reed: Sorry, your time is up.

>> Thank you. [ applause ]

>> Mayor Reed: Tina Morrow, followed by Coleen Whitney, Kim Laney, Brian Busovich, and James LaHair.

>> Good evening, my name is Tina Morrill, I'm a resident of San José. Thank you for listening to my ideas about budget cuts and other programs. I'm recommending that we implement some temporary salary cuts. Temporary, not permanent. I've outlined them below. Sorry about the cut and paste error. And I think that in addition to these, that we should outsource the city pension plan, so it's managed in line with the typical 401(k) plan and not city guaranteed or subsidized. But on the flip side, what am I willing to pay, I would support a half a cent or full cent local sales tax. I would support a small increase on my parcel tax specifically for libraries, parks, and of course, schools. I will continue to give countless unpaid volunteer hours to my city. So these ideas, they're not popular, they won't be popular, they're going to take some moxie from you guys to implement. But remember, the residents are continually asked to step up, take this cut, take that cut, take responsibility to fund sidewalk repairs, street maintenance, put up with reduced library hours. We are asked to look for public-private partnerships --

>> Mayor Reed: Sorry, your time is up.

>> Thank you very much. [ applause ]

>> Mayor Reed: Colleen Whitney, Kim Laney, Brian Busovich.

>> Good evening. My name is Colleen Whitney. And I live in a town house complex where my next door neighbor was recently robbed. I was appalled at how brazen it was of them to do such a crime in broad daylight, with a lot of our neighboring windows looking onto the area where they made their entrance. I offered to organize a neighborhood watch meeting, and as I had heard how effective it has been to ward off these thieves. We had the privilege of having officer Amarjit Ry conduct our meeting. She was wonderful in telling us ways in telling us ways of protecting our homes and our automobiles. With the crime rate rising, I feel it would be a crime in itself to abolish this wonderful program. Thank you. [ applause ]

>> Hello, thank you for hearing me today. My name is Kim Laney. I represent myself as a resident of the City of San José and a community of 2800 households North Park apartments. I ask that you please do not cut the crime prevention unit. It's a great program. It's helped educate myself and all 2800 of my residents on how to protected themselves against becoming a victim of crime. So I ask that you please take that into consideration. Thank you.

>> Good evening. My name is Brian Glusovich. I'm on the board of directors of a homeowners association in San Jose, and I want to talk a little bit about the cost effectiveness of the community crime prevention and neighborhood watch program. The crime prevention unit offers the opportunity of taking a very, very small participation of the police department, leveraging it across a huge number of community residents, to get their involvement, their motivation, and their own participation in reducing crime. We've seen it happen in our own community, we've had increasing crime over the past two or three years. We got our neighborhood watch program going, and because of that we've had a significant increase -- decrease in our crime rate. What this has done is get our people involved, our residents involved, so we don't have knee-jerk 911 calls, we have involvement. Thank you. [ applause ]

>> Mayor Reed: James LaRear followed by Steven Barrientos, Carol Carter, Bruce Lavity and Don Galliardi.

>> Good evening, mayor, members of the city council, my name is James Larear. I'm here tonight to humbly ask you that you let the crime prevention team continue on in its continued form. Crime prevention is a great team of community liaisons, taking the feedback of San José's tax paying citizens and passing it onto other departments for reaction. For example, if we notice that a house in our neighborhood is up to no good, we can alert the crime prevention team who can then advise and connect us with the right department. Same with the other issues that have come up for us like vandalism, graffiti, and trespassing. Crime prevention is the only team I know of that comes out to our communities and teaches us how to best deal with these challenging scenarios. They have provided us with workshops on theft and burglary avoidance, childhood abduction prevention, and neighborhood safety. Crime prevention is a necessary tool in reducing and even preventing overall crime in San José. For six straight years, from 2001 to '06, the FBI's safest big cities report has San José the safest big city in the entire country. In 2007 we were knocked down to number 3, and this past year we sit at number four, two spots behind New York of all cities, where --

>> Mayor Reed: Sorry, your time is up.

>> Thank you, mayor.

>> Mayor Reed: Steve Barrientos, Carol Carter, Bruce Lavity, Don Galliardi.

>> Thank you Mr. Mayor and council. Last week I turned in over 300 signatures on a petition to the City Clerk's office, opposed to the closure of Alma community center. Today I had at least 12 seniors out there in 10 teams. We were the noise out front, sorry. But please don't close Alma, and not everybody in these five neighborhood youth centers that are proposed for closure are illegal. I am a U.S. citizen, California native, Salinan, and Shumash tribes, thank you. [ applause ]

>> Good evening. I'm Carol Carter. I'm representing the baker West neighborhood association in district 1. I'm the safety chairperson. I'm here to speak in support of neighborhood watch. Because it's a unique program that educates and empowers the residents of this city, enabling us to help the police keep our neighborhoods safe, I think that's extremely important in this era of diminished resources. At our neighborhood watch meetings, we learn the ins and outs of out to keep intruders from getting in and out of our homes. We learn when to call 911, and when to call 311 instead, and how to summon help if we're calling from a cell phone, instead of a land line. We're taught how to become more accurate witnesses, which is extremely helpful in enforcement. What not to keep in our cars, where not to hide the valuables in our houses. The latest ways to make our homes hardened targets. The goal being to prevent crimes from happening.

>> Mayor Reed: Sorry, your time is up.

>> Thank you very much.

>> Mayor Reed: Bruce Lavity, then Don Galliardi, Helen Chapman and David Isbach.

>> Good evening, Mayor Reed, Bruce Lavity, director of the San José jazz festival. Councilmembers, I'm here tonight to address the possible change in the Office of Cultural Affairs if tier 2 of the budget process goes into effect. For those of you people who are not event producers, they cannot imagine the complexity of some of these events. Events producers work very closely with the office of cultural affairs, who assigns an individual to work with us negotiating the maze of restrictions, regulations, private and public parties, state and federal regulations. When we receive an authorization from the OCA to proceed within that, the communications is significant. Our letter is five pages long single-spaced. I say this to illustrate the level of detail that goes into producing events that are safe for the public. If the office cultural affairs, which coordinates over 400 events, is reduced in scope as detailed in tier 2, it will be a disaster for event organizers. Thank you. [ applause ]

>> Good evening, Mr. Mayor and councilmembers, my name is Don Galliardi. I'm a neighborhood activist in the downtown. I fully appreciate the hard decisions confronting you. That being said, I hope the council will use as its watch word to make the least and most limited cuts it can to critical services to residents in this city. That would be parks, community centers, libraries and pools. That's what concerns residents throughout this city, and I say this as someone without any particular special interests in any one of them. I don't have a library card. I don't swim in the pools. I don't use our parks. But I support all of these with my own money and my own time, and they're very important to me and my neighbors. Thank you. [applause]

>> Mr. Mayor, council people, I don't think there's been a speaker here tonight that hasn't influenced and hasn't said something that moves the spirit of every citizen. I'm here to talk in favor of the arts community tonight. I've been a -- I was a former arts commissioner, and during that period of time, I got to know a number of people from the arts community. It's a tremendous environmental -- well, it's a tremendous unity of the expression of the soul. These people fulfill a need, people stay in this town, they come in this town, because of its vibrant centers. Just to speak of a few, and the theaters alone, everybody's heard of the San José rep, but the Northside theater, the stage, city lights, Tabard, the renegade theater, experiments only to mention a few. Support them, please. [ applause ]

>> Mayor Reed: Sorry, your time is up. Helen Chapman, followed by Lupe, Guzman, Jeff Bornfeld, Jacob Huffer, and Chloe Bronson.

>> Good evening, Mayor Reed, members of City Council. My name is Helen Chapman, former parks commissioner, president of the Shasta Hanchett neighborhood association, and part of the community budget working group steering committee. The time has come to stop telling you what we don't want as a community, but what we do want. Mayor, I want a city that once the economy rebounds is ready to go to compete with other cities for great jobs, and has a safe vibrant infrastructure, not a city that is picking up the pieces from years of budgets cuts that has to do -- that continually cut to the heart of our community services. I want a city that values the needs of its community and is willing to listen and consider ideas and is holding accountable those who violate key ordinances and safety rules that are in place to keep us safe. The increased enforcement and fines could help deter and mitigate costs incurred due to the violations. I want strong leadership that is willing to lead by example, bring consensus among the many

city employees to come up with a way to deal with this city's deficit that takes into account the long term needs of the community. I think I can give up grand openings for a while if it means keeping our parks and centers open and safe. I want the city leadership to value its long standing promises made to the community and neighborhoods and recognize we are here to help and work with you.

>> Mayor Reed: Sorry, your time is up.

>> Thank you. [ applause ]

>> Mayor Reed: Lupe Guzman, Jeff Bornefeld, Jacob Huffer, Chloe Bronson, and Lucio and Brenda Martinez. Jeff, take it away.

>> She was ahead of me. I'll let her go first. Thank you. I'm Jeff Bornefeld with CCPY. And I brought some of my kids tonight, and they want -- I want them to talk. But I'd like to really speak to sort of the bigger picture that is in front of us. I know it's a tough job you guys are dealing with, but if we don't look at what we spend now and the ramifications, it cost so much more on the after-the-fact end, we spend \$46 billion a year as a state for dropouts every year, it cost us so much more to arrest and incarcerate than it does to do intervention and prevention. I want us to give serious thought to cutting the things that will cost us thousands and thousands of dollars. Already in our state, 50% of our budget goes to the justice department, whether it be enforcement or prisons et cetera. We cannot keep investing our money in short-sighted things. We have to look at the long term. Every youth that graduates from high school makes almost \$1 million a year -- I mean, in their lifetime than people who don't, so --

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Mayor Reed: Lupe Guzman.

>> Hi, my name is Lupe, and I'm a citizen, and I live in the Eastside in District 8. And I attend Overfelt High School. I'm here to speak to the importance of continuing funding youth and senior programs. For me with the help of adult volunteers and city funding and combined with other resources I have been able to improve the relationship with my family, improve my grades, see myself going to college, without CCBY I would never have thought of it. Seeing my friends stay out of gangs and drugs, programs like this are investments in our future. Please don't cut the funding for youth programs. [applause]

>> My name is Jacob, and I'm talking about the teen center, I'm 14, and I'm -- I go to teen center, and -- wait. Excuse me.

>> Mayor Reed: That's all right. Just talk.

>> And if you guys close down the teen center, I don't know where else to go. Because like in the summer, like we play basketball and everything and I want to stay away from drugs and everything and I don't want to be a bad kid. The teen center, I play a lot of sports and games. If you guys close it down it would be like really boring and like there's nothing else I could do in the summer. And so yes. And thank you. [applause]

>> Hi, I'm Chloe Bronson, I drove down here from Berkeley tonight because I'm concerned about the elimination of arts funding. I've worked as an actor at San José stage company, and I've always enjoyed going to the museum of modern art and MACLA and other galleries when I am here. As arts programs dwindle throughout the Bay Area, fewer younger generations of text messagers have the opportunity to learn tolerance, abstract thinking, and a new way of understanding the world in a way only the arts can engender. In these difficult times we need the arts more than ever to unite us in our common experiences. Please preserve humanities and preserve the arts. Thank you.

>> Mayor Reed: Lucio and Brenda Martinez. Then Lupe Sanchez, Boo Bullis, and Monica Sanchez.

>> First of all I'd like to thank you, Mayor Reed and council for giving us this opportunity. We are here on behalf of Los Paseos youth center as well as our children that attend the youth center. This youth center has been a blessing for us. Our children go there, and without Los Paseos Youth Center, our children would have nowhere to go. This is the only youth center in our district. Me and my husband both attend school, and this has kept -- has given our kids a safe and positive place to go to do homework and play sports. Keep our children off the streets. Los paseos youth center serves at least 45 to 50 kids a day. Please keep the Las paseos youth center open. Say yes to Los Paseos youth center and no to juvenile hall. Thank you. [applause]

>> Mayor Reed: Lupe Sanchez. Boo Bullis. Please come on down when I call your name so you're close to the microphone. Monica Sanchez. Paul Alvarado and Margaret Yamasabi.

>> Hello, I'm Monica Sanchez of Los paseos youth center. And I want to talk about how you guys should keep the center open. Because a lot of the kids who have been going from the beginning are still going and it keeps the kids off the street just like every other center. So it gets kids to exercise, and they're not

stuck on, you know, eating at home and watching TV all day. It gets kids involved with the city. We're planning to do this planting gardens and everything. And older kids are getting involved, too. I'm a sophomore at Santa Teresa high school and I volunteer there and help the kids with activities we're doing. Then that's the only center there is and it's right next to an elementary and a junior school.

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

>> Thank you. [applause]

>> Good evening, my name is Margaret Yamasaki. I have worked for the library for two years, and I'm a district 8 resident. I can honestly say San José is a great place to live and work. I love my job and many times library customers have told me how much they love their library and are so thankful that their kids have a safe place to go after school. Last month I received a notice that I could potentially get laid off. Of course as you can imagine this news was devastating. My career goals with the library are on hold. I worry if I lose my job I'll join the many who have already lost their homes to foreclosure. I worry about entering perhaps the worst job hunting market in decades. I worry that I or my partner will have a medical emergency and face bankruptcy for medical bills. I worry for not only myself but my fellow employees. Many of us have families to provide for and have been barely able to working with the hours that we have. Reduced hours and layoffs are devastating to the livelihoods of dedicated employees.

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Mayor Reed: Lupe Sanchez. Boo Bullis. Paul Alvarado and then Tony Nguyen.

>> My name is Lupe Sanchez. This is my daughter Rosa castaneda. We're here to oppose the closure of the Los paseos youth center.

>> I go there about 20 hours a week. If you close down the youth center, it will leave us no choice other than -- but the streets. There is a scripture in the Proverbs that says, train up the child in the way he should go and when he grows old he will not depart from it. We rather choose Los paseos youth center than juvenile center. Thank you. [applause]

>> Mayor Reed: Boo Bullis, Paul Alvarado, Tony Nguyen, and Carl Honacker.

>> My name is Boo Bullis, I'm a gerontological social worker and a member of the advisory council to the council on aging. So guess what? I'm here to ask: Please do not throw out our poorest ethnic seniors with the dwindling budget bath water. Instead find a way to keep open Alma, Hank Lopez, Northside and St. James senior centers, even if it's on a reduced hourly basis. Seniors -- these centers are not about bingo, they're about survival. The seniors go where they can -- these centers are accessible. The people understand the language, at the feel comfortable, they get perhaps the only meal of the day. They get legal services, they get their blood pressure taken. They can get out of the heat, and if they don't have money for -- if they don't have a lot of people don't have air conditioning.

>> Mayor Reed: Sorry, your time is up. Paul Alvarado, followed by Tony Nguyen.

>> Thank you, Mayor. I'm against the closure of Alma. We do need to get closely involved so we can help you decide who needs to be there. Senior center has increased over 200 members, the youth center has more than doubled. We've made a lot of changes, a lot of strides. The youth is actually respecting the building, we're not getting tagging and we're not getting a lot of things that we have had in the past. We're at a point where things are changing and for us to stop the advancement would not help the city or the area. So I urge you to listen to some of the people here that have some ideas on maybe what might be able to help and maybe try and get those ideas put into making some changes. Thank you. [applause]

>> Hi, I'm Tony Nguyen, I'm president of the friends of Edenvale library. I got one question, two principles and a fact to give. The question is what makes a city worth living. And I think when you're choosing, when you're choosing your budget proposals I hope that you choose the prevention side and not the, you know, busting people once things fall apart side. I also think when you are choosing you shouldn't choose between lesser evils but promote the greatest good. So the community centers, the park rangers and the swimming pools, these are the things that mate the community better, promote the public good and make things better. Here is another fact. By closing the libraries and make it only four-day week, you're going to cut my fundraising from 14,000 a year to about 6,000. I was fortunately to put the librarians on a budget, if I shut down today I've got another year's running. However by eliminating Saturdays, there goes my book sales. That's one-third of my income stream.

>> Mayor Reed: Sorry, your time is up.

>> Thank you. [applause]

>> Mayor Reed: Carl Honacker, followed by Heather Lerner, Ray Turner, Nick Leon and Angel Luna.

>> Good evening, Mayor and City Council. I'm Carl Honacker, and I'm here as a resident of San José and a representative of the rotary clubs that support and sponsor the fishing in the city program. As a citizen, I'd like to echo the comments made by many of the supporters of the park ranger program, including the items we're talking about their role as Public Safety officers, they're trained to protect the natural resources and wildlife found in our parks, and the fact that removing the park rangers from the parks and trails will not really save a whole lot of money, increased vandalism over the overuse, lack of resource protection, and damage to park facilities and the influx of park users exhibiting poor behavior will increase maintenance cost and decrease the park use by citizens. Park rangers also provide programs that turn at-risk youth around and keeping them out of games. For example our South Bay fishing in the city program has trained thousands of young people to learn how to fish for the first time.

>> Mayor Reed: Sorry, your time is up.

>> Thank you.

>> Hello, I'm Heather Lerner, on behalf of happy hollow corporation. We're the friends-of arm of the Happy Hollow Park and Zoo. I'm here tonight to ask you to keep funding all the staff positions for the new Happy Hollow Park and Zoo. You know, we've got a big renovation out there and we're anticipating that over 500,000 visitors per year will come through there. Right now we're so understaffed, we can -- it's -- I talk to a lot of staff out there and a lot of people doing triple jobs out there. We serve over 7,000 kids a year in our education programs alone, and the thing I'm really proud of that I want to keep on target with is being the first zoo in the nation to be LEED silver certified. So please keep your funding up for happy hollow park and zoo. [applause]

>> Good evening everybody, my name is angel luna and I'm here in behalf of Silicon Valley debug and the MALI program. Basically I'm just here because I love San Jose. I'm a native in San José and I live in many cities, and I just want to let the council know we need to support our arts, we need to support our libraries, we need to support everything that makes our community better, because our city carries such a big legacy. It's such a beautiful city, that we don't want our city to be like less, we want our city to be big, we want to have big dreams. That is why I encouraged you city council members to fund the arts because we have such a legacy of great artists coming out of San José, Los Tigres del Norte. And that's just one of the -- one of my big influences that I just want to mention. We are like such a vibrant city, we are probably more original than San Francisco and any other city in the Bay Area. So that's why I'm over here to let you know that we need to support the arts. We need more funding for the arts and for everything that makes our community beautiful. Thank you.

>> Mayor Reed: Sorry, your time is up. [applause]

>> Mr. Mayor, councilmembers, my name is Ray Turner. As a resident of San José I'm deeply concerned about the current city budget that would eliminate the park ranger program especially in Alum Rock park. Rangers are our first line of defense against fires that quickly spread into our hillsides. Park rangers provide a safe environment in the parks for families and children. This is especially critical in these economic times when more families than ever are using the parks. Without them, vandalism and crime will surely increase in our parks. There must be a better place to save money than by making the parks more dangerous for our children, thank you. [ applause ]

>> Mayor Reed: Just wait a second. After Nick we'll have Elizabeth Munoz, Hector Armienta, Paula Gonzales and Yolanda Guerra. Okay, welcome.

>> My name is Nick Leon. I'm with the rotary club of San José East Evergreen, I'm the youth services chair, and I'm here tonight, kind of a unique situation, I think. I'm probably the oldest person who spoke. I don't know why. I was born and raised here. I saw this valley, the City of San José, when we had recreation programs after school for every kid who went to the playground. And I know that our rotary club does fishing in this city, we do interact, we do just a host of things to support youth programs. And I'm here speaking in favor of maintaining the park rangers because they do so much as a quality, to our quality of life. But my point or my message is, I live in the city of San Jose, capital of Silicon Valley, and we have the most talented brilliant people, I'm speaking to them right now --

>> Mayor Reed: I'm sorry I've got to cut you off even though you're saying nice things about us. [ Laughter ]

>> Mayor Reed: I can't give you more time tonight.

>> Okay.

>> Mayor Reed: Come back tomorrow. [applause]

>> Hello, my name is Elisa Munoz. I hope you consider opening the library for more than four days. We essential services and also educational programs for children's and families. So please reconsider opening the library for more than three days a week.

>> Hello, my name is Yolanda Gedda. And I was born here in San Jose. I went to school downtown. I'm also a teacher at a local high school who strongly believes in supporting my community. I sat here -- I came here to support the arts with my little sticker. But I was really inspired, because I was really surprised to find out about the park rangers, the NorthSide community, which I grew up in the neighborhood, the libraries which I frequent, and I was really inspired to come up here and say, "Is this all you got?" This is so disappointing to see this listed, and for you to be thinking about this. One of the things that redevelopment agency usually does, they go around the neighborhood and they put blight -- they label things blighted. I want to tell you that your thinking is blighted. This is ridiculous, to have these things listed. And again, I'm here again to support the arts. I'm also here to support the community in which I live and I work and I support the youth in this community, and I just really want you to consider, this is so disappointing to have this on your agenda. [applause]

>> Hi, Mayor Reed and council. My name is Paul J. Gonzales, and I'm an artist of San Jose. I grew up in San Jose, and I've seen San José change. And right now there's a big spark. I'm here to support the arts, because the arts has given a lot to San José and to the residents and it's pulling people out of their homes instead of watching TV and getting them on the street. And as they're seeing -- they're socializing, they're seeing people riding their bikes, they're seeing people walking. San José is alive right now. We need to support it as much as we can. And as the arts have supported me, I've been able to use my talent and give it back to the schools for art classes and murals that have been made a big difference to our schools. And right now we need to influence those kids so they're not on the street. Especially we're going to have centers closed, we need to make sure that they have ideas to think out of the box and so forth. So please don't take away the inspiration that's been given to us, and it's drawn people from other cities to be a part of this, and it's bringing money into our downtown area and so forth, so I think it's a good thing. Thank you. [applause]

>> Mayor Reed: Hector Armienta -- if I get your last name wrong, please correct me. Followed by Donna Lydon, Maddie Duran, Alexis Martinez, and Denise Cohen Goertz.

>> Hello mayor and councilmembers. My name is Hector Armineta. I'm a composer. I also served on the creative entrepreneurs project, whose mission was to bring artists and identify the needs of artists in San José. I moved from San José about five years ago because I believed in San José. I believed in the possibilities that San José could be at the forefront of the arts, developing new programs, serve the different communities as well as youth. It's very disappointing for me to realize, to find out that the funds are being cut from OCA. And I ask you to rethink that. Because I'm sure that we, as now members of San José, citizens of San José are tired to be in the shadows of San Francisco. So I ask you to support the arts and think long-term. Thank you very much. [applause]

>> Good evening, Mayor Reed and councilmembers. My name is Donna Lydon, and I speak as a school librarian, a many-time PTA board member, a parent and a tax paying resident of San José. I'm here to say simply and to the point, please do everything you can to keep city libraries adequately funded and open to this community for at least five days a week. I recognize that this budget cycle is tough, but anything that can be done must be done to keep the open access to information services and educational resources that the library provides in our community. With a local functional illiteracy rate of 16% and rising, there really is no other reasonable choice. Thank you for listening and please, do not cut library funding. [applause]

>> Hi, I'm Maddie Duran, and I'm a regular participants of the Los Paseos youth center. I'm here to support the fact that our youth center is in risk of getting closed down. Without the youth center, local children will be more likely to find trouble on the streets. I as well as a lot of the other youth center participants have a lot of ideas to make our youth center even better but if you close it down all of the ideas will go down the drain, so please let us continue the fun that we have had throughout the past years ago. If you do close it down many of the children who are not allowed to stay home alone will not have anywhere to go so please, don't close it down. [applause]

>> Hi, my name is Alexis Martinez. I'm representing the Los Paseos youth center. I don't think you should close the LPYC down because it helps us with homework and is very important to me and other students. What would we do if we don't have it open? Where would we go? I'm sure you don't want us to be on the streets. Would you rather have us doing homework and learning or in gangs and doing drugs? Thank you. [applause]

>> Mayor Reed: Dennis Cohen Gertz, followed by Jacob Hutchinson, Rosa Castaneda, George Cammerer and Melanie Lindstrom.

>> Hi, my name is Cohen. I do not want the city to close down the Los paseos teen center. There are lots of people that help the youth center stay open. They help us, the youth center is a place to go and get away from home and safe place. That is my speech. Please don't close the center. It's my second home. [applause]

>> My name is Jacob Hutchinson. I go to Los paseos youth center. I don't think you should close it down. If they go there their attitudes change like mine. If you close down people will lose their jobs and try harder to find new ones. Teaching us to stay healthy, play sports and keep clean. Thank you.

>> Mayor Reed: George Cammerer. After George we'll have Rosa castaneda. Melanie Landstrom, Nora Raccio and Earnest Brown.

>> Mr. Mayor, and members of the council, my name is Dr. George Cammerer. I'm here to speak in favor of the rangers, particularly in Alum Rock park. About 30 years ago, my wife and I purchased some property up above Alum Rock park, and it's been necessary for us to travel through the park frequently to get to our property. We've seen rather dramatic changes in the park in the last 30 years. There used to be lot of problems with gangs and drugs and people selling drugs. And it's been the work of the city to really improve the park. And I think by letting the rangers go it might return to what it was in the past. And I hope that doesn't happen. Thank you very much. [applause]

>> Hi, my name is Melanie Lindstrom. And at least a couple of you know that I'm a member of the social justice council of the first Unitarian church. And I came particularly to request that you preserve all the community centers and in particular, Alma community center, which our family uses regularly and is very important for us, as well as all of the parks, all of the libraries and the arts, all of these are critical for our city, our communities, I don't think any of these can afford to be cut and that we need to find more creative ways to support all of the services that our city uses and our community members.

>> Save our center, thank you. [applause]

>> Mr. Mayor, councilmembers, my name is Nora Raggio, I'm a Bay Area visual artist. A new media graduated from San Jose State university with an MFA. I really am here to ask you to support the arts. You consider yourself this capital of Silicon Valley. But the arts are vital to that kind of thinking. They promote right brain as well as left brain thinking, whole mind thinking, which is essential to being competitive in a global economy. So please support the arts. I have worked very closely with MACLA and with teens that could be on the streets. But now have a voice and have learned digital photography as well as video and Internet skills that make them competitive in the workplace. So the arts, as well as the sciences, and as well as the parks, are fundamental, are just essentially to the well-being of our community. So please, please, do not cut funding in the arts. Thank you. [applause]

>> Hello, I'm Rosa castaneda. Thank you for giving me a second chance. And please give Los paseos youth center a second chance. We'd rather go there than be anywhere else. Thank you. [applause]

>> Mayor Reed: Ernest Brown and Chris Kernahan. That's the last card I have.

>> Thank you. My name is Ernie Brown, I'm a retired San Jose police officer. I've had over 27 years of law enforcement experience, 13 years of that have been in the mounted unit. I'm here speaking tonight with firsthand knowledge that benefits of riding a police horse that has brought to the -- that have brought to citizens and the City of San José. First and foremost are the countless thousands of children that I have contacted while riding police horses. 99% of those contacts were of a positive nature. It's no secret that when people are contacted by the police it's generally in a negative context. They are either a victim of a crime an arrest situation or even a citation. When I am riding in uniform the horse becomes a bridge of common interest that brings us together. At that point I have the opportunity to open dialogue and to build trust through the horse. That opportunity will be lost if the mounted unit is disbanded. Contacting people is not a measurable statistic like arresting or issuing citations. I can't tell you what those contacts will yield in the future. I can only say that I hope through my contacts with children and teens that some day they may look at police officers in a different light or even aspire to become one themselves.

>> Mayor Reed: Sorry, your time is up.

>> Thank you. [ applause ]

>> Mayor Reed: Chris Kernahan, followed by Leslye Hamilton and Mike Flaher.

>> Hi, I'm Chris Kernahan, I'm a student at West valley college in Saratoga, soon to be a graduate of parks management there. I can remember going to San José city parks in my childhood in middle school. That was one of the first experiences that sparked my interest in the outdoors. These people have worked very hard at what they do in gaining an immense amount of knowledge specific to your

parcs. Eliminating them means eliminating that knowledge and eliminating some of their educational opportunities for these children. It's hard to gain that back over time. Not only that, but the maintenance workers, everyone knows when you've neglected maintenance, it is a lot more expensive to rehabilitate an area than to simply maintain it. I hope that you can keep these people in the budget so that they can continue to inspire children as they have me. Thank you very much.

>> Mayor Reed: Leslie Hamilton.

>> Mayor, council and staff, Leslie Hamilton, tonight representing the San José parks and recreation commission. I'm so glad that Bob Brownstein offered some solutions, because we sure didn't find any. We're here to urge you to retain the parks ranger program. We appreciate you face an unenviable task in cutting this budget, but without the consistent presence of rangers in the regional parks that currently manage, the challenges of graffiti, gangs and homeless will explode, basically eliminating these parks as a destination for families who more than ever need a cost effective recreation option. Park rangers fill vital park safety and maintenance functions that can't be replaced by simply assigning the duties to San José police department. The response time to emergency by ranger versus a police officer is shorter also costs the city a lot less. Terminating the park rangers will erase the institutional memory of the program and make it much more expensive to restart when our economy recovers. We also take exception to the idea of closing regional parks one or more days a week as many of the regional parks have trails that service recreation or commute corridors. Adding fences or other barriers will be a capital cost that does little to deter use by those intent on illegal activities --

>> Mayor Reed: Sorry, your time is up.

>> Thank you. [ applause ]

>> Mayor Reed: Mike Flaher.

>> Good evening, my name is Mike --

>> Mayor Reed: Wait one second. After Mike, Michael Maximovich, that's the last card.

>> Good evening, my name is Mike Flaher, I'm a city parks commissioner. I want to echo the support for parks rangers that Leslie Hamilton just spoken about. But I also want to offer one of the ways that we might be able to use our volunteers more efficiently. In talking with Albert Balagso, there's many things that we could do that we aren't able to do right now because of certain constrictions in ordinances and other things. I think if we find ways to remove those and make it streamlined to use volunteers, it will be to our advantage. I know that in county parks, they volunteered in 2008, 44,000 hours. So think of what you could do in those city positions, not just parks, with all that volunteer power. Thank you. [applause]

>> Mayor Reed: Last call, Michael Maximovich. Last card.

>> I'm Michael Maximovich. I realize things don't look so well for San José financially. But this would be a devastating blow to San Jose parks and the communities they serve. The San Jose park rangers have been providing a multitude of services for their department and are San Jose's most valuable asset in providing public safety in the parks system. They provide first responder level medical assistance for injured and sick persons, fire prevention and suppression, interpretive and outreach programs to our school children, management of each park's resources, and provide law enforcement with the enforcement through education ethic that is unique to our enforcement community. Thank you. [applause]

>> Mayor Reed: Thank you, that concludes the testimony. I want to thank everybody that participated for their cooperation, their patience, and their courtesy to others. We managed to get a lot of people a chance to speak tonight, but there are more opportunities. In 11 hours and 24 minutes, we'll be right back here. You're all welcome to come back. We'll talk about fees and charges, and then we're going to talk about -- well, how much money we're going to have to put into our retirement system next year to fund the shortfalls in the valuation. So that will be an exciting morning. I'm sure you'll enjoy it. Hope to see you all back here. We'll all be here. City Manager, do you have anything in closing?

>> City Manager Figone: Nothing specific, Mr. Mayor. We'll be here tomorrow morning, thank you.

>> Mayor Reed: Okay, we are adjourned. See you in the morning.