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>> Mayor Reed: Good afternoon. I'd like to call this meeting to order. This is the Rules and Open Government Committee meeting to December 7, 2011. Any changes to the agenda order that we need to talk about? All right, let's start with the council meeting for December the 13th. City Attorney.

>> City Attorney Doyle: Mr. Mayor, page 1 closed session. We right now have at least six litigation items. Seeing how this is the last meeting of the calendar year and we'll have labor, I would suggest considering an 8:30 start time. But just to give the committee a heads up that if we don't complete by noon or whenever we might have to come back after the council meeting. So that's why the earlier start time.

>> Mayor Reed: It looks like we could probably keep the 1:30 start time for the regular council meeting, right, based on the rest of the agenda, but if we started at 8:30, we could actually probably get in four hours, if we went all the way till 12:30, to get all the closed session stuff in.

>> City Attorney Doyle: That should do it. It's just that some of the litigation is significant, and it will take some discussion.

>> Mayor Reed: Anything else on start time 8:30?

>> City Attorney Doyle: We could provide a wake-up call.

>> Mayor Reed: Most of the council is here hours before that anyway. Anything else on page 1? Page 2 or 3? Page 4 or 5? Page 6 or 7? Page 8 or 9? If we have the closed session starting at 8:30 would we start the labor update to start at 8:30?

>> City Attorney Doyle: You would probably want the same routine, yes.

>> Mayor Reed: Okay, anything else on page 8 or 9? Page 10 or 11? 12 or 13? I have a question about Union Pacific railroad versus City of San José, is that done? Or are we still hoping it will get done before this meeting?

>> City Attorney Doyle: It's done.

>> Mayor Reed: Good.

>> City Attorney Doyle: There are some issues and it will be part of the closed session discussion.

>> Mayor Reed: Okay but we'll be in a position to deal with this then?

>> City Attorney Doyle: Yes.

>> Mayor Reed: Okay, good. Anything else on 12 or 13?

>> Mr. Mayor, on item 8.1, staff's requesting a 14-day waiver.

>> Mayor Reed: Actions related to Public Safety broadband systems, the staff report is --

>> It's out. An attachment is coming shortly.

>> Mayor Reed: We'll need a sunshine waiver on that. Anything else on 12 or 13? Page 14 or 15? Or page 16? So on the evening agenda, we have these land use items which don't look difficult. Is there something else on the rest of the agenda that's going to be in the evening or just a few land use items? Okay. Ceremonial? I have some requests for additions, commendation to harker school for the evening, commendation to downtown for the holidays, Christmas in the park and downtown ice and winter wonder land for us raising a lot of money to keep Christmas in the park going. And Communiversity, for accomplishments and requests of councilmember for excuse for medical appointment. And then request for the manager to add, I've got a long list. Appropriations ordinance on airport law enforcement services. We need a ten day sunshine waiver on that. Appropriations ordinance for the three creeks trail project also a ten day waiver. Hearing on the 11-12 consolidated annual action

plan. For CDBG funds. Administrative hearing on appeal of the certification of final EIR on Moe gas and service station. I thought we heard that. Moe's gas station.

>> City Attorney Doyle: There is a notice issue and Mr. Horwedel.

>> Joe Horwedel: Mr. Mayor, we did hear that last week, we did not send the staff report to the appellant which is why they weren't at the meeting.

>> Mayor Reed: Do it over.

>> Joe Horwedel: Because we expect litigation on this we're going to do a do-over. To make the record clear.

>> Mayor Reed: That's fine. We'll need a ten-day waiver on that though. Administrative hearing some there's only one administrative hearing. Grant agreement U.S. Department of Commerce, EDA, photovoltaic, at the environmental innovation center. We need a ten day waiver on that.

>> And staff asks if that be placed on the consent.

>> Mayor Reed: Consent calendar that's fine I think. And then we have some final adoption of ordinances to be added. Waiver of costs under the public records act requests which we've previously considered, the title 16 gaming control recommendations, second readings because I remembered doing that very recently. Might have been yesterday. So I can still remember it. And then a couple of changes, so I'm not sure I understand. 3.4, a change on the recommendation?

>> City Attorney Doyle: Rather than execute an agreement, it is a negotiation.

>> Mayor Reed: That is on the convention and visitors bureau.

>> City Attorney Doyle: Group San José, yes.

>> Mayor Reed: Negotiate rather than the agreement. Negotiation with Motorola changed to the agenda item and then authorizing the mayor to sign and file something. That needs to be done.

>> Dennis Hawkins: Just clarification on the language.

>> Mayor Reed: And we need a 14 day waiver for that as well, sunshine waiver. Any other additions or changes to the meeting for the 13th? We only got the consent calendar to about 27. Which is one of the shorter consent calendars for December meeting. Is there more stuff headed to us or is this the list?

>> Dennis Hawkins: There are a number of board and commission appointments. That the committee will be handling later today so there will be some additional items on consent.

>> Mayor Reed: But we're not going to get up to 50 I presume on the consent calendar which we have in the past years.

>> Dennis Hawkins: I don't think so.

>> Mayor Reed: Any other items? Mr. Wall I think you want to speak on this item, is that right?

>> Yes, sir, briefly. On -- on item 2.14 on the consent calendar for next week, I would like you to pull this. Because I believe that you could funnel in these positions are needed at environmental services but I don't think they should be temporary positions because of the ongoing source control work that has to be done. These positions could easily be if ESD would have a training program to recycle city employees that are being laid off or whatnot, this is perfectly set up for them. They have had a past practice of taking just about anybody and training them for these -- these are very highly paid and nice positions. But you could easily park firefighters, police officers, or anybody of code enforcement people, instead of contracting out for these positions. This is on a

restricted use fund so it doesn't affect your General Fund. 2.14 should be pulled and looked at. This is a \$560,000 continued contract or not to exceed \$560,000 but this gets to an issue of very poor management at ESD so consider that, thank you.

>> Mayor Reed: At a concludes the public comment on this agenda item. Any need to set any time-certain on any of these are we're just going to plow through this in order -- we will consider I think as noted here the comprehensive annual financial reports for the city and the agency not at the same time but back to back. That's -
- I think this is the way this was set up.

>> Councilmember Nguyen: Move to approve with the additions the changes and the wavering.

>> Councilmember Oliverio: Outstanding.

>> Mayor Reed: Motion to approve with the changes and the waivers. All in favor, opposed, none opposed, that's approved. Redevelopment Agency December 13th draft agenda, we had some joint items on the city agenda, anything else?

>> Correct they are all on the joint items all three items.

>> Mayor Reed: Under the section 9 category. Upcoming study sessions agenda. We have a study session still calendared for December 12th. Can we give that up now?

>> City Attorney Doyle: Yes, fine with me.

>> Mayor Reed: Anybody have a special meeting on December 12th or will December 13th be enough to satisfy anyone for one week? Does the committee want to take that off the calendar and free up the time for everybody? Okay, we'll do that. Since we have no topic. Legislative update. State of California, Sacramento update, Betsy Shotwell is here.

>> Betsy Shotwell: Thank you mayor, members of the committee. Betsy Shotwell, director of intergovernmental relations. If I could ask -- our lobbyist from Sacramento is due here momentarily. If I could ask that this item be delayed, perhaps when we do the legislative priorities --

>> Mayor Reed: Sure. No problem. You want to do the federal update?

>> Betsy Shotwell: Thank you. Just briefly as you all are aware, the so-called super-committee failed to come up with a deficit reduction plan of \$1.2 trillion -- oh, excuse me -- billion -- no, trillion. I'm sorry. I'm getting confused here. Actually, it was trillion. I hesitate to say that word.

>> Mayor Reed: \$1.2 trillion but it's over ten years, so it's actually a very small number per year.

>> Betsy Shotwell: Yes, exactly. So with that in mind something has to be done before 2013, as far as the automatic cuts that go into pay, half defense, half domestic spending. Some members are also suggesting now they go back and re-write the legislation that was passed this summer, which Obama says he will veto. So that's all in play, and meanwhile, we have an expected showdown coming next week with the expiration of the unemployment funding and the Social Security payroll tax reductions, also expiring. So competing proposals, votes starting probably Friday with the House voting next week. How that plays out, no one knows. The 16th is the date they are scheduled to go into Christmas recess. Obama's saying no one should leave town until these issues are dealt with, including himself. So that will be in play, as well as what we have been discussing this year, the SAFETEA-LU reauthorization extension expires March 31st. While the senate has already looked into this the House has already said they will not address this issue until 2012, Chairman Mike of the house transportation committee. That shortens the period again of when you will see some sort of meeting of the minds and also a way to fund it. Right now, \$12 trillion is the magic number and so I don't know how that will play out as well. And then of course, the ongoing FAA stopgap measure which expires January 31st, this is the 22nd round, I believe we're in. That is also going to be on the table for discussion. So fasten your seat belts and I'll continue to keep you

apprised through info memos as Rules committee won't be meeting until January, should anything significant take place. Hopefully we will have some action before the end of the year.

>> Mayor Reed: Questions, comments? Rose.

>> Councilmember Herrera: I don't remember the legislators but I heard there was a bipartisan group working on an infrastructure bill.

>> Betsy Shotwell: Yes, well, in the Senate. The fact that the housing -- or excuse me -- the transportation piece passed Senator Boxer's committee 19-0 bipartisan. It is now in the banking side of the senate where they have to come up with the money. That was an optimistic signal that they were looking at it in a bipartisan way.

>> Councilmember Herrera: And it was bipartisan, they were looking at money for transportation, for roads, too, right?

>> Betsy Shotwell: Right.

>> Councilmember Herrera: And recognizing the idea that gas tax revenue has decreased because of people not driving and switched to lower -- higher-mileage so I think it seemed like they got that. I was slightly encouraged by that.

>> Betsy Shotwell: Slightly and we have to stay optimistic in this business otherwise -- again, it remains to be seen how the House will be approaching it.

>> Mayor Reed: Anything else on the -- we'll come back to the statement, Roxann is here.

>> Betsy Shotwell: Thank you so much.

>> Mayor Reed: Anything on the public record anyone wants to pull for discussion? Mr. Wall wants to speak on the public record. We'll take that now.

>> Item G, Your Honor, deals with the never going away issue on the ecopass. Item H I would like to see the city charter amended to ensure that the San José police and San José fire department are in charge of safety measures for all city facilities. Specifically, in mind when I wrote this, I was thinking of the airport. And so I would like to see the city charter amended so there's no temptation to cut corners and to maintain our Police and Fire presence at the airport. Item I is an ongoing issue involving the City Clerk. I find that two committee meetings, the most powerful ones around, the airport ad hoc committee meeting and TPAC, the treatment plant advisory committee, should be held in this very room under the management and auspices of the city Clerk. The minutes for TPAC are routinely egregious, incompetently kept. We're talking billions of dollars for that plant rebuild, it should be better handled, and I think the City Clerk can do that a lot better. The other issue here is about councilmember, or not councilmember, but supervisor David Cortese's desecration of Veterans Day with a cheesy political stunt, Mi pueblo. This is Item B, and Mr. Mayor, this is substandard of somebody of that level of office to be pulling that kind of stunt politicking, when they should be out supporting the veterans of our nation such as you, Mr. Mayor, and Councilmember Herrera, thank you again for your service to the country.

>> Mayor Reed: That concludes the comments on the Public Record. Anything the committee wants to pull to discuss?

>> Councilmember Nguyen: Motion to note and file.

>> Councilmember Herrera: Second.

>> Mayor Reed: Motion is to note and file the Public Record. All in favor, opposed, none opposed, that's approved. Boards, commissions and committee appointments, we have a whole bunch of memos for a whole bunch of people for a whole bunch of commissions. Can we take those all in one motion?

>> Councilmember Nguyen: Motion to approve.

>> Councilmember Herrera: Second.

>> City Attorney Doyle: Yes.

>> Mayor Reed: Motion is to approve all of the recommendations for a variety of commissions, so we fill the spots that are opening up at the end of the year. Any cards? No cards on this, on the motion, all in favor, opposed, none opposed, those are all approved. Those will go onto the council agenda consent calendar next week as planned?

>> Dennis Hawkins: Yes Mr. Mayor.

>> Mayor Reed: Next item is the annual reports and work plans category. We have a recommendation for airport commission, ten-11 report and 11-12 work plan from the City Manager. So who's going to handle that?

>> Norberto Duenas: Staff is available to answer any questions, Kim Aguirre from the airport, Mr. Mayor.

>> Mayor Reed: We have some people who want to talk about this, we'll take that first, Douglas rice.

>> Mr. Mayor, thank you very much. I've already submitted written comments to the committee for today's meeting. I had done that prior to receiving information regarding staff's position officially and I wanted to make it clear that the staff has not provided accurate, timely, or really in-depth analysis as to what their plan is, and why they are doing it, most importantly. Staff consultants have provided biased, inaccurate information which we have clarified with them, and they have admitted to us that their information was incomplete. And most important, is the thing that the committee and we will continue to impress this upon this city council, is that the users and the businesses on the airport do not support staff's recommendations on these issues. It is in fact the opposite of

what would be best for the airport. And we want to let you know that we will continue to press to make sure that the airport provides for the users and for the usability of the airport long term. Thank you.

>> Mayor Reed: David Wall.

>> I would like to thank the airport staff for their very tenuous work out there, with trying to get that unattainable and I mean unattainable CPE of \$12. I think it's unreasonable to put the airport under that type of levy. The main impetus about this report that I think there should be focused on is this West side development Mr. Mayor, with reference to the corporate aircraft. The Gulf 5s, the Citations, and that type of category of aircraft, I think that's a very lucrative market that should be vigorously pursued. Again, I'd like to thank the airport and all its staff for their efforts.

>> Mayor Reed: Frank Sweeney.

>> Thank you, Mr. Mayor, members of the council. I'm Frank Sweeney, an airport commissioner. You all have received my memo regarding the scope of work of the west side ad hoc committee. Those of us on the commission feel this is a necessary committee. Less me emphasize a few points. West side development clearly is the most important planning issue facing the airport currently now that the \$1.3 billion terminal project is complete. This one's going to have long term implications for land use and aircraft operations out there, in particular the eventual fate of runway 29 and taxi way Victor. The airport commission has been given staff reports and consultant reports and has received conflicting reports from stakeholders. The format of an airport commission meeting is not conducive to thorough informed discussion of these various technical issues. And that's why this subcommittee was formed, to explore deeper into the technical issues that will be the basis for any decisions made on the West Side. Without a decision on 1129 and taxi way Victor you none of the other planning process can go forward. The technical information that the committee will ask of staff has already been acquired by staff. And if it hasn't yet, it will be as part of the staff's due diligence in studying these options. The members of this technical committee have extensive aviation expertise. We speak the language. And the ultimate goal of the

committee is to write a factual report to the airport commission which will then make an informed decision and recommendation to the city council. Thank you.

>> Mayor Reed: Thomas bolter, pass, okay. We have a couple of recommendations in front of us. Kim did you want to add anything to the staff recommendation before we talk about it?

>> I think -- Kim Aguirre assistant director of the airport.

>> Mayor Reed: Lift that microphone a little bit at the time pick up better.

>> What I would like to make mention about is extensive outreach staff has done to date. We have had quite a few commission meetings where we brought the item forward and there has not been a recommendation made to council. There will be an extensive review process with the -- commission or council. There will be an extensive review process with the FAA where we will review all the technical issues and through that the FAA is the ultimate determination, makes the ultimate determination of those technical issues and that will be brought back to the airport commission at the appropriate time and reviewed prior to bringing a recommendation to the council.

>> Mayor Reed: Okay, on the West side, looking at the staff report, regarding the commission on the subcommittee on west side development. Says you will be bringing a recommendation later this year for commission review and recommendation of the council. It's going to come to us through the commission like lots of other recommendations, is that how you anticipate it?

>> That's correct.

>> Mayor Reed: Vice Mayor.

>> Councilmember Nguyen: Thank you. I really appreciate the fact that the last line in the memorandum that if either the council or additional items should be attached to the work plan, that it will come back here for

readoption. So we do have flexibility and we have the ability to add items should that be necessary so I appreciate that. So at this time I would like to approve staff recommendation.

>> Councilmember Oliverio: Second.

>> Mayor Reed: Okay we have a motion to approve the staff recommendation. I had one comment with regard to subcommittees. A lot of our commissions want to have subcommittees and that adds to the workload of the staff and we are in the process of shrinking staff resources on a regular basis and one of the ways to reduce the workload is to reduce the workload of the commissions. That's one reason. If it's important enough for the commission to be interested in it, the commission can deal with it. A lot of times subcommittees are generated because there are few members on a commission that are interested in something, and the rest of them don't care or don't think it's important. But it really ought to be the commission's work plan not a bunch of subcommittees' work plans and so that's something we'll have to deal with on all the commissions. So we have in the past talked about commissions and stuff, and the council has discouraged the creation of ad hoc subcommittees or subcommittees of any other kind as well. So I think we're being consistent with that. If there are matters that come up that need to be added to the work plan we can always do that along the way. So I'm going to support the staff recommendation. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. First of all I want to thank the commissioners that are here today and for their testimony and their active participation in the commission. And it is I think it must be very frustrating to be on a commission and then have the frustration of the resources of the city being limited. And I think it's something we wish we were in that position but we are. We have to really be careful about how we're using staff. I know there's other commissions too that have had you know had to deal with decreasing staff and not be able to have all the committees they would like to. But I think we're fortunate to have the expertise on the commission and I certainly want to support efforts to be able to get the input from the commission on all the issues and West Side development is certainly part of what the commission reviews, is that correct?

>> That's correct.

>> Councilmember Herrera: And can you talk a little bit about the outreach that staff's made regarding West Side development?

>> Yes, we've had quite a number of stakeholder meetings, the commission meetings as I said, we brought the issue forward to the add hospital committee. We've had numerous tenant meetings. We've also had several meetings with a few of the members that were going to be on the commission's appointed subcommittee on an individual basis to walk through some of the technical issues. And we also have a Website that has all of the reference material and any kind of correspond we've had and more specifically a section on Q&A. When any question comes into the airport staff about any of the items whether technical or background information, we have an extensive Q&A area on the Website that anyone can go to.

>> Councilmember Herrera: Are the airport commissioners attended these meetings as well?

>> They have attended the commission meetings.

>> Okay, but they would be able to attend an outreach meeting, too, to give further input?

>> Yes.

>> Councilmember Herrera: Are in any more planned, any more outreach meetings planned?

>> As they're needed. Right now the next thing that will be coming forward are the minimum standards to council in January, the first meeting in January. That's already gone through the commission. And at that point we have to get a schedule for the FAA when we can take forward some items to the FAA and then we'll plan some additional stakeholder meetings from there.

>> Councilmember Herrera: Okay so I'm going to support the motion but I just want to make it clear that I'm interested in the input and I think it will come back to us. I just received Frank Sweeney's memo so I'll be reading that. But we do want your input, I think it's just -- we have to work with the resources we have.

>> Mayor Reed: Anything else? So we have a motion for the staff recommendation. All in favor, opposed, none opposed, that's approved. I do want to thank your commissioners for their work. We appreciate it. Unfortunately, we have a lot of staff cutbacks in a lot of places. The airport has taken a 50% reduction, Kim, I think in the airport staffing. But the airport will rise again. Every month, month by month, will get a little better, we home. Get those flights added. Next item are work load assessment for council requests and referrals, nothing on that, legislative guiding principles we're going to hold to -- okay we'll defer that until Roxann Miller gets here. Third item is a request to assess and consider recommendation for potential contract service agreement with the downtown administration for promotions, events, and marketing programs. We have a memorandum from Councilmember Liccardo on that. Kim Walesh is here from OED, Jim Ortbal from D.O.T, a few people that want to speak to it. Let me, I think I'd like to hear from Scott Knies or Art Bernstein from the downtown association first and David Wall. So we'll just take the public comments first on this. I don't know if Councilmember Liccardo is planning to be here or not. If he's watching this on the tube, he'll see that we're starting it. So he'll come down. So instead leads hear from Art Bernstein first.

>> Thank you, Mr. Mayor, I'm Art Bernstein, I'm the president of the downtown associate for two more weeks, and I'm here to ask you to vote favorably on the recommendation before you. As I think you're well aware, there's been declining financial support from the city over the years, for the programs, the cultural programs, and the business generating programs, of the downtown association. In particular we are seeking to make certain that our alternative summer programs the things that are going to be taking the place of, and improving upon music in the park we want to make sure those continue. We have been talk with the mayor and Councilmember Liccardo over ways we can ensure that financial support. We know the General Fund is completely overcommitted, we know that the T.O.T. is also overstretched and it would seem to us that the parking fund might be a reasonable source of some financial support from the city to the association. It seems like a logical connection, the activities of the

association are directly related to additional parking revenue, and we are asking that you direct your staff to work with us, and bring back a recommendation to you in January. Thank you.

>> Mayor Reed: Okay, thank you. David Wall.

>> One criticism I have of this is based on procedure. I think Councilmember Liccardo should have taken this request to different committees, to either T&E committee or CED prior to coming to rules. I just don't like this procedure anomaly. The actual logic behind it however is very sound, it presents an opportunity for the government to enter into a specific contract for services that could be used as a model for other sectors of the city to develop its economy. With this type of model, comes responsibilities that I think the downtown business association is well prepared and focused to address. Their new business model is very innovative and family based. And I think that there is a good chance for its success. One downtown is, is at a you can't have two competing sources to manage the downtown. With reference to our good friends at the Office of Economic Development there has to be some form of decision made who is to coordinate citywide development of economic models, such as the current one presented by the downtown business association. I think this funding under the auspices of closed accounting, realtime accounting has a good chance for success and it should be supported. It should be noted, though, that the fourth street garage issue was the basis of funding for the reduction of the ecopass that was previously mentioned, so I think some form to continue that should be considered. But I think this use as support to the downtown business administration with the overall economic development overseeing the global picture of these type of models throughout the city. Thank you.

>> Mayor Reed: That concludes the be public testimony, I had a couple of questions to start. The first one has to do with at what level of detail to we have regarding the parking fund and what generates revenues. Because I'm interested in the idea that there are some special events that generate revenues for the parking fund that, if we don't have the special event, we won't have the revenues. We've seen that in the past for things like the Amgen tour of California. We know there are revenues that come from that. If we don't have the event we're not going to get the revenues and so you can directly justify spending some money in order to get some money. But I don't know at what level of detail we might have in terms of parking revenues to be able to identify special events of

one kind or another that generate revenues for us. But I've certainly been to lots of special events downtown, the downtown association and others might be involved in them that generate a lot of parking demand. The car race I remember seeing parking going for \$40 a spot for short terms, so there's clearly an incremental revenue that comes from special events but the question is: What events, how much money, and can we capture that data in a way that would allow us to justify spending what really are General Fund dollars. Because the parking revenues ultimately could be used for General Fund purposes, of course after we pay debt service. So that's one question as to level of data and detail. And the second question is: How much money do we need to pay the debt service for parking? Because I've lost track of that now with the shift in redevelopment funding and where we are. So if staff could address those I'd appreciate it.

>> Jim Ortbal: Mayor Reed, Jim Ortbal, assistant director of transportation. Let me take your first question -- or your second question first. Our annual debt service for the San Fernando garage is \$3.4 million a year. The parking fund did pick up the cost of that in this fiscal year, so the adopted budget this year has funding from the parking fund to pay that debt service. And the adopted budget this year did allocate reserve funds to cover the debt service for next fiscal year. And 2013-14 is a year that we're working on, trying to put together sufficient reserves to meet that year's funding. Over the long term we don't have an established means to cover the debt over the long term. But we do have this current year and next year covered. That's where we're at. The \$3.4 million obligation runs through 2026 and we have about \$36 million remaining in principle on the fourth and San Fernando garage. That's where the debt situation, that's clearly our most serious and pressing issue as it relates to parking fund obligations and needing to keep that fund in good condition. In terms of the first question, about core late events and revenues into the parking fund, we get revenues from a variety of different sources. Our biggest source of revenue are visitor parking revenues whether that be during the day for people visiting businesses, lunch time activities and other activities, evening activity is a big aspect, and then certainly special event activity is a big part of our revenue. About 60% come from visitors about 40% from monthly parkers of businesses. In terms of event activity and correlation, we probably could do some amount of work on that. We don't track it kind of specific event by event on a current basis, but clearly we can see, events like Christmas in the park generate significant revenue to the parking fund. Music in the park did as well. There are other events and activities where validation does come into effect, where the validation system where the city

offers merchants to participate and give customers free parking, does come into play on certain events as well. So we probably could do some level of analysis but I don't know that we have all the specific correlations and data to be able to make a precise 1-to-1 comparison on those.

>> Mayor Reed: Well, I don't think we should expect precise one to one level of data that is going to be way too much work but I think if we can identify the kinds of activities that generate revenues then we could begin to scope how many money we might lose if we don't have those activities. We're noting try to get it to the dollar but in ranges, I think, is a beginning point of the analysis. Because that's a key factor for me. Is we're going to lose revenues if we don't do events. How much will we lose and how much can we make, pure business kinds of decisions on this. Kim did you have something to add?

>> Kim Walesh: Just that I think there's a number of considerations from the administrations opinion from the parking fund and the potential to repay the debt. We're happy to entertain this recommendation on the CEDC committee meeting on January 23rd. We would engage in a process of working with the downtown association to review the whole range of services that the association has traditionally been providing under contract to the agency and really take a look at prioritizing those, which ones seem important to us, given where downtown is today. And look at what a reasonable scope of services might be. We would also want to understand what the downtown association is proposing, in terms of new summer event programming. And would intend to look at the budget, how the city dollars might be leveraged. What would the effect be on downtown businesses and that sort of thing and then we would look at potential funding sources for that, and competing potential -- competing demands on funding sources, as you know. We also think there's an important issue we'll want to flag to look at, how do we take an equitable approach with other nonprofit event producers in downtown who are producing events of very high economic impact like Christmas in the park and the jazz festival and Cinequest so it's a range of considerations that we would be working on over the next several weeks.

>> Mayor Reed: I think those are things that are important to consider. We already put a lot of money into those events, they wouldn't happen without our support probably, maybe they're in a different category. Clearly Christmas in the park has an impact but we're also putting a lot of city money in there in a variety of different ways

already and we've raised a lot of private sector money as well. One thing I don't want to do is get outside of our budget process because everybody wants to get to the front of the line and I don't blame them because people at the end of the line aren't going to get any money. Just because there's not enough money to go around in this next budget cycle. Despite the size of the deficit, it's still a deficit. So the recommendation is to bring this back to the CED committee in January and into the budget process, so I guess I'd ask Councilmember Herrera if she's okay for this coming back to the CED committee in January. We haven't talked about the work plans yet, but --

>> Councilmember Herrera: Yeah, I think we have a couple of items we have moved over into January, so I think we have room there to consider this item. I like the way that Kim talked about this in terms of the bigger picture. I mean, with RDA going away, and economic development needing to establish, reestablish relationships with the partners that have worked with RDA in the past, San José downtown association being one of them, I think it's good to look at this in the bigger picture. I'd like to create a proposal, it's really interesting and stimulates my thinking about other ways we can do things so that we can leverage money we might have to promote these events. I agree with what the mayor says, we need to look at these events that actually drive that revenue. Number 1 we need to make sure we protect paying the debt service on this thing and second, we need to look at all the programs. So I'm happy to have this attitude to our work plan in January. And look forward to hearing what Kim's work and her staff will come back and how that will inform us and I'll move to approve this recommendation.

>> Councilmember Nguyen: Second.

>> Mayor Reed: Any other comments? Staff? We have a motion to approve the referral. On the motion? All in favor, opposed, none opposed, that is referred to the staff. Next item is item 4, the status update and giving some directions to the City Clerk to conduct stakeholder outreach regarding policy and strategic alternatives for the potential elimination of consolidation of boards, commissions and committees. All I can say is this has been in the process for years as we have continued to cut back on staffing throughout the city, we've had to cut back on staffing for boards, commissions and committees and we've been looking for ways to save money, so this is just the most recent installment on that effort. And I want to thank our staff, our City Clerk, city attorney's office, for all

the work we've done so far, because we've already saved some time, energy and effort. But this is another segment that we have to look at to try to save a little more money on that so I'm going to I think turn it over to Dennis.

>> Dennis Hawkins: Thank you, Mr. Mayor. Dennis Hawkins City Clerk, and thank you for the opportunity to present this update. I did want to mention that earlier today, I did release a supplemental memorandum in addition to the memo that was released last Friday. And based upon some comments, and early input that I received from a variety of sources, I wanted to provide some clarification of the basic recommendations that we put forward last week. Today what we're asking is the committee would accept the status update that we'll be presenting and direct me to conduct stakeholder outreach with the boards and commission community, as well as residents, about the boards and commissions program. And that we would report back to the committee in February. And the goal of the process is to correlate the boards and commissions' improvement program and any consolidations or eliminations with the budget process. So that's our goal is to get in sync with the budget process and then ask the committee provide any other direction as you deem appropriate. Basically, what we're trying to do in this effort and I would like to mention that this is the eighth report that has come to the Rules and Open Government committee or the council over the last four years. So this has been a topic that has been well discussed in a variety of settings and the recommendations have been fairly consistent that we need to take a look at consolidation or eliminations. But to really define what the purpose and role and responsibility, and the scope of the City's boards and commissions are, and really, to develop an effective governance structure, that provides for meaningful civic engagement. That's really the goal of the exercise. We want to find a way to do this cost effectively and provide meaningful input from the community in an advisory role to the mayor, city council, and the city administration. One thing I wanted to mention is that we've already scheduled, assuming direction from the committee, two input sessions or forums for members of boards and commissions and those would be on Wednesday, January 18th, and Monday, January 30th. I've also had a request to accommodate a daytime meeting and we are working on scheduling that so there which of will actually be three stakeholder outreach meetings in January. Our focus in the analysis is, we did not include, specifically include charter commissions. Any change to charter commission would require a vote of the people. And so we're not dealing with any of those issues at this time. We did not focus on quasijudicial boards and commissions, commissions

such as the Planning Commission, civil service, because they have rather specific responsibilities, and in some regard, in some cases, they are charter commissions. There are a couple of quasijudicial boards or commissions that do have an impact and we'll address those as we go through. But the focus was not on those. Our review really does focus on the City's advisory commissions and there are approximately 40 advisory commissions throughout the city. The committee has heard a report previously about structural improvements. And I think that we're in a position where we can bring forward specific recommendations in a number of areas. I did not want to bring those specific proposals today, because I wanted to spend time with the committee and get some direction on concepts and approaches. But we are ready to come back to the committee in January, whenever you deem appropriate, to talk about some municipal code revisions specifically in section 2.08 which establishes the boards and commissions. There are some updates and some changes that we need to make as a matter of routine, dealing with things such as absences and that type of thing. So we're ready to go there. There are several council apologies that address councils and commissions, 0.4 and 0.26. One of our objectives is to consolidate those policies into one uniform policy. Currently there are some inconsistencies between the policies, and what we'd like to do is rather than have people need to look at multiple policies to determine what's the appropriate action or procedure, is have one uniform policy that captures all the essentials on boards and commissions. And this would also address the role of council liaisons to those boards and commissions. We are recommending that we look at standardized rules and procedures for bylaws for commissions. Not all of the commissions currently have bylaws, even though they are required under the municipal code to have them. And we also have boards or commissions that have provisions in their bylaws that are contrary to council policy or contrary to the municipal code. And one solution to that is to have a standardized set of bylaws that all advisory commissions would operate under. And if there was a special circumstance in which a commission needed to have a different said of procedures that they would be able to come back to the Rules Committee and ask for variance and approval. That would also give the council a way to make sure that the rules and procedures are uniform so that members of the community appearing before a board or commission know what the rules of engagement are, that it's not different from commission A to commission B to commission C which has been sometimes comments that we've heard from the public. So I think this is a definite way to improve the commission program. We're also looking at a way to come up with a standardized agenda format. Again that's been a comment that we've heard from members of the public that every commission runs its meetings different. And there should be an expectation that a member of the

community is coming before a commission, with an item or discuss a problem or concern that they know, again, what the rules of engagement are and part of the way to do that is to have a standardized agenda format. Later when we get into the recommendations one of the things we're looking at is consolidating staff support roles and that would also promote some staff efficiency if we had kind of a template that we operated in for each board and commission. We've also recognized over the years that there is a need for commissioner and staff training. We've actually, our office along with the city attorney's office has actually been field-testing commissioner training program over the last couple of years. I think we have a very well-defined commission training program. We do need to work on standardizing a commissioner handbook, so that all the issues relevant to Brown Act, sunshine, ethics provisions, those kinds of things, that there's a common level of understanding of what the role and responsibilities of commissioners are, from commission to commission. But then the handbook would also include commission-specific information to help those commissioners operate in their assigned areas. As mentioned before as the commission dealt with earlier today there's a requirement actually it's a requirement that's been in the municipal code for quite some time, that the commissions file an annual work plan with the council. With the adoption of MBA 16 in June of 2010 that was really something that we've sought to may more consistent. We have a standardized format for the work plan and annual report. But even with that specific direction from the council, only approximately one-third of the boards and commissions have done an annual work plan. And so that's one of the issues or concerns that we have, is just compliance with previous council direction regarding work plans and annual reports. And related to that, with the adoption of the sunshine reforms several years ago there was adoption of the use of action minutes format to simplify the staff support and again provide a level playing field as far as what staff produces for minutes. And we still have inconsistent application of that. So that's something thyme committed to do is to work with the manager's office to provide some training for staff even in the current fiscal year so that we can get on to a more simplified set of minutes for all boards and commissions. And related to that, we have inconsistent compliance with the requirement that the audio-recordings of commission meetings be available on the Internet. And so that's another area that we're concerned about is the lack of compliance in those areas. So at this point I think we are ready to move forward on implementation or bringing back to the committee some specific recommendations in these areas. And we can, based on the committee's direction work on a time line to bring those back. Are there any questions on this part?

>> Mayor Reed: Questions? Not on this part.

>> Dennis Hawkins: Great. I'd like to move on to the consolidation and elimination issues. One of the things that has been discussed over the years is the potential consolidation with city commissions. As mentioned in my report, there are 12 city commissions which correlate roughly with 14 county commissions. I'm not recommending that we pursue consolidation with the county at this time. I think that my preferred strategy would be to look at internal to the city first, and what kinds of efficiencies we can create through our own consolidations. But if the commission -- the committee would like us to do so, then we'd appreciate direction to work with the county administration to pursue that at this time. But we feel that there's potential for greater results if we were to consolidate internally first and then perhaps discuss with the county at a future time. We are recommending that 13 commissions be maintained as they currently are. And these basically are the charter commissions, civil service, planning, council salary setting and redistricting. There are also a number of other commissions which have very specialized focus, some of which involve employee representation such as the deferred compensation board, the retirement boards have been through a major governance restructuring in the last year or so, and there are other commissions that we feel at this time should just be maintained as-is so we are recommending no change for 13 of the City's commissions at this time. We do propose the elimination of one commission, that is the small business development commission. As outlined in the report, the small business development commission really has a very specialized focus around city procurement and that function has really been addressed through a number of staff initiatives, and maybe more efficient to continue to eliminate this commission, and just the council is committed or interested in those kinds of initiatives, to continue the practice of having staff reports to the Community and Economic Development committee. That seems to be the appropriate place for that work to continue. Moving on to the area of consolidations, we are recommending the consolidation of 21 commissions into six commissions. First consolidation suggested is the airport commission, and the airport noise advisory committee. There's some overlap between them. There are some issues that we would need to work through, as far as the membership of the airport noise advisory committee, but we think that this consolidation has some merit for further review. We also believe there is merit in consolidating the housing and community development commission and taking the three commissions that the city currently has that are focused on housing issues, the advisory commission on rents, the housing and community development commission, and the mobile home

advisory commission and in the consolidation proposal we've tried to pay particular attention to the special membership requirements that are present in both the advisory commission on rents, the mobile home commission, as well as the housing and community development commission which deals with the Community Development Block Grant funds. So I think we can look at a consolidation of these three commissions into one by paying attention to the proposed membership of the consolidated commission. Another set of consolidations is the planning commission with the historic landmarks commission. Again, historic landmarks has some very specialized requirements under state law, but we think this is a concept that should be reviewed in more detail. And we've had some early entry-level conversations with the planning staff on this and feel this may have some merit. The other commission related to Planning, Building, and Code Enforcement is the appeals hearing board, and merging that commission with the building codes and disability advisory commission both of which have some code nexus or focus on building codes and there are some requirements for specialized knowledge in the building codes and disability advisory commission, which again we think that by structuring the consolidated commission properly we can address those concerns. One of the larger consolidations that we're recommending the council give thought to, is to basically merge the commissions that have to do with neighborhood and community services. So that there would be a focus on the whole continuum of neighborhood and community services. So in this, we would recommend consideration of the combination of the arts, early care and education, the library, including both the bond and parcel tax oversight committees, the parks and recreation commission, including the bond oversight committee along with the Public Safety bond oversight committee. We feel that while the bond measures do require that there be a citizen review component, those are currently delegated in the case of library and parks and recreation to those respective commissions. We feel there's opportunity here to further merge and have a really comprehensive focus on neighborhood and community services. As an alternative, we've suggested and this is what I've tried to do in this report, is have a concept and then present alternatives for the committee and for the council to consider. One alternative in that area would be to consolidate arts, education and the library commission. I think there's some nexus in those areas. One thing I did want to mention also is part of the rationale for merging these commissions is the public art commission has a significant role with the bond programs for both parks recreation and library facilities. And so there already is a natural connection between those commissions. If we were to consolidate arts, libraries, and early care and education, that would leave parks and recreation out there. So one of the things as an alternative is we're recommending the parks, recreation and

seniors and youth commission, we take all the functional areas that are currently under the Parks, Recreation, and Neighborhood Services and you merge them into one commission. So in this area we would have two commissions, one for arts, libraries and education and one for parks, recreation, youth and seniors as an alternative. We also have a recommendation for a consolidation of what we're calling the human services commission and this would involve the merging of the disability advisory human rights seniors and youth commissions. Those all seem to have a very similar focus and there's also existing close relationships between them with liaisons between the commissions back and forth and this would also put all the human services across the continuum in one commission. If the council were to go forward with the consolidation of parks, youth and seniors then we'd still recommend the consolidation of disability advisory and human rights also under the human services commission. So it would be a different psychologist form. As we're looking at the consolidations, one of the things that is of concern is what would these commissions look like, who would the members be? Generally the position we're taking is there would be one member appointed by each councilmember and there would be at large members which would be representative of specific stakeholder groups. Youth, seniors, persons with disabilities, and then recognizing that each of these commissions has some unique responsibilities that we look for, subject matter expertise or specialized knowledge in specific fields, programs and services. So for example, in the parks, education, arts we'd like for member that have specific knowledge about visual and perform arts, library services, parks and recreation services, those kinds of things. So we try and keep true to the current special qualifications and memberships that there are defined in the municipal code, but broaden those a little bit of -- to be representative in each of these specific, consolidated commissions. As an alternative, during the transition period, if council could consider maintaining the membership of all current commissioners through the expiration of their term. In in model, if you're a parks and recreation commissioner or a library commissioner, you would continue on with whatever consolidated commission comes out of the process and then through attrition over about a three-year period the size and the composition of the commissions would change to get to the desired level. This addresses some concerns about people who have one or two or three years remaining on their terms and their expertise and their interest in maintaining service with the city. But that is the policy alternative for the council to consider. As I mentioned earlier, one of the things that we're looking at as part of the consolidation effort is looking at staffing efficiencies and related to that compliance with council policy an various requirements and we're asking for direction to explore the consolidation of commission support functions so that staff would be,

and the office of the City Clerk would handle the agendas, minutes, the web postings, the audio recording. So all the support services be consolidated in one location. And lastly, that we look at the project diversity screening committee and really rename and repurpose that committee, continue to have its focus on outreach, recruitment, and selection, but also, look at improving the timeliness of the appointment process. I'm sorry. So in summary as I mentioned, this is the eighth time that we have taken identifying the next sentence for concern alternatives for the elimination or consolidation of commissions. The bottom line is, based upon the recommendations in this report, we would maintain 13, eliminate one commit an consolidate 21 commissions into six. Be with that I'd be open to any questions of the committee or others might have.

>> Mayor Reed: Okay, before we get into questions I think I'll take public testimony if that's okay with the committee. See what people have. Martha O'Connell and Marie hater.

>> This item is on the agenda, on the senior commission tomorrow, I want to make it clear I'm speaking as a person and not the commissioner. I commend and support the report done by the City Clerk. It is well don't and I support it. I would urge this committee to select table 7 A on page 16 which puts the senior commission in with the youth commission human rights and disability. We have electronic liaisons to those particular committees and I think philosophically our senior issues would be much more at home there than subsumed into parks and rec. You did a great job guys last night. You were courageous, you bit the bullet. I'm going to say you have to bite the bullet again. People are going to come in here and say I want to serve out my term. Don't do it. That means you're going to have 50 people on some of these commissions, 50 to 65 people on these consolidated commissions is absolute insanity. It's hard enough to do it with 18 or 19. Bite the bullet, consolidated and start over with appointments, thank you.

>> Mayor Reed: Marie hater and then Mike graves.

>> Marie.

>> Yes, I want to thank you to consider having daytime meetings when you open this for be discussion and I want to add, that was a suggestion from the senior commission chair and in support of that I would like to say we all know that seniors have problems driving at night, glare problems, night vision problems, and they're aware of a lack of quick reflex time. Also the seniors have low energy in the evenings, they're tired, they just don't come out in the evenings. And the part I'm concerned about is their safety. The older people are often targeted. They know that -- by miscreants. They know they're vulnerable and be public transportation and fewer people around. I'd like for you to consider having the meeting in the daytime for the consideration of this.

>> Mayor Reed: Mike Graves and Tamera Alvarado.

>> Mr. Mayor, commissioners, Mike Graves with the manufactured housing association, and I serve at your pleasure on the mobile home advisory commission. I'm here on the manufactured housing association. We support generally the report. I think it lacks a couple of things one is that there should be reference particularly on the mobile home side, the revenue that we generate to support and uphold the rent control ordinance that exists. That's lacking in the report and there is some revenue that is generated to the department from our process. And I think that needs to be in there overall. Because in the consolidation then there's going to be some discussion about that and how our issue is heard. Secondly, for folks that have been around, you know that these, the housing and the rent control people, we're together before. And it didn't work out very well. But it was some direction from above, I think it can work, it might be a little bit more complicated but I think it will work. Finally, I would suggest that this is lacking in the report as well. We as a mobile home commission have gone from a monthly meeting to a quarterly meeting. And maybe in the mix of the report and certainly we'll have our opportunity in the hearings, that maybe, if that -- if the mobile home advisory commission did continue to exist, it could meet less frequently than it even does now and maybe accomplish the goals that were set out. As you know it is a huge buffer for you as councilmembers. It is a place where -- there's 10,000 spaces in San José. It's a huge buffer for you, as councilmembers. Thank you.

>> Mayor Reed: Tamera Alvarado, Richard McCoy.

>> Hi, everyone. I ripped myself away from a faculty meeting at the school of arts and culture at MHP to be here today. I just wanted to say a few points. I'm really looking forward to the meetings in January. I'm going to do my very best to activate the networks that we're associated with at the school, the multicultural arts leadership initiative, a network of over 50 people of color deeply engaged in arts culture and entertainment as well as the other networks that myself and other colleagues are involved with. So any time we can create an opportunity for the community to come to City Hall, and have a conversation around efficiency, and goals and outcomes I think it's great so I appreciate that so I'm making my personal commitment to reach out to the networks to come here. I'm assuming they'll be here, okay. Coffee and cookies. Our artists are hungry.

>> Mayor Reed: Depends.

>> Bread and water.

>> Mayor Reed: I'll bring the cookies you bring the coffee. The other piece is I would like for us to start thinking about arts, culture and entertainment. I know it might sound kind of simplistic but for me words matter and if we could be a little more expansive about the arts commission as we move forward through this process to think about how the community experiences it, beyond the arts in terms of thinking about their cultural practices and also entertainment. So that's one thing I wanted to put out there. I did want to throw out a sort of Bobby Yont thing. There is one thing to skin a cat and I'm not looking forward to that. Thank you.

>> Mayor Reed: Ripped McCoy and Bobby Yont.

>> Good afternoon, mayor and councilmembers. I want to remind say my feelings that I really appreciate what the City Clerk did on this report that it's very effective and very well done. And I do have agreement with many of the things said in it. Considering the purpose of what the commissions are established for to provide the mayor and the city council with information, and serve as an advisory role, many of us in the commissions do fill these requirements. And I believe that the -- there are two things here we need to keep in mind. The efficiency of commissions and also cost reduction. Considering the city's budget reductions is a very reasonable goal. And I

stated in a memo to the mayor a couple of months ago that in some cases the commission costs could be reduced by as much as 50% to help this that area. I am a supporter of the plan in table 7A for the consolidation of a lot of the commissions. I also believe that a standardization and bylaws and many of the other things are a good way to run the commissions. As long as it doesn't become a cookie cutter where every commission has to follow a certain set of bylaws which may not be appropriate for their particular charter. Approval of training and staffing of commissioners may be advisable. My own experience with some of the commissions, is that the participants, the commissioners really have very little if any knowledge or expertise in the area of which their goals are. And I think that if you could consolidate some of the commissions and bring them into a more effective group of people, it may be possible to go back to monthly meetings rather than quarterly meetings, because that way they can get more done and be more plans and more advice to the council and the mayor, thank you.

>> Mayor Reed: Bobby Yont and then Ted Lorraine.

>> Good afternoon, I'm Bobby Yont I chair the arts commission for the City of San José. The arts commission has asked me to make the recommendation that the arts commission be moved from one of those commissions to be considered under consolidation to one of the commissions to be considered for maintaining it in its current state. We do more on the arts commission that is supervise some area of public service. We are the link between a substantial economic sector in this city and the City Hall and the city council. That's a unique role and we also distribute all of the T.O.T. funds that are set aside for the arts community. So we'd like for that to be, to continue to be done because we believe that's important that that continue. Finally, we could not find any municipality of any size in this country that does not have an arts commission or an arts and cultural commission. This is a vibrant part of any city who wants to represent itself, not only to its citizens but to the rest of the outside world. Thank you.

>> Mayor Reed: Ted Lorraine and then Patricia McDonald.

>> Thank you, mayor and council. I've been the artistic director of the San José chamber music society since 1997, and we have just joined the Silicon Valley arts coalition which is a coalition of some 30 small arts

organizations. I hadn't realized, though I try to keep publicly attuned, that this was happening. We certainly will want to take this up at our board meeting tomorrow morning of the Silicon Valley arts coalition and make sure we are represented. It seems to me putting myself into the commissioner's chair in the arts that their agenda is already packed with what they have and their report and work with the particular staff. If you were to combine them now with the library and the Office of Economic Development be similarly combined so that there are efficiencies in operations and in staff and commission relationships, as well. But it's different as Bobby Yont said. The arts commissioners serve as panelists for the -- when my grant application and those of others are heard. That draws attention to the commission membership, as it, may I ask if it is meant that the one councilmember appointed by each councilmember would have to either represent as well, youth, seniors or disabled, or have subject matter expertise. It seems to me that both -- the subject matter expertise should be a requirement no matter that you are represented or chosen by a councilperson. That would be the main thoughts. And we're glad to have a chance to learn today and to come to the January meetings and see what this portends for our most important arts sector and our relationship with grants and the arts commission.

>> Mayor Reed: Patricia McDonald and then David Wall.

>> Mayor, and prestigious councilmembers and all your other people that are working hard up here to get this done. We understand, really understand how you have to cut everything counts as money. I am currently a member of the arts commission, Mr. Yont spoke for the arts commission so I'm here as a citizen who's been around working on advisory boards and committees that surround the arts commission for 30 years. In the beginning, there were -- it was a small little group. And there were a lot of conspiracy theories. People were wondering how the money was being spent and who was making the decisions on how this money was spent. Now this not only was grant money, it was also public art money. Probably the public art money was more controversial. I was on the Fallow statute -- you know, the historic art committee, I was on that committee which was extremely controversial as well as juries, advisory committees to public art. And the past three years I had the honor to chair public art. So there's a lot of money that goes through this, you know, the office of cultural affairs. It is an economic industry. It really does benefit the city because it brings a lot of people downtown and the people that bring the money downtown are these nonprofits that we are giving the grants to and is this the T.O.T.

money that we are giving the grants to and there is a lot of scrutiny as to how much and who gets all the money. The public art also goes through a lot of scrutiny and I'll tell you because of the mayor thank you very much for pushing the sunshine act and all that because we're helping you by getting core committees out there with citizens, the citizens actually believe that they -- and they really are acting in government and they're owning it and participating in it because they're making the decisions on public art. Those things come to the public art committee after the citizens have had their hands on them and the special groups like the advisory you know the airport committee and all that. So the arts commission, we have already reduced some of our meeting times. We've reduced --

>> Mayor Reed: Sorry your time is up.

>> I'm sorry but you can't reduce this anymore.

>> Mayor Reed: David Wall is our last speaker.

>> There's a reference to the consolidation, I believe that one aspect has been overlooked. Councilmember Chu is on several maybe months ago, mentioned the issue of volunteerism. Very dedicated volunteers working with the City Clerk and other areas could help reduce the cost of these consolidations. And I think that that should be looked at. I predominantly have problems with structural implementations this late in the year. It's good that it's talked about you but such decisions should be made somewhere around March with where people are attuned to this and so you alleviate a lot of unnecessary aggravation. One thing about the arts commission that should be looked at is the integration into what you've authorized for the downtown business association. For economic models that incorporate these commissions. And seeing, from their input, how can you better stimulate the economy. One aspect that wasn't discussed today would be the use of the Hispanic business association and other potential models like that to be integrated to use this arts commission, and other commissions, through the benefit of not only just living standards but the economic well-being. I'm very much worried about the folks in the mobile homes and the senior citizens. I woke up today not feeling too young myself, and I would certainly like to see the senior citizen committee stand by itself. But this arts commission has a lot of economic potential if done

properly and I think that there's a lot of redundant systems out there with these nonprofits. And I think that this should be very scrutinized and vigorously pursued.

>> Mayor Reed: That concludes the public comment on this. Let's see if the committee has something to discuss. Vice Mayor.

>> Councilmember Nguyen: Thank you Mr. Mayor. First of all thank you Dennis for all the work that's gone into this exceptional work. I just have two questions. It says this is coming for council review in the spring of 2012. When do you anticipate we're going to take the final vote on this and if we decide, if the council decides to starting over and going with the appointment route when can we start doing that?

>> Dennis Hawkins: I would think that would also be in the spring of 2012. We'd have to work out depending on when the -- part of the goal is to integrate the consolidations with the budget process. So that's why I'm trying to get this back to the committee in February and March so that we can work through the process. I would, depending on when the council takes action, we probably need some transitional period for the consolidations to take effect. So I know that's not a real specific answer to your question, but I think it's something that we'd start work on in the spring, viewing with goal of implementation July 1.

>> Councilmember Nguyen: Okay, thank you.

>> Mayor Reed: The plan is to bring it back to this committee in February, for the next discussion?

>> Dennis Hawkins: That's correct, Mr. Mayor.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you for the report Dennis. I think it's been a tough task and I know we've been thinking about this and working on you this for a while so I appreciate the work. There's outreach

plan. What's the next step again before it comes back to council? Would it come back to council first and then we do outreach or just --

>> Dennis Hawkins: No, thank you. Let me clarify. What I'm talking about is having some stakeholder outreach meetings with members of the boards and commissions and the community in January. So we would elicit input from the community in January based on the proposed consolidations or other concepts that people might have and then bring that back to the committee to the Rules Committee in February. So take the design out, get some input and then come back to the committee for further direction.

>> Councilmember Herrera: Do we have any sense of the impact on the budget at this point, how much your proposal would save? I think we're talking, the whole cost of this is 50,000 if I recall for all commissions. That's not a big chunk of our budget but --

>> Dennis Hawkins: Well, that's one of the challenges that we have, is that we've done some analysis was done in 2008, 2009, regarding the cost of commissions. And the cost estimates at the time really, in my opinion, focused on nonexempt employee costs. So things like analysts and office specialists and people that did the work, in terms of the staffing the commissions. There is also, a component of management personnel that are devoted towards the commissions. And that was not totally costed out in the earlier analysis. But when you look at system-wide, just on the direction number of employees, we're probably talking in the neighborhood of 15 to 20 FTE citywide. Because many of the staff do this as an ancillary duty. So you might have a secretary that's assigned one quarter of the time to work on a commission. And so when you look at it on the aggregate you are probably in that range. But that would be one of the things I would bring back to the committee in February, is a more detailed analysis of the cost of the boards and commission program.

>> Councilmember Herrera: Yeah and I think we have attorneys that spend time we have -- there's probably a lot of other folks that we're not counting that get involved in this. I think that's what you're alluding to.

>> Dennis Hawkins: Correct.

>> Councilmember Herrera: So the cost might be a lot more than we realize from the initial look at it so that would be real interesting. In the new configuration what's the thinking of how we start that? Do we reappoint or were you thinking that the folks that are in the commission that's going to remain would be, those would be the commissioners, if they take on additional duties? I just wondered if you'd thought about that?

>> Dennis Hawkins: I think that's --

>> Councilmember Herrera: That's one of the things we need to figure out?

>> Dennis Hawkins: That is one of the things we need to figure out and I think that there's a lot of work for the project diversity screening committee, to look at the subject matter experts and the at-large members that would be on the commissions. But that's something once we have a final configuration and we know kind of what the consolidations are going to look like, then I think we can do a better job of developing a timeline and implementation time line.

>> Councilmember Herrera: I'll be very interested in hearing the feedback from the community and I think the arts commission, folks from the arts commission made a really good point about not only the subject matter expertise but that they are actually making decisions in some cases of distributing public money. And so I'm lying to see-which ugh commissions actually have that kind of a role that are actually making decisions on money kind of scenarios because I think that definitely sets them apart.

>> Dennis Hawkins: And Councilmember Herrera there are a number of commissions that have that role, for example housing and community development deals with the Community Development Block Grant block grant allocations.

>> Councilmember Herrera: I would like to see that I guess in the report, before it gets to council, so we can kind of take that cut too, to see what they do so that would give me information on whether I thought it was a good idea

to combine them, you know the different combinations. I thought a really good point was made about David Wall about the economic development aspects of the Art Commission. I was actually sitting there thinking which one of these commissions gives us input in a wider change of development from business, to almighty the decisions that the Community and Economic Development committee make. I'm actually very interested in that. I don't know how that plays in, that's expanding not contracting. As we look at the consolidation we need to look at it as reformulation. What we need to make sure the commissions that are going to exist are going to give us the kind of input we need. So I hope that includes maybe looking at making sure that we have that kind of input including maybe slightly changing the focus for example in the year of economic development. Last thing I wanted to say is just a thought on your neighborhood services cut. So just I guess the title of it, because it's the neighborhood services CSA, and you've incorporated a lot of things, is the neighborhoods commission, is that part of that, too? I didn't see it listed, but is that intended to be part of that or --

>> Dennis Hawkins: Thank you. That was an oversight in the PowerPoint. The neighborhoods commission currently is scheduled to sunset December 31st. There is an idea on the December 13 council agenda which would extend the life of the neighborhoods commissions to June 30th 30 so we could include the neighborhoods commission consolidation into this whole process. That is part of what neighborhoods commission is envisioned to be consolidated with parks, recreation, arts and libraries. So that would be consolidated with that larger commission.

>> Councilmember Herrera: So my two cents right anonymous would be maybe the name would be neighborhood services commission. Then all the service be the but I have a bond oversight and the safety oversight how often do they meet? Is that very often?

>> They're required to meet twice a year.

>> Councilmember Herrera: Okay.

>> Dennis Hawkins: And so in the case of the Public Safety bond oversight, that was the one oversight committee that was expressly appointed for that role is my understanding of the history. The council assigned the parks and recreation commission that oversight rule for the parks bonds and libraries for the library bond and parcel tax so they kind of do double-duty.

>> Councilmember Herrera: I'd like to make a motion to move this forward with -- I'd like to have my recommendations included or my thoughts included in it.

>> Councilmember Nguyen: Second.

>> Mayor Reed: Okay, we have a motion to approve the recommendation with comments. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Dennis. Appreciate the work that's gone into it. As you mentioned, it's been for several years, and I think it's taken a budget deficit to finally get to the consolidation mode. So it's premature for me to make comments. You're going to have your outreach in January. You'll bring it back here to Rules. Eventually come to council. For I foresee a council memo coming on this, probably. I'm sure every group is going to advocate and give feedback and I'm sure everyone will feel truly unique in what they offer and we really appreciate their efforts but at the end there is a cost to providing X amount of meetings. As a person that attend, for people that get together and talk and I think we really need to clarify an get the workload and make sure we're you spending some time, various staff men's to be involved it just takes a lot of time. Anyway we'll listen for your feedback.

>> Dennis Hawkins: I think that's an important point that the commissions are committed to serve in an advisory role to the mayor and council. I think it's important for the mayor and council to define what that role is and how they want to receive the advice from the residents.

>> Mayor Reed: Okay, we have a motion to move the recommendation.

>> Councilmember Herrera: Dennis on this also I think we have got a lot of folks that have gotten involved in our commissions I applaud them for their willingness to become involved in the City of San José. Maybe as we scale this back we contemplate other opportunities for them to volunteer. If people have goodwill and want to be involved, we think it provides some other avenues for them to do that.

>> Mayor Reed: Okay on the motion all in favor, opposed, none opposed, that's approved.

>> Norberto Duenas: Just on behalf of the city administration we wanted to commend Dennis for his work on this. When he decided to take this on, we told him we would be right behind him every step of the way. We'll coordinate and look forward to that public dialogue.

>> Dennis Hawkins: I would like to mention I have worked with the City Manager's office, the city attorney's office, Leslye Corsiglia in housing so there are people involved throughout the organization to support this effort.

>> Mayor Reed: Okay, thank you. For round number 8. Move on to two items. The operation prom dress and Willow Glen history night for city sponsored special events.

>> Councilmember Oliverio: Motion to approve both.

>> Councilmember Herrera: Second.

>> Mayor Reed: Motion to approve both events as special city-sponsored events so we can collect contributions to help us manage those and other things. All in favor, opposed, none opposed, that's approved. Going to go back to the legislative update.

>> Betsy Shotwell: Thank you mayor, appreciate your accommodating the agenda change. Again, Betsy Shotwell, Director of Intergovernmental Relations. Joined with me is Roxann Miller, the city's legislative advocate

in Sacramento, to give a brief update on where things are in Sacramento and what we can look forward to, or not, in 2012.

>> Roxann Miller: Thank you, Mr. Mayor and members of the committee. I think our forecast obviously is going to be fraught with major storms, shall we say, in the coming months. Whether it be surrounding the budget, fiscal issues generally, tax questions of taxation, the whole chaotic state if you will that's going to ensue around the elections with new major regulations, controlling the elections, candidacy, and yet to be determined, at least in the senate, the official determination with the last legal challenge on the Republican or the -- by some Republicans on the senate apportionment seats. So the proposals for the 2011 legislative session foreshadow another difficult year. The state budget remains unbalanced as we know. The revenue growth is unlikely to close the gap. Our unemployment most recent figures in the last day or two statewide expect that it will remain high. Currently, well over 11% statewide. Another effort to craft agreement on a state budget will indeed necessitate consider major new revenues or at least to have them expected. The governor and interests, organizations, are busy drafting initiatives of all subjects. And the top two primary system of competition of candidates on the ballot is going to be a substantial indication how that goes as to demonstration of, if reforms improve, the operation of the legislature. When I mention that to you, referring to the two-thirds vote which will still be in play for raising revenues at this point in time, the magical elusive two votes in each house of the legislature, to get to a two-thirds vote, which was not achievable this year. For the state importantly, the state Supreme Court decision on redevelopment, in combination as well, a second but lesser, certainly, is currently before the Sacramento Supreme Court, is a request for a ruling in the VLF case, and this was a situation where the last night of the session, you may recall, that the General Fund portion of the VLF was swept away to the tune of \$130 million by the legislature to help balance the budget. We are active in that process, and brief that it will be ultimately concluded that it is protected under proposition 22. At the same time, we do expect some new opportunities to solve some important policy questions. Certainly, we know that the Supreme Court has, or have indicated, that they will, prior to January 15th, render their decision with regard to redevelopment. And in so doing, whatever that decision might be, folks are already preparing to seize what could be done, one way or the other. Legislatively. We certainly don't know if the governor would have, in the case of our comments, would have a change of heart, or direction, with regard to his attitude about redevelopment. That would be left to happen. I

can tell you today that we anticipate there will be several bills that will be introduced. Certainly, an important component to the discussion of redevelopment last year, there were three bills that the city supported. One of them was SB 450, and this is the major reform bill for housing, affordable housing piece of redevelopment and the city was a strong supporter. Our housing director Leslye worked with a small working group, representative from interests around the state, to try and have that bill moved forward. Two other bills that will be important to us to watch and that will be the cleanup bills of last year which are still alive, Allejo's bill as well as a bill in the senate that might provide some additional flexibility and opportunity to us. As I indicated the sweep of the VLF general money, that \$130 million, that was \$2.8 million from the city that would have certainly helped the city. The excuse used for taking that money, when I mentioned about for a state purpose, was part of the balancing act, as the legislature approved and the governor sponsored the major realignment for -- major realignment for the state. And this was the shift, of course, down to the local level. So we will be working again on that issue. I might point out to you, with regard to realignment, there's obviously a great deal of concern at the city level at law enforcement that the funding will simply not be available. To that end, the county supervisors association has recently submitted their own initiative to the attorney general for title and summary. There was much discussion about language, to make certain that cities that provide police, safety services to well over 70% of the state's population, were going to be bearing the brunt of trying to deal with maintaining Public Safety in their communities with this program going forward. Especially when you realize the recidivism rate in the state of California is 70%. So a major concern and so I know the big 10 mayors have been involved in communicating to the governor. So Cal chiefs and our chief Moore and we now have in -- on Monday of this week, governor Brown introduced his own proposal. His own proposal to provide funding. And the proposal is a tax increase, over a ten year period. It includes a half-cent dedicated increase in the sales tax. And then an increase in the personal income tax for households over a half million dollars. This is expected to generate \$7 billion each year. So we will be working continuing the discussion. And see what we can do. We certainly want to make sure we have the protections, the capacity to protect with those dollars and also want to make as well certain that the COPS money, program that's supplemental as well as the booking fees, are also recognized as being covered under that funding source. So with regard to the budget, the budget at this point with the legislative analyst, as we know, for the remainder of the current fiscal year and through July 1st of 2013, is expected to be out of balance, \$13 billion. An early indication how tough things are going to be again. In an effort to deal with that, if, indeed, the trigger is pulled, and the

amount is more than \$2 billion, then the shortfall automatic cuts will come from K-12 and community college. And in that light, it is very, very interesting, because legislative leadership, at this point, no one wants to reopen it, no one wants to touch it. So we're not sure what will happen in had a regard. But this is going to be major preoccupation. Just let me briefly mention, as far as other priorities for the city. Highest priorities certainly, every year the city introduces, takes its initiative and introduces its own legislative. One bill that is a carryover from last year, an important bill for the city, is AB 57. And this is a Jim Beall bill that we are sponsoring that would for the first time, the dedicated seat on MTC, the mayor's selection. And so that bill now is scheduled, there were a hearing tomorrow, in San Francisco, the hearing will deal with the validity of the membership seats we are seeking. In combination now the committee, the Senate transportation committee has expanded it to also deal with issues of governance and future governance as jurisdictions go forward to implement AB 32, and some other land use law. The second hearing will follow next week. That was the third promised hearing because there is a dedicated seat for Oakland in our sponsorship bill and that hearing will take place in Oakland next week. The legislature when they return then on January 4th, will have an opportunity to move that bill forward. It will be in the same committee it was held over so we'll be working very diligently on that one. So we also, enterprise zones are going to be bam. That program, we saved that program I have to admit partially because it was deemed a two-thirds vote bill, we'll take that, that's saved. That will be back, what we are going to be doing, we are working on reform but we're going to try to bring home the point that that is the program, the only program in the state where the most disadvantaged, hard, most difficult to employ of programs.

>> Mayor Reed: You have to make a case with us, we're going to run out of time.

>> Roxann Miller: And high speed rail would just obviously mention the importance there. We know that. It's going to be tough. But I think -- I think we've got some doors open and some new allies obviously with the grove. Thank you.

>> Mayor Reed: Okay, any questions on the legislative update state or federal? Okay let's turn then to the legislative guiding principles.

>> Betsy Shotwell: Thank you mayor in the interest of time. I will go through this page by page. The guiding principles have gone through all four committees as well for input and review and the departments and staff and the city attorney's office is very helpful in putting together the legislative priorities even though the earmark moratorium exists at the congressional level, the lobbyists in Washington, D.C. still encourage the departments to bring forward needed necessary funding for programs and projects to look for funding elsewhere, whether it be through departments and agencies, and of course the housing department contributed a significant amount of priorities, as they do, and Department of Transportation and the airport. And staff is here to answer any questions that you might have. And I always say it's a fluid document, to continue to be reviewed and updated and other items brought forward, as events run their course next year.

>> Mayor Reed: Okay, questions? This has already been to a whole bunch of committees.

>> Betsy Shotwell: The guiding principles have been to the four committees for review and input which was contributed to and added to the document.

>> Mayor Reed: Okay, any other, Rose?

>> Councilmember Herrera: Motion to accept.

>> Councilmember Nguyen: Second.

>> Mayor Reed: We have a motion to accept and move these on to the council agenda for the 13th, correct?

>> Betsy Shotwell: Thank you very much.

>> Mayor Reed: On the consent calendar, consent agenda. We have a motion. Whether will you want to speak to this?

>> I'll pass.

>> Mayor Reed: Okay. All in favor, opposed, none opposed, that's approved. That's approved.

>> Betsy Shotwell: Thank you.

>> Mayor Reed: I think that takes us to our open forum, Martha O'Connell, David Wall.

>> I've been to a ton of meetings so you know I don't smooth and I don't want to get any points from anybody. But I want to reiterate that I thought you guys were fabulous last night. It's really hard to sit in a room with people with an ax to grind that are yelling and screaming and making personal attacks and stand up and do the right thing for the city. And I'm sure you're aware that a whole bunch of people are intimidated when you get up there and there's like all of these union people and by the way, I deeply resent the idea that people who are for pension reform are antiunion. I was in a union for 23 years and I was the chief steward. So I want to thank you for that. So after saying the good thing, just one bad thing. Could somebody tell the councilmembers to please show courtesy during the end of the meeting under whatever you call it, forum? Because every time I go and people are speaking some of you guys get up and you're talking and walking around. And it's very -- I just don't think it's very courteous. I think when somebody's speaking you need to listen so thank you for what you did last night.

>> Mayor Reed: Mr. Wall.

>> I would like to see some positive movement to reformulate parcel taxes. What I mean by this, take an apartment complex. Has 100 units. Each unit should be paying a certain parcel tax. It is not objectionable, it is not burdensome and oppressive but each apartment unit takes certain services from the city that they're not paying for. Through the reformulation, you would be able to stabilize rents and a whole host of unintended consequences for the economy. Another aspect would I like to see is a reformulation of the office of city attorney's funding. I am personally tired of our attorneys not being compensated to the level of their expertise and having to shoulder a lot of problems created by substandard managers and other factors in this city. So I would like to see some form of

revenue coming into from every fund, and every aspect that the attorneys have to touch, in addition to General Fund, base funding, compensate them to retain competent council and also a sliding scale for when they have a judgment in favor of the city, depending on the time or how the sliding scale is constructed, cash, bonuses, to maintain our expertise. These are very valuable people to the organization. And we cannot fritter them away, by equating them to other members of the organization, who, by definition, are their lessers. Thank you.

>> Mayor Reed: That concludes the open forum. That concludes our meeting. We're adjourned.