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>> Mayor Reed: I'd like to call this meeting to order, this is Rules and Open Government Committee meeting for September 26th. Any changes to our agenda order to talk about? No. Then the first item would be the October 2nd council agenda. Anything on page 1? Page 2 or 3?

>> Dennis Hawkins: Mr. Mayor, just wanted to note item 1.3 is a joint item between Councilmember Constant and Councilmember Herrera.

>> Mayor Reed: That's the international walk to school today.

>> Dennis Hawkins: That's correct.

>> Mayor Reed: Anything else on 2 or 3? Page 4 or 5? Page 6, which is the last page. We have some requests for additions. Addition of a commendation for the Silicon Valley turkey trot. Applied materials. Actions related to the San José environmental innovation center project rebid and adoption of policy, questions regarding the director of retirement services. Any other requests for additions?

>> Dennis Hawkins: Mr. Mayor, I just wanted to note that 9.1 on page 6, the recognized obligation schedule, that item is being deferred to October 16th.

>> Mayor Reed: Okay. Anything else? Any requests to speak? None.

>> Vice Mayor Nguyen: Motion to approve with the additions.

>> Second.

>> Mayor Reed: Motion to approve, all in favor, opposed, none opposed, that's approved. October 9th council meeting agenda. All we have is the study session, but that's a different spot, right? We're going to -- we have nothing to talk about at this point in the agenda for the 9th.

>> Councilmember Oliverio: Mayor.

>> Mayor Reed: Upcoming study session agenda, do we have anything?

>> Councilmember Oliverio: On the October 9th meeting when will that report be out? To say these are all the ordinances?

>> Ed Shikada: That would be next week I believe.

>> Councilmember Oliverio: Okay, thanks.

>> Mayor Reed: We'll get the ten days on it, right?

>> Ed Shikada: Okay. Good, so it will be less than ten days, the 4th you say?

>> It's four days. Mr. Mayor, it's four days for a special meeting. We'll have it out next Thursday.

>> Mayor Reed: Okay, as long as the councilmembers have at least the weekend. There are a lot of these that are repeat items so staff's analysis may be different. Do we need a sunshine waiver for the study session, since we're not? Well we are taking action so it's a special meeting. We previously noticed it. Question is do we need a sunshine waiver?

>> Dennis Hawkins: Mr. Mayor, we put this disclosure on the agenda because we wanted to avoid confusion. We didn't want to say October 9th is cancelled, because the council will be meeting on the afternoon. We tried to note that it would be a special meeting and we'll get the agenda out as Gloria described, and the background will cover the priority-setting session as well as the discussion on study sessions. I believe that the manager's office will have the draft agenda for committee's review next week.

>> Yes, it will be included in the Rules packet with the packet being released the next day.

>> City Attorney Doyle: It is a special meeting.

>> Mayor Reed: We don't need to do anything around October 9th, today?

>> Ed Shikada: That's correct.

>> Mayor Reed: Legislative update would be the next item but before we get off the upcoming study session agendas I want to talk about the study session that we started yesterday and didn't complete, the HCP study session which the council continued that session to the 16th. And when we prepare the agenda for the 16th, I'd like for staff to look at us taking that item up first. So that we get done with it before we get on to other things we don't have to worry about running out of time.

>> Ed Shikada: Even before the consent calendar.

>> Mayor Reed: Before the consent calendar. Right after the ceremonials. I think we could do that, and then that way if we have a heavy agenda some things might get deferred or we'll just work into the evening, so at least we'll get this one completed since we only got halfway through it.

>> Dennis Hawkins: So we'll prepare the October 16th agenda with that item to be heard first after ceremonials.

>> Mayor Reed: That sounds good. Okay. Then, the legislative update, Betsy Shotwell is here.

>> Betsy Shotwell: Thank you, Mr. Mayor, members of the Committee, Betsy Shotwell, Director of Intergovernmental Relations. I had this as a holding piece, in case there was anything of significance that the governor might have signed in the last few days that the city had taken positions on and basically he's been

signing bills in batches by sort of subject matter. He recently signed a bunch of bills on voter registration and FEPC items. I forwarded to the city clerk and the city attorney's office. So I still don't have anything, he has until midnight the 30th so I assume a lot of the bills we're waiting on will be signed or vetoed by then, and I'll report back.

>> Mayor Reed: Questions? Nothing on the federal update. They're in recess for now I think. Meeting schedules we have nothing further to talk about. The public record. We have some requests to speak on the public record, Martha O'Connell.

>> Public record, (inaudible) staffing of boards and commissions. I wasn't supposed to be here, I was supposed to be upstairs in room 747 at a subcommittee meeting of the senior commission. I couldn't have written this letter at a better time. The meeting was cancelled because the Brown Act was violated. Because it wasn't appropriately posted on the agenda. And this is many, many times, this happens. Not just with this commission but with other commissions. The City Attorney trots in, tells us we violated -- tells them they violated the Brown Act for whatever reason and the meeting has to be cancelled. One way we can handle this is to consolidate the support for the boards and commissions in the office of the City Clerk. Because it is a waste of taxpayers money and also commissioners time and the public's time to post these meetings and then we can't hold them because there's been a violation of the Brown Act or sunshine. So I encourage you when you are considering consolidation, my dream is that we have a specific person assigned for continuity that knows what they're doing to get us the support we need so we could hold our meetings. Thank you.

>> Mayor Reed: That concludes the public comment on the public record. Does anyone --

>> Councilmember Oliverio: City Attorney, I understand the Brown Act was recently modified. How will that impact San José?

>> City Attorney Doyle: There really are not any substantive changes that I'm aware of that would impact us. In fact our sunshine rules are more strict. So unfortunately this has happened and it's not just the seniors

commission or subcommittees, there have been other commissions and it's in part that it's not the City Clerk's office doing the noticing. But I know that Dennis has limited resources so that's an issue that maybe long term has to be addressed.

>> Dennis Hawkins: If I could just comment. There's been a lot of discussion about the Brown Act, because part of the governor's legislation or budget-balancing was to exempt cities in certain requirements of the Brown Act. That is not something that we are recommending, as the City Attorney mentioned our own sunshine requirements set a higher threshold than even what the Brown Act provides. There have been a number of cases where there's been an inadvertent violation of the Brown Act and when that's been brought to our attention we work with the city attorney's office and the department involved and we work with the department and the commission to rectify that. In the case of the senior commission committee meeting today, we will be working on convening that as a special meeting so that group can deal with the issues that need to be dealt with prior to the regular meeting of the senior commission. But it is one of the recommendations that I've made in the report, is that we look at opportunities to consolidate staff support so that we don't have these compliance problems, and they are not limited to the senior commission. There have been a number of issues over the years and I think there's some value in consolidating that support in our office.

>> Councilmember Oliverio: Thank you, most to note and file.

>> Vice Mayor Nguyen: Second.

>> Mayor Reed: Motion is to note and file on the public record, all in favor, opposed, none opposed, that's approved. We have appointments, Mark Burriss, Barbara Keegan, Charles Whitcomb to the San José arena authority on my recommendation.

>> Motion,.

>> Second.

>> Mayor Reed: Motion is to approve. All in favor, opposed, none opposed, that's approved. We have recommendations on ballot measures. We have Betsy Shotwell here to talk about them items 3, 4 and 5 are all elections related. I'll let you take it in whatever order you wish. Sorry items 2, 3 and 4, sorry.

>> Betsy Shotwell: No problems, I'm before you these were selected due to the potential impacts to city core service areas, which has been the criteria for taking measures forward. There is a lot of other measures on the ballot as you know but that has been the criteria. And then we review and analyze the measures accordingly. So with that, I have the recommendations to support proposition 30, no position on proposition 31 and a support for 35. And be happy to answer any questions that you might have and I know staff is here to answer any questions with regards to the human trafficking measure, prop 35 and the City's program with regards to that.

>> Mayor Reed: Questions?

>> Councilmember Oliverio: So mayor,.

>> Mayor Reed: Go ahead.

>> Councilmember Oliverio: So we take historically the city council votes to support or not supports statewide taxes?

>> Betsy Shotwell: Depending on again the impact of that measure to potential city core service area with review. So it's case-by-case with regards to a recommendation. There -- I can't recall recent tax increase measures. But this one was reviewed with regards to its impacts, to local law enforcement, with a realignment with the counties, and again, with regards to the budget, and the triggers that would take place should this not pass, which would have impacts to, of course, the public education committee but it would have impacts to other programs that again law enforcement utilize such as the COPS program and booking fees and things of that sort as was indicated in the memo.

>> Councilmember Oliverio: But it's a General Fund tax, it can be spent on anything.

>> Betsy Shotwell: Well, the -- as I understand it, as it's written in the -- in that this will be in the constitution that these have been appropriated to the specifics as indicated in the constitutional amendment. Not a general tax. But specific to -- let me get that in front of me -- as it's laid out in the leg analyst's overview as to where the funding would go.

>> Councilmember Oliverio: So City Attorney, is this -- are they -- is the state different than the city that it -- okay.

>> City Attorney Doyle: Yes.

>> Councilmember Oliverio: I'm also aware of listening to the mayor from time to time that in any given day the legislature could change how the money is spent?

>> City Attorney Doyle: Well, again, I will have say, I haven't looked at this in great detail but my review of the summary it is dedicated earmarked for some specific purposes, primarily education and the uses that are specified in Betsy's summary. Can the legislature change that? I don't know if there is a loophole out or if it requires a certain vote. I'd have to review that in more detail. But the idea is it's earmarked for specific purposes.

>> Councilmember Oliverio: I think some would view that the endorsement of the statewide proposition would mean that the city condones the way the state handles their finances and I can't agree with that.

>> Mayor Reed: Anything else? The recommendation is that we send this on to the council, council be on what agenda?

>> Betsy Shotwell: Next week, correct.

>> Mayor Reed: Next week at which time council can vote however they think is appropriate. Anything further to talk about on the staff recommendations?

>> Vice Mayor Nguyen: Move to approve.

>> Mayor Reed: I'll second the motion. Move it to the council. So we have a motion to approve, and get this on the council agenda. On that motion all in favor? Opposed? One opposed, motion carries on a 2-1 vote.

>> Betsy Shotwell: Thank you. The next item is to support the Sacramento valley Water District's measure B which would extend the parcel tax currently in play and due to sunset soon and staff on the Water District is here to answer any questions as well as environmental services.

>> Mayor Reed: Well we always want to know what's in it for us and so I know there are some things that are specifically important to the City of San José in this measure, so I know the staff from the Water District is here so I'll let Rick calendar probably can explain some of the details so that we've got them.

>> Good afternoon, mayor, members of the Rules Committee, Rick calendar, government affairs manager for the Santa Clara Valley Water District. Yes there is a lot in it for the City of San José. This is a continuation of an existing parcel tax we are recommending them to be -- well, from the ballot it would be continued for another 15 years. In terms of the projects that impact the City of San José, it actually runs throughout the entire measure. Looking at project A underneath the safe reliable water supply, there's projects in there that would allow for school districts that are within the City of San José and others to attain grants in order to have potable water supplies systems on their campus. By law they are required to do so for both the state and federal government. What the schools have been able to do, most of them -- a lot of them cannot fund these potable water systems, so what they've done, some schools put igloo containers with paper cups. This would allow them to obtain grants from the districts to have basically rehydration stations where the kids can go up and grab water with a -- with the refillable containers.

>> Councilmember Oliverio: A drinking fountain?

>> Drinking fountains, correct. What happens is you could go to schools, I grew up in the Oak Grove school district, the school campuses, you can go to the drinking fountains that are there, hit it, it doesn't work, the law required them to fix those things on campus that's what's occurring so this would allow for that. Pipeline reliability would allow us to fiction appliance throughout the entire valley, throughout Santa Clara County. Going into the area B the interagency urban runoff program we continue to put dollars in there for the county as well as it impacts the City of San José. The pollution prevention grant program impacts the City of San José in project B moving on I'm just kind of hitting the highlights. Our good neighbor graffiti removal program obviously we've had a lot of conversations with both our board and the council about illegal encampments, graffiti removal, that's how those things are funded. C. Anderson dam, the spillage of Anderson dam would see a complete failure not only would you have a \$30 billion impact on the local economy but the spillage goes all the way through San José and actually touches on Mountain View. This provides \$45 million to address the Anderson dam seismic retrofit project. Moving into item D, which is the environmental and open space, this would provide for a grant that the City of San José has currently been able to tap into for 12 open space as well as other items other environmental areas and then if you go into item E the flood protection project, nearly all of the flood protection projects with the exception of a few touches on City of San José. This allows for our vegetation control, sediment removal, upper Penitencia flood protection project, that is Coyote Durel drive in San José, it provides for the shoreline study which the EIA 11 which is in Alviso, it provides protection for that area construction. It provides for the other projects, Palo Alto and upper Guadalupe. Upper Guadalupe is in south San José. So the City of San José obviously reaps great rewards if this is a pass. It does require two-thirds vote. I ran through that fairly quick. I'll stand for any questions.

>> Mayor Reed: It was rather quick and that was good. Any questions for Mr. Calendar? There were a couple of things that maybe you didn't mention that we've talked about at the city council very recently. One is trying to deal with the homeless encampments at the creeks. You mentioned graffiti and trails which have been of great interest

to the city council and then finally the project in Alviso which will help protect our water pollution control plant from flooding. So quite a few on the list for San José. Any further questions about this measure?

>> Vice Mayor Nguyen: Motion to approve.

>> Councilmember Oliverio: Rick, since you're there, on the last item or the last tax issue raised what percentage of those funds are already spent? Did you already spend 100% of those?

>> This is a pay as you go measure. This would replace that one in its entirety. If this were passed in January 1 all the dollars remaining in there would roll over to complete the projects and provide for these projects so that's about \$171 million that would be collected between November and in reserves in order to roll over into this. The funding scenario is the very last page of that document.

>> Councilmember Oliverio: On the original one where there was 15 projects to be completed how many of those have actually been completed?

>> There's one that's been completed. All of them are scheduled to be completed by 2018. Most of them are on track Fawn for the local share. Some of the dollars on the measure here will provide for the federal share of the funding. The capital projects that were in the original measure, we said here is what we do if we are able to get federal funds. We do a smaller project if we're only able to get local funds. So the local-funded project is still on track but we are still working to get the federal funding.

>> Councilmember Oliverio: And then I think to my points earlier, this is just a statement not a question, but again, I think it would be -- although there is a lot of things that have been highlighted, and there are certainly things that could be done, sometimes I'll hold a little hesitancy on how the Water District has done things in the past, so I won't be seconding it, so I'll let it go to council.

>> Mayor Reed: I'll second the motion. So we have a motion to approve the recommendation and get this on next week's council agenda, correct? Okay, on that motion all in favor? Opposed, one opposed, Oliverio opposed, approved 2-1.

>> Betsy Shotwell: Thank you, and the last item is regarding the county of Santa Clara measure A which would add a general purpose sales tax 1/8 cent for ten years and staff has no recommendation on that measure.

>> Mayor Reed: Questions or comments on it? All right. Support the staff recommendation.

>> Vice Mayor Nguyen: Do we need to --

>> Mayor Reed: We just need to move it onto the council.

>> Councilmember Oliverio: I would prefer not to make a motion. Let it die here at Rules.

>> Mayor Reed: Well, it is not going to die here at rules. Just don't put it on the council agenda.

>> City Attorney Doyle: You don't have to. That's the rules committee's decision.

>> Mayor Reed: And if we don't take it up, we don't take a position. Right?

>> City Attorney Doyle: Right.

>> Dennis Hawkins: So it would just be referred from the committee to the council without a recommendation?

>> Vice Mayor Nguyen: So there will be a discussion?

>> Mayor Reed: If we don't agendize it --

>> Dennis Hawkins: If you don't agendize it there wouldn't be.

>> Mayor Reed: It would be a couple of weeks out before councilmembers might want to discuss it.

>> City Attorney Doyle: It's something in the minutes, when the minutes are reported out to council.

>> Mayor Reed: I prefer to just put it on the council agenda. Let's deal with all of this together. I support the no-position position, I think we ought to put it on the council agenda and get it done.

>> Vice Mayor Nguyen: Move to approve.

>> Mayor Reed: I'll second the motion. On the motion, all in favor, opposed, none opposed, do that.

>> Betsy Shotwell: Thank you.

>> Mayor Reed: That's item G-4. G-5, is a memorandum from Vice Mayor Nguyen to direct the City Auditor to prioritize and add the audit of the airport on demand ground transportation dispatch system and service model to her work plan. We have some people who want to speak on that, we'll get to that in a minute. I'd like to say council has given this direction pretty clearly in the discussion of this. It's just a question of how and when we can get the work done. I would like to note that it is not just the City Auditor's work plan, it really is more dependent upon airport staffing, airport capacity to do the work. And that's why we structured the action that council took to allow 24 months to be able to get it done in a reasonable manner. Because the airport staff has other really important things that are in line ahead of this that we desperately need to get done. So but the council is going to happen, question is when. So Vice Mayor Nguyen did you want to speak to your memo?

>> Vice Mayor Nguyen: Yes, briefly, thank you, Mr. Mayor. I agree, this is the direction from the council. I was just hoping that with a memo that we can actually have -- I have some questions with regard to the time line and I

just wanted to use this venue to ask the City Auditor those questions. So since this is they were granted the taxi San José was granted a two year extension obviously. We want the audit to come back within that two-year time frame. My understanding is it will take the City Auditor's office about six months to complete the audit. I just wanted to be sure that once the audit is completed that representatives from taxi San José have an opportunity to look at it you know of course their response will come from the City Manager's office. But we would like to hear from various representatives from the various taxi associations and agencies. And so I guess my question is, when would the ideal time for the auditor to begin this work given the concerns that I've just raised giving everybody an opportunity to look at the audit and respond and give councilmembers feedback?

>> Sharon Erickson: Sharon Erickson City Auditor. After last week's meeting we went back and looked at our work plan. We can prioritize this audit. I'm figuring we can get started in the January time frame. If it takes us six months then by early summer we can be back to the airport, administration as well as the taxi companies with the results of our review. That would be in sufficient time to then decide about the RFP and the next steps.

>> Vice Mayor Nguyen: And this audit would also include the -- the current permit allocation system?

>> Sharon Erickson: Yes, so coming out of the discussion the other day it was my understanding we were being asked to audit taxi San José and the current airport taxicab model and whether or not it is achieving the results that we had expected to which -- the land was some discussion so thank you for memorializing that discussion about allocation of permits as well so we will incorporate that.

>> Vice Mayor Nguyen: Great. That's all I have.

>> Mayor Reed: Okay. We have some people that want to speak on this. I want to limit the speakers to one minute, we just had a very lengthy discussion on this at the council. Please come forward, John hallway.

>> Good afternoon, Mr. Mayor, council. My name is John hallway. I'm a driver dispatcherr and road supervisor for many years in the taxi industry and I believe that converting individual permits to company licenses is

tantamount to giving the fox more hen houses to watch. The company is paying no health insurance no 401(k), drivers have no benefits, the airport permit is a major benefit for the drivers. I believe if anything that the permits should go to all individual drivers based on a seniority system and I'm willing to like for this indefinitely. Now under equal opportunity the companies that are currently lobbying have already had an opportunity at the airport. They have chosen to work in noncompliant areas, to have defaulted on their airport contracts previously and have lost their airport permits. Now they want a second chance. This is not the fault of individual drivers. The model works. We have 195 drivers who deserve to keep their privilege. The airport.

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

>> Thank you.

>> Mayor Reed: Amjid malik.

>> Respective mayor and committee members, good afternoon. I'm a cab driver for 20 years. This review and reallocation process is on the way but I would say that you know providing this opportunity to the cab company is just to provide opportunity to cab companies for more extortion. So I would say if you want to reallocate these permits, 105 permits to just reallocate to the drivers who are -- who deserve who pay all the fees, everything, they are bearing all type of -- all type of expenses and everything. So just give these permits to the drivers instead of the cab companies. Thank you.

>> Mayor Reed: Habti Abrahi.

>> Really what I wanted to say is I drive, taxi for sane years. 16 years I see many problems, in this system we don't have a lot of problems. We like this system. The drivers, even 2004 when this system establishes the companies, they agree, they sign, there were requirements, they promised to provide them, they don't. If you are breach your agreement yourself who you blame? Blame yourself. I like this system. This system is good. Please go forward, don't go backward. Thank you.

>> Mayor Reed: Abdicarum Jamar.

>> One minute is not enough to quay my message but I will --

>> Mayor Reed: If you squeeze that microphone the handle will slide up. Just a minute. I realize one minute is not -- enough for everything you want to say but we are not making any decisions here today.

>> I'll try to squeeze in. The thing is the taxi model is working. It doesn't need to be done with. Allocation or reallocation should be put into the audit because the system works. The moral is working. All we want to do is fine tune the dispatching part. The cab companies are crying crocodile tears. No one has to be spoon-fed. If you cannot compete, you don't have to program the way something that will be beneficial to you. And what we are saying is, the drivers need to keep their permit on the cab companies whatever they have, they should keep that part of it. And the only thing that we want to be arbitred is how it impacts the drivers as refers to the dispatching system. Everything else should be left off the table.

>> Mayor Reed: That was really good in one minute. Shakir Buni. Pull it down a little bit. There you go.

>> Good afternoon. Everybody. I'm here to support Chuck mayor's conversion for the model. All the drivers here is going to express, the model is running excellent. Airport ground transportation is doing good job. Allocation, nobody when somebody allocates something. Those companies who are crying they are the ones that failed the requirement of the city. The city was fair for everybody that give certain permits. After they fell they take away from them and they awarded the people who did good job and invested their money. Green cab, yellow cab all of them they spent over half million of their money to improve their system. They put technology, they put computer track system. So it's not fair. People who fail themselves to come and cry to the council and say oh we got to take advantage of somebody who is going to run off and we tell them we are your constituents so please help us. It doesn't work that way, democratic way.

>> Mayor Reed: Your time is up. Karan deep.

>> Good afternoon. Mr. Mayor and councilmembers, my name is Karan deep. I drive taxi at airport. And I have been driving I have my last airport permit and driving the last seven years. The model is working perfectly. 190 people living driving there for years and they have good experience and not to spend money for this issue for audit and the time for the city. That's it.

>> Mayor Reed: Kurpal Bajwan.

>> Honorable mayor and council, Vice Mayor, good afternoon, thank you for giving me time. My name is Kurpal Bajwan, I work for green cab and San José taxi association. As others have said model is working perfectly, only one thing to be fixed is methodology which is a dissent of the cab companies, big company for their share it has been a they have to be dissolved. Please give those permits to the deserving cab drivers working at the airport present. Taxi San José needs to be audited of course. Even if you don't need RFP but there's nothing to audit in the model actually. Thank you very much.

>> Mayor Reed: Seran Paul Baines. Somebody back there dropped a cell phone. I can see it. Second row. Third row, somewhere in there, looks like a cell phone.

>> Mayor and councilmembers, I'm here to speak on the system is working and 195 permits are given in the beginning. We had several --

>> Mayor Reed: Could I get you to get a little closer to the microphone. Thank you.

>> We had to struggle for 15 years to achieve that goal and we don't want those 190 permits should be given to anybody. Other we wants 105 permits to be given to the drivers who are already working with those permits, and for the mayor also one day when he was a councilmember he showed us that system we are not going to change the model. Or we are not going to change the system. And thank you so much.

>> Mayor Reed: Durani Ikbal.

>> Thank you, Mr. Mayor and other council persons, my name is Durani Ikbal, been driving a cab almost ten years now. 195 permits, working hard we earn it and please do not touch it because that's our livelihood. We get it from you guys a long time ago it is working perfectly the fight is between small and big companies out there they fumed to do that and some people are greedy, they're giving those permits which 105 permits their own people, the persons who deserve those airport drivers who are paying for every single penny to run the systems. If you want to audit, only audit one out of five permits, leave the others alone thank you very much.

>> Mayor Reed: Asani Masrat. It will come down.

>> Thank you. Mr. Mayor, I need your schedule this morning on forum. So I'm going to (inaudible) and I'm going to call your office and give you my feedback.

>> Mayor Reed: Okay.

>> All right. Everybody knows I support what my friends say. But I have a question: How did this issue after it has been closed last week, came back so quickly, and it cannot be discussed again next week on council? What I'm going to discuss last week we said, taxi San José is going to be audited. The mayor's memo has passed. Why did it come so soon? To me, I have already afraid something is going on, it's going to make that reality. I mean, we -- the system is working. Whatever has to be audited has to, so I need some answer why did it come so soon back?

>> Mayor Reed: Is that it? I have one more speaker and we'll get around to explaining some things and have a discussion and answer some questions. Rafal Malik.

>> Honorable mayor councilmembers and staff. My name is Rafal malik. I'm here to support the system. The system is working very, very nicely. I support it. And I also support that 195 permits should remain as it is. Because I've been working on that permit since last seven years. But 105 permits should be given back to the drivers because on the basis of company permits sometimes the companies blackmail the drivers. They don't have their own free opinion. You know, right now, there is not even a single driver who spoke here, has a company permit. If they might have, they might have expressed their own free feeling. So I request you guys please give those 105 permits back to drivers and leave 195 permits as it is. Thank you very much.

>> Mayor Reed: Thank you, that concludes the public testimony. Let me explain a little bit about what we do here. This is the Rules Committee. What we do is workload assessments and figure out how things get processed. The council has given its approval to make the audit. We manage the time and let people know what's going on. You hear explained today the time sequence that the auditor thinks can happen. That is important information and that's part of what we do at the Rules Committee is make sure these things can get handled by the staff with their work loads. And sometimes council asks staff to do things they can't possibly do because they have other assignments from the council and that comes here and we sort it out. So today we're just sorting it out. We're not taking any substantive action. Council has already acted on it but it's important for people to know the sequence. Some people want to do it quicker. Some people don't want to do it at all but it's been decided there is going to be an audit. It is not going to be on the council agenda next week. It's a referral to staff and we're doing the work plan work. Vice Mayor did you have anything to add to it?

>> Vice Mayor Nguyen: I don't think so. I would like to make a motion to approve the memo.

>> Mayor Reed: Motion to refer this to staff.

>> Councilmember Oliverio: Hi then mayor, when sit that council will prioritize which audits are most important?

>> Mayor Reed: Audits get prioritized by coming through this committee as we do the auditor's work plan. We do this in January or I forget --

>> Sharon Erickson: We did it in August so we had a list that's probably more than we can accomplish already this year so we're adding one more. So what I'm going to do is just let some things drift to the bottom so --

>> Councilmember Oliverio: I apologize. How do I know that that item that's going to drift is not as or at least more important than this one?

>> Sharon Erickson: You need to let me know. But the other thing is on our mom report the list on the back of the monthly report is always kind of in order of priority so the next ones we're going to day up. So it's in order of what we're going to take up. So anything on the bottom of the list, there's a good chance we won't start it until the end of the fiscal year or maybe into the subsequent year. So I am expecting to be able to accomplish everything on the list. It's just a question of timing, and we'll let the timing slip on some of those.

>> Councilmember Oliverio: Do you know offhand which audits might slip?

>> Sharon Erickson: I think the ones at the end of our list at this point are travel expenditures, revenue management, overhead reimbursements are the ones on the bottom of the list. That doesn't mean they won't happen. It's just a question of whether or not we'll take them up in January or more towards June or summertime frame.

>> Councilmember Oliverio: Those three seem to have more of an impact on General Fund and revenue to the city versus although this may be important to this group of individuals, the overall budget seem to me to be more important in providing services in a more efficient way.

>> Sharon Erickson: There is a variety of way to look at the prioritization of audits. Yeah, we take into account revenue or impact on the General Fund. There are other audits on the work plan that are more directly related to services, things like code enforcement, libraries. We take -- we try to make sure that our audits cover a wide variety of topics. They're not all simply revenue-generated. But yes, one could view it that way. One of the things

we were talking about is for example, with the audit of overhead, the overhead rates that will be used in next year's budget really get established in January or February. So if we don't start that audit like now, there's no chance it can affect next year's budget anyway. So that's why I kind of bumped that one towards the bottom of the list, thinking we could start that one next summer, have it done in time for the subsequent fiscal year. So that's the kind of prioritization I'm doing as well. Part of it is just timing.

>> Councilmember Oliverio: Thank you, appreciate that and although I think this is you know, knowing that there's tradeoffs on the audits and hearing some of them are and knowing this is a workload item and not a decision, my preference is, you know, I'd sort of like the priorities we have now. I'd almost feel like as we have looked at prioritizing ordinances and I know this committee just looked at prioritizing the audits but that was out of context of an additional one so if a councilmember wants to write a memo for a different audit again it has to be weighed in the priorities of the existing one. So although I appreciate the Vice Mayor's recognition of an item and an issue that's important to some I'd prefer not to change the order at this time. But applaud her for her efforts.

>> Mayor Reed: I'm going to support the referral but I think what we ought to do is just have a further discussion of the audits that are on the list and the priorities. So that we can look at that. And decide if we agree with whatever's -- whatever falls to the bottom on the timing of that. Because this isn't going to start immediately, it's not going to be finished meet, it does have a higher priority because it just got a referral from council. I'm going to support the referral to staff, but I did have a couple of things to say. Many of the people who spoke here today reflected the reality of how we got to where we are. How long it took. How difficult it was to come up with a system that at least on the face of it seems to be working. Now what I have heard is that the companies would like to take the permits away from the 195 drivers, and 195 drivers would like to take the permits from the companies and give it to other drivers. I don't support that. But we'll see what the audit says. But I think what we've done is, essentially, working. And it was one of my objectives and I believe a council objective which was to empower the drivers so that they could take charge of their lives, and to the extent companies have permits they have to compete with the drivers. And for the drivers. So if the company wants to grow at the airport they're going to have to convince the drivers to come work for them so they've got to treat them better. And so maybe that's working, maybe it's not working, I don't know. But that was one of my primary objectives is to empower the drivers. We

have certainly done that with 195 and some of those drivers I believe are working for some of the companies and that's okay but the companies have to treat them better. They do have options, they have a choice they can walk and drive for themselves. That's the kind of power we are trying to create and I think we did. We'll see if we succeeded in our objectives. That's really the primary purpose of the audit, as far as I'm concerned, is just to validate what we've done. And if there are elements that aren't working, then we can modify that. But I still believe that the system we have is appropriate. I'm not in favor of reallocating the permits in a wholesale way but we'll wait and see. [applause]

>> Mayor Reed: Okay so we have a referral to staff on the motion. All in favor, opposed, one opposed, Oliverio opposed. We have two district events for council approval.

>> Councilmember Oliverio: Motion to approve.

>> Vice Mayor Nguyen: Second.

>> Mayor Reed: Disability awareness today and community health resource fair, both as city sponsored events. All in favor, opposed, none opposed, that's approved. That takes us to the open forum. Red letter day, no comments on open forum. We're done, we're adjourned.