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>> Vice-Mayor Nguyen: Good morning. I'd like to start the council meeting for April 24th, 2012. And we start with a labor update.

>> Gina Donnelly: Good morning, Gina Donnelly deputy director employee relations. And there's no report this morning.

>> Vice-Mayor Nguyen: Oh, great. Okay, we have two speakers, Brian Doyle.

>> Good morning, Vice Mayor and councilmembers. My name is Brian Doyle, I'm one of the negotiators for the association of legal professionals. I don't know if it has come to your attention but we have requested to meet and confer over our upcoming contract, as you know our contract expires in June. And we made a request to begin the meet-and-confer process over the next contract back in March, we made that request. Our tentative said we were supposed to have begun in January, but we were involved with the ballot measure mediation. And unfortunately, the City Manager's report to you for next week is very garbled on the issue. It reports that we were supposed to have begun in April and then in the same paragraph says we're going to begin in May and yet the office of employees relations hasn't even communicated back to us in response to our request. And none of our requests have been posted nor have any response to us. We feel this is very disrespectful and insulting to us. And we would like to have communication from your negotiators about when we will begin our contract negotiations. We don't have a lot of time. And we have a lot of issues. We still don't have an MOA for our bargaining unit. We've been operating on tentative agreements these last two years. So we would appreciate you devoting your attention to that matter and instructing your negotiators to communicate with us, which is the proper way of doing it under our labor relations resolution. Thank you very much.

>> Vice-Mayor Nguyen: Vera Todorov.

>> Vera Todorov, president of the association of legal professionals. Thank you for hearing us today. I also wanted to add to what Brian said. That our request is over one month old. It's never been posted. We've also had requests for side letters of agreement with the city that have also not been posted. They were requested by the

city by our bargaining unit and we have responses. So we're concerned that the public is not getting the full information in terms of what is attempted to be bargained back and forth. We also in our response to the city saying that we wanted to begin negotiations, specifically told the city who the members of our negotiating team were. And that our outlook calendars were up to date. We don't know who currently is on the city negotiating team for this next bargaining session so we couldn't even attempt to schedule meetings. So we left it up to the city to do that by giving them all of our information. We want to start negotiating immediately. We're pressed for time. We're pressed for time because of all this -- the things on the City's agenda but we also have an agenda of things we desire as well that we need to speak about. Thank you very much.

>> Vice-Mayor Nguyen: Thank you. I think that's all the public speakers we have this morning. We will proceed to closed session and we will resume at 1:30. Thank you.

>> Mayor Reed: (gavel strike) Good afternoon. I'd like to call the San José city council meeting to order for April 24th, 2012. We'll start the meeting with an invocation. Councilmember Chu will introduce the invocators.

>> Councilmember Chu: Thank you, mayor. Today I'm pleased to have independence high school glee club here for our invocation. Independence high school has been proudly serving its residents of District 4 since 1976 with a mission to provide a supportive learning environment that enables all students to achieve academic and personal success. Independence services the largest student population with over 3,000 students and is known for its diversity, school activities and school clubs. One of the newest club addition at independence is the glee club which was established in August 2011 as a way for students to showcase their musical talents. The glee club first started out as an idea between a couple of freshmen in the choir. The students felt that they could do something more with music than just being in the school choir. And started talking about creating a club that could pick their own song, and to sing -- to sing and themselves and make songs on their own. The majority of the club's performance are for charity. They have performed at numerous school events including Independence High School school charity show, Area 6's interact benefit show, independence high school's Vietnamese student association Tet show and also at a red cross event. Today the glee club will be performing "Send It Out," originally performed by Disney Channel Stars, and also they will be performing in front of our American idols, De Andrea brackensick. Definitely I know de Andrea is out in the audience. There we go give a big hand. Definitely a San José idol. So glee club take it away. ∂∂ [ Guitar strums ] [∂ Singing ∂ ] [applause]

>> Mayor Reed: In which we'll have the pledge of allegiance. Our glee choir will just turn around. And we'll be helped by some first graders who are going to help us with the pledge from Payne -- get it right. I know there's a really important difference. Third graders from Payne elementary school from the third district. [ pledge of allegiance ]

>> Mayor Reed: Thank you. It's always good to have third graders with us. Some day we'll maybe get first graders. Our first item of business are the orders of the day. We have a couple of changes from the printed agenda. I'd like to move item 4.8 the economic strategy work plan to be taken up immediately after 3.1, the report of the City Manager. And then item 7.2, we need to defer to May 15th, that's the commercial solid waste fees and

maximum customer rates to May 15th. Any other changes to the printed agenda? Motion is to approve orders of the day. All in favor, opposed, none opposed, orders are approved. As noted in the orders of the day, we will adjourn this meeting today in memory of Mary Mendez, who managed the St. Joseph day worker center for more than 18 years. Mary was born in Stockton and moved to San José after she was married and was active at the most holy trinity Catholic Church in East San José where she helped prepare food baskets for the poor. She was hired as the very first manager of the day worker center. At the center Mary assisted day workers, to register for work, meet prospective employers as well as study English, form online job searches or have health screenings. Unfortunately Mary passed away open March 26th at the age of 66. We're joined today by Mary's children, Christine Mota, Justin Mendez, Jr., Paul Mendez and Teresa Mendez, as well as her family friends Stan Fitzgerald and Chris Rodriguez and day laborers from the center. Thank you for joining us today to allow us to adjourn today's meeting in honor of Mary Mendez to honor her service to our city. I thank you you, her family and her friends for sharing her with us as we offer or condolences to the family, friends and each of you. So thank you for joining us today. Our next item of business is the closed session report. City Attorney.

>> City Attorney Doyle: There's no report.

>> Mayor Reed: We'll now take up the ceremonial items. I'd like to start 50 inviting Councilmember Campos and Terry Christiansen to join us at the podium. Today we're commending Terry Christiansen as he retires from San José State university. We would have asked all his former students to join us but it would have filled up the room. We have some representative students, as you can see a lot of councilmembers have experience with professor Christiansen so Councilmember Campos will have some of those details.

>> Councilmember Campos: Thank you, mayor. We are honored and privileged William presence of our educational and political San José idol, who is here with us today. As many of you know, the City of San José is home to many great progressive and activists in our city. Many of these folks go on to become successful public servants and I can guarantee you, these people have benefited from the teachings of Dr. Terry Christiansen. Either as a stunt at San José State or as a follower of his work. Dr. Christiansen is an expert on state and local politics. He is home-grown. He's one of our own. He has earned a B.A. from Stanford University

and his Ph.D. from the University of North Carolina at chapel hill. Dr. Christiansen's teachings focuses on local government and politics. He also directs San JosÈ State political science department's internship program. Which he created over 30 years ago, and a program -- 30 years ago and a program my office has benefited from by having outstanding students eager and ready to work. Not surprisingly, generations of leaders and activists have graduated from this internship program, to serve in elected office, or to be their own respected and respective leaders in their own communities. Dr. Christianson has served on numerous civic committees and commissions. Often with his former students. He's chaired the Department of Political science from 1994 to 2002, and most recently, which will also be one of his legacies, he has served two and a half years as the executive director of Communiversity, San José, a partnership between the City of San JosÈ, San JosÈ State State University, and the five wounds Brookwood terrace neighborhoods. Dr. Christiansen is also founder and organizer of the Don Edwards lecture series, a series that has featured speakers, including Don Edwards, Norm Mineta, Barbara Boxer, Kevin Star, Mervyn Field, Erin Brockovich, Dolores Huerta, and Haynes Johnson, just to name a few. The amount of fundraising, publications, professional activities, honors, and awards received, community service and speaking engagements, Terry has done is boundless. It would literally take me all day to name off the amount of extraordinary work he has done for San JosÈ State, its students and faculty, and for our great city. Terry has been an anchor in Bay Area politics and it is impossible to measure up the commitment and passion he has for San José and all the residents. I want to say how much we all admire his dedication to his colleagues, his students, to the university and the rest of the City of San JosÈ. It is obviously by all students who have signed up for Dr. Christiansen's classes and programs that he will be missed. He has been a figure of what our city stands for and what an educator and a teacher should be to all his students and to all students, and that is a very, very positive role model and the definition of what a pillar of a community member should be like. Although I truly believe Dr. Christiansen will not fully leave the wonderful world of San José politics and local politics, I still want to wish him and his family the best of luck in his retirement, and thank him for being such a great leader to our city and our community. Now, Mayor Reed, I invite you to present a commendation to Dr. Terry Christiansen. [applause] [applause]

>> Thank you, Xavier, that was very nice. Thank you Mayor Reed not imposing a two minute limit on Councilmember Campos. I address the council with my back to them so my apologies to the council. I've been

doing this for 42 years, so I think I've got more seat-time in the council chambers than anybody but maybe Mayor Reed, because he served a lot of time as a city council member, as well, and teaching state and local government, and especially local politics for all that time. And really, I want to emphasize today, it's really been a collaborative effort. The council chambers and City Hall have really been an extension of the classroom for me. And to be able to work with my students with mayors, councilmembers, council staff, city administration, for all this time, has been really remarkable, and really wonderful way to teach the subject, to make it real. You make it real. So I want to thank all of you, for being my collaborators, maybe my teaching assistants sometime. And I also want to say that this wouldn't happen in just any town. This is a city of a million people. We all hear it's the 10th largest city in America many, many times. It's a big city. But there aren't many big cities where students would have this kind of access to do internships, to get hired onto city staff to work with the city to learn to be part of it. And so I really think it's a tribute to San José, that we've been able to do all of this so thank you very much for this commendation. [applause]

>> Mayor Reed: Just make sure you get those last papers graded Terry. All right. I'd like to invite Councilmember Pyle and hope services to join me at the podium as we recognize hope services for 60 years of providing services to people with developmental disabilities in our community.

>> Councilmember Pyle: Good afternoon. As the council liaison to the City's disability advisory commission, I'm very pleased to present this proclamation, honoring hope services on its 60th anniversary. Joining us today to receive this proclamation is Rex Zimmerman, vice president of programs and services at Hope Services. Hope was founded in 1952 by a group of parents of children with developmental disabilities who believed that their children deserved the same amount of opportunity enjoyed by their siblings and their friends. Since that time, hope services has evolved into a multifaceted organization that provides comprehensive services such as early intervention for infants and children, job training, professional counseling, day activity programs, independent and supported living services, and senior services to more than 2500 people. For 60 years now hope services has been the leading service provider for individuals living with developmental disabilities. This organization has dedicated itself to advocating on behalf of individuals with DD and ensuring that all people with developmental disabilities are able to live and fully participate in their community. And for that effort we do hereby recognize

and commend hope services for its 60 years of providing services to people with developmental disabilities in our community. And Mayor Reed, if you would present the proclamation, to Mr. Zimmerman. [applause]

>> Thank you, Councilmember Pyle. It's really an honor to accept this for our board of directors. 2500 families that we serve, over a thousand of whom are here in San José and our hardworking staff. Our aim is to make the community stronger by connecting all parts of it, so this acknowledgment means an awful lot for us. I would just like to let you know on May 2nd we'll have a breakfast event to celebrate our 60th year. Mayor Reed, I have invitations for you and the rest of the council here. It would be great to see you. And once again, thanks for this. It means a tremendous amount to us. Thank you.

>> Mayor Reed: Thank you. [applause]

>> Mayor Reed: Now I'd like to have Councilmember Liccardo and representatives of the California native plant society to join us at the podium. Today we're commending the Santa Clara valley Chapter of the California Native Plant Society for its environmental stewardship and alignment with the City of San José's Green Vision goals.

>> Councilmember Liccardo: We're honoring the 40th anniversary this year of the Santa Clara Valley chapter of the native plant society. And this is a wonderful organization and one of its founders, Sally Casey is here with us today, which is wonderful, along with Rose Lockwood, Toni Gregorio Bunch, and Vicky Silvas Young. And this wonderful organization has been working throughout the city here in Guadalupe park as well as out in Lake Cunningham, Alum Rock, out on the Coyote ridge, promoting a very important endeavor for our environment: That is the restoration of native plants here in our valley. And as this state faces undoubtedly a very long-term challenge with water shortage and given that half of our water consumption among residential parcels is out there in our yards, promoting water-wise drought tolerant native plants is a very important goal as we attempt to make water conservation more effective here throughout our valley. They've got wonderful programs including one that introduces 10,000 residents a year to garden visits in the Goedding native garden tour. A thousand people attend talks annually about how they can plant native plants in their gardens. You can see right outside, not far from they'll the tailor street rock garden some of their great work. Another great problem they've got, Chapter Live

Core, will focus on creating habitat restoration of native rare plants, monitor local live plants, and speaking on behalf of the environment and I believe in just a week now, the wild flower show, or it's this weekend, April 28th and 29th, will be over at Mission College displaying over 400 species of wild flowers and native plants with lots of botanists and free classes for anyone who wants to learn more. I would like to ask the mayor to present this wonderful group with a commendation for their great work over the last 40 years. [ applause ]

>> Well, first of all Sam I'm very impressed that you've got all of our figures and facts straight. And I want to thank everyone because as Sam mentioned this is our 40th year as strictly volunteer organization to the stewardship, the environment of California not only our California native plants but also the habitats that we like to protect. We provide educational services, free educational service at library lectures throughout the Bay Area and we also support students, graduate students who are studying in botany. We provide scholarship funds and also one of the students actually a Ph.D. students from San José State is our student outreach program. So we are very much involved not only in the San José community but throughout the Bay Area. CNPS reaches out all throughout California not just the Bay Area. Our chapter provides services from Morgan hill all the way up to the peninsula, San Mateo county. And I want to thank you for this commemoration, commendation because offering volunteer services and especially services for the environment aren't as recognized but for us to maintain the quality of our work and our outreach for 40 years, thank you very much for this commendation. Thank you, mayor. [applause] [applause]

>> Mayor Reed: We've heard several researches today to San José idols. Next ceremonial is why that has come up. I'd like to invite Councilmember Kalra and de Andree brackensick to join me at the podium. Today we're commending De Andree brackensick in recognition of his stellar representation of San José while performing on American idol. So a San José Idol goes American, and we're very proud of that. Councilmember Kalra has some of the details.

>> Councilmember Kalra: Thank you, mayor. Well, it's just a great, great honor to be here and have the opportunity to recognize one of our very, very own, not only San José native, but I'm very proud to say, Oak Grove High School student, the school I had the privilege of going to. You know, the first time I saw de Andre was

when I was at a homecoming rally earlier this year, earlier the school year. I didn't know a few months later, I would be here recognizing him for such a great achievement, as making it as a finalist in the American idol competition here in 2012. And as elected officials, we all appreciate every vote we get. I don't think any one of us would ever imagine getting the millions of votes that de Andre got in order to reach those heights. So it's a great honor -- [applause]

>> Councilmember Kalra: And you know for those that don't know, last year in 2011, de Andre did not make it to the Hollywood round, as they say, to the round where you really get to show your talents. But he was recognized by the judges. They saw something in him and they told him, you know you keep working at it and we're going to see you back. And de Andre, this young man had the humility, the determination, the confidence to work on his craft. He took that constructive criticism, turned it around and the next year he made it where he is right now, where he's going to be touring with all the final Idolists, you're going to be able to see him right down the street at the HP pavilion, and I know the San José crowd is going to be cheering raucously for him. And you know, I became a big fan of de Andre's when I had a -- or as they like to say, a 'Dray dreamer for de Andre when I saw him in the round of 42. I heard there was an Oak Grove high school student there, and I had a chance to watch him sing Maxwell -- this woman's work. And he was truly phenomenal, and I knew he was going to go far in the competition. And so for him to make it into the finals, to have a local business like high five pizza where people were getting together to root for him, and I was posting on my Facebook, I know a lot of other people were as well, to vote for de Andre, and it's just great to have an individual like this, this young man, bring the community together and show how important it is for us to support our youth. And now he has the opportunity as he goes on to great heights, I mean, although he didn't win let's keep in mind, some -- some kind of well-known artists who finished in the top 10 like Chris Dautry, Jennifer Hudson, Katherine McPhee, they are doing all right. And so we all have high hopes for De Andre, but we know, no matter where his talents take him, he will always represent our city well, he will always represent Oak Grove high school well. And I'm so proud of him. And so on behalf of the mayor and the city council and millions of City of San José, De Andre, please Mr. Mayor represent De Andre with the commendation on behalf of all of us. [ applause ]

>> Councilmember Kalra: And just so all of us know, de Andre will not be singing today but he will be saying a few words.

>> I just want to say, thank you. Just everybody, thank you for all the support from my home town. It really means the world to me. You know, coming back here and getting all that love from, getting good. But it's just so much love from my city and I appreciate everything, everything you guys do for me and all the love that I do get no matter where I go. And please give -- I don't know where they're at, please give another round of applause for the glee club. That was amazing for them to do that for me, please, thank you. I was them, back in the day, you know, when I see stuff like that, I really love that. Because that's me. I love seeing people that have that love for music and do what they do no matter what, you know no matter how big it is or how small it is or whether you're singing in your room or on a TV show. Doing what you do, I love that and I want to recognize that everywhere I go. Those are the people that make it like how I did, you know. Just thank you, thank you again, I love you, thank you. [applause]

>> Mayor Reed: In which item of business is the consent calendar. We have some requests to speak on the consent calendar from the public, we'll take that now, Mr. Wall.

>> Before I commence, Mr. Mayor, the musical acts that we've seen here today should reinforce the necessity for municipally funded recording studio. Now let's discuss South Bay water recycling. Of late we've discussed the Cupertino sanitary district and the city of Milpitas's desire not to participate any further with South Bay water recycling. This is a matter of record from these entities and the issue goes directly to the misinterpretation and misuse of the sewer service and use charge by senior City of San José officials. Such misinterpretation and misuse over several years to create a water utility from a restricted use fund that is governed by proposition 218 should be a career-ending event. This means several high-level city officials must lose their jobs. In my opinion, there are three positions that are at risk because of this issue of misuse of the civil -- or the sewer service and use charge. These positions are the City Manager City Manager, assistant City Manager and the acting director of the environmental services department. Most people do not understand the gravity of this misuse of this fund. I am one of the few citizens, along with the attorneys of aforementioned entities who do not. Thank you.

>> Mayor Reed: That concludes the public testimony on the consent calendar. Are there items that councilmembers would like to pull for discussion? Item 2.5, the travel report is one. Any others? Motion is to approve the balance of the consent calendar. All in favor? Opposed? None opposed, that's approved. Travel report I wanted to report on my trip to Washington, D.C. I was in Washington, D.C. for two days of meetings, last week on Wednesday and Thursday. As part of a delegation from the Silicon Valley leadership group meeting with members of Congress and the Obama administration. We talked to a lot of people about a lot of issues, tax policy, repatriation of earnings, foreign earnings, as well as the R&D tax credit, immigration policy to try to ensure that people who come here and go to school, if they get degrees in advanced engineering, math, science, technology they ought to be allowed to stay and start their companies here. Of particular interest to San José was the visit with the United States patent and trademark office to talk about our application for a satellite office to be placed in San José. We got some good information about the process that is underway. Also met with members of the administration, Department of Treasury and the IRS about implementation of our pension reforms. So it was a world wind trip but they always are with lots of meetings but useful and important and I have to do this periodically whether I like it or not. So with that, Councilmember Constant.

>> Councilmember Constant: Yeah, just on the consent calendar I just want to advise ahead, I'll be registering a no vote on 2.17.

>> Mayor Reed: All right, I think we already voted on everything except the travel report. No need to -- there's no action on the travel report. You've got the abstention on 2.17. All right, that concludes the consent calendar then. We will move on to 3.1, report of the City Manager.

>> Debra Figone: Thank you, Mr. Mayor members of the council I have two items today. Last week our staff at the water pollution control plant achieved a major milestone for protecting the safety of the people in our Silicon Valley communities as well as the safety of our employees. On Friday they emptied the last rail car of gaseous sulfur dioxide. Sulfur dioxide has been used at the plant for decades in an effort to protect the waters of the bay. However sulfur dioxide is also regulated as a toxic gas. We achieved a similar milestone last November

when the plant used its last rail car of gaseous chlorine, another toxic gas that has been used to disinfect treated wastewater. Let me just say that this was a significant, complex, and challenging process that required lengthy planning and coordinated efforts, and every unit at the plant worked together to make this a reality. As a result of this change, rail cars of hazardous gaseous chemicals will no longer be delivered or used on site. When I visited the plant last month to present to our employees with the pride of San José awards, they made it very clear to me just how important this change was. Their pride in making it happen without a hitch was evident. They took every precaution to ensure the transition away from gaseous chemicals did not impair water treatment, create risks for themselves, or affect the safety of thousands of people living or working anywhere near the plant. They provided me many, many examples while I was visiting about why this was so important including many potential disasters that I will not go through. I would like to thank them for their great work and the fact that these scenarios are no longer possible. Most of us will never notice the importance of this change. It is a very good reminder however that we are very fortunate to have such talented and committed people working every day to protect our community and our environment. The second report is one that just highlights that I did send to council this morning an information memorandum about the library funding initiative petition that is currently circulating in the community. And I did so because we're just about to release the proposed budget on May 1st and I wanted to ensure that council is aware that despite the two-year balance budget strategy that we are submitting to you, we do have now a preliminary analysis regarding the potential budget impacts and public policy considerations associated with the initiative. Because the measure would not provide any new revenues it does become a zero-sum situation, and will raise very important public policy concerns for the council and our community, if it becomes the will of the voters that this measure be put in place. If the library funding initiative does qualify, we would have to bring, and if passed obviously then we would have to bring a General Fund rebalancing plan to the council for your consideration for the remainder of 12-13 fiscal year. We would have to increase the library department budget by approximately \$19.4 million and to decrease other city programs and services by the same amount. Since we have been receiving some questions from councilmembers already about the potential impacts of what proposals we might bring forward to you, clearly it's too early for staff to make any specific recommendations, but given we have a few years of experience in having to cut services and knowing that there's very little discretion in the pie, a sense of order of magnitude sense would be that we would likely bring to you 140 positions to be reduced. Right now, staff would be thinking about 40 police officers, eliminating one fire

engine company, closing half of the community center or reuse centers, eliminating San José B.E.S.T, eliminating 8.7 park rangers, eliminating the children's health initiative, reducing park maintenance and strategic park functions. Budget director Jennifer Maguire will provide additional information during the upcoming budget process, and I do ask that if you have any additional questions, that you please get those to her so that we're prepared to answer what we can during the budget process, and in the future, at the appropriate time. And that concludes my report.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I was just hoping to is City Manager some clarification with regard to the ballot measure relating to libraries. If that were to pass we need to look for \$19.4 million in cuts in all the other programs and either lay off or move folks occupying 140 jobs is that right?

>> Debra Figone: Correct plus other reductions that I listed right now that wouldn't have city staff, for example, the children's health initiative. The pie is shrinking councilmember and so --

>> Councilmember Liccardo: Right. Does the language of the ballot measure preclude us from being able to move any programs into libraries, for instance, gang prevention programs that we might want to fund, and simply by hosting them in libraries, does that -- does that enable them to qualify as a library expenditure?

>> Debra Figone: I continue answer that and that would be one of the areas we could certainly look into.

>> Councilmember Liccardo: I recognize the size of the challenge and certainly expressed that view when I met privately with the proponents.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor. I just wanted to thank the manager for highlighting the tradeoff of that proposal. It certainly would cause us to pause and decide what would have to be cut and obviously you laid out a menu of items, and you know if you even look at it in one, if you did it in police, I certainly wouldn't advocate for that certainly 100 officers and that's just unmanageable. I don't know if anyone on the council is endorsing this item but it would certainly bring great concern what it would cost the city.

>> Mayor Reed: All right, that concludes the City Manager's report. We'll move to 4.8 the economic strategy work plan top five priorities. I wanted to move this up on the agenda because we have a whole bunch of people here, if this haven't already gone back to work, who has been working on the team to implement thank them and recognize their work. We have economic development strategy with 12 strategic goals and 37 action items. But eventually have to prioritize and the council has done that, back in October of 2011. We set the priority help grow our economy and support job growth and revenue generation. And throughout the administration there is a lot of staff people who are working on implementing the strategy. With a great deal of success so this 18-month progress report brings together the work that people have been doing, and helps us recognize and then reemphasize the priorities. But I do want to give special mention to the team. And there are a lot of people on this team. Who do the implementation workday in and day out, and if they haven't already gone back to the office I'm going to get their names up here. I'm not going to read all the names but this is what we call our San José development services team across multiple departments. And if we have those team members that are here, would you please stand? Anybody that's in the audience, up in the bleachers. Thank you. [applause]

>> Mayor Reed: While the names are on the slide, at the bottom of the slide we have some company low goes. Those are the low goes of the companies that have been through our process just in the last two months. And I'd like to just take a moment to read what one of the companies wrote about our team. And that was: On behalf of the entire microSemi project team, this is only a couple of weeks ago, we want to take this opportunity to express our appreciation of all the assistants of San José to bring this all in all it's pretty astounding that from our commencement on January 18th we're to deliver occupancy of 42,000 square feet of extensive lab improvements to microsemi corporation in just 76 calendar days. They took particular note of the how can we help you component i'm talking about CEOs of companies on a regular basis, I just spent a few days

in Washington with quite a few CEOs and they're making decisions about where their next expansion is going to be, where they're going to invest hundreds of millions of dollars, where they are going to place the jobs that are being created at Silicon Valley companies. If we can't work at the speed of business we're not going to have much success we have to compete with states and countries that have a lot more money than we do, that will help subsidize redevelopment Agency we have even less tools than we've had in the past so working at the speed of business is the one thing that we control. That we can do that we do it well and we've proved that over and over again with dozens of companies that have been through our process. But ultimately it's the people that just stood up that do the work and deliver on the promises and they have a great record of doing that. With that I want to see if the staff had some comments, in the staff presentation. There's some information we're going to share here today, I think.

>> Kim Walesh: Yeah, if you can put the presentation up, good afternoon, I'm Kim Walesh I'm director of economic development and chief strategist. Thank you, mayor and council of that recognition of our team. We have a fabulous team and on behalf of our citywide economic development team we really want to thank you for being clear on what the priorities are. I think we all know, working at City Hall, it can feel like you're drinking from the proverbial fire hydrant on many days so it's very helpful for us and I think an important role of leadership for you to be clear to us what our priorities are. We all want to thank you great partners on the work of economic development day in and day out. We feel very positive about what our accomplishments have been since you gave us this work plan approval last October. I think you can see we're working very effectively together and we're very bullish on San José and our future opportunities. There is so much that is right about our city. And there has been a very discernible uptick in interest and inquiry and activities in the last several months. The progress we've made since last October on the top five work plan priorities that you told us to spend 80% of our time on. Now we shared this in detail with the committee. But I want to hit on a few highlights for you. The first and most important of course is the project work. When we think of our core work there has really been two main areas of busy the last six months. One is facilitating major development projects and the other is a huge body of work shaping the policies that ensure a cost competitive, certain speedy environment for business. So projects and policies. On the project success, since -- project front, since January 1st alone, that STI-ITI team has processed 132 projects. 132. And that was the number that was in the memo from last month. Since then, that number has risen

by over 35. So they are really, really doing a lot of very important work. We've had 175 business outreach meetings by our OED business outreach team and the follow-up actions to all those meetings that number has jumped in the last month to 219 on an annual goal of 250. Capitol auto row just 15 years ago, 15 to 20 acres was vacant. That capitol auto row through 15% over the prior year. We have major retail projects moving forward and of course major apartment and other construction projects moving forward. On the policy front, I think it's very important to be clear. The same staff that do the projects and work with the clients, also do the policy. Both of important. And I think you know, with us we made some major changes to the construction tax for office R&D, and reducing that traffic impact fee, which again has made a discernible difference in the number of projects coming through. I want to say a word about how we are prioritizing the hiring of the additional development services staff that you approved several months ago. This hiring process, in planning, in fire, in building, in Public Works, is proceeding very expeditiously now. We, almost all of the recruitments are complete for the positions we are hiring for now. We are actively interviewing people and we are going to be hiring and looking for the soft skills of problem-solving and communication. In addition to the technical skills. So that process is proceeding, in close collaboration with the City Manager's office. And our really essential strategic support departments. I also want to note that the last leg of the policy incentives will be coming forward to you on May 15th where we will present the incentives you directed us to look at for new high rise development. The memo outlines some implementation challenges. I just wanted to flag four for you. Of course on a daily and weekly basis we face a challenge of how best to deploy the limited resources we have for maximum impact in the community, maximum client satisfaction and of course, maximum council satisfaction. We've had to scale down in many ways the expectations of the financial resources we had in the redevelopment area. So we are very focused on deploying our staff in the most impactful ways. I think we're doing a good job at that. The external participation have become absolutely essential. Our model has been we need to do less internally, we need to partner more and we will accomplish more that way. This kind of partnering we have strengthened and created a lot of new partnerships in the last six months. I any that's making us better and more relevant. As the mayor pointed out we're doing a very good job now on big projects. The next challenge, implementation challenge we have is how to do better with small businesses. We're very excited about the small business ambassador coming on in July, which will help us facilitate small business projects internally. We're very excited about in the downtown, the P-bid funded position the position that can work with potential tenants so they get good advice before they sign a lease, before they go

through the permitting process. And we have online resources coming in place to help small businesses go through the permit process. Of course we continue to operate in a very uncertain state environment where there's not a lot of tools, there's not a lot of resources and we continue to try our best to influence both draft legislation and the state strategy process. The last really important point which relates to small business is, we have launched a very important continuous improvement effort in development services. And we have Joe Horwedel and Lee Butler who's leading those efforts to say our concluding remarks.

>> Joe Horwedel: Thank you, Kim. Lee will do customer service initiative. It is one that we have celebrated for quite a while creative destruction. I think one that you heard about the mayor talk about and Kim talk about of the special tenant improvement programs is not something that existed a while arc type of services to meet those needs of our customers. And this is the next piece in that puzzle is really focused on how we go through and hire our staff. What are those things we look for. So we've asked Lee Butler and Curtis Jacobsen, Curtis is fire marshal for City of San José, to really hiring staff and the focus of our services to our customers. So I wanted Lee to have the opportunity to talk through that a little bit.

>> Thank you, Joe. I'm Lee Butler with City of San José development services and thank you, mayor and council for the opportunity to speak to you about a bit about the superior customer service through successful partnerships initiative. So Kim Walesh our economic development director had talked about partnerships and Mayor Reed, you had talked about working at the speed of business and the importance of that. And this effort really plays well into that. So back at the March Community and Economic Development committee meeting there was a memo presented by councilmembers Liccardo, Herrera and that we provide to our customers. And as part of that discussion, they stressed that we should really involve the staff and go out to the development industry to pick up the best practices that we have and spread them throughout the organization. And so that's what this project is focused on. So since that original meeting we've met with the division managers, in planning, building, Public Works and fire prevention and we've worked on a strategy to refine and define the project. And what we're really looking to do is achieve an outcome where San José is recognized as a premier provider of development services. So that will play into the ultimate goal of business attraction and retention by providing those services in a timely and facilitation -- and Faciliatory manner . We have conducted initial outreach to staff. We are continuing

additional outreach to the development industry. And we intend to bring this project back to the Community and Economic Development committee in may. And at that time, we'll continue to refine the project and the full work product before bringing it back to council again. With that I'll turn it over to Joe and have him make some closing remarks on the effort.

>> Joe Horwedel: Yeah. I think it's really important to acknowledge as you did Mr. Mayor that the work we do in development services is important to the economic health of the city. It is provided through a large number of staff in the city organization. Many of those you saw up on the screen. But there's about 300 people that deliver those services on a day in, day out basis. We are in the midst of hiring, thank you for the positions we got in January. And as you heard from Kim, as a part of the recruitment process we are underway right now is we are reviewing looking at those soft skills, customer empathy, the problem-solving. It is something I think our staff has done over the years, clearly not as consistent as our customers would like. But we do a lot of that work today on a day in day out basis, we want to make sure we're the best in class around that and that's something that we've taken great pride with those services we've provided, the special tenant improvement program, the industrial tools program and take it through the whole organization. So it is one that we're committed to, is your management team delivering those services? It's one that we depend on the rest of the organization as strategic support to help us, they hire the right people, we help them to get the right contracts in place. The attorney's office to be able to deliver the services. It is a full team that delivers these services on your behalf. Thank you.

>> Kim Walesh: That concludes our presence but as a final note we want to thank and recognize Ru Weerakoon from your office mayor who was really an important part of our academic development team. Thank you.

>> Mayor Reed: I certainly second that about Ru Weerakoon. Councilmember Herrera.

>> Councilmember Herrera: I would like incorporate the recommendations of the memo dated April 20th from Mayor Reed, Vice Mayor Nguyen myself and Councilmember Liccardo.

>> Second.

>> Mayor Reed: Chair of the economic development committee made a motion. Would you like to speak to your motion?

>> Councilmember Herrera: Yes I would, I would like to thank Nancy Kline 300 staff I people that work in this effort to deliver services and development services. All of the work that's been done. And I really appreciate the way that this team has taken seriously the concern that we have moving forward to really address and make sure that customers have that tremendous satisfying experience that they will want to continue to stay and grow in San José. Because ultimately we want to have more jobs, we want to have companies stay here and grow here. That's the whole purpose of this. And I appreciate the spirit in which this team is taking -- taken that very seriously. There's just a whole host of things that have been done by this team over the last 18 months. They -- I'm not going to reiterate all that but it's an amazing set of goals that have been achieved. And companies that have been brought here and retained. And with not a huge amount of staff to do that. I think your point about projects and policy, a lot of projects before we head an RDA team that could do that, there would be experts that all falls on economic development now. And so really without missing a beat you guys are moving projects forward and I'm just tremendously impress Wednesday what we're doing and I anticipate great things as we move forward.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you. And I'm sure others may have thank yous as well and I'm not going to go over the list of individuals because really we all know it's been so many people that have been involved with great leadership from our team. I think first of all I think as my colleagues up here, I think I want to give credit to the -- my colleagues in kind of all of us working together and understanding that by listening to the business community, listening to those out there about what's needed and I think we've acted pretty effectively and pretty quickly on that. And so once we do that though, the real work happens at the staff level. And I think you've really I think taken our words our policy direction and run with it, as hard as it's been, the many dozens accounts O&M the away used to be almost a ghost town of capitol auto mall to see it thriving like that, we can go on and on. But I

think that it really shows what we can in this tough economy, as the economy starts to turn around to make sure we help our residents and those that are unemployed particularly to have every opportunity to become fully employed again. And the feedback I get from the business community and from small businesses and large businesses, alike, is that they do notice the difference. And they appreciate it and I especially appreciate now our return to a focus on what we can do for the small businesses and I am fully confident that with our team in place we are going to make some significant progress in that area as well. So thank you.

>> Mayor Reed: Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you very much. major spot responsibility of this person, I know it's forthcoming but if we can just are an idea of what this person is going to do with regards to the small business community that would be great.

>> Joe Horwedel: Sure. Actually, it's going to work in partnership with position Lee has today which is focused on our driving industry, and being a point of contact outward. We want to have a similar person that's really able to have the resources to work with the smaller businesses. Really, I think starting to build a relationship with the different chambers we have around city, that's one of the things we depended on with the agency to have some connection. And then with the P bid going on downtown one of the positions that's in there is a liaison type position that would be operating out of the downtown association, again, working with this new position. That they would be on the front end working with the leasing agents, and then our person would be working internal of the building and really handing off back and forth so that as leads come in and there's questions we're able to support them as a way to kind of broaden our reach. One of the other things that thanks to Ru is that she's drug me out to go meet with brokers. And it's really good to do that. And that's one of the things I would see that would be going on with the small business ambassador is being actually out at the brokerage houses when they have their monthly meetings and you've uh got 20 or 30 brokers together to really talk about what the City's goals are and how they can be more effective to their clients. That as opposed to trying to hand hold every small business going through, one person's clearly not going to be able to do that. We're trying to find out where we can place them and the best bang.

>> Vice Mayor Nguyen: Thank you for that. One of the reasons I brought that up is in the ethnic community, there are many, many small businesses what we hear first and foremost is that we really don't know what the City's doing and how can the city be more helpful in terms of promoting their ethnic business model or you know whatnot. So if we can be helpful, in terms of sort of making that connection with the ethnic business community, in the city, we'd be more than happy to do that.

>> Joe Horwedel: And I think that's something we would really like to ride on our coat tails with, that each of you have meetings out in the community with the different business groups the business associations and for us to be out there kind of ride shotgun with you I think would be really beneficial because it allows us to meet with more than one people in one setting and again a good use of that staff's time.

>> Vice Mayor Nguyen: Thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. I'd like to echo the same thanks for all the work that you've done. It's extremely impressive. I'd like to is on page 2 in addition to half out of how many?

>> Joe Horwedel: So we're --

>> Kim Walesh: That sentence is referencing in January, when you approved, I think it was nearly 30 positions. About half of those positions already had people in them. They were filled, and you were making them permanent and ongoing positions. So we're recruiting for the ones that are the net new positions.

>> Joe Horwedel: So literally we are doing recruitments right now for inspectors. We've hired several new electrical inspectors, we're doing a whole new recruitment for all types of inspectors. We just did interviews the end of last week for plan checkers. There were four of them that came out of that that we really, really liked. I

have three positions so we're coming back to come talk to the budget office about how do we create the fourth position, because we are proposing the budget in July to do add some more. the planner position, the recruitment window is underway right now. I think it closes next month. We had a lot of interest in talking to young planners that are coming out of school, that I think we'll have a good crop there coming in. And we're working on supervising inspector positions, also and then fire just went there and offered for three positions I think out of their world that have staff coming in like once a week. There's a new person starting. So it does unfortunately take some time to bring people on board. We actually slowed down some of our recruitments, in PBCE, just to go back and look at our selection process to make sure that we really were hitting the soft skills hard enough. And so we've slowed down a little bit there, to look at our questions and how we were doing some of the practical exercises to make sure we were also looking, obtaining the staff that had those skills besides the pure technical piece of it. But I think by the end of may you will see most if not all of those positions filled that we got in January. And now that we've done the recruitment process we do have lists that exist that as we come into the July budget process where we are asking for some more positions I think January where we had no list.

>> Councilmember Pyle: I think tremendous and if we don't have sufficient staff, you're going to lose half of the people that would like to do a remodeling project or whatever it is that comes along, or the business or what have you. So I think that's really an important thing. But I'm concerned about your side of the fence too, Kim, in reference to enough staff. Could you comment on that? Because as you say, you are out there on both sides of the fence trying to -- trying to dance as fast as you can.

>> Kim Walesh: Yes, compared to the very large staff and operating resources for projects and programs that the Redevelopment Agency had and that other large cities have. We do have a small but mighty team and again we're very focused on working smart as a citywide team, and then out into the community. And we do hope quite frankly we get to a point where we can add some people to do some of the functions that are missing right now. And bolster the volume of business outreach and facilitation work. Being the pipeline to the projects before they get to development services, and we can be doing even more of that as the economy keeps improving over the next several years.

>> Councilmember Pyle: I think it probably will, basing it on recent real estate sales out there based open the overbidding and the other things that are happening. Whatever we do we need to keep an eye on the number of people we have because we need to increase them as we go along so that we can capture more business. It's not fallen on deaf ears. I hear people in the community saying things such as this, I think your planning department is getting to the point where they're really on it, they've really improved so much. Really? Tell me more. They are really excited about it and noticing of what's happening. So thank you for that, thank you all.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. Thank you for the report. And I do believe some action back in October that it's not that you didn't get it before. It's just that it appears to me that the results are shown in the numbers that you put in this report. And I think it's great. I don't really have any concerns about your report, or the memo from my colleagues. What I did have a question about and I don't know if it's a concern, it's the memo from March 26th. At the committee level. And to me, some of this seems either obvious or you're already doing it at least from my experience I felt staff was already doing some of this work. And on top of that it almost goes to me to a point of almost micromanaging but not having the privilege of being on that committee and the experience of how that committee went at committee level, would you please share your experience of how who is brave enough to tackle that question?

>> Joe Horwedel: Councilmember Rocha, I think is staff and how we looked at the memo of March 26th was, really what the goals were. And that was are around handling exceptional high level quality service. And that's something that staff we absolutely agreed with, that we -- you know that is what we aspired to. I think there were certainly a lot of suggestions about how to achieve that. And that's one of the things that at the committee meeting we talked about, that -- and the committee members talked about, that there were a number of ways to achieve these goals. These were some ways, but the community really stepped back and said, you understand what we're trying to achieve. Go for, come back with a plan about how to deliver a more consistent experience for our customers. Recognize we're the places, where we haven't hit the mark, you know we just haven't delivered the service that we wanted to. And really focus on that. And so that's as a part of coming back to the committee what

we will be talking about. The project that Lee and Curtis is working on around the soft skills sides of things, I think deal with some of the issues that are in here. And some of it is more I think looking with a bit of question about how we deliver some of our services. I think we've been so focused in the last couple of years in survival, as we dramatically sling back and had to cut back a number of services we offered. Where were the places that we cut that we needed to figure out how to bring it back? And that may be in the next year looking at some fee increases to go back and deliver some of those services. But coming out of survival mode, how do we keep things moving the best we can and we aspire to be much more than that. That's how from a staff standpoint what we took what was in the memo. There's certainly some of the stuff that's down in the weeds on it but there's a couple of things that we're already talking about, so it's an ongoing conversation.

>> Councilmember Rocha: Not that I disagree with anything in here but it seems like we talked about on council focusing our time and energy everett that staff is going to have to shift their attention and focus on because we're already -- because we've cut our employees and we've cut their compensation and we potentially look at reducing the retirement benefits and we tell them in this memo is at least smiling when you're talking to people. I get that. That's what we want everybody to do so that's really where I was going with this question, how was this received at the committee level and how are we actually going to implement. You used the word implement. include this direction in this action today.

>> Kim Walesh: I think we collectively feel that it's the right thing now to engage with our staff, our middle managers and our employees on how to rebuild development services. Building on all the great customer service preparing our selves with the resurgence of activities. It is top down and the outside-in but to really make changes really requires that the best ideas be considered by our great middle management team, with the employees. And with a lot of avenues for employees to provide input. Which is why in the committee we had a lot of good conversation, about that's how continuous improvement happens. That's why we're on this journey led by Lee and Curtis and containing it time wise so it doesn't become something that is taken away by the service delivery messed. But there's a good check in about why we're going and we're ready to go the next chapter and next years.

>> Councilmember Rocha: You slightly touched on the HR component for me which is if we want this from employees in my mind we have to be able to pay employees a competitive salary and we have to be able to support them with an investment in their performance and maintain employees and not having employees leaving because they don't want to work in San José around this environment. I get all that and again thank you for allowing me to ask these questions. Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed, Joe when you were speaking with past we've discussed prioritizing different types of where do we spend our time or what areas do we put out, be they on jobs or housing and I think we sort of lean towards jobs and the tax base, significant tax base. On the small business side of the fence where do you see, even if it's tangential, not all small businesses may be equal either.

>> Joe Horwedel: That's a conversation that we need to have some more. We have done some internal prioritization of major driving industries, sale tax generating businesses and then retail the smaller businesses fit in there and single family house has kind of fallen to the bottom of the pile that's how we've ranked it. That is one of the things again looking at one person, of what they can do and then what we do of staff around, behind that, of you know, whether it's the next generation of an STI type service, we aren't going to be able to do everything for everyone. So that is I think part of the conversation we're going to have at the committee is here we would prioritize things and kind of make sure that it matches up with the will of the council.

>> Councilmember Oliverio: And I think that's important to have that conversation because one applicant who's maybe for whatever reason unprepared or disorganized et cetera, could eat up a tremendous amount of time. And that might lead to the backup of others. So as long as that is there, acknowledging the differences it's good.

>> Joe Horwedel: I think that's the challenge we're facing right now as staff, I don't want to take too much time but just this morning our senior management talking about an applicant who we have dealt with in our permit

center three times through. Have made suggestions about how to proceed but they're unwilling to go and really put any money to doing in. They want to get it all resolved kind of out at the counter, or talking one on one with the staff person. It totally deprives the public process and one that they threaten well we're going to go to the council you're not being business-friendly. That's now hung over staff's ahead where they really don't have the capacity to do endless time with it, and I think that's going to be our biggest challenge. What Councilmember Rocha is, how do we go and provide that space for staff to really provide excellent service but I think what's do what is important .

>> Councilmember Oliverio: I think property doesn't look to see what it's zoned for and then blames staff when in reality they should have done their due diligence and checked on all that stuff beforehand. I think that's important. But at the same time, there are those who will make legitimate, not checking the box type things because they are legitimate small business owners. They want to planning and permit process. But on the other topic, the Amanda system, to track projects as they go through, where are we on that investment and if you had more could you get more, and is Amanda the right platform for the future? I know Vijay is in the audience but at the end of the day when customers want the satisfaction of starting an application and tracking it the whole way through and not have people due duplicate type work and everyone is staying on the same page so if you could up the on that.

>> Joe Horwedel: It is at the end of its useful life, it's probably five years past its useful life. We have been making investments to be able to transition off that system. We actually have put some money in the budget for some consultant work to actually look at what -- where we should go next with the permitting system that actually meets nor of our customer needs and reduces the cost to run it. Vijay has been really helpful on the imaging piece that we're transitioning from a single source to a more them piece behind that is to deal with the replacement of Amanda their new version or something their competitors run. We will be going out for that kind of open review of that. But it is -- we do need to invest there. It will be a multimillion dollar investment so we're trying to put away some money every year to do that.

>> Councilmember Oliverio: And Vijay, I'll ask you the question as you're walking down the stairs. Knowing the business of the building and planning department and where the technology sees, where do you see, something off the shelf that takes just configuration or does that have to be an investment that was originally don't at the same time?

>> Thank you, councilmember. Vijay Sammeta, acting director of information technology. A lot of changes to business practices that are going on so I think he's got the right approach where it's not just Amanda. There's a lot of moving parts. We talked about imaging, we talked about the permitting process itself. When you talk about work flows that the staff has been talking about, it's not one piece of technology it's an entire customer experience. I think that's most important if that ends at the end of this type of revamp. Where we're paying for a very committed work flow process and try to recreate that with technology. But instead let's streamline the process first and then apply technology to it. We don't want to invest in a solution in search of a problem but rather streamline our work flow and then apply technology to it. Joe's dead on we are making for improvements in the engineering space, because when we look at the state of the fruit that's probably even further past the end of its life than Amanda so that's where we're starting first.

>> Councilmember Oliverio: I appreciate that Vijay, so glad you're observing and monitoring it through and obviously will have a chance to.

>> I'll say the good news is that we've got you know the I.T. department you know from a technology perspective the tip of that sphere but really, a lot of the workload happens in the departments themselves with their business processes, so you know, rather than starting from the perspective of let's pick a technology, hire a consultant and then figure out our work flow. We're really flipping that on its head starting the work flow and applying the proper technology. I think in terms of priority they're equally spending it. But I will say, you know, it's hard to put a number on it because there are different constituencies, we are working on both of them at the same time and I know that we're working very closely with Joe as well as our finance department.

>> Councilmember Oliverio: Thank you, Vijay. And I just want to raise this as an issue that outside of the outstanding people we have in the Planning Department and folks working hard to meet the goals there is a technology aspect to that and we will hamper our staff by not having the tools to make them both efficient, because of that, there will be technology will not be able to keep everyone on the same page at the same time. I thank the pro forma staff but I'll be here to remind everybody that that's a bund priority.

>> Mayor Reed: Councilmember Liccardo about.

>> Councilmember Liccardo: Thank you, mayor. End reach effort as opposed to outreach. I Mo we'll be doing outreach too but I agree that's important for us to be talking to the professional inside generosity the building. Particularly Lee and Chu Chang and the folks who were really involved in a lot of the trouble-shooting out there. I've heard great things about I've that comes to me, usually the clients come to me first and then I'd beg for help and I just really appreciate the way you Lee have jumped into beings it's just been very helpful and certainly congratulations to the team for all the success that we recently heard about LSI, advantest, polycome and it's great to see . I remember asking this of ADA a few years ago. I'm not sure there's a way to get this information but I just asked because I think it might be helpful. We know certainly that companies are moving into San José because that's great, there's a lot of that leasing activity going on. This is a time of a rots of mobility. Are we ever able to find out exactly why they're making the decisions to leave and are we able to track that in any way or is that usually happening beneath the services with conversations with depreciation?

>> Councilmember, Nancy Kline, office of economic development. It's very difficult to approach that. Our staff usually gets that information of the high level larger tenants, for example, magma will be purchased an magma will go to refill that space. So we know on that level anecdotally when someone's not pleased and they have interacted with us at any time before they will comment to us. But a lot of that is simply looking at space that's available. And making a determines based on size William space, fit, cost.

>> Okay, that's helpful, I guess, I do recognize there are a lot of factors involved has nothing to do with us. This would be helpful to know occasionally if we did have the ability to get this ambassador I not that we had to

because of budget cuts eliminate that and I'm thrilled that the P bid collaboration is going to go forward, I think that with it be helpful for us including the opposition defending a memo they didn't write so I thought I should at least respond in some way. You know the concern is and perhaps I feel it most acutely in the downtown, we have a lot of turn jove there's going to be a lot of applications for permits and entitlements and so forth. And as a result, we get the steady stream of gripes. And I know those gripes happen in every city throughout the country. reality of bureaucracy that has to deal with a set of rules and apply them. I think it's fair to say that business community expects us to do something as elected officials and not simply say planning will work it out. And I appreciate that Joe has been very proactive in trying to jump into this and has been very involved in the process improvement as have many people beneath Joe. The challenge is simply that when we recognize an opportunity, and I think there is one here, where we can actually make explicit commitments to a business community that wants to see if we're willing to make those commitments before they make their decision we ought to take advantage of that. And where -- whether that deals with issues we've had in the past and undoubtedly there have been challenges in the past or simply ways we can differentiate ourselves from our competitors I think we need to do that particularly in the world of scarce resources. That's why the direction is set out the way it is and we'd all love to believe all these issues magically resolve themselves but they don't. It's helpful if customers at the window can see if there's explicit genesis that I dovetails with Pierluigi's question. It regards the chess clock. Joe, I know we've been implementing it gradually or in pieces. Are we there 100% yet?

>> Joe Horwedel: We're not there 100%. We actually as a result of the discussion at committee went back with our I.T. staff and looked as where we were having problems with the chess clock and realize that how we built it had some problems in it. So we're doing a rebuild on it right now. Sal Ukuvu who is now running the permitting for planning, Joe Chang out of I.T. and myself last week went through a mockup of what that would look like. Our goal is to have that technology running by July 1st so you would be able to see it for most of the planning applications up on the web. So that that would now be working. So it's moved to the top of our pile because it is something we've talked about for a while. I think it's an important means of being transparent to our customers about where their project is and we're pushing hard on it.

>> Councilmember Liccardo: Thank you Joe, I appreciate it. I know that the expression of the day is continuous improvement and improvement depends so heavily on having accurate measurement of the delay that's involved. I say delay. It might just be time that is required to get things done but whatever it is if we can't measure it then nobody's paying attention to it except for the customers losing a lot of money while they're paying, waiting for their business to get rolling critical if we can get that on line in July I think that will be a real step forward for the city.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Thanks, pair and thanks, Sam for letting me work with you on that original memo that went to the committee. I think what's important to realize is what we're not talking about here is a fake smile like you used to get at Safeway where everyone pretended they were happy to see you and tried to call you by your first name and escort you through the store. What we're really talking about is getting to yes, getting to time, getting to ribbon cutting, getting people through the process that we've done so well key examples that we've highlighted over the last couple of years. I think that the mayor of Anaheim instead of using regulations to point out the hurdles that are in the way, get people in where they are to where they need to be. A personal example, once I had a building that I was building couldn't get to final because everyone kept saying no, it doesn't meet the code. And it took several times until one of the people came and set if you just do this, it will work. And nor a few hundred dollars and a day's worth of work we got it done and we got to final. And that's I think what the intent of this is, is getting people to yes. Getting them to success, working with them. And I think that's something that we should continue to strive for, not only in planning and development, it really should be throughout our city, what we can do to help people get to success, that road map to success. And I know we know how to do it because you guys have done it a number of times. I any what we're asking is how can we figure out how to do this as a regular course of business with everybody, the you know \$200 permit to the multimillion dollar project and everywhere in between. Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: As a third signer on that memo and the one who presided at that discussion at the committees committee, I was really heartened second page that we were getting a little too prescriptive. I think Councilmember Rocha made some good observations there. But what happened in the discussion though was that staff was actually really heartened to have this discussion. And we focused, we really defined, and absolutely got to be bottom line that staff really needs to and staff and the people that work in planning and in development services need to define what superior service is and that needs to be continuous improvement. And that's the concept I brought into the discussion because I came out of the private sector and I came out of manufacturing environment where that's really the watch word. So I think absolutely having that as the goal so that we're going to continue to improve and making sure that we're meeting customer's needs because when we become customer-fossed that's going to be when it's going to be driving in the right direction I think the end of that discussion because Councilmember Rocha wasn't there, actually turned out to be a very -- it was a very fruitful discussion. And I think the final motion contemplated that staff would make those determinations. And that that is how -- that is how it got resolved because it's very important to have the people that do the work actually make those kind of determinations.

>> Mayor Reed: City Manager.

>> Debra Figone: Yes, I'd just like to add a few thoughts some of them echoing what has been said. I couldn't agree more with Councilmember Herrera, that the employees closest to the customer often have the best ideas. And to unleash that talent it really takes leadership. And so I thank the team in front of me and up in the audience for providing that leadership and getting your minds around this, especially given you have been working so hard just keeping the wheels on the last few years. And I do agree that we -- you just can't direct customer service and expect it to become a cultural norm. And so we're really going after the cultural norm regardless of who's sitting in the leadership or the employee seats. The second point I want to make is one about the strategic support departments. I just have to remind us all that they have been gutted over the last few years, and now we really want them to hurry up and deliver. And we are going to be bringing forward some positions as you know, in the budget process, but I don't expect that we'll be able to fully staff up in those areas as quickly as you'll want direct support. Direct service departments, staffed up so we'll have to continue to use resources

wisely, and also, empower strategic support departments, to streamline regardless of the fact that we live in a world of rules, and civil service, et cetera, et cetera. So we're going to have to continue to find that balance. But let me just say this is, you know, staffing up and getting positions filled is an area that every department is struggling with so I know that the strategic support areas, departments are really focused on this and are going to do their level best to provide services to the rest of the organization. That concludes my comments, mayor, thank you.

>> Mayor Reed: All right and thank you City Manager for allowing your team to do such great work and leading them in doing that. We have a lot to show for that. A lot of companies a lot of jobs that have grown in San José and been located in San José that could just as easily have gone to another city or another state but we worked to make sure they were here and we have the results to prove it. But I do know it takes a lot of work and we have a great staff that's done that work. So it's a chance to say thank you, which we do, and now we have a motion on to take the official action. On that motion, all in favor? Opposed? None opposed, the motion is approved. We had taken that item out of order. Hopefully we got it done in time for the staff to make their next meeting with the next developer who wants to add jobs to the city. I know they're out there. We'll take up item 3.3, continued suspension of supplemental retirement benefit reserve payments.

>> Councilmember Constant: Motion to approve.

>> Mayor Reed: Motion is to approve. I have a request to speak, Mr. Wall, I'm sorry, you wanted to speak on the last one. I missed your card. My fault. You can speak on both. I'll give you some extra time.

>> The aforementioned issue, the economic strategic work plan. There are several conundrums and inconsistencies with city policies that conflict with your priorities. One is the appropriate accolades for capitol auto row, but with reference to the building permitting of apartments and what have you, in which developers no longer really have to build garages for their apartments or other housing projects, their reliance on street parking, the incredibly inane no car parks and whatnot. That is certainly a mystery. That I can't figure out. Another developer Mulligan that has been given is the misrepresentation that has been given to people about paying for parks. They

see pictures of parks but the money goes into the account until there's time to finance the management of the parks or the upkeep of parks. So that is inconsistent. Councilmember Liccardo is right, and good, to mention about accurate measurements. Because performance is relatively simple to measure and performance is what counts. Lou Wolff said that. But the city relies to its detriment on financial estimates. These financial estimates were put forth by the people that were sitting off to my left. These estimates are part and parcel why the city is in the financial collapse it is in right now. Now, with reference to item 3.3. For disclosure purposes, I'm a retiree. The extra check really did not bother me, and that's not why I'm here to speak. Why I'm here to speak on this particular issue is, that the vast number of police officers, firefighters, and other city employees that have gone well before me into retirement, far before I entered into retirement and rely on this check, this check to me, as I stated previously, is -- was just an extra check. With the reference to the retirement services director's commentary on this extra check, this was summarily built into the retirement system. And so whether or not you take it away from the people that need it is upon your heads. And you will do so as set forth in this agenda item. It is unfortunate, and -- that you would take advantage of financial situations to punish city employees that were offered a bargain, that gave their lives to this city, their working lives. And then, in later years, you retract your offers. And one may say if that is not a lie in itself. And how will you try to get other people to work for the City of San José, knowing full well that what you say is only good as what you say today, and may change at any point in time. Therefore, that's not honorable the type of agreements that you get into with your employees. Because you are not trustworthy. And you're not trustworthy on a variety of fronts. We could go on to discuss the unfunded liabilities and other issues. But I will not take advantage of mayor's mistake on a previous issue. Thank you.

>> Mayor Reed: Thank you. That concludes the public testimony on item 3.3. Like to speak to the item. It's important that we continue the suspension primarily because we have 2.9 billion of unfunded liabilities in our two retirement plans. That's a combination of pension unfunded liabilities and health care unfunded liabilities. And those unfunded liabilities went up more than \$100 million in this last year's evaluation. So we shouldn't be bonussing out money when we have that kind of a gaping hole in our finances. The other point to make is that every one of our retirees in the past probably 45 days received a 3% increase in their pension payments. Because we have a guaranteed automatic increase, every year, for every retiree. And if you look at the

people that have been retired in the City of San José who work for us more than 30 years, the average Federated retiree who worked more than 30 years got a \$2,000 increase, the average police officer retiree who worked more than 30 years got a \$3,000 increase. Even those who worked less than 20 years for us, not even a full career, got 3% increases. And the average Federated employee who worked less than 20 years got a \$700 increase and the had got a \$1300 increase. So this comes at a time when we're facing incredible pressure on the General Fund and other funds because of soaring requirement costs when unfunded liabilities continue to go up. And that's why we just can't afford to continue sending out bonus payments, the 13th check or however it gets categorized, the SRBR. I'm supporting that and I'm urging my colleagues to support the motion. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. And the -- I'm looking at the -- in the recommendation it says that the ordinance needs to be adopted within a time period at a does not allow for a 60 day review period by the board of administration of the Police and Fire retirement plan under the San José municipal code section. So essentially we need to -- this is an action, I don't know Rick if you have a comment on this but this is an action we need to take in order to basically waive that 60 day required period?

>> City Attorney Doyle: Right. I think the intent here is at the first -- this is the first reading. This is approving the ordinance for publication. Between now and when it comes back for final adoption it will go to the Police and Fire retirement board for their review and comment. So there is time for that but we need to get the process moving.

>> Councilmember Kalra: I see. It's still going to go to them for comment and come back to us, but the 60 days, as I read the memo it's going to go to a future retirement board meeting and come back to us in may?

>> City Attorney Doyle: For adoption. We need to have it in place, the reason for that, by the end of the fiscal year.

>> Councilmember Kalra: What if there is alteration based on feedback from the board, is that something we could do?

>> City Attorney Doyle: It all depends on how certain tweaks it doesn't require a republication if it's a significant one then the council can consider it, ultimately the council adopts the ordinance as it wants to. It is a courtesy review and comment period and we'd have to see what proposed changes or comments will be made.

>> Councilmember Kalra: And there might not be any if at all.

>> Mayor Reed: I'm sorry, answer that question respond to that question.

>> Alex Gurza: Good afternoon, mayor, members of the council, Alex Gurza deputy City Manager. I did want the mayor and council know that immediately after the publication of the memo we did retire it to the Department of Retirement services who already forwarded to both boards.. It was already on the Federated agenda and there was no comments to respond to council retirement board meeting which will require before the second reading. So if the City Attorney indicated if that board has any comments then we will provide those to the city council prior to the second reading of then ordinance.

>> Councilmember Kalra: Would it be considered a major change that would not allow us to amend if it were for example something that I know some of us up here, I know Councilmember Chu has raised it before and I've mentioned it before of just identifying those that are truly in poverty, not those that may be getting the \$4,000 raise and getting \$80,000 retirement but those who are living at poverty levels or low income levels and who may have relied on that money over the past I don't know decade or so is there any way that that can be analyzed and implemented without requiring us to have to go back and do another hearing? Having a reading sorry?

>> City Attorney Doyle: Yeah I think the short answer is yes it would require because it's a significant change. My suggestion is, because this issue's surfaced before, is if you want that type of analysis I don't think it could be done before July 1 anyway and I think it's something that in terms of maybe in the future staff looking at that possibility because there's a whole host of questions that we don't know. And I don't know what it would take to get retirement staff to really -- to do that analysis. But to the extent it applies to the ordinance, you want to make that major change to the ordinance it would require a republication and new first reading.

>> Councilmember Kalra: The issue gets raised and raised but there's never an analysis of how the poorest of our retirees are being affected. It may be a small percentage, maybe 5%, maybe 2%. There are some of us who have a concern about those living in poverty who may be affected disproportionately than others, may have retirement amount and so -- this right now is not going to allow for that kind of analysis or at least not action on that analysis?

>> City Attorney Doyle: No, it's not.

>> Mayor Reed: City Manager wanted to respond on that.

>> Debra Figone: Sure and just to add it would not, and when we have discussed council's interest and I know it's very much out of empathy, there is typically been a couple of key issues, one the whole issue of income verification, and how would you go about ascertaining poverty level and the years of income. The other would be the years of service that the employee has actually served the city. The retirement based off of ten years consequently very low, versus a longer period having retired many, many years ago. And so there are many factors that could drive the income that you see and if we only looked at retirement and didn't consider the totality of their personal assets it could be very tricky --

>> Councilmember Kalra: Someone \$500 retirement, but I think those are things that can be ascertained as can income through tax records and other mechanisms we use whether it's when we're assessing for affordable housing funds or grants or whether it be for other programs we have, there are certainly ways, as simple as just looking at their tax records to determine what their overall -- I mean if they're the ones that maybe put the onus on them to have to show the records that they qualify and then maybe have a grid as far as how many years of service versus how much they're getting and those are things that are done and can be done based on the records we already have. And so I think that no 1 is suggesting, at least I don't believe, that the SRBR be continued the way it is to every single retiree. We want to make sure that those who are truly struggling relying on

whole or in the most part of what they are getting from the city that they get the extra remainder boost and the majority go back into the retirement fund which all of us agree would be the best course of action.

>> Debra Figone: Yes, understood probably technically possible, it would be a significant public policy decision in terms of whether or not you wanted to put the city in that position or the retirement system to make those calls. Alex.

>> Alex Gurza: I just wanted to mention also, as we did note in the staff report, the ballot measure that's pending on June 4th, if passed by the voters would eliminate the SRBR. It doesn't mean that the city council couldn't provide a supplemental benefit but it could not be paid out of plan assets. So it would have to be funding identified for such a program.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. And thank the Councilmember Kalra, pretty much I just want to state that my opposition, all along, I believe the SRBR to -- I'm not totally agree with the formula that we're using on the current SRBR. But I think to eliminate it is like throwing the baby out with the bath water. To have to design something that would really benefit those people that unfortunately outlive the life expectancy of an actuary I do believe is possible. We in the capitol of Silicon Valley. I mean, just to be able to figure out a formula to benefit those people that are truly needed, you know, our retirees, I -- I'll be very surprised that we may not be able to do it, you know, and you might help, we can probably sit down and come out with some solution for you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. I thought and maybe this is a question for you Deb. I thought after the council meeting on May 17th that that was one of the things that we had asked if there could be at least some sort of effort to even study the possibility of determining, as Ash was suggesting couple know, those folks that are really, you know, on the border of being destitute, which there are some. We live in Silicon

Valley. Poverty levels are actually higher in terms of -- or income determination for poverty levels is actually higher than what HUD designates. I think we do put something there, we could put the burden back on the retiree that if you want to be considered then you're going to have to prove that you fit into that category. And it's been a year and again, you know, I'm a new councilmember so I don't -- you know I don't know how -- I don't know what the practice is. That unless the whole council approves it, a good idea to you know, just get pushed -- you know pushed to the side. I mean it seems like we should be able to give ideas out and we should study them, even if -- especially if they hold some sort of merit. Because I don't think there's anyone on the council that's looking at the SRBR and looking at those that are at the lowest income levels that fortunately are still with us, and they might have retired 20 or 30 years ago that we want them to be destitute. And if there's a way that we can you know try to be able to at least support those folks then I think we owe -- you know we owe it to them. Unless I'm wrong I would think that the majority of the council would want to see something like that. You know, none of us want to be folk without the basic necessities of living. So you know I can't support the motion as-is. I would certainly love to be able to give, again, give direction to staff to come back and try to craft something out of this, that would you know, provide that safety net, for more than likely a very small percentage of retirees. Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. I want to thank the mayor for pointing out what the bump is in the cola and how that corresponds as an actual increase. I think that's important, I think we lose sight of that, I find that to be a very good example and I just want to thank you for pointing that out.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. I think -- given I think the concern we all share about the situation, with retirees who are clearly in need of additional help, and recommending Alex's comments I think this is a worthwhile discussion to have after the ballot measure if approve it we won't have a program, and literally we'll be looking at the General Fund, this is the only source of funding for that 13th check. So I think it's a question that is worth taking up after the ballot measure is decided by the voters. And I think that, you know, what I would

recommend, if we're going to be looking at something like this, is we have just a very straightforward, very simple determination which is, if someone presents evidence for instance that they're on general assistance, that would be the determination. And so staff would not be involved in going through tax records and you know, just the bureaucratic nightmare of trying to determine are they, or aren't they. I any it's hard enough I think for the federal government to determine who is and isn't eligible for a particular aid program. That's just not something the City's built to do and would require an enormous amount of bureaucratic undertaking. I would suggest we take it up at that time, have a very simple streamlined decision making process, which is are they, aren't they, do they qualify for GA or not, and then go forward.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you mayor. Going to is staff for a little help here and forgive me for short term memory loss. whose ultimate decision is it to distribute at least as far as the SRBR? I know we have the authority or the discretion on the pension obligation side to pay the full amount or in some cases more or we could go less. But on this one can we refresh my memory?

>> Debra Figone: I think Alex could help. We did suspend it last year also councilmember but Alex details.

>> Alex Gurza: In the past both systems have a distribution methodology. They're similar, slightly different between the two but they're obviously, first is determine how much gets to be distributed and then they have a point system based on number of years retired, and it's relatively complex but it's set out. Now, as Councilmember Liccardo said, if the ballot measure does not pass and you pass the suspension, there will be time in order to determine whether or not the council wants to suspend the distribution methodology. There was a time in the past where the bargaining units but it currently exists now. We can provide the council with specifically how the distribution methodology occurs if there were to be a distribution.

>> Councilmember Rocha: Thank you Alex. Hard to trust the retirement board on so many issues and take the information they give us at face value and trust them. It almost feels like we're not trusting them to make the decision on this issue, or am I right reading them incorrectly on whether or not to distribute this?

>> Debra Figone: I think I understand essentially the council sets the benefits and the plan administers what the council council side of the line right now taking an action that says let's suspend the benefits that we have authorized. And then the board would then not implement. I think that's essentially what this is about.

>> Councilmember Rocha: So as the board views it, they just look at the benefits that have been approved and they distribute them. They don't decide whether or not the fund can sustain them?

>> Debra Figone: They fund through the actuarial work and setting the rates, what the council has authorized. And what's happening now is, the council saying yes, we know that's authorized that's part of the plan but we wanted suspended for X, Y, Z reasons, and then the board would not distribute based on the council decision.

>> Councilmember Rocha: One final question. If we did not not provide that?

>> Debra Figone: No. They would not.

>> Councilmember Rocha: They would be required to distribute?

>> Debra Figone: They would be required to distribute.

>> Councilmember Rocha: Thank you.

>> Mayor Reed: Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you. I'm very sympathetic to the concerns raised by Councilmember Kalra and a few others. But I think Councilmember Kalra has a really good point. I think at this point it's probably better for us to wait until after the primary election to have a better more thorough discussion. We have an opportunity later to decide which direction we wanted to go and I think at that time, you know, staff can maybe provide us with a little bit more details in terms of what kind of process we have to go through, in order to determine whether someone is eligible or considered low income and other criteria that would fall into the category that was expressed by Councilmember Kalra. So I want to support the motion, and I think that, you know, we need to do the responsible thing here. Thank you.

>> Mayor Reed: I think that concludes the discussion. On the motion, all in favor? Opposed? Count one, two, three opposed. Kalra, Campos and Chu opposed so the motion passes 8-3. That concludes then item 3.3. All of the 3s are done. Moving to section 4.1. We have a motion to approve the modification of the home buyer loan investment program. Mr. wall you want to speak on this one?

>> Here you bemoan the fate of the pension cost, Mr. Mayor. But the Redevelopment Agency cost to this city and for who knows how many generations, far eclipse what you just did to retirees. Now, this modification to the home buyer loan investment program, people at home don't really understand how this works the taxpayers had a bite to it 20% had to go for your low-income housing. Somewhere along the line, you folks got the wise idea you wanted to go into the investment banking business. To offer down payment loans to people who could not afford to own a house in the first place. So you give them radio loan. Then at some point in time because they couldn't afford the house to begin with, they're on the verge of foreclosure. So in this foreclosure proceedings if they do go through foreclosure, one, you'll look rather foolish and two, you'll lose the attachments to the properties, that they will no longer be low-income or affordable or what have you. Now people at home might start to think, hey, wait a minute. This is a sweet gig because now you're, according to your statements, quote, accept reduced payment amounts as full payment, a developer discount notes of home buyer loans, et cetera. So you're just accepting partial payment as a full payment. Why don't you just cut to the chase and say look, we're really stupid, we're going to give you the house for free. People at home aren't going to appreciate this at all. Thank you.

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

>> Councilmember Constant: I just want to note that I'm going to be voting no on this. I understand the logic behind it but I really don't feel we have the legal authority to do this, nor is it in our best interests due to the liability.

>> Mayor Reed: I think that concludes the discussion. We have a motion to approve the staff recommends. On that motion, all in favor? Opposed? One opposed, Councilmember Constant. Item is approved. 4.2, annual status report on citywide capital improvement program, safe neighborhood parks and creation bond projects, branch library bond projects, Public Safety bond program et cetera, a lot of work, although most of it has been done thanks to a decade of project.

>> Dave Sykes: Thanks, CIP report as well as the bond reports. I want to acknowledge all the city staff that work on these projects to move them forward. It is very, very a team effort across all city departments. Also, I wanted to mention that as we benchmark against other cities, although our CIP is not the size that it was a few years ago, we continue to be a leader in the industry when it comes to the delivery of capital projects. And we still do have a robust program intent to put more projects out into the community than other large cities. Thank you. Just a few highlights from the report. We currently have 153 active projects. I want to note that less than 5% of those projects are tracking behind schedule. So our on-time delivery performance is still very good. We've already completed 46 projects this year and expect to complete another 40 or so by year end. I also want to note that we've awarded 22 projects, so far, amounting to \$38 million, I expect that number to grow greatly through the spring and early summer as we do our bidding season and put projects out to construction for the dry summer season. A few things to highlight in the program overall. We have a new general plan, so each of the individual capital improvement programs are making adjustments to assign with that plan. Many of the CIP programs had been tracking and made adjustments as the general plan was being developed. We're also making adjustments to new storm water requirements. S that requirements applied apply to development projects but also to city development projects so we're making the adjustments necessary to manage storm water in a different way . The CIP continues to be a good economic driver. Both in terms of the creation of construction jobs, but also, in terms

of the projects such as the convention center and also, the plan we have for the project out at the sewage treatment plant. The city has become more creative with regard to how we fund some of our CIP projects. And we've got a greater reliance on federal grants and other revenues. D.O.T, PRNS and ESD lead a lot of that work. We are also doing power purchase agreements with solar installations which is another way of funding capital investments on city facilities. As I alluded to we do have a high emphasis on energy efficiency projects. The more work we do on LED street lights and the solar projects that I mentioned. The other element of the CIP is to align it in such a way that it focuses as much as possible on addressing the infrastructure backlog. I seem to be having problems with the -- that's where I want to be. As I mentioned at the beginning of the presentation this report reflects the great work of many city departments. The report itself, and our style of project tracking, also add to our credibility as we maintain a strong commitment to delivering projects on time and on budget. We're not perfect. But the delivery of the CIP in this city continues to be a good story for our city. So I'm available for questions as are many people in the audience. Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. Dave thanks for all the great work. I just had a question about the dollars that are left in the park bond. I was doing the math on page 3. And subtracting the \$251 million and change, to the total revenues. Minus the \$217 million that had been expended or encumbered and I came up with something around \$34 million I guess. I went to law school to avoid math. But is it fair to say that that \$34 million represents what we have left for soccer and softball, or are there other --

>> Dave Sykes: I'll have Matt come down. We do have remaining projects left but I'm not certain if we have analysis reserves, Matt can answer that. O&M in the next month to the city council. And after that, we have about 9 million that's currently appropriated to the future softball complex and then on top of that our bond reserve is tracking at about between seven and \$8 million right now. So after the soccer at 15 million we'll have about \$17 million left.

>> Councilmember Liccardo: Okay, doing some quick Nat, that does explain the delta.

>> Matt Cano: The happy hollow bridge that are in that \$34 million as well.

>> Councilmember Liccardo: Okay. So then, we're fairly well covered, if there's some overruns on the softball field or -- that reserve is essentially to cover those overruns?

>> Matt Cano: Yes I anticipate that the softball complex will cost at least as much as the soccer complex soccer we'll need to tip into those reserves.

>> Councilmember Liccardo: Right. And I know we went out to rebid on the soccer complex. Did those new bids come in yet?

>> Matt Cano: The lowest responsive bidder -- the lowest apparent bidder fir week in June.

>> Councilmember Liccardo: Great so we don't at this point anticipate exceeding the \$50 million?

>> Matt Cano: No, we do not.

>> Councilmember Liccardo: Great news.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you mayor. Real quickly Dave, how do you calculate, well first of all let me take you to the memo that you put out on the back of it under analysis, you wrote that this is an influx of 1 03 million into the local number besides you know that's the number that amount that we've had to spend. But I'm sure not all \$103 million you can actually say that that's been put back into our local economy. How do you -- how much of it actually is in the local economy providing jobs for people that are local, and you know, and in turn, you

know, those folks participate in our economy and you know, that -- in a perfect world that's how it should work. So could you give a percentage of what stayed?

>> Dave Sykes: Well, that is and always has been somewhat of a difficult thing to pin down exactly. Sometime ago we developed a formula that we were somewhat comfortable with in terms of the dollars that we put out into projects and how much of that stays local. I think the main intent is that the CIP is driving the economic recovery to some degree. But it always has been difficult to be able to determine exactly how much stays local and how much doesn't. I will tell you that about 50% of the jobs that we put out to bid are awarded to local contractors, that's been our statistics over the years. It fluctuates from year to year. Beyond that a few years ago we did a study to look at how many subs were local. We don't track that information on a year to year basis. We found that sub-trades fluctuate more than the generals.

>> Councilmember Campos: The reason I'm asking is in this bad economy I'm sure there are a lot of folks out there. I just had a neighborhood summit and you know one of the things that folks are asking is, hey I've got a brother or a husband in some cases that you know they're in this industry and they have no jobs, they're not working and you know, what are you guys going to do about it? You know what, they're legitimate questions because they're paying taxes into our city and you would want -- you would hope that those taxes, if they can stay here, and put people to work, that that's what we would want to do. And you know, and I can't help but just continuing to have that bad taste in my mouth, with you know with the Applegate Johnsons of the world that are bad actors. And we end up footing the bill. You know, and they're from outside of the area that don't really care about our community, yet they're benefiting from our Public Works projects.

>> Dave Sykes: I will mention that on an annual basis we do do a small and local construction activity report where we do track the number of contracts that are going to small and local contractors.

>> Councilmember Campos: Okay. And we could do this online, I'd like to -- perhaps you could walk me through that a little bit more.

>> Dave Sykes: Very good.

>> Councilmember Campos: Okay, thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. On the question that Councilmember Campos brought up it would seem to be sort of you would have to really track a lot of things. You'd have to track regardless whether the company was located here or someplace else area that has more San José employees rather than a city that's headquartered in materials, from what level of complication but can City Attorney or Dave remind me, what is it that legally constrains us on 5% or 10% but is that by law Rick or Dave?

>> Dave Sykes: Well for construction contracts there is no preference. We are obligated to bid to the -- award to the lowest responsive bidder and we do offer a preference for qualification based processes. But by and large most of the construction work is low bid. We do track the information so we're aware of the numbers. But that's about as far as we can go.

>> City Attorney Doyle: And I would note David's right. It's the lowest responsive bidder. You don't have the right, the constitution prints declining oop. They've had to make findings that you're at a disadvantage doing business in the City of San José because of the cost. We do have an RFP process which is different. We do give a 5% local preference on that. We have some leeway with sales tax.

>> Councilmember Oliverio: So to summarize if council wanted that to be local preference on these types of things that are not RFP then you would just need to go to the voters, change the charter and put that in, or would the state constitution not allow to you do that?

>> City Attorney Doyle: State and federal. We'd want to examine that really closely.

>> Councilmember Oliverio: It's not an option then?

>> City Attorney Doyle: I wouldn't recommend you do that.

>> Councilmember Oliverio: Okay, thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you mayor. Is there a motion to accept the report yet?

>> Mayor Reed: Not yet.

>> Councilmember Rocha: I'll move to concept the report, item A through D.

>> Mayor Reed: We've got.

>> Councilmember Rocha: Before I do so I'd like to make a small modification to this recommendation and that's to is staff to go to the neighborhood services and education committee, and do a brief report on the status update on the sports field issue. I know the dollars we talked about for sports fields, whether it's the softball and the soccer but I kind of feel I get feedback from you when I is about it but I think some committee or staff, I'm sorry committee or council input at some point might be valuable because I kind of feel this has been a long time coming and I'd like to get a more thorough response or report on it absent just the verbal ones we get at council meets.

>> Matt Cano: I will absolutely report to the NSE.

>> Mayor Reed: Motion an second. I have a request to speak, Mr. Wall .

>> I'm going to focus on the CIP budget for the water pollution control plant. This CIP budget is based on the sewer service and use charge. Sewer service and use charge is charge to property owners. It is governed by proposition 218, for specific uses in treating sewage. Within the water pollution control plant it's become a bifurcated issue. One, to fund South Bay water recycling, and 2, to fund for plant rehabilitation. We have seen the CIP budget, at water pollution control set idle. Millions, 10 tens of millions of dollars, being accumulated and yet what are the rehabilitation programs that have been done. We have seen scandal with reference to BLP contracts where a contractor in theory can write their own RFP and then get awarded millions of dollars in contracts. The Applegate Johnson which is a side bar issue but flows from the sewer you service and use charge for the acursed environmental innovation center is a another justification for use of that fund. The CIP budget at the water pollution control plant has been so poorly managed in my opinion that it rises to the level of what I described as a career ending event. There are three positions, City Manager, assistant City Manager, and the acting director of environmental services, should lose their job on this issue alone. I'm not satisfied whatsoever on how the CIP budget is used, misused, and abused. Thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion, on that motion, all in favor? Opposed, none opposed, motion is approved. Next item is for 3, status report on deferred maintenance and infrastructure backlog. Take a minute for staff to get in place. We'll have a presentation on that. First we build it, that was Dave Sykes then we got to mind it. It's apparently more difficult.

>> Dave Sykes: Thank you, mayor. Members of council. We appreciate this opportunity to present on the annual infrastructure maintenance and infrastructure backlog. I'm joined by Ashwini Kantak and Matt Cano and others from PRNS. Staff is in the audience to help with any questions that the council may have this is our sixth report of this kind and it provides the comprehensive summary of the City's infrastructure needs. In essence, the report is somewhat of a work plan to address our needs. It's good to start off by mentioning that the report is somewhat of a living document and continues to build on previous reports. And we expect it to change from year to year as the status of our assets change. This report expands beyond strictly reporting on unfunded needs, but adds information to make the report more useful. We have attempted to quantify the elements within each asset class. We've described assets in use by the various programs and we've further refined the unfunded needs using

consistent methodology. We've also continued to track the assets from one year to the next to maintain full accountability and it's important to recognize that each individual asset type is somewhat on its own path and time line for achieving its goals. The primary intent of the report is to provide information. I'll get it eventually. This pie chart summarizes the overall needs at \$111 million -- \$811 million, sorry. \$475 million of those needs are in the end. This is an uptick from last year's estimate which was at \$754 million. For parks backlog numbers have increased from last year's report. Most of this can be attributed to additional assessment work that we've done but mostly due to further deterioration in those assets because of a lack of preventive maintenance. Some assets are reporting a decrease in the backlog from last year. The first is sanitary sewer assets because we've now recognized additional investment through the transfers that we get from the sewer service and using charge fund. And also, the technology asset backlog has been reduced as our strategy has changed to rely on less expensive type of equipment. The remainder of the assets have remained somewhat steady from this year to last, airport, water pollution control, Muni water, service yards all have somewhat of dedicated revenue sources that address their infrastructure needs. And in the area of storm sewers we are in progress of preparing a master plan so we have not able to determine any backlog that exist with that program. Take a minute to draw attention to the assets with the biggest needs. First, with the combined building assets. We are reporting a backlog of a little over \$150 million. This is mostly based on formula-driven type analysis and more detailed analysis is needed to determine estimates based on specific improvements at individual facilities. For our park assets we are reporting a backlog of 140 million. This includes needs on trails, neighborhood parks, restrooms and regional parks. Our estimate is based on information that we've already obtained through a study that is currently underway. For the City's transportation assets, we are reporting a backlog of 443 million. This is based on more detailed work than some of the other asset types and these needs have been well documented and comprises all elements of the transportation system, pavement being the biggest backlog. Historically all three of these asset types have lacked sustainable funding necessary to keep up with the preventive maintenance and capital replacement needs. Ashwini will now go on to discuss some strategies.

>> Thanks, Dave. So as you're aware, transportation infrastructure continues to be the area of our biggest need and over the last several years, staff has explored various potential strategies to address the large backlog. As recently as March 27th, council approved a staff recommended priority street network which was a key milestone

for at least addressing near term high priority needs. And then the same report outline certain other strategies, looking at new revenues as well as legislative advocacy. And specifically these strategies would start with the basics such as increasing the level of city dollars investment in the streets, however we know that even a modest increase in the proposed budget would be no more than a drop in the bucket considering the magnitude of the need VTA's current transportation sales tax, we're looking at parcel tax bond measure sales tax need to be explored as well as on the advocacy front staff recommended continued advocacy for a federal transportation bill that would increase overall federal investment for local transportation projects. And support, state legislative efforts to lure the two-third approval for transportation infrastructure bonds. Although several strategies have been considered and discussed, several of them like the VTA sales tax federal level support for local transportation unfortunately seems to be decreasing rather than increasing. So today, based on prior council direction, staff has done some additional work, since March 27th, on a potential G.O. bond measure and today the remaining part of this presentation will focus on staff efforts thus far as well as some information on preliminary polling that is proposed to be done for this measure. So although the infrastructure needs are great, some of the assets just do not lend themselves to a G.O. bond measure. And so staff has used five specific criteria to evaluate the eligibility of assets. So the first one is revenue sources. Are there revenue sources other than the General Fund that are available for capital investment in these assets? So assets such as the airport, the water pollution control plant and the sanitary and storm sewer collection systems which are used not from the General Fund really would not be included in a G.O. bond measure. The second thing would be the life of the asset. So the term of the G.O. bond can only be for the average weighted life of the assets. That would be funded through that particular bond issue. And so assets with the life of less than 20 years do not really lend themselves very well to a G.O. bond type financing. Because the repayment would need to span a shorter period which would mean higher payments placed on the property tax roll. The type of assets, so a G.O. bond can only be issued for fixed or in-ground type of assets and that is fleet and information technology issues cannot be considered for a bond measure and of course a community support type measure, a G.O. bond requires a two-thirds technically eligible for a G.O. bond they may not be able to garner quality of life for the community and is there a good likelihood that we will get the community to be willing to pay for this investment. And then lastly impact on the General Fund, because community support may also be influenced by how investment in this asset will impact the operating costs that are paid for from the General Fund and what the up-front investment result in short term and long term savings to the

General Fund which in turn enables the city to invest in other services for the communities. So this slide shows you potential asset categories for polling that we're looking at doing in May, interim polling. Again even though the total need for investment is much greater it would most likely be beyond the reach of a potential bond measure. Sees fraction of the need. And they've been broken down into two broad groups under the three asset category types, building parks and recreation infrastructure. The first row is really addressing the infrastructure backlog directly for a total of \$305 mill and that represents approximately 38% of the overall backlog. And the second group which includes a total of \$95 million would help modernize the structure health and safety improvements as well as better accessibility. And we thought these should be included to kind of test level of community support. In the transportation category the investment would cover all the streets in poor condition. And so there are a couple of corrections here, from the memo, the two -- it's the 235 million total to address all of the poor conditioned streets and not the \$205 million that's in the memo. And since we are not investing adequately in ongoing pavement maintenance I would also like to make a note that this \$235 million number will continue to go. So really the ongoing pavement maintenance work such as street sealing is not eligible for a G.O. bond measure downward to sort of have it all total up to 400 million. So staff will work with the consultant firm of FM 3 as well as specific asset categories. So the numbers represented here should just be viewed as a ballpark because they may be tweaked based on how we want to test best level of community support and so on the polling in the early to mid May time frame FM 3 will conduct initial polling to test a G.O. bond measure in the result of about \$200 to \$400 million and the basic will focus on transportation infrastructure with additional polling to test level of support for some elements in the building and parks category, like I mentioned with a focus on energy, health and safety and accessibility. And poll will also quarter percent or half percent sales tax. So again, next steps, polling in early to late May and council direction if council directs staff to continue with this effort for November, potential November 2012, G.O. measure, we will conduct further polling in July and bring forward draft ballot language for council consideration in early August pop so that concludes the staff presentation. Thank you for listening and we're available to take questions.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you mayor. I'd like to is on table A, \$10 million for trail rehabilitation. Seems to me we've been consistently and scantily putting in new trails for bikes. So I don't understand the rehab component of it.

>> Matt Cano: Thank you, Matt Cano deputy director, Parks, Recreation, and Neighborhood Services. We have been over the last several years, it is similar to streets that paved trails do require rehabilitation on a regular basis so this includes that. We have also factored pedestrian bridges into this analysis as well.

>> Councilmember Pyle: So what does the rehab look like, is it the pavement itself or is it the shrubbery on each side or what would it look like?

>> Matt Cano: Just mostly the pavement itself, trails are very old and have been in existence for a long time and need to be -- we need to redo the pavement on them.

>> Councilmember Pyle: So in order to have people go forward on this, you would have to paint a picture that's positive. What would what accomplishment would there be? For example would we be eligible to become one of the best bicycle cities in the area, the state or maybe more than that?

>> Matt Cano: Yeah, I agree with you, we need to paint the picture much better on this. Bicycle network comprehensive, several hundred mile network. If we continue to let the off-street trails deteriorate, people will not want to use them or we'll definitely work on that picture better.

>> Councilmember Pyle: Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed. This will be a finance question for the finance folks. revenue to pay what you want or you issue bonds. And then -- and the reason I'm asking this question is because

it seems like there's a total cost of doing that so I'm looking at San Francisco that did a bond for like approximately \$250 million and then over the life they are going to pay almost \$200 million in interest. So is there a ratio that you can tell me just in general, if I raise a dollar in taxes versus I raise a dollar in bonds what's that total cost going to be to me eventually?

>> The interest cost?

>> Councilmember Oliverio: Yes.

>> In today's environment it would probably be 30 to 40% amortizing it, the shorter.

>> Councilmember Oliverio: Staff was talking about?

>> I really haven't calculated the interest cost particularly here. But it also depends like if you're doing, when you're financing something relatively large on this just on a tax measure it just really ends on a pay as you go basis. The amount you get in is the amount you can expend at the end of the year. When you bond-finance you get a larger chunk at the end of the deferred maintenance that keeps building up over time.

>> Councilmember Oliverio: So that's part of the equation for sure and then I just think of as we go forward it would be good to know just some of these up front just because I would have a concern of prepaying interest you know in the San Francisco example that would concern me so that's just something I wanted to maybe after the polling's done and we come back --

>> Right and when we came to council back in early 2000 that was part of the analysis was how much were the interest costs going to be so all that --

>> Councilmember Oliverio: For 2000?

>> Yes, so that would be if we came forward with that recommendation that would be included in the whole staff report in terms of the analysis, in terms of the interest cost, in terms of how much bandwidth we were assuming so bring that forward in the staff report.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you mayor. Just wanted to is staff for the great work on the supplemental. I appreciate, how much work staff has done because I know this started as sort of a brainstorm not too long ago, and I'm glad we have traction momentum moving forward on this bond concept. I guess we'll learn more in the coming weeks. I had just a couple of preferences to express or at least ideas I hope staff will consider as we move forward. One is in terms of the money we invest for accessibility improvements, recognizing the accessibility is important everywhere, I would far rather see the investment on the ADA compliant curb ramps than in the accessibility improvements on the buildings. And the reason why I say that is really twofold. One is -- my understanding is we're under settlement or court decree, I'm not sure which -- that's not true?

>> City Attorney Doyle: We had inquiries and threats but there was a long term program but to your point there are groups out there watching.

>> Councilmember Liccardo: Yeah, they seem to be particularly focused on the sidewalks, is that right?

>> City Attorney Doyle: The city of Sacramento went through a major litigation on the issue.

>> Councilmember Liccardo: Forgive me Rick, it was my intervention that before I came on the council we had a heavy litigation, but that's not the case ?

>> City Attorney Doyle: We headed it off at the pass.

>> Councilmember Liccardo: I'm concerned for the liabilities that are out there and secondly I'm concerned that a lot of those buildings since they're built out of prior codes they're probably older buildings and we are reevaluating how and whether we use some of those buildings and maybe with some capitol money, maybe those buildings will not be there anymore. I just hate to see us pouring more money into those buildings rather than the sidewalks, for consideration. The other is I see that \$30 million is allocated for LED street light conversions and as we think about the mental for the voters, both the environmental message is one where we cannot recognize real General Fund savings as a result of reduction in expenditures on energy and on replacing the prior halogen lamps. What would be helpful I think is for us to have a message saying we're doing this citywide and that we're not doing this piecemeal. And you know it's not obvious to me we'll have a lot of other sources other than C&C for those types of conversions, and that would be an area where I feel like we should go large and tell -- spread the message to the voters that what they're voting for is something that would be a citywide conversion of all of our lamps to LED. That will make this probably the -- I'm get guessing the first big city to do so. I think that's something that's appealing to voters and obviously good policy for all the reasons we all agree on. So that would be just my suggestions. I think obviously we're going to learn a lot through the polling and it may -- I assume that staff is going to be open to moving the numbers a bit as we learn more from the voters that we're talking to, is that right?

>> Yes, that's right, Councilmember Liccardo.

>> Councilmember Liccardo: All right, thank you, Ashwini. I think that's helpful. And as we're 40ing both the poll and the measure I hope we will reach out to those groups that have actually led measures involving -- you know I know that we've had our own measures certainly as well back in 2000, 2002, but in SVLG and South Bay labor council and others and the chamber and rely a bit on their insights as to how we might best fashion language that would be successful in November.

>> Mayor Reed: Comp.

>> Councilmember Pyle: .

>> Councilmember Pyle: Thank you. I wanted to refer again to page -- page 4 I believe it was, hold on one second. It was page 4 and it was under polling, the second paragraph, about a fourth of the way down second paragraph, an energy tax assessment of approximately \$100 on a 500,000 or more it would make more sense, we are not looking only for \$500,000 properties, right?

>> Yes, Councilmember Pyle this was just an example to provide some reference. So obviously, depending on the assessment it will differ.

>> Councilmember Pyle: Okay, it's very important to get that in there. In our thinking. Thank you.

>> Mayor Reed: I think that concludes council comments. I have a request from the public to speak, Mr. Wall.

>> First of all I'd like to give my thanks and gratitude to the director of transportation. Also my condolences. It must be a lonely position to be one of the few well managed departments in the city. With reference to the unfunded mandates that this great director has to deal with, relies once again upon council's what I would appear congenital incompetence by not funding street repairs. Over the years this is not for you to blame but other councils you are looking at approximately a \$1 billion backlog to take care of this problem. That is U unacceptable, giving away of free home loans under the Redevelopment Agency and other issues, it would seem that you would really feed to rework your economic strategy on how to proceed. But let's look at the deferred maintenance of the water pollution control plant. With reference to shifting money to the expansion of the South Bay water program, which is a current legal issue that's causing great consternation. But there's one issue that hasn't been talked about for a long time about the water pollution control plant and deferred maintenance. Is the amount of money spent for head works number 2. Now as head works number 2 fully operational with all the millions of dollars, tense of millions of dollars that have been put into that boondoggle, we haven't heard anything about that. This is another issue of a career-ending event for the positions of City Manager, assistant City Manager and the acting director of environmental services.

>> Mayor Reed: That concludes the public testimony. I don't know if we have a motion or not. Staff? No motion yet. Motion is to approve staff recommendations. On the motion, all in favor? Opposed? None opposed, that's approved. Before we move on I want to rethink the agenda order. I'd like to take the IPA police auditor report and the ceremonial item with judge Emerson next. And then the report from the chief. And those are items 8.1, 8.2. So why don't we start with the IPA, you want to start with the ceremonial item? It was 1.something or other. Let's turn to that as we get everybody in place for the other two reports.

>> La Doris Cordell: Mayor Reed and city council members, this is in preparation for my report on the 2011 year-end report. We have an item that was on the commendation calendar that was moved to this section of the agenda. This wonderful man has to leave in about ten minutes I appreciate the mayor moving this up. So standing before you, with me, is the honorable James Emerson a retired judge from the Santa Clara superior court and he is here today because we are commemorating his work for being a volunteer, for volunteering his time, to be a mediator for our IPA, SJPD mediation program. On page 11 of our report if you have it with you there's a description of the program. And it's my request that we take this time to commemorate judge Emerson for his generosity, for his compassion that he brings to these mediations and for his being an example of what it means to give back to the community. We have held thus far ten mediations that's through 2010 and into 2011 and judge Emerson has volunteered for nine of the 10 and he's actually volunteered to do another one this Thursday. And I'm not quite sure why he always responds yes when I do call him. I do call him first. And maybe he'll tell us when he accepts the commendation. But as the mayor will join me we have a commendation to present to judge Emerson.

>> Well, I sincerely appreciate this award, this commendation from the city council. I very much do. When judge Cordell told me she was going to so honor me, I thought she was just interested in what retired judges did in the afternoon but now I know it's sincere. I want to tell you from the bottom of my heart that I enjoy the time that I spend in these mediations. It reaffirms my view that people are -- have tremendous good that they contribute to this community. I think that I also feel every time I do one of these mediations, I remark about the courage of both the officer, as well as the citizen who comes forward, to discuss the matter freely and voluntarily, face to face, with

each other. And it, every time I've done one of these it always results in a very, very positive outcome. So I just want to thank you, the reason I volunteer to do this is because I never have any regrets after I do it. I love to interact with these people and it gives me a great feeling in the bottom of my heart. So thank you all very much. I really appreciate this commendation. [applause]

>> Mayor Reed: Now we'll turn to item 8.1, the independent auditor's year end report for the year ending December 2011.

>> La Doris Cordell: Thank you, mayor and city council members. My staff is en route so we can go ahead and begin. I do want them to be here for you to see them because they do work so very hard. Thank you for our opportunity to present our 2011 year end report to you. I take a moment first to -- I'm going to thank our staff my staff when they get here but I want to thank some other people. I thank City Attorney Rick Doyle and I thank you for having the wisdom and the good judgment, for appointing Sandra Lee for advising our office she's a terrific' are Carl Mitchell on your staff. Carl has been generous with his time and his assistance has been proven invaluable. I also thank the City Manager for her support and her sage advice. Debra you're ongoing support of our work I truly value. I thank chief Moore and assistant chief Goede for their collaboratively and respectfully with our office. And I thank the staff of the internal affairs unit that was led in 2011 by Lieutenant Rick Wager, is he here? And sarge Todd Trayer. Under their leadership we established a positive working relationship. And now in 2012 I thank lieutenant Mike Knox and sergeant Gency pace their staff all of them for continuing their excellent work in internal affairs. So, we have, I don't know, because my staff is not here, we don't have the PowerPoint -- it's not -- I think it has to be delivered. Have you received it yet? Okay so we're ready to go. This one here, thank you so much. All right, I turn now to the 2011 year end report. It is brief, it is informative and it is thought-provoking. I start with first just a quick, I want to highlight just some of the main points in our report. I want to start with chapter 3. Okay. There we go. This is the community outreach chapter that was authored by Diane dew LAN of our office. I was shocked when I saw the number of people we reached in 2011. There was a 63% increase in the number of people we reached over 2010. And what I want you to note is that this whopping 63% increase over the previous year was accomplished without any increase in our staff. The next one shows outreach by council district. Which was about the same as in 2010. Most of the outreach was in District 3. That's the downtown

area. And there was an increase in district 4. I want to take you next to chapter 4. That's the statistical review which was authored by Brenna in our office with the invaluable assistance of Vivian who performs all of our statistical runs. Now the big story here is the upward trend in intakes by our office. You can see starting in 2009 there was this upward tick and it continued 2010-2011 where it looks like we about pulled even with the IA intakes a first in the history of the IPA office. And this is no doubt in my mind a direct result of our stepped up outreach efforts. This shows the council districts of the incidents that gave rise to complaints and concerns in 2011. Most of the incidents as you can see were in District 3. Because that's where most of the activity tends to occur, the downtown area followed by district 6 and District 7. This now shows allegations by year. There were more procedure, courtesy, force, neglect of duty and bias based policing allegations in 2011 than in the two previous years. And I remind you that these are allegations. That means these are accusations that do not reflect any investigations or any findings. These are just the accusations. This now shows disposition of the allegations in 2011. So when I say 2011, what I'm saying is that these were complaints. They may have been generated in 2010. But they were closed in 2011. Okay? So this shows the disposition of allegations in twin. There were a total, you can see, of 756 allegations. From all the complaints we closed, in 2011. Of that number, 66% were deemed, by internal affairs, to be exonerate rated or unfounded. Exonerate rated basically means yes, the officer engaged in the conduct and there was nothing wrong with the conduct. It was within policy, it was within the policy of the duty manual, exonerate rated. Or unfounded which means, you say this happened, our investigation shows, it never happened. It was unfounded. 13% were deemed to be not sustained. Not sustained basically means, you say X, the officer says Y, and we don't have any evidence, kind of pointing to one being more -- one being true. So it's kind of a draw. In which case the complaint is not -- the allegation is not sustained. And 6% were sustained. Sustained meanings, you complained about conduct. We investigated and determined that was misconduct. Therefore that allegation is sustained. It's interesting to note from this, one force allegation was sustained out of 113 force allegations. Now, that, given how rarely historically internal affairs has sustained force allegations, even one sustained allegation I believe is significant. And you'll also notice that no bias based police allegations were sustained out of 38. And 27 procedure allegations of which there were 255 were sustained. So I want to make make clear, before we go to the them one, a distinction between a complaint and an allegation. In 2011 we closed 246 complaints. And those 246 complaints containedsen 56 allegations. So you can have a complaint with one allegation you can have a complaint with up to five or even more allegations. So there are

always going to be more allegations than there are complaints. Now, this shows the sustained rate. And this is a big story here. This says that in 2011, the percentage of, now I'm using the word complaints. Of complaints, closed in 2011, that contained at least one sustained allegation, that's what we mean by a sustained complaint, a complaint that had at least one allegation, maybe more, that was sustained, well you'll see that that was 10% of the closed complaints. 10%. And if you look at the previous years, that is the highest sustained rate in the last five years. I have asked -- with me now is Shivaun Nurre who is the second in command, I call her my co-pilot. She is the assistant police auditor. And Shivaun, if you have comments, please chime in. All right. After the they send their reports that contain their findings and analyses to us. When we audit we can close our audits by agreeing with IA's analysis, we can disagree, we can close by agreeing after some further investigation or analysis, that we have requested of them, or we can close with concerns. Which means we're not happy with the IA analysis but we're not unhappy enough to disagree, or we're not happy, and there is insufficient time to appeal, if we were going to disagree. So this illustration shows what our determinations were in 2011. We agreed and agreed after further, we put those together, 82% of the time. We disagreed, and closed with concerns, if you put those together, 19% of the time. In 2010 we did not have this closed with concerns category. This is one I added. And in that year, we disagreed with 11% of the time. So in 2011, using this new category, closed with concerns, we almost doubled the disagree determinations from 2010. Timeliness has been an issue, it's the problem that won't go away . This shows that there was an increase over the last year and the number of cases that were sent to us by IA for audits 300 days, more than 300 days after internal affairs received the cases. So specifically, internal affairs closed 26% of its conduct complaints, more than 300 days after they were filed. And this was an increase from the previous year, when late closings were 21%. So it's up by 5%. More troubling though is the fact that in 2011, 9% of the cases were closed by IA, more than 365 days after they were filed. This was almost double the rate of cases closed post-365 days in 2010 when the rate was 5%. So when you look at late closings, and I'll say that's 300 days, more than 300 days, and if you look at cases that IA closed in a timely fashion, that is, within 300 days from the time the case was filed, we agreed with 65% of cases that IA closed in a timely manner. But we agreed with only 52% of the cases that closed late. And we agreed with just 45% of cases closed more than 365 days after they were filed. And this is contained on page 41 in the report, but not up there in the screen. Finally, one last thing on this timeliness issue. When the late closings, anything 300 days or more, involved force allegations, we disagreed and closed with concerns, 29% of the cases. I'm going to address a remedy for the

timeliness cases shortly. This shows two trends we wanted to examine. Allegations that officers used derogatory words and cases in which curbing sitting was reported even though it was not complained about. I'm just going to talk about the curbing-sitting. We looked at all complaints closed in 2011, remember there are 246 of them, that indicated that curbing-sitting occurred. Didn't have to be complained about but we just picked that up. That was one of the trends we were looking at. There's an interesting story here. African Americans who are less than 3% of the population here in San José constituted 12% of all the complainants. And they were involved in curbing sitting in 25% of all the cases in which curbing sitting was noted. Latinos are 37%, approximately, of San José's population. Latinos were 41% of all complainants and were involved in curbing sitting in 50% of all cases involving curbing sitting. So this means that 75% of all the cases where curbing sitting was noted, involved Latinos and African Americans. Caucasians are approximately 30% of San José's population. They were 26% of all complainants, and were involved in curbing sitting, or it was noted in 10% of all cases where curbing sitting was noted. Now, three of our recommendations in chapter 2 address this issue and I will discuss it shortly. We now go to chapter 5, that's the chapter on force that was authored by Shivaun. Shivaun. H5N1 so just some notable trends from.

>> Shivaun Nurre: Force force allegations up as the judge instructed you allegations follow under the umbrella of the case so there could be multiple allegations from the case. As can you see from the slide in 2011 there was a slight increase in the allegations but as noted in the report we didn't see an increase in the percentage of allegations of force relative to other allegations. So I think this year, force allegations comprise 20% of all allegations, and last year I think it was 28%. So that's a slight down tick in the percentage of forced allegations we're seeing in the complaints. This slide shows the audit determinations similar to what the judge's slide showed you. We cull out whether our -- we agreed or disagreed with force cases. And when I use the term force case it denotes the case which has at least one force allegation contained therein. So in general we agreed with 71% of IA investigations. We either agreed or agreed after further action. We disagreed or closed with a concern with 29% of the cases. And I -- just to harp on the judge's prior comments about timeliness, a significant number of those have to do with our unwillingness to close a case as being complete and objective if the officer wasn't interviewed. And if there's not enough time to interview the officer because 300 days or 365 days have run, then we're going to be closing that case as disagree. If we felt that officer's statement would be material. This last slide shows the officer-involved shootings that occurred in 2011. There were quite a number of them this year, I mean

in 2011, more so than in prior years. The reason we include this information in the report is because some years ago, as some members recall, due to community outcry about what's being done with our officer-involved shootings the city and the city council and the police chief and the City Manager determined that we would have a shooting review panel to address concerns. And our concern is that these panels, while they may be helpful are not being held in a timely fashion. They are being delayed for up to a year after the event has occurred. I must say in recent months we have seen quite a number of review panels being held but, for instance, in shootings that occurred in 2010, there have yet been -- there have not yet been scheduled any review panels. And the reason you want them to be scheduled close in time to the incident itself, the review panels address whether there needs to be changing or equipment the close in time to the event.

>> La Doris Cordell: That concludes the slide portion. I do note that my staff is here. I do want them to stand to be recognized, and Jessica Norris our office manager thank you all so much for away you do. [applause]

>> La Doris Cordell: Chapter 2, chapter 2 is San José police department policies and procedures. It is then left to chief Moore to determine whether or not to adopt and implement them. Not us. We will certainly follow up for sure on our recommendations. But in making our recommendations, I just want to be clear with you all. It is not our intention to micro-manage San José police department. You all appointed chief Moore to run the department and we believe that it is his call as to which, if any, of our recommendations he will adopt. He reports to his boss, the City Manager, and he is accountable to her and to the public. I've discussed all 30 recommendations with the chief, well before we place them in this report. And he understands what it is we are seeking to accomplish with these recommendations, and I believe that he will do the best, what he believes is best for the department. There are four recommendations that I believe are real positive game changers. Recommendation 28. And this is -- is -- the recommendation is that all San José police officers wear on-officer cameras. If and when this happens, you will see a decrease in the number of complaints, you will see a decrease in the number of claims and lawsuits against the city for police miss count. Cameras will protect the officers against bogus complaints. They'll new that officers follow the rules. They will reassure the public that officers are fog following the rulings and they'll provide proof positive of police misconduct when they do occur. I'm appreciative of chief Moore and Councilmember Liccardo in taking the lead in trying to make this happen. The second game changer is contained in our three

recommendations that address police detentions, and they're recommendations 1, 19 and 20. If you put these three recommendations together, what we're recommending is whenever officers detain individuals, be they in cars or on foot, that officers must document everything that occurs during the detentions. Be it curbsitting, handcuffing, sitting in the back of patrol cars, they should also document the race or ethnicity of the persons being detained, and the specific reasons for the detention. And the specific reasons for the activities, curbsitting, ordering handcuffing or any other activity. If these changes are implemented, that is the documentation by officers of ethnicity and race, all of the conduct during detention and the reasons for the conduct, I guarantee you, that this will go a long way to rebuilding trust between law enforcement and the community, especially those in communities of color. Because officers will have to document and justify their actions during detentions. I have one final comment on this chapter, and I want to draw your attention to recommendation number 30. And I just want to make sure that all of you understand that if you receive complaints from the public that the police are not doing anything about people sleeping in their cars, in their neighborhoods, the police are following the law by doing nothing. There is no ordinance in San José that prohibits people from sleeping in their cars. There is an ordinance, 6.46.040, that prohibits people from sleeping in house cars and automobile trailers. Unless and until you pass is up an ordinance, people sleeping in their cars cannot lawfully be cited for that specific activity. Okay. Chapter 6. My last one and this is called, looking ahead. Thinking outside of the box. It starts on page 56. The purpose of this chapter is to stimulate thoughtful discussion to find a solution to the timeliness issue. In this chapter I identify two problems that I believe contribute to the problem. And then, instead of simply whining about it, I propose two solutions. And again, this is just food for thought to encourage discussion. And hopefully, one day, action. One of the problems is, what I call too many desks over at IA. In the sustained finding process. And basically, it works like this: Lieutenant Knox and back in 2011 lieutenant Wa-ger is the person in IA, the commander who signs off on every single finding that comes out of IA, not sustained, exonerate rated, unfounded, other, withdrawn. But that lieutenant, that commander with all of his expertise cannot sign off on a sustained finding. So whenever a complaint comes through and it looks like the conduct happened and there was misconduct the lieutenant at IA must basically pull back and send the entire investigation and analysis all done at IA to a lieutenant who is not in IA who is basically the supervisor of the subject officer. And that lieutenant gets to consider the analysis investigation, or can disregard it entirely and do whatever investigation that lieutenant wants. And that lieutenant makes the finding. After that lieutenant makes the finding, he, because there are no

female lieutenants right now, he must send it to the captain who supervises him and then the captain can do whatever the captain wants to do. Can either say yep, that's the finding or not. Must send it then to the deputy chief above the captain. And then that deputy chief can do the same thing. Then it goes to the assistant chief and then it goes to the chief. Now, there's some problems with this. One is, it is a needless use of time. Because it takes time for it to go up this chain of command. Second, just kind of a built in bias. Because what we're saying is, we're going to take this complaint from IA which is out there independent, not sitting up there in the police department, and we're going to give this now this whole thing to the very officer who supervises the subject officer. So the supervisor is being asked, or actually, you know it's being shown, he's in the leadership position and one of his people may have engaged in misconduct. So sometimes, even if it's not conscious, you have people who are not inclined to find that there was misconduct. Because that's the very officers they supervisor. So we think there's kind of a built in bias in this. We think there's no reason why this finding should be treated any differently than all the other findings that the lieutenant can make with the exception that when there is a sustained finding, lieutenant Knox can make that finding but must then sent it directly to the chief to have the chief sign off or not. The second problem we think lies in how internal affairs is staffed. Right now it's staffed with officers sergeants and a lieutenant and they rotate in and out of IA every two years. We believe that this is the perfect time to consider having a permanent, nonsworn staff in internal affairs, experienced in criminal law and procedure, instead of staffing IA with sworn officers who rotate in and out. And the nonsworn staff would report to the lieutenant, the commander at IA. It is my view that you do not need a gun to work in internal affairs. Officers receive no training at the academy, they get no training once they're on the force about how to investigate

II. Civilianization is a timely issue, having been recently addressed in a thoughtful report by the City Auditor and it's timely because officers assigned to IA could be back patrolling our streets at a time when the need for more officers in the community is so great. And, I believe that a permanent civilianized IA staff that reports to the lieutenant, the commander of IA will bring substantial cost savings to the city. I want to make it clear however that I am not talking about a civilian review board. I'm not advocating any change in the police auditor model that this city's electorate formally established in 1996. This model that we have works. Can it be improved, yes, but it works. So I am talking about rethinking the structure of IA in such a fashion that it will remedy the late closing of cases. Now, I have suggested in this chapter that the police department initiate a pilot program to test out this proposal. Maybe bring in one or two civilians trained in criminal law and procedure and see how it works. This

concludes my presentation. I thank you for your patience, and I thank you for your ongoing support for the work of our office.

>> Mayor Reed: Okay, let's turn to 8.2, chief, do you want to respond to this or give the other presentation.

>> Yes.

>> Mayor Reed: However you wish to do it.

>> Appreciate it Mayor Reed, members of the council, Chris Moore, Chief of Police. I want to take a moment I say we and assistant chief Goede with the assistant judge monthly and we go off cases. We spend a lot of time speaking about how to improvement law enforcement in the South Carolina, and the police department. All of those things are incredibly helpful to us, the thought gotcha this is how do we make these things better and I really appreciate that. Just a little bit of context for the council in this report. You've heard numbers, there is allegations per. But 355 maintains and we have over 343,000 calls for service per year. You are not talking about a high number but any time you have dissatisfaction with the way you provide service, you owe it to the public particularly in a law enforcement context to look into them and that's why we have the process that we do. Just a couple of comments with respect to the IPA office. This different chiefs and regardless of who the occupant of that office is this structure has served as a model for other departments in other city around the country. I just I think again these are I've heard all of these. We've had discussions we agree with a vast majority of them. We certainly agree with the ultimate outcomes that we want to see, number 1 being to reduce the amount of time it takes to get these cases out. As the judge mentioned through some great outreach on the part of her and her staff but also by my staff in saying Lin, we're encouraging the public if they think there's been misconduct to report it. I know you've heard me at many different events, ettes true comfortable going to IA as they're going to the auditor's office which is a good thing. Again having said that, we have some structural issues that I think are going to -- that we will after thinking about what she has mentioned on how we go straight from IA to the chief's office, although I don't necessarily think that we need to cut out every level of, layer of review in between, I do think we could probably reduce two or three layers and still get the same or better result. But I do think at one point it has to go ore the

deputy chief particularly the bureau of feel and when you understand chain of command it's important. But I think even cutting out two or three layers we will save two or three months of desk time i've been there and it is absolutely the truth and it will help complaints more gain time with fewer resources so have to deal with and how parcel it out to folks to make sure it gets done on time. With respect to the shooting review panels it is absolutely the truth, we are pushing hard we are somewhat constrained because the meetings have not I'm told until just recently and talking with the attorney's office they weren't going to be subject to attorney-client privilege so everything we had to say with was going to be out there. We were concerned about the litigation we were waiting for the significant amount of time but as the judge correctly points out, the longer you wait the less useful that review is. If you have training issues, you should hear this case right away and so what we've done is gone to the attorney's office found a way that we can bring in with attorney client privilege meet within 30 days of an event like this and determine if there's anything we can change with respect to training or with respect to how we operate tactics to make sure we can avoid the type of situation if possible. These are the type of discussions we have that show up in the report that are really really helpful to us to the police department and to the city. One last issue before I turn it over to Lieutenant Mike Knox the commander of internal affairs who will do a quick slide on the department initiated complaints. And just recall the separation, the judge, the complaints that come to her come from the public. We do internally discover a number of violations internal to our standards. And we initiate our own. Chief's office will initiate department initiated complaints and investigate them and logically many more percentage of those, higher percentage of those actually are sustained because we determine that they're at the front end of in that there's likely to be misconduct and do some investigation. You're detention that was the other issue, the three hemmings 1, 19 and 20, she referenced curb sitting and she also references tracking of data. The concern that I have of the statistics that we do have we don't have the number of cases where curb sitting or putting in a patrol car where those notations are present there's a percentage. The problem is I'm sure a number of cases where it has not yet been documented specifically what type of detention occurred. If there's an arrest it's easy, it's in an arrest report. If it's on an FI report it might be documented on some level of detail or not. I think it's really critical that we do a better job of documenting our detentions and that's what chief Goede and I have talked about, documenting and focusing on how we record data on detentions. And the way we plan on doing is just like we do for the car stops, where we document information on the race of a violator, what other search was done, what type of disposition the case was done, we do it by a four character identifier car stops that way we get good

data we'll also require the officers to go ahead and enter into our CAD database the reason for the detention and the type of whatever activity they did to control the movements of the suspect and curb sitting would be an example of that but so would be putting them in the back of the patrol car for officer safety reasons. And I'm I'll remind the council that these are all lawful techniques good safeties practices to do that. The question whether there's disparity or not there is the question, data to actually make that assessment. So I think we're well on our way to doing that and I again I thank the judge for her efforts. It's a lot of work for her to put this together and her staff and with that I'll furnish it over to lieutenant Knox.

>> La Doris Cordell: There was a 25% increase in complaints being filed over last year. A 25% increase and I do not believe that it's because officers are behaving more badly. I think it is because of the outreach that we did. We increased outreach by 63% and I think as a result, you get more people who know.

>> Shivaun Nurre: And I also would like to comment. In addition to outreach we also have -- we've made some progressive strides in the definition of certain allegations and thanks to our office and IA and the chief working together we've expanded the definition of courtesy so it now covers more conduct. If it covers more conduct you're uh going to have more complaints more allegations. The same with bias based policing. The chief stepped up and expanded that allegation to include more conduct. Consequently we have more complaints. So good moves can have consequences. I think it's positive because it reflects that we take these matters seriously and it also provides more data to make sure we can address trends.

>> These are just the highlights from our -- the department's four page report for the department initiated investigations for 2011. And the five-year average has been a little over 56 per year with a high of 66 in 2010. And for 2011, it was the low, we only had 38 last year. And then the two most frequent allegations for DIs last year were procedures and conduct unbecoming an officer. Procedure is an allegation an action taken by a department member who did not follow the appropriate department or city policies. And then conduct unbecoming or allegations that a member's conduct whether it's on duty or off duty, was unbecoming as a police officer, or could reflect adversely on the department. And then, the last two statistics are just the number of formal calls for service number of arrests or citations the department issued in 2011.

>> Again, pretty straightforward statistics, something we provided every year, because it's not included in the judge's report. But at this point unless you have some other issues, I'll open it up for questions from the council.

>> Mayor Reed: We have one request for comment, if there's anyone else now would be the time, David Wall. .

>> Why, I'd like to is you a couple of questions. In your interviewing of people that file the complaints, I'll is the mayor the question. In the people that file complaints, are they ever asked if they have any personal responsibility for their actions? A little box for statistical purposes. Another little box that would be good to have, is did you follow police orders, were the orders given to you, did you understand them, did you follow them, that should be another little check box mark. Another box would be, why didn't you follow them? Another box would be interesting to see because I didn't see it in the statistics would be, whether or not the person who's complaining has prior convictions. And then sub-boxes would be, felony convictions, and misdemeanor convictions. Another box would be, recent convictions. Another omission from the statistics, was this person an illegal alien? You know, from a country, any country in the world, any country in the United States illegally, I think doesn't follow police procedures. As to long-winded issues concerning curbsitting, and demographics by race, one can say this is racism in itself. And two, it's interference with proper police procedures to protect our police officer's safety. I'd like to thank a police officer would was in my neighborhood dam officer Moses Barejas, badge number 2718 an appropriate letter would be coming to the public record for you judge and for you chief. Thank you very much.

>> Mayor Reed: Thank you, we'll have some council comments and questions. I'd just like to start out by taking note of the fact when we take a long time taking a look at this when you look at the data together, you're talking about a very small number of events in a very large city. We take it seriously and we value the work of the IPA, the work of IA, but the men and women of our department have a lot to be proud of. We have a really good department. So if you think about probably more than a million contacts with the milk by the officers of this department, at over 300,000 formal calls for services, 28,000 people arrested, that's a lot of potentially unhappy customers, 28,000. We're down to maybe in the ballpark of 300 complaints. And so we're doing a great job. It's always good to get better and we've seen a lot of improvement in some areas that have been identified in the past

and we'll keep working on it together. But I don't want the public to think that this is a really big problem in our department. These are very small numbers out of a very vast city and it's a department we can continue to be proud of. And in fact we're talking about this doesn't mean that it's the most important thing in our department, but it's a serious matter and we do take it seriously every year and all throughout the year when we're not talking about it, we're worried about it. Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you, thank you very much. I completely concur with the mayor's comment. I think the police department's doing a great job, with the -- you know the populations of our city is almost a million people and the numbers of complaints that we receive I think it shouldn't go unnoticed. But this is the IPA report and so I just wanted to start off by thanking judge Cordell for another outstanding report, very comprehensive very thorough and very easy to read. I appreciate the numbers, the statistics and the data reported, you know in your report here. In regards to the recommendations, I'm glad to see that you know the curb sitting and the approximate stops and equipping the officers with cameras those are the major ones that I have concern with. I think if these recommendations are implemented obviously it would produce really positive results. I don't think our police department is in any way but the perception is there and given some of the things that I read here, some of the complaints here in the IPA report it's somewhat justified that perception. And so if these recommendations are implemented I think we can put that perception to rest. At the same time, looking at rebuilding the trust among community members and the police department. So having said that I just have two quick questions, one for the chief and one for the judge. Judge Cordell I noticed this year, I continue to be very impressed with your outreach efforts. But what I saw here was your community outreach, your efforts to the homeless and the unhoused communities. You state in here that your staff reached about 400 individuals. I was wondering did you do that through going out to the various homeless encampments or going through the various homeless providers we have here in the city and also what has been the result of that outreach?

>> La Doris Cordell: The result of the outreach will certainly be in the report we generate for 2012. I can tell you we have gone out to service providers for those who are homeless and actually to those who are indeed unhoused or homeless. We have not done outreach at the encampments but one of our staff people has actually gone out and observed the encampments for a day, took a Saturday and went out and looked at more than one

encampment. So we have done outreach before I got here, this office did to the homeless, we just stepped it up, working on downtown streets, we've been over to the church behind City Hall where downtown streets convenes around we will continue to do that .

>> Vice Mayor Nguyen: I look forward to seeing the report in 2012.

>> La Doris Cordell: Sure.

>> Vice Mayor Nguyen: I remember when I was chairing the public service committee, the tasers what is the status of that and have you looked into doing a more extensive study or bringing a pilot program where we can install some of these programs with the police officers?

>> Thank you very much for the question, councilmember, 300 plus that we good would go away as a judge says if we have cameras on board. When we test piloted the Axon cameras, they were selling a service they were headed down the right path they were just very bulky, we were sort of at the front end of the technology curve. taser took them back, they don't want people seeing that product. They want them seeing their new product which is smaller, it's better quality cameras, high resolution, cheaper and they've segregated out the service so you can as a subscription service buy evidence retention and electronic evidence or just buy the cameras which was a suggestion I and many other chiefs made because some have different retention systems but those who need it sure sell it to them. We are in an era now where some departments here in the county, this is long winded but I think it's important that you hear that there are a number of departments in this county that are using cameras. Not necessarily tasers, Montsereno, Los Gatos and Morgan Hill. Portland and Seattle are using cameras, and Phoenix is entire departments but the idea is this deposit you've heard me say this every police department in the country is going to have cameras. With the band window that we have now we're going to be able to send it in a secure fashion and so all these questions when they come up of officer conduct are going to be definitively dealt with, they will. Either the officer you know clearly did what they were supposed to do and I honestly believe that the men and women are our department are so good that 99.99% of the time the above and beyond what they need to do in order to successfully serve the residents of our community. But that relatively rare

instance where we do something wrong we can either discipline we can train and as far as liability goes it will be very clear and the city can go ahead and handle that. The issue is cost and I think we're at a point now and I've had this conversation with the senior city staff that at some point it's not this fiscal year coming we've got issues but I think we're looking for grant. I don't think we are going to get the grant money we need to do completely but I think the alternative of paying out the claims that we've paid out that will more than cover the cost of what we need for cameras. This is the process for next years county wide effort so all the evidentiary issues with respect to the criminal justice side are done work is now being done so that hopefully by this time next year we'll have a plan to be able to purchase cameras for all of our officers.

>> Vice Mayor Nguyen: Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor and I want to thank judge Cordell for another excellent report. I think our local press is correct when three refer to you as the gold standard in police oversight. You know I think this model right now is working so well because of a number of factors. I think you and your staff are the foremost among that, among them. The City Manager has certainly given you and the police chief the opportunity to create the relationship necessary to really make -- to make this kind of model work and I appreciate that from the City Manager also the recognition that as thinly staffed as you are she'd tried her best to probate those resources as much as possible to make sure that you have the staff to do the job. And of course the police chief as well I think that it's really a breath of fresh air to see the interaction here and to understand that we're all here for the same reason to America sure the men and women of our police departments continue to be the finest police officers anywhere and that's an ultimate goal we all agree with and make sure that the interactions that we have an opportunity to in their interactions there's always room for improvements as they are in all of our jobs that they continue to be well trained and be better of what they do and always have in mind the safety of the officers and the public as the most important and paramount goal. But with that as a goal there's still a lot we can all learn from each other to improve the quality of our service and the mayor was correct in leading off with the number of calls and the number of contacts that exist. It's enormous, there's a large city, there's a lot of contacts there's always

going to be complaints and I think we need to have a system that gets to the best of our ability, to get to the bottom of these complaints. 82% of the time 19% of those were after investigation. That's a really good sign, I think that's a positive sign and especially given the fact that the remainder whether there was -- there wasn't conclusive agreement or they were outright did not agree or didn't feel that the investigation was carried out to its fullest a lot of that had to do with the 365 daytime line. If we can work on that time line I think we will see that 82% number go much higher even a greater consistency between the investigation of the police auditor and internal affairs. I think that's a mutual showing that our officers are essentially exonerated or at least in some sense we can confirm allegations one way or the other in a reliable manner. In terms of the recommendations I appreciate the police chief's response in terms of some of these recommends. The reality is that some of the data collection in the same spirit as the vehicle stops, so it's basically just an extension of what we've already been doing and I think will allow the department to continue to improve in terms of its training and determine exactly how their officers are doing the job. And I think that goes the same with the curb-sitting. And so again this is just a matter of making sure that we have every tool available to us to do that data collection so that when we have the training, we can make sure that the officers understand not simply how they're responding in interactions but what the impact of those responses might be on the community and the sentiments of the community. And that goes to another point of the mediation. The mediation program's been an incredible success. I'm so glad why Emerson was recognized and although he's not here he's always one of the most respected judges on the bench and doesn't surprise me one bit that this program has been successful because of his participation in it. I think is a large part of that and I think that judge Cordell, you know for you to introduce this program and to see the response from both the complainants and officers is tremendous and looking there's a number of quotes here but one in particular from a complainant mediation was really helpful I feel a lot better. That's the whole point of these mediations, to make sure a member of the public has the opportunity to have a conversation with the officer. Officer quote, I appreciate the opportunity to listen to complainant's perspective and thought process. In order for me to learn and serve the community better. That's what it's all about.. The officer doesn't get anything on their record more importantly is that quote right there. The officer does their job better and the complainant hopefully leaves there having more respect for the officer and how tough their job can be at times as well. And so you know I really think the mediation program as much as we can do to expand it and bring in other excellent judges whether they be retired or otherwise I think it will really benefit us. Another point raised in the report, is that

80% is the audit of all the recommendations from '93 to '09, 83 of the registers have been fully implemented. tremendous amount of credit for that that these recommendations aren't just going on some back shelf interthat Thea in chief as well as former. I think that because some of these recommendations obviously have been over many administrations, and the fact that 14% of the remaining we'll be right backs all couple relationship that beings and the understanding that you know that those recommendations are meaningful and the department takes them seriously. And finally, the community outreach has been tremendous and I think as correctly opponented the 25% increase in the number of complaints is not a reflection in any way of the conduct of the officers. But a reflection of the community outreach and that's 25% more people we have an opportunity to help you know, to help in terms of allaying their concerns. Those 25% of people did not make complaints, they're just going to have a negative feeling about the police department and about police officers and have no opportunity to have those concerns addressed. And so I think that increase is actually a benefit to the police department and to the patrol officers out there so that not only the patrol officers and those that are in contact with the public have a sense of what some of the concerns are. But equally as important, the resident, the citizen has an opportunity to have those concerns met, and through programs like the mediation program and the fact that the police department is really taking into account a lot of the concerns I think that those extra 25% are going to lead the experience with a more positive impression of the police department which again is also one of our important goals. So I would really want to thank all of you and I look forward to continuing because I know that all of you know both the chief and certainly our independent police auditor does work with all of us, goes out to the community, I've seep the auditor, seen judge Cordell many times giving presentations and I'd like to note that she always make mas it very clear to the public that we have a fine police department and the men and women of our department deserve respect and credit for that. And so I appreciate that because I know you leave that off as appropriately so every time you have a chance to speak to the public and that it's all about us continuing to nurture the officers we have to mentor them and make sure they're getting the best training because they can continue to serve the public in an exemplary fashion.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Kudos to you oop you work as a" which is certainly not always what an adjective we could use in a majority of cases out there. I want to refer to an article the that you wrote, judge Cordell, last December in reference to the cameras. And you mentioned that in Phoenix 50 cameras were bought with a \$fide,000 grant. Are they really \$100 K each? I wonder if we heck of a lot less than a 100,000 each.

>> Councilmember, thank you for the current chief in Phoenix. They've just announced a new one. The prior chief and sort of the acting chief and the cost of the type of product they're using, again taser is an Arizona product full on. Electronic evidence storage. They're -- and so the cost structure is going to be different from what I think we might deploy here.

>> Councilmember Pyle: So do you have a ballpark figure of what we would need?

>> We're working on that now and I some we will be getting very good pricing when we put it out competitively. Some cameras are better than other, the resolution so we have to go through that process. Again we are in a good spot. I wouldn't anticipate we do this prepping for a period of time the next fiscal year is next councilmembers to see it has an impact on the General Fund but again you're looking at what cost avoidance we have and it's going to be on par.

>> Councilmember Pyle: Exactly I think that's the issue and I see Rick over here smiling because he knows very well what that would mean. So I just am so appreciative of what you've done. This is really amazing. I can't believe this report. It gets bigger and better every year. It's just amazing. And it's really fun to read. So thank you for that. Appreciate it tremendously.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I definitely wanted to add my appreciation to judge and your staff. As well as the chief. And your staff for your cooperation and really show the professionalism. But above all, I wanted to take this opportunity to thank you in public of the at least three, four times that you came to district 4

reaching out to the district 4 residents, and different languages, outreach efforts. So thank you very much. Just little quick thought or question in my mind, regarding to the camera. And when Councilmember Pyle was talking about the pricing, when you were talking about the pricing, chief, things like you were addressing the hardware cost which is the up-front cost. And I'm just sitting here and just thinking about, what is the software cost, the maintaining of all those images and you might need to redact them for some certain cases. Would they be legal nightmare if we have you know those reels and reels or --

>> Councilmember, with respect to storage, video cameras in VHS tapes and the cost was not in the camera.

>> Councilmember Chu: I know I'm just --

>> No, no, you're absolutely correct. And the amount of storage that's going to be required only here in San José or in Santa Clara County is going to be significant. But with cloud storage, secure cloud storage it's much cheaper to do that.

>> Councilmember Chu: Storage is one thing. But you still need a human being to really review the images around like I say, if necessary redact them. And it's just subject to the public record act. And the management, the management of all those images could be a legal nightmare. I'm just cautioning you on that.

>> City Attorney Doyle: Councilmember it is subject to the public records act however, police records are -- there's a whole litany of exemptions. So they would throw in the category of police records. Blues those are things we'd have to look at.

>> One other if I may just the District Attorney's office we've engaged Jeff Rosen in this conversation. Because if we could share the cost a lot of what we capture on camera is going to be subject to prosecution. If we had a county wide system so they could get access to these defense attorney is going to look at the image from the camera and realize that their client doesn't have a chance or in fact that this is one that needs to go to trial so it

might get dismissed. We'll be able to cases themselves I think we're going to have to purchase but the system I think we do do perhaps on a county wide basis.

>> Councilmember Chu: I think the upfront hardware continuous is probably the least of my worry. But then you have to have a lot of employees to look at that black cloud, you know, probably most of the cases and could cause, could add up the cost. You know, so that's my comment.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. I won't repeat all the praise other than to say we're fortunate to have great leadership and two great departments doing great work so thank you both. I just had a couple of questions about some of the recommendations. Regarding recommendation number 24 and the tolling that's described there. I was always under the understanding that Pobar didn't allow for the tolling of the 365 day period in which punishment or sanction or discipline or whatever it's called is implemented by the department. Is this tolling referring to that where they can toll for an officer's criminally charged or an investigation complex or subject to civil complaint?

>> Shivaun Nurre: Councilmember Liccardo I've looked at this and we've had discussion with the District Attorney. The tolling is simplifying in the government section 3304. shall and some other is discretionary. But we have been engaged in discussions about when it's mandatory we should be doing it. And it does -- it does toll that 365 day period in which the investigation must be completed and the officer must be notified of the discipline. The discipline need not be imposed but it needs to be notified.

>> Councilmember Liccardo: Notification.

>> Shivaun Nurre: Yes.

>> Councilmember Liccardo: That is helpful. I certainly appreciate the recommends that your office has made, I think they are helpful and I think the chief is looking for the ways to remove the number of desk that each piece of paper needs to travel over, I agree wholehearted by with that. But it seems to me that we could deem an awful lot of these investigations complex and toll the statute and trying to understand is the concern that maybe the POA maybe doesn't feel the same way or that there's likely to be litigation or --

>> Our experience has been first of all when you try and assert that section for complex cases or involve as many officers the courts don't look too favorably on it. You better have a really begin and really complex case. And again I was in internal affairs when this statute was enacted 3304D and there was concern that we're going to have problems with this. It's worked out but there's been court cases where judges have looked at if you are going to assert that allegation you're going to really have to prove it up. We haven't had that issue, I don't know if you feel the same way.

>> Shivaun Nurre: In our experiences mandatory and it does not involve complex litigation. The complex litigation exception is number one discretionary and we don't see it much mountain cases we're talking about.

>> Councilmember Liccardo: Okay, thank you for that. Chief I appreciate this is one of the areas in which and the independent police auditor don't see completely eye to eye on how to resolve this situation but you at least see it similarly. And I just want to understand because I'm not exactly clear. I know you are in favor of implementing most of these recommendations. What other recommendations are you either still hesitant about or opposed to at this point?

>> Councilmember the first one would be sort of taking out everybody in the loop except myself and the internal affairs commander. While I understand that again, okay, with respect to --

>> Councilmember Liccardo: To all, I'm referring now to all 20 or so 30 recommendations.

>> Right.

>> Councilmember Liccardo: Clearly identify what the differential are.

>> Rather than taking 19 and 20 which have all to do with detentions, and the judge has mentioned verbally to you, we're going to combine all of those and address them at once don't call them out but bring them into -- and it's improving our documentation. That's what comes down to because it's necessary that we do that.

>> Councilmember Liccardo: I appreciate that. Because as I look at 19 and 15 too which I know you are going to implement, it seems to me as a prosecutor I'd like to have information in the CAD documenting the basis for the renal suspicion, because I know it's going to get challenged, I'd rather have an officer that can refresh his recollection on the standard.

>> It case where we're finding it in internal affairs complaint where an officer has gone on and detained somebody, and there's maybe an FI card with one line or something and thing there's a complaint made the auditor appropriately brings up that when asked, in internal as I or perhaps on the stand but more likely in an administrative setting what happened and the details are fuzzy and there's no way for the officer to recall it and so we'd like to protect them and also to maintain the integrity of all of our stops is to what was the reason they were stopped and what did we do during the course of that stop and what was the disposition. Very similar to car stops. And I think that will address most of the issues. I'll take it one step further. Once we get cameras that all is becomes moot because most of this is captured.

>> Councilmember Liccardo: I agree and appreciate that and I recognize there are challenges trying to figure out how we are going to deal with all that evidence. Just two more questions. One is, as we look at recommendations 2, sen and 8, what they seem to have in common is information that's being provided to officers before they're being questioned by internal affairs, and by question is, were there policies in place prior to this time that just weren't being followed or was this a situation where we didn't have policies in place? Because an awful lot of this I would expect most officers would know like in court you don't go talking to other witnesses. Before you testify.

>> La Doris Cordell: I'll have the chief answer but let me just tell you, these representation recommendations came from actual interactions that we had. Right? So we didn't make these up.

>> Councilmember Liccardo: I see that.

>> La Doris Cordell: We'd talk about them and say my goodness we didn't see in was no policy, no procedure so that's why we're bringing them forward now.

>> The policy was and is to this day during the course of the interview they're ordered not to discuss it not to disclose it the issue is, once they're notified that they're going to be interviewed, that we issue that order. And that's a discussion that we're having as to when is the appropriate time for them to be issued an order, once the complaint comes in, I can't talk about this case with you, then let the interviews begin. It's a timing issue and also to be fair to the officer interview when and what sources can they go to. But once that order's given and we do give that at the time of interview it is followed and that's not the problem. It's the issue ahead of time how much information can they get once they've been notified that there's a complaint.

>> Councilmember Liccardo: Okay I request understand. It just seems that refreshing the recollection in front of everyone, like you do on the stand would seem to be maybe a better course than having somebody go through it before they walk in there for the interview.

>> An example is an officer writes a crime report or writes any type of a report and they should have in my opinion they should have access because they may not remember what they did eight, nine months ago. But they go refresh their recollection in the report. There is going to be information from other sources and again the judge has brought up a couple of scenarios where it might be problematic where two officers are well it was in the report it wasn't in the report. We need to hash through that bought allows that orders them not to discuss it, it's just the timing of when it is.

>> Councilmember Liccardo: Okay.

>> La Doris Cordell: It is my hope, in recommendation 8, I hope there is a policy that is adopted. I think that's a very important issue that should be addressed and that's you know when should an officer who is being investigated missile have access to the complainant's criminal history? I don't think it's relevant at all and shouldn't be. I hope that -- and this is again for the chief to kind of look at and decide what the chief wants to do for the department.

>> And I'll just on that particular issue in the case without going into too much detail, as part of a case filing, the question of when that report about the complainant's criminal history came up, was it in response to the complaint? That would I think be inappropriate. It was part of the case they created at the time the arrest was made I think it might be a different story.

>> Councilmember Liccardo: If the person had strikes or priors.

>> Relevant during the course of the interview that's fair characterization. I think the judge made a good point.

>> Councilmember Liccardo: I agree In the context of timing and judge when I'm out in the community and I know all of us experience this in the community but I represent a lot of neighborhoods. With a lot of Spanish-speakers who are particularly concerned about reporting crime to the police, whether it's gang crime or anything else because of the concerns about La Megra and the relationships. I know the chief and the department are and I appreciate your work with the Mexican consulate. But I'm trying to understand how we can better spread this mental. Because it's challenging I know when you have migrating populations, people who come into neighborhoods and leave neighborhoods and we're trying to get the word out so that when they're confronted with a situation where they ought to be reporting something to keep everybody safe, we can be sure to do it without hesitation.

>> La Doris Cordell: So Diane in my office, Diane and I and Diane is throughput in Spanish. We go out and we make a concerted effort to reach populations that are Spanish, primary Spanish speaking chief came and stayed

the whole time with us to disabuse people of the notion that when they get stopped, say for a traffic stop by San José police officers, they're not going to be asked about their immigration status. We are doing everything we can, Diane and I were out this morning, and we were out at a middle school and talked to primarily Spanish speaking moms about this issue. And we were there for an hour. Doing the same thing. So we're doing what we can on our end. I think the chief is doing what he can on his end. And it's just going to take being out there I think and reiterating it and making it clear to everybody.

>> Councilmember Liccardo: Thank you. I'll certainly keep spreading the message myself and hopefully we can come up with a way to reach as many people. Thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. Councilmember Kalra stole my intro line which was the gold standard. So I'm going to rise above that and say the platinum standard. Just very impressive in the work you've done in the short time I've been here. I'm just each time I've seen you in front of the council and each time I've seen you in the community I just walk away happy that you're working here. So thank you very much for your time. I think it was already spoken to, Ash I'm confident it was already spoken to why it was working so well is testament to the fact that you've got a police chief who is willing to work with you on these issues and stuck in a particular mode this is the way we do it and to you I'm impressed with the work you've been doing in the past year I've been here. I do have questions of implementation as you spoke to I hope this recommendation is accepted, and I don't know if that was the right term. But how do we see it going forward after accepting these two reports? I don't know if that's a question posed to the City Manager or the police chief or no one.

>> I harken back to last week's discussion at the very end on the secondary employment, what is the role, and it's not for us to say, the judge and I and I'll let her speak her peace but she mentioned earlier, the report is the report. The recommendations are to the department through the City Manager. We take the implemented as written. Others that we I think need to work through. And then as any auditor would do is come back revisit them to make sure that they are implemented. So I again, my hope would be that the report is accepted, and the DII is

accepted as information and then we continue to work through and that the IPA would report back to you her boss about the administration's police department's response to them. And again some of these take more time than others. And so I think over time, just like we will with the secondary employment audit we're going to see an update in October, and I'm not sure whenever the judge thinks.

>> Councilmember Rocha: There's not just an annual.

>> La Doris Cordell: We just have an annual report. Please don't give you more work to do. I see you once a year.

>> Councilmember Rocha: Fair enough. I'll end it there. I did have one other question but I'll leave that offline question about process-wise. Thank you very much.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you mayor, I want to say thank you with regard to these topics. Very much appreciated. I do want to say that I do hesitate and am cautious on restrictions on what we may do in regards to curbing sitting. I do believe there are legitimate uses for that and I think you know for a number of reasons officer safety dealing with a number of people and one officer, et cetera. And that clearly we don't want to be doing things unnecessary to people but I also don't want to micromanage and restrict the officer's ability to manage that so I'll look to see as things may move forward but I am cautious on that one. Thank you.

>> Councilmember, I echo that sentiment ours is just to be able to capture the data basically to protect our officers. These are valuable tools, officer safety tools that are used and very much appropriately when we have multiple suspects and one officer and we have had one career again it's just a question of when you're faced with an allegation of disparity and you can't disprove it because you don't have the data. That's why I also want to protect our officers.

>> La Doris Cordell: I also want to assure councilmembers, this issue comes up when we are doing outreach, when we're in communities of color especially. I do not hear it when I'm doing outreach where there are very few people of color. So it's certainly says something to me about well, where is this being utilized and why. And so we're not making accusations. It raises a red flag and it's clearly something that I think the chief agrees, if it's a perception out there that there's bias let's dispel that perception. And the way to dispel it is, let's look at the data. Let's look at what indeed officers are doing. If it's not a perception mean it's actually happening we have to change behaviors to make sure there's no bias. It is a good way to look at this information and I think communities who think curb sitting is being used nor in their community they would be very appreciative by this police chief who says you know what we're not afraid of there data let's look at what's going on and act accordingly. curb sitting it is looking at what our officers do when they do detain people. I think it's absolutely the right response from the chief and I'm fully supportive of away he intends to do.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you mayor. Here's one Don, diamond status. I just want to again, the system's been in place, it hasn't changed since it was enacted. I think what we've seen is we have two leaders in their departments that have seen the value of collaboration and really putting you know our folks out in the community first. As well as, you know, our city employees you know, our officers, so that everyone's well represented. And I think that's all we can expect. And both of you have really shown the leadership to really take that and demonstrate your commitment to making sure that you're successful. I do have a question going back to recommendation number one. So what would the remedy be if, in fact, the data comes back and it shows there is disparity?

>> It really would depend on what the data said. First, you've got to see where it is, organization, and as a profession because even though San José was the first department in the country to collect -- first large city to collect car stop data collection scratched their heads and said that's probably not the best way to measure this and you know, it is more -- it is better to assess behavior after the stop rather than the causes of the stop. And that's sort of what we're getting here with the detention, okay we've detained somebody, what is -- is it a search

some it a could be sent search, those types of things. band for asking for consent searches a very important tool for law enforcement because they couldn't prove or disprove, they didn't have the data. What we're trying to do is head some of those allegations off. It is an indirect answer to your question, to say we don't know what it is until we get the data.

>> Councilmember Campos: I'll be anxiously awaiting the information. Again my community, I know judge Cordell hears these concerns and I'm sure they're coming also from new community because I hear them as well. And so I'm glad that we're taking a really series look at this, and then you -- serious look at this and then if it does come back that we need to relook at this, again you two leaders are going to find what the best remedy will be. So again thank you for all the work that you both do.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you. I'm you are doing a fantastic job and it's a partnership and I want to make a motion to accept the report.

>> Councilmember Pyle: Second.

>> Mayor Reed: Does that motion include both reports?

>> Councilmember Herrera: Both reports, right. I juts want to say that when I started on council we certainly didn't have this collegial atmosphere between IPA and police department. I have to say it wasn't there when I came on to council. And I just remember there not being that kind of relationship and a lot of things happening in the newspaper. And I observed now that that's not the case. And so I have to believe that there's some really good things happening, happening here and I really appreciate the chief's willingness to look at these recommendations. Just kind of a similar discussion as last week we were talking about secondary employment that you look at these and try hopefully implement a lot of them. I think that perception is really important. Perception's really important and my district some we are on the east side as well I grew up in the east

side and when I grew up there was a lot of perceptions about the police department. I think it's vastly improved from when I was growing up. But I think the community really appreciates whenever you take those considerations seriously and look at them. It goes a long way. It goes much farther than that one person who is complaining. It sends a message to the whole community that they are respected and it also creates an environment where there can be more trust in the process and more trust in the police department. So I commend both of you for working together but especially judge Cordell you have brought your shining light to this process and much vast improvement when I came on this council.

>> La Doris Cordell: I will tell you I'm having fun. There's not a day I'm bored and I never know what's going to happen the next day. I'm absolutely enjoying the in large measure because I have a very supportive city council and mayor and I have a wonderful police chief who gets it and is not afraid to take on issues. And so it's just for me, it's like the stars have just aligned themselves up just right at the right time. So thank you for your --

>> Mayor Reed: Speaking of the time. I think we're done, out of time for this item. I have no more requests from the council to speak so we do have a motion to approve both items, 8.1, 8.2. On the motion all in favor? Opposed? None opposed those are approved. Thank you very much. Even though we're just about out of time we're not out of work. We have a few more items on this afternoon's agenda that we need to get done. We took that out of order so we're back to item 4.4, report on bids and award of contract for the lower Guadalupe river trail. We have a motion to approve. No requests from the public to speak. We have Councilmember Liccardo.

>> Councilmember Liccardo: Sorry to stall the march of progress to the end of this meeting. I just had one question and I know it's an issue we discussed before. But I just want to understand now with the additional information we have. It appears that we've got an additional amount of federal funding. More than is required given the bids that we have, which is always great news. I know we had discussed, I think, privately and I think also in committee if not mistaken, about whether there was an opportunity to consider an add alternate where the bidders would post bids that would estimate the cost, if we were to allow trail users to continue to use the trail while construction was ongoing. Did you get any response from, at this point I implementation investments in City Manager's additional laroid noise eerie looking at the ten month construction schedule, although we feel that

no guarantees but we feel that we can beat that time line and possibly open segments such as the Guadalupe river to airport parkway even sooner. And so from a not only from a cost standpoint but from a timing standpoint, the contractor feels that it would take much, much longer to build. But we do have exact dollar amounts.

>> Councilmember Liccardo: Okay. All right. Thank you.

>> Mayor Reed: We do have a motion to approve on the floor. On that motion, all in favor? Opposed, none opposed, motion is approved. Item 4.5. Rezoning. We have a motion to approve the rezoning of west side of Meridian avenue. Mr. Wall you want to speak.

>> Mr. Mayor, I want a running objection to 4.5, 4.6 and 4.7. this is a squeamish reaction to every time I see envision 2040 EIR, so therefore the issues of height, traffic, parking sewer accommodations, water use, park fees, noise, pollution of any kind, was this communicated to adjacent property owners? This I do not know. I know Councilmember Oliverio is running objection to items 4.5, 4.6, 4.7. I am predicated on my disdain for envision San José 5040 which I believe circulate have been a ballot measure instead of a council directive. I have no trust in this program whatsoever.

>> Mayor Reed: That concludes the testimony on item 4.5. On the motion, all in favor, opposed, none opposed, rezoning is approved. Item 4.6, rezoning. East side of Meridian avenue, motion is to approve. There was a second, yes. We have some requests to speak on that item. Jen Harmon, going once, going twice, David Wall, your commenters noted. Motion on 4.5, opposed, that was 4.6, East side of meridian avenue. All in favor, opposed, none opposed, that's approved. 4.7 a rezoning navy corner of south Bascom avenue and Fruitdale Avenue, a motion to approve. Councilmember Liccardo.

>> Councilmember Liccardo: Question for Laurel, just about the driveway. I recognize that with two major arterial there we don't recognize this as the most pedestrian-friendly environment to begin with but was Bascom one of the streets that we were contemplating for narrowing or road diets?

>> Laurel Prevetti: That's right, and it's also within one of our urban villages. So the item before you today is really a rezoning so we're not getting into the logistics of site design. That type of issue will be handled through the use permit.

>> Councilmember Liccardo: I guess my question was having to do with the drive-through element of that. Is that part of today's decision, the fact that we're basically authorizing the drive through to continue?

>> Laurel Prevetti: You're enabling it but you're not approving it. So by changing the zoning it allows for a drive through as well as some other activities on the property that's not currently allowed with the zoning. It does require a subsequent use permit to actually put into place the drive-through and that will go to Planning Commission with possible appeal to you.

>> Councilmember Liccardo: Okay. Just trying to understand, if I on to the drive through should I be voting no here?

>> Laurel Prevetti: That's one way to send a very clear signal to the property owner.

>> Councilmember Liccardo: All right I'll vote no, thank you.

>> Mayor Reed: This is item 4.9, rezoning on South Bascom and Fruitdale. Mr. Wall you wanted to speak so we'll note your objection and previously stated. On the motion, all in favor, opposed, one opposed, Councilmember Liccardo opposed, motion carries. Item 4.9, outdoor special events update. Mt.

>> Councilmember Liccardo: Thanks mayor. I'd like to move memorandum dated April 22nd. .

>> Mayor Reed: All in favor, opposed, none opposed, that's approved. Item 6.2. Actions related to taxi way W extension at the Mineta San José international airport. We have a motion to approve. That was left over from last

time. All in favor, opposed, none opposed, that's proved. Item 7.1, a status report and cooperative efforts between the City of San José and Santa Clara Valley Water District.

>> Debra Figone: No presentation mayor, staff is here as needed for any question.

>> Mayor Reed: We have a motion to approve. mr. Wall do you want to speak on this one?

>> I have a lot of respect for by good friends at the Water District. My objection on this item deals once again with South Bay water recycling its funding structure. Its move to B it has become a water utility, the issue now moves to the advanced water treatment facility known as the Oshawa whatever I name they gave it. That is basically put on hold now. Stopped dead in its tracks. And so therefore, there is discussions at the Water District, of them buying the reclaimed water project outright which has its merits. I would think that you would want to have transportation environment committee have monthly reports on this issue. I would think Mr. Mayor that the rules committee should have at least a couple of reports per month, on the status of this advanced water treatment facility since it's dead in its tracks. And of course, the possible refund structure that may be forced upon the city to compensate not only the City of San José ratepayers, but all the tributary agencies, that have unfortunately been duped into this project, with reference to their sewer service and use charge which has been discussed fairly thoroughly today. This is an unfortunate situation for yourself Mr. Mayor because you have relied on staff that have led you down a road you shouldn't have had to have gone if you had had competent leadership. Thank you.

>> Debra Figone: Mayor, I think Ed wants to make a comment. If he could please.

>> Mayor Reed: Ed Shikada.

>> Ed Shikada: Yes please, Mr. Mayor, members of the council thank you. Just really would like to take a moment to express our appreciation on behalf of the administration to the environmental services department for the the extraordinary work they've done on South Bay water recycling. As the council knows the effort with the Water District has been a multiyear collaborative effort and in particular as it has most recently related to making

some difficult decisions to put some projects on hold in order to revisit the business plan. To ensure that it's fiscally sustainable in the long term for both the city as well as all of our partners. So thank you to Kerrie Romanow and the team.

>> Debra Figone: and I'd like to echo Ed's comments to the team.

>> Mayor Reed: We appreciate the good collaboration between the city and the team. We have a lot of interests in common and keeping them all moving and working together I know is difficult and staff has done an excellent job of doing that. We have a motion to approve. On the motion, all in favor? Opposed? None opposed, the motion is approved. Last item on our agenda is the open forum. Mike Glazi. I think Mr. Glazi left. All right Mr. Glazi come on down. Mr. Wall, you are closest to the microphone. And Essie carpenteri. Go ahead Mr. Wall.

>> There is currently a document being passed out. This deals with several issues that have been talked to today, primarily a failure at water pollution control plant. The failure occurred with the raw sewage pump. Now, mechanical things break down. That's foreseeable. Now but what council should focus on is what the issues that have been raised in the four corners of this memorandum. Such as why did this failure of raw sewage pump go down? There has been reports to me from several different sources that it was a negligence issue that a pump did not have enough oil in it. The letter itself goes on, but the bigger issue that I think that should be communicated very thoroughly to you is that you are on pins and needles with the administration of the water pollution control plant, not by the people that actually performed the task out there. But by the incompetent management that makes the decisions, and this leads from the office of the City Manager, the assistant City Manager, to the acting director of environmental services. Head works number 2 is mentioned glowingly on this document. I think Mr. Mayor you should have a report to the public about the tens of millions of dollars spent on this project, and whether or not as I stand here today, is it fully operational. There are a lot of problems with a lackluster treatment of the deferred maintenance at the plant, for which all of you are responsible. But even more so, you make a mistake. One single mistake, and Alviso could be a uniquely brown lake. And that will be unforgivable because how many times have I warned you? And it's not going away. Thank you and good afternoon for a nice meeting.

>> Mayor Reed: Mike Glazi.

>> Mayor, I would like to refer you to page 13, item 3C. Speaker should discuss topics related to city business on the agenda. I have a subject to discuss which is not on your agenda.

>> Mayor Reed: That's okay, this is the time to do that.

>> Okay sir, thank you. I'm Mike Glazi, resident of district 1. Since 1960, and a Korean war veteran, served with the first marine division, first marine air wing and Korea from 1951 to 1952. I now represent the Department of California Korean war veterans association, Inc. A federally chartered nonprofit military organization formed in 1985. Several months ago, I was informed that a retired Korean major general was visiting the western states of Washington, Oregon, and our California. I was also informed that the general had completed meeting veterans in many of the eastern states. Using his personal vacation, at his own expense. I was asked to help, to plan the general's California itinerary to meet as many veterans as possible during this 60th anniversary year of the Korean war. The beginning of the cold war. General Choy has a specific conviction for American veterans who participated in the Korean war since its beginning with the invasion of South Korea on June 25, 1950. He has strong feelings that Korea owes a great deal of -- great deal to the U.S. soldier who served and sacrificed defending the freedom of his countrymen. He also believes that the war was a persistal moment in history.

>> Mayor Reed: Mr. Glazi I'm sorry to cut you off, but your time is up. What I'd like you to do is to finish that thought by contacting my office and talk to Sara over here after the meeting, and we can figure out what we need to do.

>> Thank you very much, sir.

>> Councilmember Constant: And Mr. Mayor if I could just jump in Jared from my office has already started the process of working on this so we'll coordinate with Sara.

>> Is it all right if I distribute?

>> Mayor Reed: If you hand that to the clerk I it will genetic distributed. Thank you sir. Mr. Carpentere.

>> Councilmember, thank you for allowing me to speak today, as I was on my way here I discovered I had something else to speak about. I served my country i'm a decorated soldier. That is pertinent to what I'm about to talk to you. I tried to open a business here the past couple of days. Simply getting normal information about how to go about that process was extremely prohibit every. Now, I don't complain without giving a suggested answer. By the way, hello, good to see you. As we call Mr. Sam, lovingly in our district over there. We've been in meetings together. I've seen the man face down threats from gangs. I was glad I was there. He's to be commended. The interim I get to you guys is this. I want there to be a test of everybody in city government, simple test, what's in your city government, and where is it? I don't think that it is too much to is of a city employee to be able to answer a citizen's question, something so basic as to which of these many, many floors do I go to, to open a business. It's ridiculous, it's unexcusable. Excuse me, inexcusable, okay? Second thing is, when I decided that I was bad enough to come make this suggestion I didn't know y'all were in session. That was me that knocked on the door. Okay? And I was lucky to find you guys in session. And I was given instructions on how to get here. I'm a decorated soldier. My father was a civil rights leader. I have killed for my country. I have employed people. I've served many you guys food. Okay? And to get to this council meeting meant I was escorted. And I was grilled in the elevator.

>> Mayor Reed: Mr. Car pentier, your time is up. I would like you to speak to this gentleman, Mr. Ed Shikada.

>> If I might say, a citizen should not feel unwelcome in city council.

>> Mayor Reed: Talk to Mr. Shikada, if you would please. That concludes the open forum, that concludes our meeting, we're adjourned.