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>> Mayor Reed: Good morning, I'd like to get this meeting started. This is the labor update portion of our meeting. We will get the update. Take a little bit of testimony, and then adjourn into closed session and come back in here at 1:30. So to kick it off, Gina Donnelly.

>> Gina Donnelly: Good morning, mayor, members of the city council, Gina Donnelly, deputy director, employee relations. Just a reminder to everyone as we do every week, all the documents we'll be discussing this morning are available on the employees relations Website and pay be accessed online. We received a revised retirement reform proposal that also included an addendum on Friday, November 11th via e-mail from POA and IAFF local 230. This proposal is in front of you this morning. We have not met with either of the bargaining units since receiving this proposal. This report is based on our understanding of the document itself without the opportunity to seek questions or seek clarification at the bargaining table. There are two changes in this proposal since the last amendment to their proposal on October 31st. First is to the SRBR, otherwise known as the 13th check, in which they are proposing to convert the SRBR to a guaranteed purchasing power plan, for current employees remaining in the current tier of retirement benefits. There were no specifics as to the type or structure of a guaranteed purchasing power plan they are proposing. The second change is a proposal addendum that includes an expiration date of November 17th. The addendum proposes to suspend employee contributions toward retiree health care prefunding for one fiscal year, and increase employee contributions to pension by 5% to offset the City's contributions. Any savings realized by the city would be used to preserve services in the police and fire department in fiscal year 12-13. And that concludes our presentation this morning.

>> Mayor Reed: Thank you. We have some people who want to speak. We'll take the testimony now. Robert Sapien followed by Paula Martinez.

>> Good morning, mayor and council, and staff. Robert Sapien president San José firefighters local 230. As we begin the mediation process, later today, intent on finding lawful strategies to reduce retirement costs and preserve jobs and services I want to remind this council of what San José firefighters have done in the recent past to address the fiscal condition of the city. Firefighters voted to reduce their own pay and benefits by 10%. Firefighters increased their level of contribution to fund retiree health care. Firefighters agreed to increases

in their medical premiums and office co-pays. Firefighters agreed to reduce minimum staffing requirements to save several millions of dollars for the city ongoing. Many firefighters lost paramedic premium pay and the ability to provide that lifesaving service, and when combined with other concessions, the cumulative hit has been a heavy one for my members and their families. We will listen openly, in mediation, in hopes that we will hear rational reasonable and lawful intent from city negotiators. Retirement reform savings can only be counted upon if they are lawful. Local 230 has demonstrated that we can work with the city and find savings that are real and lawful when it comes to wages and other benefits. It is our hope that you will compromise and work towards an agreement that saves money in a lawful manner, and that is fair to firefighters and to the residents that we serve. Thank you.

>> Mayor Reed: Paula Martinez followed by Yasharona Rosario.

>> I am a resident of San José, a voter, and a city employee. Councilperson Rose Herrera, you came to MEF AFSCME and asked us to support your campaign to be a councilperson. Now I ask you to get off the fence and support the union that supported you in your time of need. The the union needs you Rose, come and meet with us. Councilperson Madison Nguyen, we supported you, too. You need to be loyal to those who are loyal to you. Support city workers. Councilperson Pyle and Rocha, you know the right thing to do is to support the unions. There is no fiscal emergency or a need for a public vote. The public needs to know that though MEF is a large union we are the grunt workers. We don't make six figure salaries and we won't get SSI when we retire. All the impositions and drastic changes you stripped away from us don't apply to any of you. None of you will be affected or impacted. Thank you council persons Kalra, Chu and Campos for supporting city workers and services. The rest of you should be ashamed of yourselves. How can you look at your city staff who work for you on the 18th floor and not feel embarrassed? With all the mass exodus of staff from our six figure directors and management and down to us grunt workers how much has the city already saved? Why do you need to strip more from us? And you know there's going to be another mass exit before January because again you stripped us of our sick leave payout. I remember the mantra used to be build your sick leave and you'll be rewarded in having it paid out to you when you retire. Now thousands of dedicated city workers no longer have that option. Once again your ill advised decision will create yet another negative effect on your workforce. All the incentives we look

forward to, since our salaries were drastically reduced, are all gone. Is this the legacy you all want to be remembered for? There's still time to be a hero.

>> Mayor Reed: Joanna Rosario followed by Yolanda Cruz.

>> Mayor, councilmembers, good morning. My name is Sharona. I'm an MEF member as well as District 1 City of San José resident. I started to work for the City of San José in 1999 as a senior medical assistant in HR. In July of 2003 the city cut my position to only 20 hours a week. To make ends meet I took a huge demotion and became of principal office specialist which allowed me to keep my 40 hours a week and my health benefits. For my husband and three children. My husband is increased medical needs due to a chronic illness. In the past year my husband lost his job. We struggled financially but continued to pay our mortgage with my sole paycheck. Since July 2011 with $700 less per month because of the 12% pay cut and with increased medical cost due to higher premium and co-pays we were no longer able to afford our home payments. The 12% pay cut that was imposed on all MEF and CEO members have made a tragic impact for me and my family that will haunt us for the rest of our lives. We lost our home. Now we are renting a one bedroom apartment in San José that is still costing us more than one full paycheck. The only thing that my family and I have left is my retirement. And now Mayor Reed and council you want to take this also from me? I work hard at my job. I give it all and I'm proud of the service my department usually provides to the constituents. Please, Mayor Reed and council, show me and the employees of the City of San José the respect we deserve and come with an open mind to the negotiation table, and focus on revenue generation. Thank you.

>> Mayor Reed: Yolanda Cruz. Followed by John Max Reger.

>> Mayor. Councilmembers and staff. My name is Yolanda Cruz and I am president of AFSCME MEF. I'm here today to tell you that we have been working on a proposal that we hope will meet all of the needs of the city. It is a grand bargain proposal which addresses all of the issues that you have. You can hear from my members exactly what's going on. These are the questions and the comments I've had to respond to continually. But in my role as the president of this union I have to look at what it is that you're requesting as well. So we've done this. Our

nonmanagement coalition is looking forward to our negotiation today so that we can present this proposal to you. Thank you.

>> Mayor Reed: John Max Reger.

>> Honorable mayor, members of council, madam City Manager, members of staff, my name is John Reger, city employee, 19 years. I'd like to talk about movie I saw some time ago called the beautiful mind by John Nash, excuse me about John Nash an economist. In that movie it talks about his theory of cooperation and collaboration not only for themselves as a business looking out for their best interest despite the effect on others but looking out for their best interest for themselves and for those competitors and for those who would reciprocate in kind. I think it would be in the City's best interests to negotiate with this perspective. Past four years, it has been from my perspective, the City's way or the highway. And if you continue to choose to not negotiate with your employees. To continue to choose to ignore the advice of attorneys. To continue to choose to give political weight over financial circumstances, then I think, yeah, your ballot measure, probably 60% of the people will vote on it, probably pass with 70% approval, with a cost of $3 million at that point, we'll file an injunction, it will get tied up in the courts for three to five years. How many more millions you want to spend on that, when you could be negotiated and working with the folks. The employees don't want the city to go bankrupt. The same token, I think it's unrealistic to take a snapshot in time, as bad as the economy is now, and extrapolate it over 30 years. You really need to work with your employees. Thank you for your time.

>> Mayor Reed: That concludes the public testimony. We're going to adjourn into closed session. We'll be back here at 1:30.

>> Mayor Reed: (gavel strike) Good afternoon. I'd like to call the San José city council meeting to order for November 15th, 2011. Start with our invocation. Councilmember Pyle will announce the invocator.

>> Good morning Or good afternoon everyone I'd like to introduce Dwight Bailey who is here from the church of the chimes to do you remember our invocation. Welcome pastor Bailey.

>> Would you bow in order of prayer with me, please. Dear God, in trued for Thanksgiving. Thankful for our mayor, thankful for our councilmembers. For all you have given this season, to steward the resources of this great city. I pray that you would make them as Solomon says like trees, that they be deeply rooted in love, compassion, justice, and integrity, that will lead to fruitfulness for all over which they have influence. God, we pray that you would grant them the capacity to listen to your voice. So as to allow the power of your heavens to overcome the problems of your city. I pray that you would grant them unity, and the oneness in spirit, for the goodness of all people. You don't forget about us, particularly those who are hungry not just emotionally and relationally, but spiritually. As we remember the hungry and the homeless, we pray that you would wreck our hearts the way it is wrecked for them. Pray for the needs and the prophet Habakuk, when the tree does not bud, the olive crop produces no fruit, no sheep in the pen and no cattle in the stalls, yet I will rejoice in the lord, I will be joyful in God my savior. Help us to live with a spirit of plenty and not scarcity. We believe you have greater things in store for this city and we pray for them. An even when we fail to know how to pray, we are grateful that you even taught us that in these words. ╢ our father ╢ ╢ who art in heaven ╢ ╢ halloweth be thigh name ╢ ╢ thy kingdom come ╢ ╢ thy will be done in earth as it is in heaven. Give us this day our daily bread and foster give our debts as we forgive our debtors, ╢ ╢ and lead us not into temptation, but deliver us from evil ╢ ╢ for thine is the kingdom ╢ ╢ and the power and the glory forever ╢╢ and all who agree say amen.

>> Mayor Reed: Thank you, pastor Bailey, we will now have the pledge of allegiance. [pledge of allegiance]

>> Mayor Reed: First item of business are the orders of the day. Any changes to the printed agenda for us to consider?

>> Councilmember Pyle: Move to approve.

>> Councilmember Herrera: Second.

>> Mayor Reed: Motion is to approve orders of the day, all in favor, opposed, none opposed, that's approved. Closed session report City Attorney.

>> City Attorney Doyle: Mayor the council met in closed session this morning. There is no report.

>> Mayor Reed: We'll now take up our ceremonial items. I'd like to start by inviting Councilmember Chu, Ann browell from the Santa Clara Valley network to join me at podium. Today we recognizing the week of November 13th to 19th as bully awareness week in the City of San José. Councilmember Chu has the details.

>> Councilmember Chu: Thank you, mayor. Thank you mayor, and I would like to thank my colleagues and the mayor for joining me to proclaim November 13th through November 19th, 2011, as the bullying awareness week. Bullying awareness week is an opportunity for the community to get involved in this issue at the grass root legal, to bring to light impact of bullying in our community. Here today, to accept the proclamation is Kate Jones, from the office of human relations network for a hate-free community. And Ann brownell from the Amanda network of antibullying campaign. Kay has provided leadership on county's antibullying campaign through education efforts and works to track hate violence in the county. Ann brownell is the founder of Amanda network, and the antibullying campaign. She goes around the county sharing her story about her daughter, Amanda brownell who endured constant bullying through social networks and text messages. At age 16, Amanda tried to take her life, in the bathroom of her high school. Today, she has brain damage and lives in a 24-hour care facility. For Ann's effort with the Amanda network, she was nominated for the Laureal 2011 woman of worth contest of 2100 entries she was selected as one of the top 10. Saturday marks the 10th anniversary of Amanda's attempt suicide. A candlelight vigil will be held to bring increased awareness to this ongoing issue and will be held at Campbell Methodist church from 4:00 to 6:00. Hope to see you all there. Would like the mayor to present the proclamation to Kate and Ann. [applause]

>> Councilmember Chu, thank you very much. I'm deeply honored to receive this award and I also want to thank you for the ongoing educational efforts you have sponsored in this hall. For the community to develop a more peaceful and -- a more peaceful community is all we need, really. I want to tell you briefly about the network's hate free community efforts. We track hate crimes and hate incidents in the county. We issue an annual report, drawing on information provided by all the counties law enforcement agencies plus my own research and resident contacts. The report is available open the county Website. Look for the office of human relations then under the public relations tab. This year I direct the community efforts towards bullying prevention towards individuals and organizations including schools. I took the network's quarterly meetings to the community in collaboration with the Martin Luther King association, community solutions in Gilroy, and Silicon Valley faces. The goal was to bring the residents -- bring the information to the residents near their homes where they could easily access it. We're also reaching a more challenging population through our program with our dispute resolution program, we're outreaching to youngsters in county custody and giving them antibullying education. Again thank you for this very valued award.

>> Thank you. I am very honored to accept this proclamation for the Amanda network and invite you all to be part of Amanda network. And that is, by knowing what happened to Amanda, and what we're trying to do. Amanda was bullied for a month by two girls who were once her friends. And of course, as a mother, I was one that was always there, and participated, so I knew the friends, I took them home. They spent the night at our house, so I thought it could never happen in my family. Because I was a caring mom. But it can happen to anybody. So what we're working towards is teaching everybody, not just the kids, to step up, say something when you see something going on that is not right. And teach everybody about that. Because too many kids at all ages are killing themselves. And that's not okay. Just last week, there was a ten-year-old, and then another one that I just heard of today. That was tweeting, did 144 tweets and nobody came to her rescue. So if a kid says that they're going to do something like hurt themselves, we need to take them serious. Because a lot of them think about that. They think it's easier for everybody, if they just checked out. But in fact, what I do is tell them, and show them, how hurt our family is by not having Amanda, the loving, bubbly, hugging, singing girl, back, just brought a lot of energy and life to wherever she was. And yes. She was a great actress, and one day wanted to be on

Broadway. So now, I'm doing that for her. Teaching her stories to everybody that could hear it. And I do it because I don't want another family to go through and deal with what I'm going through and my family and my extended family and friends of friends. So I'd like to please join Amanda network by repeating this pledge: I pledge, I pledge? To not allow bullying.

>> To not allow bullying.

>> In my presence.

>> In my presence.

>> And if I don't report it.

>> If I don't report it.

>> I'm just as guilty.

>> I'm just as guilty.

>> Thank you and you are now all members of the Amanda network. [applause]

>> Mayor Reed: Next I'd like to invite Councilmember Kalra and represents from flatter whirl Inc. to join us at the podium. We're commending flat Stanley in commemoration of international education week. Councilmember Kalra will tell you who flat Stanley is.

>> Thank you, mayor. I'm happy to be here joined by the mayor as well as the executive team of flatter world incorporated, dire 1 Hawes, Jeff Benist and pier Saul here is flat Stanley. Based on a character the flat Stanley project was created by Canadian elementary school teacher daily Hubert, as a way to get his children to have fun

while reading and writing. Since 1995, thousands of schoolchildren have mailed papers to flat Stanley's new friends from around the world. His adventures when he returns home by post. So far flat Stanley's journeys have scaled Mt. Everest, he's rocketed into outer space and circled the he earth 213 times. Spaceship discovery. I've seen him with President Obama and now with Mayor Reed. Today the flat Stanley project reaches new heights with help from flatter world incorporated which expands the vision of the project to the mobile world and beyond. Today we have an honor of presenting the commendation to flat Stanley, in honor of international education week, which is recommended by flat Stanley as well. Teachers, children and parents around the world mayor Reed please present the commendation to our representatives from a flatter world .

>> You guys have all heard of the great travels of flat Stanley. He's now on his latest adventure in a company called flatter world which is only less than a year old and we've already made groundbreaking achievements in the mobile industry, giving kids the option to create a character just like this one, on a mobile device, and send it to anybody in the world. They can talk about and write about his experiences within the classroom on our brand-new Website that we just launched less than a month ago. Allowing teachers to collaborate with other classrooms all over the world. We have big, big, big ideas for collaboration, and technology in the classroom. And flat Stanley is our spokesperson. So thank you, thank you all for being here. And thank you very much for this award.

>> Mayor Reed: Thank you.

>> Mayor Reed: I'd like to invite Councilmember Pyle and the Almaden women's club, Almaden valley women club as ecommend the Almaden valley women's club for their work in district 10. Councilmember Pyle will give us the details.

>> Councilmember Pyle: Thank you, mayor. And I have two exceptional ladies here with me today. One is Maureen Harrington, who is the past president and long time member of Almaden valley women's club and with her is Sharon Townsend, current president. The Almaden valley women's club was organized in 1965 with the purpose of stimulating interest in the social, civic and cultural improvement of the Almaden valley community. And, to create friendship through service. The Almaden valley women's club is committed to serving

the needs of the Almaden valley and those of greater San José through proceeds raised at annual Almaden valley art and wine festivals. This year was the 35th anniversary of this family friendly event and all festival proceeds are donated as community grants to nonprofit children's fons, educational facilities, teen program and community organizations. In the last 35 years, the Almaden valley women's club has raised over $850,000 for community grants. And mayor I would love to have you present the plaque to Maureen and Sharon.

>> Thank you very, very much. We're really honored by this award. The Almaden valley women's club holds our festival every year at Almaden lake park. And we'd like to thank the San José cultural affairs for supporting our event for over 15 years. It really helps us to achieve a successful festival. With our profit, all the profits go to local nonprofits such as next door, Bill Wilson, the turning wills for children, Salvation Army, Sunday friends and so many more I can't name and approximately 50% of our funds go towards scholarships. If you figure out, $850,000, half of that was scholarships. I think that's pretty good. And I would also like to thank Nancy Pyle for her continuing support of the Almaden valley women's club. We really appreciate it. Thank you. [applause]

>> Mayor Reed: Next I'd like to invite the second harvest food bample Kathy Jackson to come on down. caring and dedicated service to the people of San José and Silicon Valley. Councilmember Pyle has some more.

>> Councilmember Pyle: Thank you, mayor. Since its inception, first of all let me introduce Kathy Jackson, CEO of the second harvest food bank. Since its inception in 1974, it has become are you ready to for this? the largest food bank in the nation. They provide food to an average of nearly one quarter of a million people each month. Half of whom are San José residents. And each year, the second harvest food bank distributes more than 20 million pounds of food. In San José alone! They promote federal nutrition programs as well to educate families on how to make better food choices and they provide food to community based organizations such as sacred heart and bill Wilson center. Through this, safety net and works effectively to provide healthy foot food for people in need in our community. For the fifth year in a row now the second harvest food bank has received charity navigator's four star rating for fiscal responsibility that puts them at the top 5% of all nonprofit organizations in America! The 2011 holiday food and fun drive is currently underway, and the second harvest food bank will serve

hundreds of thousands of people during the holiday season in November and December. So Mayor Reed, if you would give the commendation to Kathy. Kathy, if you would like to --

>> Okay, okay. Well first of all thank you so much. We're so honored at second harvest to receive this commendation. We are currently feeding more people than ever before in our history. At this point, literally one out of every ten children, families, and seniors in the two counties we serve, are getting at least some of their food from second harvest every single month. Another way to think about that if you think in meals terms, every single day of the year we provide the equivalent of almost 100,000 meals across the two counties. And as Councilmember Pyle noted, half of those are in San José. Away you may not know is while we don't charge for our food that makes us really unusual. We are one of only a handful of food banks in the entire country that don't charge for the food that we distribute. We have just launched our holiday drive. We are trying to raise $11.3 million and 1.6 million pounds of food. And the truth is, those funds and that food and all the turkeys we get will help provide food for the community throughout the remainder of the year. I want to close just with a quick story. It's about a little boy going to school not far from here in San José. His teacher noticed he was struggling with a word problem and she went over to see what the problem was. The question he was struggling with, what are the favored foots for dinner. Dinner, is that the meal that most families eat when the sun goes down? My family don't eat that meal. Think of it, some families don't eat translational problem, that's a food problem. So that's who we're trying to help at second harvest food bank and we so appreciate the recognition and also the support associated with this commendation. Thanks so much. [applause]

>> Mayor Reed: Our first item that we're going to take up now is item 6.1, taking it out of order in order to stick to a quick schedule here and that's authorization for issuance of airport revenue bonds. We've got a staff presentation and we will turn it over to our staff to take us through this.

>> Good afternoon, mayor, members of the city council, Julia Cooper acting director of finance. I have with me today Arn Andrews, the acting assistant director and in the audience we have staff from the airport, city attorney's office and bond counsel and financial advisors to answer any questions you may have. As background the airport T.A.I.P. is nearly stancheonly complete and the commercial paper program provided interim financing during the

construction period. The CP program is currently supported by four letters of credit from Citibank, Bank of America, J.P. Morgan chase and Wells fargo facing out the commercial paper, along with long term bonds and it also matches long term assets with long term fixed rate liability. The plan of finance in the security for the 2011 B NC bonds, the authorization day is to issue up to $315 million. The CP program is projected to be reduced to between 100 and $150 million after this sale. The new bonds will be secured solely by airport general revenues and certain other funds less the maintenance and operating costs. Those certain other costs include the CFCs and facility rent and as you recall you increased the rent to the CFCs net airport revenues the General Fund is not a back stop at all for these bonds. The projected debt service is projected to remain airport last week, Fitch confirmed their rating with an A minus with a negative outlook, Moody's confirmed with an A 2 with a negative outlook and S&P down graded the airport from A to A minus and changed their rating outlook from negative to stable. The -- in the S&P's writeup they commented that the airport -- they believe the airport could maintain their debt service coverage and liquidity levels and cited management's proactive efforts strengths, these are all positive comments associated with the airport. Despite the down grade of S&P the airport's ratings remain in that narrow band of A rating category from all three rating agencies. And the financing team believes this rating down grade will have a negligible impact on the pricing and the sale of bonds. So now for a moment I'm just going to turn to the issue of when we asked the council to approve the bond issue, kind of what that means with respect to our disclosures and speaking to the market. As we've discussed in the past pursuant to federal law and enforcement by the sec the issuers of securities have an obligation to ensure that the information contained in the disclosure documents is not materiallily misleading and this proper disclosure allows investors to understand and evaluate the financial health of the local municipality in which they are about ready to invest. In terms of securities, section 17A of the security act prohibits making any untrue statement of material fact, admitting to state and material fact in the offer and sale of securities, and a fact is material if there's a substantial likelihood its disclosure would be considered significant by a reasonable investor. As part of the bond disclosure document review process, for issuing new or refunding debt, elected officials should read through primary financing documents and raise any issues that have been identified. We provided the city council members a color copy of the preliminary official statement and the three appendices last week. After your review of the financing documents the following elements should be considered. Have identified risks and events been brought to the substantiation of staff, bond counsel and other professionals and have those risks and events been disclosed and

if not what is the rationale for nondisclosure? The council is not expected to be a fact-checker. That's the responsibility of staff. But however, if the councilmember has any personal knowledge of any material information contained in these financing documents which include the preliminary official statement conclusive of apent seed A, B and C, if any of that information is false or misleading we ask that the council raise those issues prior to the approval or the distribution of the POS to the market. In conclusion our recommendation is to authorize the issuance of the 2011 B and C bonds not to exceed $315 million, approving authorizes our distribution of the official statement and authorize any other related action which includes amendments to some consult agreements. The bond sales expected to occur on November 30th with a closing on December 14th and will be concluding and preparing some informational memo after to summarize the informational from all three rate being agencies and the information from the bond sale. So with that we're available for any questions.

>> Mayor Reed: I wanted to take a minute to thank our airport staff in particular for their management of the airport during the construction and the difficult economic times. We got a world class airport, it's a great airport, and the financial management has been difficult because of the economy. But nevertheless, our staff has demonstrated that we're going to manage the cost, and do a good job of rebuilding the air service travel. We're on the right road with that. And the council has been solid in its support of making sure that it's properly and fiscally prudently managed. And so I think that bodes very well for not just these bond sales but the success of the airport. Because we do have high hopes for a lot of additional traffic through the airport serving Silicon Valley as the airport of choice. So I want to thank staff for a lot of good work. We probably have a few questions or comments from the council. Take that up now. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. Are we taking up about item B along with A? 6.1?

>> The amendment to the bond counsel agreement?

>> Councilmember Liccardo: With okay, Harrington and Sutcliff I should probably disclose for the record that I was formerly employed by that law firm.

>> City Attorney Doyle: I want to clarify, it was probably more than a year ago.

>> Councilmember Liccardo: Long ago. Sooner, I'd be better off. I had a question about the projection in the report around the growth of enplanned passengers focus of any securities litigation if anything comes down the pike. And so is the standard essentially that it has to be reasonably foreseeable, or is there -- I guess this is really a question for Rick. How much confidence are we supposed to be investing in these projections as we approve this?

>> Well, and I'm going to ask either my staff or bond counsel to chime in if they feel they need to. But I think you hire a consultant because it's a requirement of any bond issue. And you -- you know, it is a good faith effort and I guess the reasonable foreseeable standard is probably the best that I can define.

>> Councilmember Liccardo: Okay.

>> City Attorney Doyle: I think you know you have to take some comfort in that these projections are that happen about but they're based on both prior data and the best evidence they have of what -- looking forward.

>> Bill Sherry: Bill Sherry, director of aviation for City of San José. I think Rick pretty well covered it. They are the culmination of the best information available. Looking at the catchment area, the demographics of the catchment area, the economic conditions of the catchment area as well as the forecasted economic conditions. The availability of air service in the Bay Area including San Francisco, Oakland, San José. In the past, these projections were considerably higher. These projections I would call, if anything on the conservative side, which I think is consistent and appropriate for the calls at hand. But I think that there -- you place a certain amount of reliance on them because that's what the bond proceeds are going to be derived from.

>> Councilmember Liccardo: Okay, thanks Bill and I know you and your team are doing everything possible to drive those numbers. So I appreciate that.

>> City Attorney Doyle: Councilmember, I'm going to announce bond Counsel John Knox of orrick Harrington. .

>> This is an expert you have retained, Recondo is an expert in airport feasibility. Their expertized in the sense they are providing their expert opinion that is important for the underwriters of the securities because they know there has been an expert looking at it. It's not just the city coming up with their own projections. Obviously the city has to be completely comfortable with those projections and I believe in my participation in all the conferences that we have the city is comfortable with those projections. The only thing would I want to add, there are not a guarantee of a result. And things could opportunity out differently.

>> Councilmember Liccardo: Okay, great. I'm comfortable we've got a very high debt coverage issue based on our propositions so I'm happy to make a motion to approve.

>> Mayor Reed: All right, we have a motion to approve, and there's a series of staff recommendations, all in the motion. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. This is really good late night reading, this whole thing here. I actually did read it because I think it summarized all the areas, covers the city quite well. And you know, it looks like pretty conservative projections when I read it. Just for the layman here, if these don't turn out right is there any risk to the city? I think not, right?

>> No. As Mr. Knox pointed out they are just reasonable projections. The airport is obligated to raise rates and charge to maintain the debt coverage. They will do that to the extent traffic isn't up they are responsible to raise their rates to bring the revenue up.

>> Councilmember Herrera: Thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you. I just wanted to commend the staff and Bill at the airport because I think you've done a stellar job of taking a situation that at one time didn't look as great as it does now and it looks like you're going to end the year on a really high, soaring rate. So I think you deserve a lot of praise for all the hard work. I know it hasn't been easy, and then you've also talked to at least 12 other airlines, trying to convince them to come here. That was just in the Berlin -- at the Berlin show. So I just really think all the hard work is beginning to pay off. And thank you for that.

>> Mayor Reed: One request from the public to speak on. We'll take public testimony at this time. David Wall.

>> David Wall: Good afternoon, Your Honors. This has been a long time in coming through a variety of different committees. I think it is work that has been very well done. I am always concerned with the concept of forward-thinking. In these documents, and they are very voluminous. Append sees A, B K C, nonetheless the terms forward-thinking has all sorts of other nested comments in them that leads to forecasting. And forecasting can be a good thing or a bad thing. Our airport forecasted before and came up short. As a matter of fact, several things around here, in which you base your decisions on forecasts, routinely come up short. So we take that, but also we balance it with charitable thoughts. As the city has said, this has no impact on the General Fund. However, this is borrowed money. More borrowed money Mr. Mayor. As a matter of fact, it is a consolidation to borrow money to pay off interest on other loans. And the usual household of the taxpayer has seen what that can do to you. I mean, we're a society that has not only been able to drive to the poorhouse, now we can fly there. And I'm very concerned long term this is an engineered crisis, not with any mall eve lens or mean spirited intent but to create an economic crisis to do away with the curfew. And this is integrated with all your council trips to China, Korea, Japan and Ireland for additional planes. The passenger forecasts in my opinion are very liberal, thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion to approve the recommended actions. On the motion, all in favor? Opposed? None opposed, the motion is approved. Thank you very much. That concludes our work on item 6.1. We're now going to go back in numeric order to the consent calendar. Item 2.et cetera. I have a couple of requests to speak. Item 2.9 will be taken up separately. 2.5, 2.12,

and 2.13 will come off for separate. Any others that weren't included in those? Councilmember Rocha, did you have another one?

>> Councilmember Rocha: Thank you, mayor. 2.3A. The Rules report for October 26th, please.

>> Mayor Reed: I have a motion to approve the balance of the consent calendar. On the motion, all in favor? Opposed, none opposed, the bulk of the consent calendar is approved. And in order, 2.3A. Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. And in my late-night reading going through the rules report I was reminded that I had attended this rules committee and submitted a momes with a number of my colleagues on workforce hiring practices. Info memo request to the City Manager and that was referred to the Rules committee. I failed at that meeting to ask for a time line on that, when we could expect the information.

>> Mayor Reed: City Manager.

>> City Manager Figone: Yes, thank you. In discussing the staff who were assigned to this, I suggest the end of November to get that out. That's our goal councilmember.

>> Councilmember Rocha: Aggressive, thank you.

>> Mayor Reed: Does that figure there's a holiday in between that?

>> City Manager Figone: We'll see.

>> Councilmember Rocha: I would rather they would enjoy Thanksgiving. It can be the week after, I don't want to be the cause of any problems.

>> City Manager Figone: Thank you. That would be appreciated.

>> Mayor Reed: Is there a motion?

>> Councilmember Rocha: Sorry, I'll move for approval.

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

>> Mayor Reed: Councilmember?

>> Councilmember Constant: I have a memo but not a pull. Motion to approve.

>> Mayor Reed: Motion to approve 2.5, all in favor, opposed, none opposed, that's approved. 2.9, agreement with Cirque du Soleil. I have a few requests from the public to speak.

>> Councilmember Liccardo: I had extensively conversation with Tammy turnipseed. And OCA, I appreciate hers diligent effort to find a home for Cirque du Soleil. It's great to have this option for residents, we do generate some revenue here. It has become evident that we are missing great opportunities to be able to drive business both to our downtown parking garages as well as to our downtown restaurants and other venues, with the tens of thousands of people that routinely come to these events. And so what I'd like to ask is that we adopt the recommendation by staff, but direct staff to return either to CED or with an info memo, within six months, to be able to report about alternative sites that we can identify in the downtown core, for future staging of Cirque. Expecting that they will be back soon enough. That would be my motion.

>> Councilmember Herrera: Second.

>> Mayor Reed: Motion is to approve staff's recommendation with the additional report-back. Councilmember Kalra.

>> Councilmember Kalra: I just want to state, I appreciate Councilmember Liccardo's work on this. When we both worked for the county it would be frustrating to see hunls of thousands of people come over the course of a few weeks, every night get in their cars and drive away. And I'm fully supportive of this and hope that we can find some location that will work.

>> Mayor Reed: Have a couple of requests to speak. Take that now. Tina Morrill, David Wall.

>> Hi, good afternoon, my name is Tina Morrill, I live in the Vendome neighborhood I'm'i'm a resident there. I'm not speaking to represent the neighborhood so much as I am I tend to be the point person for the complaints that are generated by Cirque. However I have to say that over the years the complaints have declined and I think that that is due to the wonderful work of the staff who have reached out to the community. So that's great. I did have a couple of suggestions, what you see up here is a map that was given to by Fawna Ferguson. It's pretty clear and I appreciate using that. The three little areas that are closest to the bottom, those are where the roads are blocked off for our neighborhood, so that traffic does not go in, which is great. I would also suggest, and if you could push it up a little bit, I would also suggest that, keep pushing, keep going go go, good. See where it says driving directions? Hey, what if we were to do public transportation first and driving directions second? Because the two public transportation options, January an town and civic center people could start meandering into Japantown for some of the restaurants and stuff. Just an idea. I appreciate the work of the city staff with the community to mitigate traffic problems because there are traffic problems but I think overall you know we're looking forward to welcoming Cirque back. Thanks.

>> Mayor Reed: Dwal.

>> With Cirque du Soleil coming back to the city again, with the knowledge that it was coming back again and the discussion of location to the downtown, and the fact that it isn't in the downtown just not acceptable, period. I'm also in the Vendome neighborhood association and Tina is my neighbor. I'm not in the association, I just lived there longer than most people but nevertheless, this circus is nothing more than a public nuisance. And the last

speaker also has an internship with the office of cultural affairs, should have been disclosed. But I want to read you something that's on page 3 of our learned Office of Economic Development's memo dated October 18th. "the Office of Economic Development has estimated the potential economic impact of Cirque du Soleil's 2012 San José's production to be $20 million. Using the methodology developed by the analysis of cultural and sporting neefnts San José. Then it says economic impact tool which was accepted by the council on April 10th,2007, period close quotes. I'm of the opinion to be charitable is this a typo? $20 million? Because I basically think that if you generate $500,000, from this event, all of you will be jumping up and screaming and maybe going to church and thanking God for it. But $20 million? I'm going to get a copy of this report for the express purpose, Mr. Mayor, of grinding it up and blending it with dirt to see if plants can grow greener from it than the allegations made of $20 million. Thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion.

>> Councilmember Liccardo: Mayor I'd like to if I might modify the motion slightly in light of the public comments to emphasize the use of public transportation to get access to the site.

>> Mayor Reed: That modification, seconder agrees on the modified motion, Councilmember Pyle.

>> Councilmember Pyle: I just happened to see Tina and I wanted to thank her in what he's doing in reference to the covers for the utility boxes, what an improvement in our city. Thank you for that.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Yes I just wanted to say that I think that's a great idea to include the public transit information. When we were visited Portland again we found out that most of their -- over half of their attendees at their local sports facility thrived because they arrived on transit. Along the way they stopped and had dinner, that creates a large economic impact to that area so it's a great idea.

>> Mayor Reed: We have a motion to approve with most recent modification. On the motion, all in favor, opposed, none opposed, motion is approved. Item 2.12 is a grant obligation for greening program to retrofit city street. I think Councilmember Herrera and Councilmember Campos both wanted to speak on this . Councilmember Herrera.

>> Councilmember Herrera: Thank you, this is a really great project just wanted to comment on that that it's going to not only do the greening necessary, it's going to help making walking and biking to school safer for residents. I want to thank Elaine Marshall and her staff in the Department of Environmental services, the Alum Rock school district and our city forests for planting city goals in one elegant way by replacing the current dirt path along Ocala elementary school in front of Meyer elementary school, in district's eight with a new 2200 feet permeable sidewalk, so we can for our community. This new walkway rain gardens median strips will improve street runoff and the sidewalks and the with bulbouts are going to create a much safer way for kids to get to school, Hillview parks and East have identified this need for a roadway improvement and traffic calming in the area it's been on their top lists in the SNI areas and we all know with the lack of RDA funding to support these things this is great that we're able to achieve some things in these SNI areas. It's a great partnership between the city and environmental groups. very important to residents of my area and in Councilmember Campos district. I know he is going to speak on this and I would like to move approval of this item.

>> Councilmember Campos: Second.

>> Mayor Reed: We have a motion to approve. Councilmember Campos says you said it perfectly doesn't need to speak.

>> Councilmember Herrera: I do have one question of staff. I know there's an additional $400,000 we need to complete the program. Do we have any idea where those sources will come from?

>> Good afternoon, I'm Elaine Marshall from environmental services. We are proposing that some of the funding is currently available through in kind services from the city. The other funding we're proposing would come from

the storm sewer operating fund and that would be subject to council approval at the time in if we were actually successful and awarded the grant.

>> Okay.

>> Okay.

>> Councilmember Liccardo: Elaine, while you're at the mic I thought I'd hit you up with a question. This grant, if we've got standards I understand the permeability of the surface is an element. But we've got situations where there's serious deterioration of a street or alleyway, to the point where people are not able to walk through it during the rain because of the puddling. Is this the kind of through this kind of grant?

>> It would probably be -- it would have to be evaluated based on the goals and objectives of this grant. This particular one was focused on urban greening and greenhouse tbeas emissions. This one looked further and certainly to the alleyways and things. The things on our list of evaluation items. Here are some things that we've identified as needs and where there is good alignment to the grant objectives, we move forward and try to pursue something.

>> Councilmember Liccardo: I understand that. I guess I'm really trying to get at what the grant objectives were in this case. Here was it the fact, the multimodal aspect?

>> There was yes and in general urban greenings. The fact that we were converting impervious area and help with the urban heat island effect, this is that this one was multidimensional.

>> Councilmember Liccardo: Is there another cycle?

>> Yes, sometime next year I believe .

>> Councilmember Liccardo: Great, thank you very much.

>> Sure.

>> Mayor Reed: Councilmember Campos. CSA since you're up here, I will comment that this project does accomplish one of the aspects you were talking about. Right now, on the rainy season people will actually walk in the bike path as opposed to in the, if you look at it that way, then, if we can accomplish trying to make paths walkable for people, then you know, I meech, this one does accomplish one of the things that Councilmember Liccardo mentioned, along with everything else that you were talking about. As a matter of fact, it actually goes a long way to up the safety. Because you know, I mean, I go down Ocala, because there's a bunch of tumble weeds down there on that park strip. So we do accomplish that, thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: It also leverages the projects with the San José cool cities project. I think that's the aspect of this .

>> Mayor Reed: We do have a motion on this. On the motion, all in favor, opposed, none opposed, that's approved. Thank you very much. Our next item is item 2.13, that's an agreement with Horvath hospital and lees your for oversight at the Hayes mansion. I had a couple of questions for our staff. All about the financial part of this. In the staff report it notes that for 2010 and 11 the mansion operated at near break-even level in certain expenditure categories, such as city expenses debt services and management fees. How close to break even were we, and what, at that break-even level what is the city subsidy out of the General Fund into the mansion, even when it's operating at break-even?

>> Good afternoon, mayor and members of the city council, Julia corm, acting director of finance. The subsidy is some subsidy for operating expenses which total just under $send,000 plus the debt services which is budgeted at a little over $4 million for next year. So close to $5 million is the subsidy.

>> Mayor Reed: Then the almost break-even?

>> Is taking out the management and the is debt service, the management fee is $700,000.

>> Mayor Reed: I'm still no not clear to sends,000 away from beginning to cover the debt service?

>> Yes, yes, yes.

>> Mayor Reed: And do we know what it would take to keep the building secure if we just close it down?

>> I don't have those numbers but we can get that to you.

>> Mayor Reed: Well, we'll talk about it in the budget process. I don't need it any time immediately. But I'm still not understanding. Is -- near break-even level, $700,000 is near break-even?

>> Well, it's taking into account, if Dolce Hayes, wide the oversight of the city they would being at a near break-even point but because the city has additional expenses in terms of managing our asset, insurance on the facility and covering the debt services those are the additional costs with rubbing the mansion. If Dolce was look at it as purely operational, not including our cost they would be at a near break-even.

>> Mayor Reed: The $send,000 is mostly our cost?

>> Exactly.

>> Mayor Reed: I'd I'll just note something out of the staff report that the outstanding debt on the property is roughly $57 million and the market valuation is roughly 17 to $19 million. So if anybody out there listening to this

report wants to take this white elephant off our hands give me a call. We could talk. Because I know staff has worked on that and we continue to think about it.

>> Yes.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: We'll even take $55 million. I'm not negotiating for anybody on this case. But I think it's important to know what the management costs are and obviously you know the debt service is going to be the debt service but if we can have some kind of revenue stream from it as the economy turns around that's helpful. I think one thing that makes it challenging is the fact and it's no fault against Dolce, Dolce has done a very good job considering the economy and managing the company, getting close to the break-even point in the management of hotel/conference center, in that location made benefit because of the consideration of a broader hotel network, that might just by itself fill the rooms and make it more accessible for conferences and even you know weddings and so on. So I think that as we look as a renewal of the management agreement or potentially going out and seeking other folks that might want to consider it, that we should certainly consider that as one of the criteria, as you know as business travelers if you're not in the network they're not going to stay why your hotel, regardless what network you're in and that really cuts out a huge portion of the opportunity I think to keep those rooms full particularly during the course of the week. And then of course the more people you have flowing through that hotel, you're exposing the property to more and more people they do a good job more recently opened the lounge which creates lots of activity there. A lot of people who have not been there have now been there for the last month or two. As I say Dolce has done a lot of things well, it doesn't do anything to help us with the debt service. So again those are just some thoughts as we look forward to kind of how we want to manage the property in terms of maximizing while we're stuck with the debt service maximizing the property as much as we can.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: I totally agree with what Ash was just saying. So can we reduce the City's involvement in terms of the management side? Through having it take -- having a hotel or I'm trying to think of this boutique hotel chain, it's not coming to me right anonymity, having one of those chains take it over.

>> We're working with economic development and exploring a whole host of alternatives. One of those might be to turn it over to another operator and alternative uses as well. We'll bring it back to council as appropriate.

>> Councilmember Herrera: So we could put it out for reuse?

>> They are evaluating that option.

>> Mayor Reed: I think that's it on the questions. Is there a motion? Motion is to approve the staff recommendation on item 2.13. All in favor? Opposed, none opposed, that's approved. That I believe concludes the consent calendar. We are scheduled to take up our civil service commission interviews, which would be item 3.5, I'd like to do that now. We have four applicants, I believe. If -- are we ready to go Mr. City Clerk?

>> Dennis Hawkins: Yes we are Mr. Mayor.

>> Mayor Reed: We had five, one of the candidates Melinda George has withdrawn her milks. That he leaves us with Roy Truitt, Randy Martinez and.

>> We'll give you a couple of minutes to say why we should appoint you and then we'll have some questions. Take it away.

>> Thank you, mayor and city council for allowing me this time with you out of your busy schedule. Having been a hotel manager for 30 years it was interesting your last comments. But I'll hold it till later if you'd like. I'm Roy Truitt, I've lived in San José for over 20 years with my wife Judith. I'm currently the manager of the Hilton Santa Clara, ranked one of the 15, in the ten years I've been greating I was in the design and construction of that I was very

involved in the -- I live in the West end of San José with my wife. My wife had spent ten years as hospital chaplain at valley medical. I've been very involved in our local community on the West end in the eden neighborhood involved with our church, Bethel church. I've been involved in world missions, helping build orphanage for our church in Argentina, helped built an orphanage most recently in Alaska for Eskimo children in high country. I'm past chairman of the board of the chamber of commerce. I currently sit on the board of the chamber of commerce. I'm a member of the PAC on the chamber of commerce for the City of Santa Clara. I'm also the past chair of the TID commission for this city city of the chamber of commerce of Santa Clara for the hotels and I'm on the planning committee for little stadium project that's going to be built right beside my hotel, a group called the 49ers are going to be built there. I have been involved in that for the past couple of years with the yorks. I've enjoyed Santa Clara I've been an active businessman, I run a hotel that's a union hotel so I'm aware of many labor issues and I've been running hotels, union hotels for 19 years now, both here, downtown when it was the St. Claire and then at the Hilton. Prior to that I was regional with embassy suites for five years. I've lived and worked in New Orleans, Atlanta, Baltimore, Washington, Philadelphia, Chicago, Miami, Dallas, Texas, Tucson, Arizona, Richmond, Virginia, I've overseen hotels from Mississippi valley to Hawaii to San Diego. I've managed reports that are resorts, airport hotels, downtown hotels. And I understand many of the issues because running hotels is like running a city. You have cultural issues, you have business issues you have community issues and I've had to deal with those in 30 years and enjoyed those challenges and opportunities. Any questions I can answer for you?

>> Mayor Reed: Probably some questions, let me turn it over to Councilmember Constant.

>> Councilmember Constant: Thank you mayor and thank you Mr. Truitt for applying to the civil service commission.

>> Sure.

>> Councilmember Constant: In your role as civil service commissioner, where do you believe the role lies, to be an advocate for the employee or an advocate for the city, HR department or something else altogether?

>> I believe I'm an advocate for the voter. They're the people that have voted you in position and you're to be their servants and I believe my job is to be a servant for the people of San José. I believe I need to be a advocate for the residents. And I've been involved in where you have to look at both sides and come up to a fair medium. And so I believe I'm an advocate for the city, or the people who voted us into a position to serve them.

>> Councilmember Constant: Thank you and thank you for all your work in District 1.

>> Yes, sir.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: .

>> Councilmember Liccardo: As a man who's managed many hotels, what do you want for Hayes mansion? I'm sorry, thank you very much for your service.

>> I'll be glad to answer off record if you want.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you mayor and thank you sir for applying. In your experience do you feel that in the whole discipline in the public sector is too harsh, to lax, or is it generally fair, and what makes you think that?

>> I'll be quite frank. I believe many times today, people that sit in your seats, I'm not saying you directly but in my experience in 20 years working downtown and living in the west end, I believe many times the political people had their own political interests more to heart than what was at interest of the issue at the time of the discussion.

>> Mayor Reed: I'm sorry, Councilmember Campos?

>> Councilmember Campos: Fine.

>> Mayor Reed: Councilmember Herrera..

>> Councilmember Herrera: Thank you, I'd love to talk to you off line about the home.

>> I'll give you my business card.

>> Councilmember Herrera: What is the purpose of discipline?

>> What is the purpose of discipline? The purpose of discipline should be educational. Both for the one giving it and the one receiving it. If you haven't learned from your mistakes you won't be successful. If you look at one of the best businessmen around he was a fame your for 25 years. He started 40 companies went broke 22 times. His wife divorced him at age 40 and at 50 he sold two Hobart meat cutting pieces of equipment to two guise in Southern California and his name was Ray Krok. And if you ask anybody he was the biggest failure in life and at 50 he was a success. He took every one of his failures and took it to heart. People told him he would never be successful. He took each opportunity to learn to be better. When you say discipline, discipline should be an educational experience both for the person giving it and receiving it and both you of should learn something at the end of the day to that discipline so there's a change going forward.

>> Mayor Reed: I want to follow up on one of the comments you made when you were making your opening remarks and that was you have extensive experience with unionized hotels.

>> Yes, sir.

>> Mayor Reed: So well, we have a few unions here.

>> Yes.

>> Mayor Reed: And most of our employees are in unions in one form or another. How did you handle the discipline process when somebody was covered by a union contract, was there a special procedure you used in your hotels? How do you deal with those circumstances?

>> Education, education, education. Documentation, documentation and follow-up. If you check with ATR 19 you will find I had an excellent relationship, HERE 19 over the last 15 years I have never lost a union grievance. I have never lost, when gone to arbitration, I have never lost. And every case they found that I as an comploir made sure that I fulfilled the contract that my employee was also responsible for fulfilling his side of the contract, at the end of the day, the follow -- the procedures outlined in the contract were followed and which ever side didn't follow that was the ones who wound up as you may say winning or logsing. I have never lost because I've made sure that everyone followed the contract to the letter. On both sides of the table. And that's how I handled the discipline. If the proper discipline procedure weren't handled correctly, you go to the next step until it is done correctly.

>> Mayor Reed: So you wouldn't have any problem with telling our administration maybe they missed a step or they didn't do something right, that you would hold them to the procedures that we've set out?

>> You ask any people that work for me, I've had managers come to me and say, we want to do something, I said you didn't follow procedures right go back and do it right so yes, sir.

>> Mayor Reed: Ton other side of the equation, if an employee has done something terribly bad do you have any difficulty with imposing a stiff punishment where it's appropriate?

>> Um -- not at all. The Bible taught me that there's ten commandments, if I can't live by them, I don't need any other laws.

>> Mayor Reed: Okay, thank you. I think that's it on the questions. Thank you for your interest in this mission, we appreciate that, you're welcome to stay or go as you choose. We won't be offended if you decide to -- that you've got to go back to work. Our next applicant is holden Green I believe. You have a few minutes to tell us about yourself.

>> My name is attorney holden Green. Mr. Mayor, councilmembers, Nancy Pyle, thank you for seeing me. I want to thank Mr. Hawkins for his great prep work in being today, you've been very helpful in stabilizing the different amendments and articles so the briefing helped. I have -- I know that there is a balanced approach and a fair approach that is required on the committee which I believe I have and work with. So I can ask questions or respond to questions today.

>> Mayor Reed: Okay. See if there are a few questions. Let me start by just asking you about your -- your experience making decisions when you are faced with say a staff recommendation to do something or opposition from an employees, conflicting information, lot of times maybe it's he said, she said. How do you sort out the facts and make a good decision?

>> Well, some time ago I served as a pro tem for the courts. And that requires similar to what is required in the panel, you have both sides, you have the file, and you have to hear both sides and then make a decision on a balancing-type test. And so that helped prepare what is required for the panel. I also got a master's which I haven't really used, but I got an organizational management which handles HR labor issues. And so I have a master's background in that. And I know that being as an attorney in my own practice, that it's important to be balanced and fair. And to hear both sides, and not make any judgment calls until you have all the evidence and information before you. And then as in this case with a panel of 5 you would have to get a consensus on where it should go or what should be leaning, and any decision would need to be made with full analysis of the file. Full reading of the facts. Get as much information as you can. Keep an open mind to the very end. And then when a decision was made, it can be done with a lot of thought and preparedness.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Actually you answered my question already and that is how would you prepare for a session. And I think you did a good job of answering that.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you mayor and thank you sir for applying. In your experience do you feel that on the whole discipline in the public sector is too harsh, too lax or sit generally fair?

>> I think that it needs to go on a case-by-case basis. I think that you can't make a judgment until you have methodology reading of the situation. I think that many times it can be fair. I know there is an appeal process built into this committee which would have to go into the court system. But I believe generally as an optimistic view that it is decided, if it's done correctly, that for the most part, the outcome is a fair result. I don't think there is any on harsh skew of one way of fairness or noncommittal view making it too liberal. So I believe it's a balanced pretty fair.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you for applying. What factors would you consider in -- when you're -- what factors would seem important to you in considering discipline in a situation?

>> Well, I would see -- would I look at a history whether this was a first time offense or a multiple history of misconduct. I think it's important that -- to have that. So that's the first part that you would review. If there was a file created or if it's a new -- there are circumstances that have to be factored into. You have to be fair-

minded. But it would depend on the history of the particular person or employee that would start to thread on what actions should be taken to any particular matter that would sit before me or any one of the five.

>> Councilmember Herrera: Okay, thank you.

>> Mayor Reed: I think that concludes the questions. Thank you for your interest in this commission. You're welcome to stay or leave, it's okay if you need to go.

>> Thank you all for hearing. Thank you.

>> Mayor Reed: Our next applicant is Joan Smith. Welcome, Ms. Smith. If thank you.

>> Mayor Reed: Thank you for your interest in this commission. We'll give you a couple of minutes to tell us why you we should appoint you and then we'll have a couple of questions.

>> Thank you. I'm a nurse, I've been a nursing administrator for many years. I worked at Santa Clara Valley medical center for 25 years, most of that time as the chief nursing officer. During that time I had responsibility over administrative oversight responsibility for up to as many as 2,000 coded and extra-help employees. There was a short period of time, for about three years, that I had oversight responsibility for the human resources department at valley medical center which cooperated with the H. rmplet department with the county. I think would be really helpful in this commission. I learned about the opening when I saw Mr. Rocha's news letter, and decided that I thought it would be a way that I could contribute to the community. I've lived in San José since 2002 and plan to be a lifelong resident here. So I'm very interested in, during this period of time when lots is going on in the city, seeing if there's a way that I can contribute.

>> Mayor Reed: Thank you. We'll have a few questions. I'd like to start just by asking you about your experience, I don't want to assume, but based on your work it sounds like you probably had some experience with

discipline, maybe in various ways. Could you just talk about your experience and whether or not you've had to make disciplinary decisions either directly or on appeal or anything like that?

>> Probably all of those. I -- in my position as the chief nursing officer I was the person who reviewed actions, if they were going to be at the disciplinary level before they went to the county for ultimate decisions. And so yeah, I've had a lot of experience with reviewing and with creating disciplinary actions to begin with. Also, we've had some things that, some actions that went to the county's personnel board for review and I participated in that process. And we've had some that have gone to ash duration, I've pearmtsed in those processes as well. I also was during the period of time I was the chief nursing officer, the hospital's representative as a meme of the negotiating team for the county in negotiations with the registered nurses professional association bargaining unit contract negotiations.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, and thank you for stepping up to the plate. I'm over here.

>> I'm a little nearsighted.

>> Councilmember Pyle: Stepping up to the plate and applying for this commission. I wonder what criteria do you use when you've heard the case and all the rest and you're trying to make a decision, what would be your major criteria?

>> I think it's really important to look at what the facts really are of the case and to determine whether there are -- you know, whether there really are policy matters, where policies were violated, or whether people knew or should have known what proper action was. And to weigh all of those factors. I think it's important to be fair to the employees but it's also really important to protect public safety. And to assure that particularly in areas where it's taxpayer-funded kinds of situations, that taxpayer money is well spent. And it is important to have employees that have integrity.

>> Councilmember Pyle: Thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor and thank you for applying. In your experience do you feel that on the whole, discipline in the public sector is too harsh, too lax or is it generally fair?

>> I think it's difficult. It's a time consuming process. And it's one that really requires, if disciplinary action is going to be taken, that all of the Ts are crossed and the I's are dotted. But it can be done. And I think it's really important that it should be done, where it's warranted. I think in general, it's fair. It is a much more extensive process in the public sector than it is in the private sector. And so I think it goes probably sometimes requires management to do a lot more in proving that disciplinary action needs to be taken than it does in the private sector.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Hello. Thank you for your interest, I'm excited. What I'm most excited about is somebody reads my newsletter. Thank you.

>> I do.

>> Councilmember Liccardo: I read it too, Don.

>> Councilmember Rocha: One question. Impartial, I'm trying to get a sense when you talked about your experience representing one side or the other and being an impartial person in that process. Can you speak to how you see that role in this role, I guess?

>> You know, in most of the actions that I've been involved in I was the management person. But I've also had a little bit of experience. Prior to getting into that job I actually had been offered a job as an administrator for a union. So I think I have the ability to see both sides. And it's important that that occur.

>> Councilmember Rocha: Okay, thank you.

>> Mayor Reed: I think that's it on the questions. Thank you very much for your interest on this commission, you are welcome to stay or leave, we won't be ofnted if you go.

>> I think I'll stay.

>> Mayor Reed: I think we have one more person to be interviewed, Randy Martinez will be next, I believe. Mr. Martinez, welcome. Thank you for your interest in this commission. We'll give you a few minutes and then we'll ask you questions.

>> Thank you for allowing me a chance. I really appreciate it. I'm a long time City of San José resident, I've been living here for 35 years. And for the past 55 years I've been an investigator with the state of California workers comp. In that time that I've been there I've moved up the ladder to starting out with work comp investigations and now I do some EEO, affirmative action, Americans with Disabilities Act investigations in reference to complaints that are filed. Or issues with employers that have had claims filed against them for violations of the act as well. In my part time also I'm a job steward for SEI local 1,000. During that time I represented employees that have had grievances. Also, we've worked with management in resolving some issues that had to do with layoffs and bumping issues. We also recently have had some involuntary transfers to different offices and we were able to work with our management to really mitigate the impact of those transfers. I have a degree of political sciedgesz in San José State and I believe my experience and my education would be a great asset to the civil service commission.

>> Mayor Reed: Thank you, I believe we will have a few questions from the council. Councilmember Campos.

>> Councilmember Campos: Thank you, mayor and thank you for applying. In your experience, do you feel that on the whole, discipline in the public sector is too harsh, too lax or is it generally fair?

>> I think generally it is fair. One of the things I struggle with as a job steward is, I've had people come to me and want me to defend them against a disciplinary action. I told them yes. Your supervisor can write you up for being late every day of the week. Your supervisor can write you up for not doing your job. However I've also represented people who were taken advantage of by supervisor, manager. But it generally works out to be fair to all people considered. What I tried to do with my job as a steward is to are protect whatever rights the worker has, that the employer has their rights protected around that it's a fair resolution for everybody involved.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you. What would be the top three criteria you would use in reference to decision making?

>> First of all, I've always tried to in my time as an investigator, one of the things that you do when you go out and talk to everybody that's involved is you can't be very not to allow your shape your opinions number 2, follow the law and the rules of the commission, and of the city. And number 3, is to treat everybody fairly that comes before the commission, whether it is the manager, supervisor some supervisor, affected employee or a job applicant.

>> Councilmember Pyle: Thank you very much.

>> Mayor Reed: Thank you. Councilmember Rocha. Doctor are.

>> City Attorney Doyle: Thank you mayor, thank you for applying for this commission. In your past roles how you're going to apply to this commission and being independent and impartial who are you serving, if you can speak to that statement?

>> In terms of who receiving, I would be serving the citizens of San José, I would take that job very, very seriously. In my job right now I'm the only western that does all the work initially, I talk to everybody initially, I make all the recommendations when do I my union work, I do all the initial intake and all that type of thing. What I would try to do is I would make sure that I was serving -- my overall thing would be to serve the citizens of San José. When I look at the evidence I make a vote, or what ultimately would be for the dispense of San José .

>> Councilmember Rocha: Thank you.

>> Mayor Reed: Any other questions? I thought I had somebody else who had signaled. .nope, okay, that's it on the questions. Thank you very much. Appreciate that. I thank all of you for your interests. We have completed the interviews. Now we need to figure out how we can select. Are we set up for electronic voting?

>> Dennis Hawkins: Yes, mayor, we are set up for electronic voting.

>> Mayor Reed: We have three openings correct?

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

>> Mayor Reed: Are they different terms or all the same term?

>> Dennis Hawkins: They are the same firms, all of the terms would expire November 15th, 2015. So they are all four-year terms.

>> Mayor Reed: In the voting we can vote up to three. Councilmembers are not required to vote for anybody, correct?

>> Dennis Hawkins: That's correct, it would take six votes to be appointed.

>> Mayor Reed: Six votes to be appointed, if nobody gets six votes we'll have to bring it up another day. I'm pretty sure somebody will get six votes. So vote for up to 3. He.

>> Dennis Hawkins: Mr. Mayor, we have two councilmembers that we haven't received votes. Are there two members who are abstaining?

>> Councilmember Constant: I'm not sure if I'm one of them but when I logged on it didn't have my name, it had temp person 2.

>> Councilmember Liccardo: That was the case of my own as well. Sorry, I haven't been able to log on under my name.

>> Dennis Hawkins: We have the old-fashioned way, paper ballots if we need it.

>> Mayor Reed: Okay so we have eight votes for Roy Truitt, seven votes for holden green, and seven votes for Joan Smith. Three people with six votes. We have three people appointed. We don't have to 60s the terms because they are all the same.

>> Dennis Hawkins: That's correct.

>> Mayor Reed: Thank you for coming down for the interviews, we appreciate it, good luck, it's a very important commission with a significant workload and we appreciate it that you're going to take it on. We'll now move on to, we'll go backwards in agenda numeric order to 3.1, report of the City Manager.

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

>> Mayor Reed: We'll take up 3.3, ordinances amending deferred compensation plan and PTC plan. We have a motion to approve, let me see, I don't have control of my screen yet here. So if anybody wants to speak on this item, old fashioned hand -- okay I've got the other machine back. We have a motion to approve item 3.3. All in favor? Opposed? None opposed, that's approved. Item 3.4 is an agreement with standard insurance company to provide long term disability services to employees. Motion to approve. All in favor, opposed, none opposed, that's approved. Item 4.2, foreign trade zone alternative site framework application. We have a motion to approve. I had a couple of questions for the staff. First this is excellent response by the staff in the direction we gave to the staff about a year ago with the Redevelopment Agency budget message coming out of a couple of requests from companies in San José to get into the foreign trade zone area. We thought we could maybe do some amendments or things like that. But the staff has come back with a much better recommendation. This foreign trait zone designation is something that's an important thing to do so the question is how long will it take from here to the process of getting it approved?

>> Kim Walesh: Good afternoon, mayor and council, I'm Kim Walesh director of economic development. 30 days and we expect that it will take up to nine months for them to give it our blessing. We can certainly be marketing and promoting the program starting immediately but it will be up and running I would say next October.

>> Mayor Reed: Well, this is timely, having the state take away redevelopment abilities, having our enterprise zone is something that we can do that can be helpful to companies and very helpful to some of them that are in the business of importing products to assemble and turn into value-added products for the U.S. Councilmember Liccardo.

>> Councilmember Liccardo: I just had a question about how we got here. I knew we were at one point with CD with a much smaller area, happy we can go citywide. What changed?

>> Kim Walesh: We had further conversation with the U.S. exaf commerce, the foreign trade zone that oversize seize them. And in conversation with them we realized we didn't have to limit it such a small area and therefore select a particular subregion, one or the other. And we saw this incredible opportunity to literally designate our whole city as a foreign trade zone for expedited service.

>> Councilmember Liccardo: Great, the more the merrier.

>> Mayor Reed: We do a lot of foreign trade here. If I got the data right we have the highest percentage of workforce working in the export business of any city in the country.

>> Kim Walesh: That's right, we're ranked the number 1 city in the export the share of our workforce that is dependent on workforce.

>> Mayor Reed: If the president's got his goal of doubling the exports in the next five years we want to help his efforts. Councilmember Herrera.

>> Councilmember Herrera: I think this was when you were on your trip, we approved this at the last economic development committee meeting. I'm really excited about the opportunity that this brings to manufacturers. I used to own a manufacturing company. I want to make sure I understand this. It's really time, I was talk to a company just yesterday that wants to locate in San José and does manufacturing, manufactures some really cool stuff. And I pulled the foreign trade zone out to talk to him about it although I guess not until October but still we can talk about it now. So this manufacturer would be importing some component parts and then putting them together in a facility in San José and then exporting them. I think that means that they would not have to pay the tariffs, is that right?

>> Kim Walesh: That is exactly right. That is the perfect company that can benefit from this. Any company importing foreign products even if they don't sell outside, we want them to be aware of this program because they could benefit. It is good of manufacturers of almost any kind if they are importing imports.

>> Councilmember Herrera: That would save this company 18% that they are paying. He was very excited about this. What happens if the parts actually dock in Oakland or San Francisco but then their final destination is San José? It is my understanding this still applies, the final destination is San José, is that right if they come in on a ship to some other --

>> Kim Walesh: That's right, I'm getting from Joe Hedges, I'm getting from him our expert, on ins and outs, if the product is coming here and meferred here in San José. .

>> Councilmember Herrera: That combined with they had looked at San Francisco and other areas and we don't have other areas that others have like payroll tax we're not doing that. Manufacturing companies tend to glow employees. We tend to have lots of employees. We are not doing that so I think this is really great and all the manufacturing companies out there need to know that if you are manufacturing here and exporting you can save a considerable amount of money by locating in San José and as you pointed out doesn't have to be folks that are just exporting. It does huge things for manufacturers and this company is not only going to employ high tech people but it's going to employ blue collar workers, these folks will get skills, more advanced skills. So this is really great, I'm really really happy that we have this tool in our economic development tool box and I'll be supporting this motion.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you. And you know the last about 40, 45 days I was speaking with three companies, two in my council district are manufacturing that will benefit from this program, one exporting not in the City of San José but this is something that I was projecting them to come to the City of San José. Because most of the companies here are marketing globally. So if they're going to be exporting it's a mudge boon. And so I think that in terms of the time line right now, even if nine months is very fast in terms of how you know these application processes work, but just for some of things folks that may not be aware of it that might be watching ordinarily even if you're not in the foreign trade zone you can apply independently to become a foreign trade

zone. It takes about eight months. Long term it's going to be incredible to have that short time line to get companies specifically in San José to get that 30 to 60 days, have them through that process. A lot of it is not just the financial benefits having to deal with customs and not having the tariff or duty on the items that are being exported out but also the bureaucracy of dealing with customs is cut down dramatically and the reporting the number of times you have to report is cut down dramatically when you're part of a foreign trade zone. A number of procedural as well as economic benefits to companies that locate in San José that they won't be able to get anywhere else. Companies outside the San José we are still the agent for the foreign trade zone regional, we process the application and get some money for that. But at the end of the day it still makes San José the prime place to be in the region.

>> Thank you. And if I could just recognize these are two great examples of how important it is for you as councilmembers, you are all out there interacting with businesses and taking the message that San José is still very much open for business and we have incentives. The combination of the intrps zone incentive and the foreign trade zone incentive can be very, very significant so thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor. Kim in your experience do you find that number that dollar figure that accompanies spending on tariffs is easily accessible or is that something that the CFO typically knows off the top of their head?

>> Kim Walesh: Yes, we typically look with the CFO or the accounting firm that they work with, I can tell you some of the larger companies that are benefiting to this the value to them is in the seven digits annually so it can be very significant savings in the bottom line.

>> Councilmember Oliverio: Just making an assumption, some companies design things and to have them fabbary dated overseas, others may do pilots and prototypes here but they would still be subject to tariffs, this could exempt the tariffs in the pilot or prototype stage.

>> Kim Walesh: This is my understanding. Even if they are doing manufacturing overseas and doing the final assembly here, the final assembly could qualify.

>> Councilmember Oliverio: Just very quickly if I manufacture in other country bring it back for final test if I bring that product in for final test its tariffs would apply if you were not in a foreign trade zone?

>> Kim Walesh: Conceptually if there is final imported goods that's a good candidate for foreign trade zone.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: I just had one quick last question. I think I noticed in here that it takes longer for the manufacturers to get the approval than it does the other companies. I couldn't find it, I think it was like 75 days for them and I'm just wondering what's the difference there?

>> Kim Walesh: I don't know if reason on that. I think the key point is 75 day turn around for the manufacturing use and 30 day turn around for warehouse distribution use is significantly faster than the existing program that we have. That's actually pretty quick for the federal government to move. Even 75 days is great.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you. I didn't have any questions initially but kind of prompted one. We talk about the benefit for San José. But, you know, thinking a bit larger, I see this is exclusive to San José, the region, Silicon Valley the region, might benefit and end up benefiting us if there is more manufacturing and assembling here. Have we talked about jurisdictions and thought about that subject being focused on our interest trying to supplement the losses in terms of our ability to provide incentive?

>> Kim Walesh: That is exactly right. San José has administered this program since the late 1970s on behalf of a much broader region. And any company in the broader region we'll continue to process applications for the regular subzone program. Since we lead and manage and really have the burden of administering this program the then let's take this step on a pilot basis and make our whole city best from this expedited permitting process or application process. If it goes well there's no reason why in the future if it made sense we couldn't consider expanding it to the broader geography. But we think it gives San José an important advantage at a time we need advantages to be quite frank.

>> Councilmember Rocha: I was thinking about the larger implication. Thank you.

>> Mayor Reed: Is there a motion? Motion to approve the staff recommendation. No cards from the public. On the motion, all in favor, opposed, none opposed, that's approved. Next item is 6.2, actions related to smart LED street light system. We have had a lot of dumb lights in the city, time to smarten them up. Hans Larsen is here to tell us how to do this l.

>> Hans Larsen: Hans Larsen new lights, smart lights that are low energy, they're white lights, and that ones that can be adjusted. They're dabtable lights so we can dim them or brighten them depending on the conditions. Generally we'll want to lower the energy use to maximize our cost savings. These new kind of lights are estimated to save street light energy costs by up to 60%. They also last a lot longer. The ones we currently have need to be changed every couple of years. green Vision goals regarding converting our street light system to smart lights. However, it is a small step. The available funding will own cover about 3% of our street lights but that's a very significant opportunity to get these lights out in the community. The action before you today is really the purchasing cyst, to buy the lights, and the control systems. We will come back to with information to the council on how we plan to deploy the lights, what the locations are going to be. Our primary goal is to maximize energy savings, and we can do that by locating these on our major streets which have our higher wattage lights. We plan to distribute the lights around the city so there will be lights in every council district so people around the community can see these new lights that we're proposing to deploy on a citywide basis

eventually. We're also going to look at placing the lights in areas that assist with economic development or any particular safety issues that we have. The installation would occur between January and April. And it's our goal to come back to the transportation and environment committee in spring with information about the initial deployment, but then importantly, looking at financing and funding opportunities to continue building out our Green Vision goal replacing all of our 60,000 street lights. That concludes my context comments. If you have any questions on the purchasing process, Mark Giovanetti is here from the finance department.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you Hans on your progress on this evident. I know we're all thoapg get more money to do more of this. Question of who does what on the private sector side of this. I understand that Shrader is handling this. Do they package the Lumaleds?

>> Hans Larsen: There are two firms that are part of the package. One Leo tech which is a Milpitas based firm, they are providing about 13% of the lights and then Phillips which has a base in San José, I believe they're not actually making the lights here but they oar San José affiliated company. The lights we're purchasing they're providing about 87% of those.

>> Councilmember Liccardo: Great, that's nusk my ears because I know we've got several great LED manufacturers in the area, Phillips and bridgelux and others, I'm glad we are using local content. That was my question. I'll make a motion to problem of.

>> Mayor Reed: Motion to problem of the staff recommendation. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you mayor, my question was just asked and answered. Thank you.

>> Mayor Reed: Hans, you might remember, what year was it that we started changing out our traffic signals from old fashioned lights to LED lights, late '90s somewhere in there?

>> Yeah, certainly more than a decade ago.

>> Mayor Reed: We were certainly the first big city to do that and we saved a lot of money in the process and while this is only 2,000 of our 62,000 street lights the price is coming down, the technology is improve and that's what we do in Silicon Valley. Hopefully we'll be able to spread this to the rest of the city as we demonstrate the technology and it all improves. I'm looking forward to having 62,000 of these, this is an important first installment and I do want to thank the federal government for the recovery act funds that are make it possible for us to do this. It's taken us a while to get to this point but I'm sure it will speed up after we've got be the first couple of thousand in. Thanks for your steadfast determination to push this project through the multiple layers, part of it getting help from the Public Utilities commission so we could get the benefit of putting these lights in and we've taken a lead with PG&E to do that. I thank PG&E from cooperating on this and helping us figure out the right rate schedule and tariff and all that stuff in the bureaucratic position of the state-of-the-art. Had waiting a little while we probably saved a few dollars. Anybody else on this? We have a motion to approve. On the motion, all in favor, I'm sorry, I've got somebody waving at me, did you want to speak Mr. Signorino?

>> Mayor Reed: (gavel strike) I had my card, thank you.

>> Mayor Reed: Sorry, before we move on.

>> Ross Signorino: Mr. Mayor, members of the council, this was happening about some years back, when Jim Helmer had a demonstration here how good these new lights would be, and I think everybody in the city including myself has been anxious to see these lights develop in the stir. Now these mean a lot with people when you put these lights on, they feel safer, more content and they feel their children are safer in the meantime, and that is very important. Especially around schools and so on. And this helps the police department to govern things and see things if something is going on which we all should be aware of. So I think this is a great thing for the city to improve the lighting here in San José. And speaking of light, Councilwoman Pyle there mentioned to that speaker I think with the civil service thing, you said I'm over here, you know. There's no light. Do you remember at the old

City Hall each speaker when you spoke you had a light there. So the audience would know who's speaking. So I think it's very important. Now if you people can find batteries or flashlights around and flash them when you're speaking, I think that would be a great improvement when we're talking about lighting. Thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion to approve. On the favor, all in favor, opposed, none opposed, that's approved. Our next item would be 6.3 regarding 15 mile per hour school zone pilot program project.

>> Hans Larsen: Mr. Mayor, members of council, again I'm Hans Larsen director of transportation. And joining me in this presentation and discussion with the council is to my right Laura Wells, deputy director for -- in D.O.T. for transportation, operations and parking. And Jeff Morozik, acting captain with the San José police department. Let me start by sort of expressing my pleasure in having the opportunity to discuss this item with the city council, and provide you with our sort of best professional recommendation and analysis on this issue. This is a new program that the state has allowed us to deploy in our community, and that's creating 15 mile-an-hour zones around our schools. And the goal is to improve safety, and that's certainly one of our top priorities is the city and with the police department and the Department of Transportation, especially improving safety for the youngest members of our community, those being our schoolchildren. What I wanted to do, provide an overview presentation that discusses some of the highlights within our staff report. There are as this is a new program, there's sort of a legal framework that we're working within. There's some cost implications associated with developing and delivering the program. There's some process issues, and we certainly, as we roll out a new program like this, there are certainly opportunities to seek efficiencies as we go along. So I hoped to sort of touch on each of those topic areas a bit. In terms of background, first slide here this was initiated by Councilmember Oliverio who made a recommendation to the Rule Committee in late August. And part of the context in his memo on the topic was, the acknowledgment at a there's new state legislation, relatively new that allows you to implement 15 mile-an-hour zones around schools. Last year the city council approved our first 15 miles an hour zone around Dana avenue, after a tragic situation, fire at the school, we thought this was a very appropriate location to put in place a 15 mile-an-hour zone . The other context is that the City of San Francisco recently announced that they are deploying this program on a citywide basis. And they have fortunately the resources to

spend over $500,000 to do a program for all of the schools within their city. They have a special sales tax measure that provides resources for local transportation improvement, and that's what they're using to do a full implementation of this. And I'd acknowledge that there's certainly some economies of scale that if can you do this on a citywide basis, unfortunately I don't think we have the resources to do this. So we are looking at this very much on a case-by-case individual basis looking at factors relating to how can they be funded and what are the priority locations. The direction from the Rules Committee was to take this to our schools-cities collaborative group and got feedback from the school superintendents which we did and then to come back, which we're doing today to provide the council with policy options on what we can do with this program within the City's available resources. Our staff recommendation proposes a three-school pilot program, generally based on working within the resources that we have. We put in the staff report a variety of policy options, and I do acknowledge the memo from the mayor, Councilmember Oliverio, and Councilmember Rocha, on November 10th, that has other recommendations on it. So as staff we're happy to provide you our best thoughts on it and certainly take whatever council policy direction council provides to us on the effort. A little bit of context. We have over 200 schools in San José. We do have some very significant programs to enhance school safety with our crossing guard program. We have ten parking and traffic control officers that go identity to our schools every morning and afternoon to assist school safety. The police department has the operation free passage program where they concentrate resources around schools three times a year and then we have a school safety engineering team. Unfortunately we've had to cut back some of our programs because of the budget issues that we've had, most notably cut backs to cross being guards and traffic calming. Some of the services that we do provide in our engineering group which would be the resource that would assist in implementing this program are to work with schools. And we work with about 30 resources there, services there and then we also implement various grant programs that we receive funding for. We have about ten people in our engineering group and they spend about 20 to 30% of their time on school issues. So we do have some resources focused on this and it creates some capacity to look at implementing a 15 mile-an-hour program. Some of the key considerations are, several on the slide. One we acknowledge that this is a fairly new program and very few jurisdictions have implemented the program. And there is guidance from the state on how we interpret the state law that is still in its formative stages. There's language out there now but there are some proposed revisions to the guidance that are still being developed. So this is very much in the infancy in terms of program development. We want to raise the issue of enforcement, we believe that regulatory

signs, you get the best compliance if you're able to back them up with enforcement. Woo recognize that with the police department we have limited resources program like this. But there are some things that we can do. And part of our advice in the staff report is if we have schools that are willing to communicate and self-enforce the program we think that is a helpful way to enforce this. Without PD the picture shown here is a radar feedback sign, that allows motorists driving through the corridor, requirement of what the speed limit is and reminder how fast they're actually going. We found this to be highly effective in reducing speeds and getting better compliance with speed limits. In terms of cost and staff resources, I touched on this a bit, certainly if we roll out a program there will be outreach in coordination with the schools. Our interpretation of state law is that there does need to be an engineering study that backs up the reduced speed limit. We have to go to council and have council adopt a limit. There are administrative steps that we need to do for the program and then obviously there's the materials and labor associated with putting up the sign. One thing I want to touch on too is there are a lot of safety needs within the city and we wanted to just provide the council with a bit of context in terms of where we have safety issues within the community, which are illustrated in this next slide. We are very proud of the faculty that we have a very low injury crash rate compared to other parts of the country. We're actually half of the national average. We're very proud of that and we certainly want to get even better in the future. This chart here indicates, you know, the sad reality in terms of the injury crashes that we have in our community for pedestrians and bicyclists and over the past five years there's over 3,000 of these incidents occur. I think one thing to point out, though, is most of our issues occur on our major roads. So 83% of our total injury crashes for pedestrians and bikes in the major roads, 17% on local roads and for school aged children, 90% occur on minor roads 10% on major roads the tool enhancing safety on our local streets around the schools. And so are it's certainly a smaller percentage of our safety issues. And that's not to say that we shouldn't focus on addressing that issue as well. And if there's cost effective ways to improve safety in our local roads around the schools by all means we should pursue that. There's been a number of questions about you know what does it cost to implement these. And I think there's a perception of lets put up a sign. It's not quite that simple. It's not rocket science but there are some complexities to it. This chart illustrates a typical 25 mile-an-hour zone, residential zone around a school and because the residential zone is 25 miles an hour, there's not a need for a 25 mile-an-hour sign there. So the only sign we would need is a school-ahead sign which is indicated on the top part of the chart here. So it's not a matter of just changing out you know a sign that's there and replacing it with a 15. Based on

state guidance what we would need to do is put in place a 15 mile-an-hour sign, we'd have to have a school-ahead sign and an end of zone sign to indicate where the limit reverts back to 25 miles an hour. That's just in one direction. If you put iter if both directions that's six signs. If you have multiple frontages around the school you can sort of easily add up there's quite a few signs that need to be put around the school area. In terms of cost, there is expense and staph effort associated with doing a -- the evaluation study for the school zone. And this is not a big report. This is the report that we did for the Dana 15 minor zone. It's a two-page report. It actually indicates compliance with the state law in terms of the unusual conditions that a residential district with suffer cebs density and a few other factors. It's fairly straightforward but there's some onsite surveying and data collection for that for Dana the staff report was you know more than two pages and the it's not to say that if we go into this program, we can't find ways to streamline this. We have the one-page council memo and I think to the degree we can make this quick, easy and reduce those costs that's certainly something we would like to pursue. The other the proper spacing to comply with state law and guidelines, and then the actual materials costs for the signs. Now you can see here with this example that you're looking at a cost somewhere in the order of three to $9,000 to implement this around the school, depending on the number of frontages that are involved. Just again, I mentioned this already, some of the elements of the engineering study which is required by the California vehicle code. I think I touched on those already. Part of the direction from the Rules Committee was to go to the school superintendent. So we did that on October 12th, the meeting was attended by the mayor, Councilmember Rocha, and Oliverio, and the foad back that we received after giving them a kind of overview presentation of the issue, was we heard from them that you know, within the direct school zone that speeding wasn't necessarily the biggest issue sometimes, it's the amount of congestion that pick up and drop off, distracted driving those are more of the significant things they are raised. But that's consistent with our findings when we have our staff go out and help with the police department. The issue of crossing, schools are crossing trying to get to the school area. Schools were interested in assisting with the program. I would say there was generally an interest in the prak and they so assist with outreach but they indicated that because financial reporting they dent had some interest there. We're recommending can a three-school pilot location, primary based on, this is what we can forted between the stall and the material resources that we have. Our goal would be to deploy it in the spring, so we can understand how it works and better understand the benefits of this going forward. For 4 to 10 is beyond the resources that we current have. With the staff riming, we would process, top three candidates we would valley those based on

consistency with state law. If there are many applications we'd prioritized them based on special conditions, safety related and school community support. We would do the one or two page engineering report, have the ability to evaluate the effectiveness at the end of the school year. Wanted to just also mention I think for us as the Department of Transportation, I think we're highly motivated to do a pilot program in the near term, primarily because we have received a grant to work with 35 schools over the next three years to encourage ways to have children walk and bike more frequently. We believe the tool of the company mile-an-hour zone is an opportunity we want to make available to schools and it's part of our program to be able to evaluate what can we do to maximize the participation of walking and biking to school? And if we want to deploy and it makes sense to deploy this or enhance crosswalks or radar feedback signs that we have the information done in the near term to allow us to best make decisions on how we can make our school biking and training program just are acknowledge the details of the recommendation from the mayor, Councilmember Oliverio and Rocha. Recommendation was to not consider the pilot study and as I understand that it's instead not limited to three locations but instead broaden it to any locations in which the community can provide nunding to do this. I think we would certainly be open to doing that. If irwere to offer a friendly amendment to this single, would be you know do both. I think we have the resources to do a three - schooling pilot but we certainly don't want to limit it to that. If there are other conceals out there or community groups or council office if I understand that would like to do more with the policeman, well, we're certainly open to considering that. So that concludes the presentation. Be anticipate to absence any questions council has. Thank you, Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Hans and Laura and thanks for all the extra time that you spent with me on the last meetings on this topic and appreciate the report you turned around, very insightful. Though we deal just slightly philosophically. First of all as Hans Larsen mentioned we had approved the pilot unanimously a yeerg for Dan nah avenue. Where we reduced it to 15 miles per hour, and so in that area the parents, the residents, the teachers, the prarches and the superintendent all agree and feel that it has been a positive experience for the school and for Dana avenue. We have words of support from superintendent Vince Matthews. Superintendent was a built tardy to that school superintendent meeting and was not able to fully participate in that conversation but he's seen firsthand of having a lower speed limit in his school and is support. Natsz there is a letter from the superintendent of the arch die owe sees we have 73 correspondences from residents that are in support of

this. Often time they are not going to have a lot of people come up but those are.in the record. Our bicycle and pedestrian commission voted unanimously the 15 mail per hour the supported this as well. Part of this is as we proceed in the next year's budget I don't think any of us can say for certain we're going to be able to fund closing and I don't think we're going to be in the position necessarily to hire officers and we actually might are in the worst case scenario unfortunately laying off different officers. So we need to kind of make use of the current laws as helpful as they are to us and changing of signs either by funding or donation is -- 25 minor siren by the two, we could fund a signage. As Hans mentioned AB 321 was passed by the legislature with child safety being the priority to allow citiesfully following state of as, 97, New Mexico and Pennsylvania which also implemented lower speed zones. As mentioned.

>> Councilmember Pyle: A knew that's where the legislature was from, if central cokes so they implemented in et cetera and as well as San Francisco, made the big press because they said we're just doing it citywide. San Francisco views it very simply. A school is a unique place that gathers children that has a higher propensity for accidents. The reason the legislature passed the law is we know through stafntion that has a direct left of impact of the is he ever that are injury. That's the research for not dropping my pitch many incertainly this would be the direct of this younger man. Peace to the residents that live by those schools. So after having the privilege of serving as the traffic camming hears, I learned loud and wide that traffic so I was cognizant of that. So I've always been able to look 2008, and daa avenue became the first opportunity with chai.

>> So we have seen schools that close remain open so it 400 sphunlts now have 800 to a thousand steunts that means a much higher caver volume. So it's appreciated by the residents, the lower speed limit. Now some pay point out that this will not assist every single school in South Carolina. That is true, not all school qualifies open state law just some it may not be impracticality to make forward in implementing what we can to provide cast for those schools and we can't think of any that woo have today.

>> I would say that maybe over time cities are given even modifier flexibility to reduce the speed limits in front of parks, to reduce the speed limits no our neighborhood business districts who are trying to promote pedestrian activities et cetera. Now there might be another notion that's saying walking to school will fix this. The reality, it

just heafnt happened. If you looked at history in 197050% of students were driven to school. In 2001, 90% were driven to school. I have walked to school from when I was in element school. This material was to promote walk ugh to school. But frankly the marketing material hasn't worked. I think we should promote walking to school but it hasn't worked since parents are fearful the conditions. To ease the condition for parents for children to walk and bike. On the talk of enforcement, we don't have 24-seven enforcement of any given law in society. However most people abide by the law. If this wasn't the case we would be in complete chaos. So our traffic enforcement under independent captain Morozik, does a great job. You give out over 50,000 tickets a year and many of those are within the school zones. Many comply with the speed limit, as we know many do not however driving the any one of us can choose to litter at any time, however it's really extremely difficult to drive through another car. So if you have compliance of the speed limit it's impossible to drive through the car. You try driving through my father, who drives his continental who drivers 200 schools on any given morning but the fact is those who aabide by the law will. If you are cynical that Mr. and Mrs. Lead foot will threatened with enforcement. The reality is, is someone going to go 20 miles over the posted limit in a school zone? Not likely. Thinking of it as cynical. So I'd like to make a motion to move the memo put forward by myself, Mayor Reed and Councilmember Rocha allowing for schools themselves to choose the lower speed limit. In my discuss with Rick Doyle our city attorney cities under the law have the ability to adopt and by council policy which can enable schools to have lower speed limits without the expensive traffic and engineering studies but simply consideration of things that Hans brought up by students walking and bicycling to the school.

>> Councilmember Rocha: Second.

>> Mayor Reed: Motion for to floor.

>> Councilmember Oliverio: Warranted to thank my colleagues for signing on to the memo.

>> Mayor Reed: City Attorney.

>> City Attorney Doyle: I wanted to clarify. I think staff did a great job outlining the process. The state law there has been some confusion. The initial bill that was introduced did not require the study required under the vehicle code. It was amended to require a study. But a sort of a lesser study. And our view of the law and in viewing what other cities specifically San Francisco have talked about is a more streamlined process. So as I interpret this, the council can set the policy to-d that they want as broad a policy whether it's citywide or not, to try to include as many schools as possible. Following a streamline or a minimalist approach to the studies but to make sure some study is done to come port with the law. I think Hans had shown the two page report. The concern I have is the city's design immunity and not losing that, so long as we follow the law in going about doing this we maintain any kind of immunity on dangerous conditions. And not that 15 miles an hour, it's tough to tell a finally miles an hour is an dangerous he just want to clarify that the point that there has to be some study done. It is a streamlined study but staff will be doing some kind of study to comport with state law.

>> Councilmember Oliverio: I think streamlining is an important factor. If you look at the guidelines that are reefnsed and are not streamline process and less of an intensive study.

>> City Attorney Doyle: I'm not an engineer and I'm really probably treading on dangerous grounds here but the -- my gut tells me I guess that once you have a template, you can sort of use that template in how you go about analyzing other schools.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. In the pilot that we did on Dana, did we compile any empirically and said did this work or did it not?

>> Hans Larsen: Let me kind of start it and Laura can follow up. I think what -- at Dana is -- so yes, we do have some before and after data on it. Generally, in the condition at Dana was with the school dropoff so you have three schools very close together, trace, Hoover and Lincoln high school. There is the condition that during the school period that children are arriving and leaving it is heavily congested. It is a slow operating environment

today. Sort of before and after have indicated very slow speeds. And Laura, if you have specific information at your fingerprints on that.

>> I don't have the exact speed data. But as Hans mentioned during the dropoff and pickup periods there's congestion. And that isn't the reason we installed the 15 miles per hour on Dana. We installed it because of the very unique condition that during throughout the school day there might be children crossing the street when motorists might not anticipate it. What we did note is during those midday times not during the dropoff or pickup periods, the average speeds were over 25 miles per hour both before and after the 15 miles per hour went in. So the 15 miles per hour signs didn't have a substantive impact on the speed that people traveled mid the dropoffs.

>> Councilmember Constant: Okay, I think that covers what I needed to know. But I just wanted to ask Pierluigi something. There was a little difference in the motion that you made versus what Hans ha had mentioned and I believe he said that it would be good to have the pilot program but also extend it to other areas because they had the funding for the three in the pilot. So I'm wondering if you would be willing to say, I don't know or specify that at least the three will be done with the funding that we have, and that perhaps we can do some studying of behaviors before and after at typically schools. Because I think Dana is not a typical school, because we council action.

>> Councilmember Oliverio: I'd certainly be open to I don't support the word pilot. I think pilot just -- it's either a council policy or not that we feel that school speed limits should be lowered when possible.

>> Councilmember Constant: Are you okay with the intent that the first three you don't have to wait for schools to come up with the money, if we had the resources we could do it and if nothing else we could use those three to gather some data to see about the effectiveness. Because I think that would be really important. Because one of my concerns is, we all know that our schools were built into our neighborhoods a long, long time ago. And they weren't built with the intent of being commuter schools with 90, I think it's closer to 95% of the people who actually drive their kids to school every morning and they're not really conducive to the conditions that we see in schools throughout our city. But we have people driving, and we have the traffic problems. I do agree with the comments

that I think were gathered at the school -- city-school collaborative that speeding is one of the minor factors in the driving conditions. Because I walk my kids to school some days. And I spent a whole year as a greeter in front of the school getting -- helping kids get out of cars and stuff like that. And what I saw was failures to yield to pedestrians, not obeying the stop signs, parking crazy, just stopping in the middle of the road and letting kids out of the car. Illegal turns and U turns in the middle of the street, all the crazy unexpected behaviors that I think are much more likely to lead to significant users in accidents than the speeding issue. And I do think that -- and you guys have heard me say this before, I don't think we can ready legislate behavior. Putting up a sign does not legislate behavior. It may in the short term when people are aware that something is different. But without enforcement, to enforce the behavior and to continue the presence out there, I don't think we really will change behavior. And unfortunately I don't see any additional resources to be put into enforcement for quite some time. I really think that we need to figure out how to make it cost a lot less because when I saw that price chart, seeing that it cost $2,000 for us to bring something for us to talk about and vote on, it's another area that we really need to work on overall. But bottom line, 260 crashes involving consume kids are 260 too many in moi mind. I don't think that is going to change it but I'm willing to be proven wrong and go forward with the pilot. I'm looking forward to seeing the data. I'm just not as optimistic as my colleague here.

>> Councilmember Nguyen: Thank you, Councilmember Constant. I just had some brief comments. First of all I just wanted to thank Councilmember Oliverio for bringing this issue to the full council. Really commend you for this issue. It's so important. I remember when I was serving on the school board more than six, seven years ago, this, the request to adopt a 15 mierp at the school zone was something that was consistently brought up by parents and I didn't get a chance to vote on that because it was so new and wasn't something the school board was ready to adopt. I'm glad we have to vote on that today. I guess it will be several years before I'll have an opportunity to take my daughter to school. But this is really going to make me think critically about what's going to happen because I have a vested interest now and I'm just glad we are able to have a discussion on this and the opportunity to vote on this and I'm more than happy to vote on the motion. Councilmember Herrera.

>> Councilmember Herrera: Thank you, Vice Mayor. I also want to thank Councilmember Oliverio and my other colleagues, the mayor, for their thoughtfulness in putting this together. I certainly supported the pilot, the pilots

that Hans talked about, and that supporting more walking to school because I think walking to school is something we should all be supporting. Because it's good -- it's good for healthy. I think it's good for communities so that we can have more of a community feeling, when you have children walking to school, it makes for safer community, I know a lot of the neighborhoods schools around the neighborhood I live, I've heard people saying, they wished they could go 15 miles an hour, they're going zero miles an hour. They're stopped in their SUVs mostly. What scares me is near stopped position they don't seem to be paying attention to children going in front of them as they're crossing the street. A lot of the behaviors that Pete was talking about, the illegal turns, the illegal parking, the random texting on their phone, distracted folks trying to drop kids off and rush off to work, those are things that we need to address. It concerns me that the superintendents when asked pointed these things out and did not ask for our help to install 15 mile-an-hour signs everywhere. I do think -- I pay attention to what superintendents and what schools have to say. I want to know what's the problem. I just want to make sure we're not taking one size fits all approach and say that's going to solve every approach with regard to school safety. I'm very concerned with school safety. I'm concerned with the streets that are 45 miles an hour now, Quimby school or the other schools there, this is not going to reduce that street to 15 miles an hour. It worries me that somehow people are going to think that by approving this that we're going to solve all those problems. And as we saw in the statistics U, 83% of the accidents were major roads, 90% of these accidents involving children are on major roads. I just want to address the areas where 15 miles an hour is appropriate. Where it's appropriate we should use it. It's a tool in the tool kit. What do I say? To bicycles 45 miles an hour and they're worried about their children. What are we going to do there? How can we address those issues for those parents who have a statistically higher chance, much here's chance of their child getting into an accident? Are we going to say no we're only going to support this tool in areas where there are had these lesser speeds and we're not going to address your issue. Those are things I'm concerned about. Yes, I do support the pilot program, great I don't have an issue with that I just want to make sure in termination of policy that beer not going to take our funding and put that in 15 mile-an-hour signs when maybe we should be looking at addressing some of these other issues. I just wondered Hans, in terms of the larger roads, obviously there's a huge issue there.

>> Hans Larsen: Yes, Councilmember Herrera thanks for those points. I think one of the exciting things about sort of the discussion and the recommendation that's been -- was made by the mayor's memo with

Councilmember Oliverio and Rocha was really introducing the idea of having the schools and the community have safe school. So while it's focused on the 15 miles an hour I think it can be broadened to have a discussion with the schools that if there are -- you know and as I mentioned in the presentation we work actively with about 30 schools a year, to enhance school safety. And we open our tool box with what we can fund, and it's fairly limited. Bee don't have the resources for the more capitol intensive investments. There's some cost to the 15 mile-an-hour signs but I think what it does is it opens up a conversation that perhaps the schools may have some resources that can apply to that focus on the issues you have but enhance our crosswalks our radar feedback signs, perhaps enhance school crossing guard programs that don't qualify under ours. And I think you know we're very interested and excited about the opportunity we have with the walk and roll San José program to work with 35 schools to look at improvements that we can enhance school safety that create the conditions that encourage more walking and biking. So I think we're really on the threshold of some exciting conversations and expanding our tools and opportunities to improve school safety, both in the local roads 15 mile-an-hour being one of the new things in the tool kit but having a broader discussion on financing opportunities for other improvements that would address some of the issues you brought up.

>> Councilmember Herrera: Does -- would your motion incorporate that, Councilmember Oliverio, that we could have these discussions with schools so that they could look at 15 mile-an-hour or other kinds of tools that Hans is talking about?

>> Councilmember Oliverio: I really think those tools already exist. I mean this is really focused on implementing AB 321. So those conversations can occur today without council policy. Schools can approach D.O.T. to talk about those issues but I don't really see that as part of this motion.

>> Councilmember Herrera: I want to be sure that the walk and roll program is going to be look at across the city and if there is a school that's on a 45 mile-an-hour street, and can't have a 15 mierl zoning I would not want to see that school excluded from walk and roll.

>> Hans Larsen: Yeah, I think those are completely separate issues. I think what we were -- and we'll I think probably come back through the transportation and environment committee to look at the rollout of the walk and roll San José program. As we envision it's really -- we will be soliciting interest from council office and schools that are interested in participating in the program. And there -- whoever -- whatever schools are interested in encouraging more walking and biking or interested in working with them in facilitating opportunities that they can do that, providing our professional advice and guidance, the bag bischool we have in San José is a shining example of programs they gleeted where they had 20 students walking biking to school and they expanded to it 200. We would like more schools in San José to be able to do that and that's what the walk and roll program is about. As we talk to the schools that are interested in walk and biking, what are the things we can do to improve conditions, 15 mile-an-hour limits would be one of the issues there, but addressing how kids cross the major streets that's part of the discussion.

>> Councilmember Herrera: I say 45, during school it's 20 miles per hour.

>> Hans Larsen: Some of the things we can do on major streets where it is a 20, it lets people know, it's 25 mierches, people don't realize that they're going that that's, that release enforcement really helps.

>> Councilmember Herrera: Also folks aren't aware when children are present I wondered if there was some kind of notification during school hours or some other way, motorists can be notified when chin are present.

>> Laura you correct me if I'm wrong, those is can be programmed so they are active at the time school kids are leaving or arriving at school or if we have kids arriving at lunch time we can program those signs so that they're indicating your speed is during the time when children are likely to be present.

>> Councilmember Herrera: So that sounds like a good tool for the larger roads, right?

>> That's my personal favorite. They're about $10,000 each and so if we have schools that are able to finance that or we can come up with grants then we are certainly interested in deploying more of those around our city.

>> Councilmember Herrera: I would be interested in looking into that since this is the major of why you're accident happen. I think we need to study that.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you mayor and could you go back to -- and I'm not sure which slide it's on but it's the slide that had the perming of children involved in accidents on major streets and minor streets. What percentage of that are vehicle versus human? I mean is all that you know a child getting hit by a car or are these kids that are involved in accidents while they're in the car?

>> No, these are -- the data here is for pedestrians and bicyclists, not bicycle. The venge may likely have hit the pedestrian or bicyclist.

>> Does it have the detail whether these children or schooling age children on their way or coming from school?

>> Hans Larsen: They have, yes. So the numbers there, the 27 is the school aage children in school zones. And then on the major roads we have the 260 children or is that total?

>> The 260 crashes represents accidents occurring throughout the day throughout the school year on major roads.

>> Councilmember Campos: Okay, so that would represent the 90%? You just said major roads.

>> Correct.

>> Councilmember Campos: So 10% would be how many?

>> 27.

>> Councilmember Campos: 27. On minor roads that would be right around schools?

>> The 27 represents the crashes that occurred in school zones during the school year on streets that would be eligible for the 15 mierp.

>> Councilmember Campos: Okay, where I'm getting at, it's interesting that the superintendents didn't really put a lot of emphasis on on speeding on neighborhood roads. Because if I just looked at anecdotal conversations I've had in my district with principals and PTA leaders an neighborhood associations it's completely opposite. The number one complaint is people are driving around schools, too fast. Most of the time in the morning. That's when I'm hearing it. And I brought this up, when you talk about pavement maintenance, that a lot of our connector streets or feeder streets are not categorized as miernlg feeder streets. People are trying to find the least roads of resistance they are trying to get to places faster so I think that, one, that we need to take the recommendations in the memorandum and really pay attention to number 3, in the recommendation. And that is, funding for this voluntary program can come from a variety of resources. And I think that is the key. Because there are a number of neighborhood associations, PTAs, they are organized. If this is a priority, and if they get the green light, if they need to fund-raise to help put these signs up around their schools then they're going to do it. We have a lot of resourceful people out in our neighborhoods. So you know, I will be supporting the motion, and ask my colleagues also to support this motion. I think that you know, you can't put a price tag on our kids and this is something that we can do to put tools back into our neighborhoods and our communities' hands to help with these, you know, dire economic times. And you know, this provides other resources, so that you know, the City's not 100% being relied upon to solve this problem. Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I think we all agree here that we all support slower traffic and we all want our kids to be safe. I think we're all looking for the best way to do that. I want to thank Councilmember

Oliverio for his advocacy on traffic calming for many years now. I know that's a big concern for us citywide. I also want to congratulate captain Morozik on his recent promotion. Now -- I can't be nice long Nancy you know. as you look at the mileage throughout the city, do you have any sense about what percentage is local versus what percentage is major?

>> Yeah, and this was something that we talked about recently on the pavement maintenance issue. So our major roads, and these are the designated general plan streets that are identified in the general plan. So they represent about 35% of our streets are local neighborhood streets that are about 65%. Roughly one-third, two-thirds okay we do somewhere, the major roads carry over 80% of the traffic that we have. But what this points out is they -- that's 35% of our streets are also you know 83% of where we have our pedestrian bicycle injuries.

>> Okay. And the 15 mile-an-hour zones those would not be implemented on major roads, right, they would only be implemented on local roads?

>> Hans Larsen: That's correct. The state law is -- it facilitates looking at this on local residential streets that are either currently 25 or 30 miles an hour, and that's the pool of streets that can be lowered to 15.

>> Councilmember Liccardo: Okay, so based on the charts that I see here, this is where I'm kind of struggling. As we're trying to narrow down the geography in the city where we really want to focus on traffic calming to make our kids safe, to keep our kids safer, it's one-third of our roads, where five times as many bike and pedestrian crashes occur that cause injuries. I'm looking at the numbers. It's about 2500 to 500, right? So five times as many occur on major roads versus local roads and major roads are only one-third of the total territory, is that right?

>> Hans Larsen: That's correct.

>> Councilmember Liccardo: And ten times as many kids get injured in that bike or ped crashes than get injured on the local roads, is that right?

>> Hans Larsen: That's correct.

>> Councilmember Liccardo: Where all those injuries and all those accidents are happening is exactly where we can't implement 15 miles an hour.

>> Hans Larsen: That's correct.

>> Councilmember Liccardo: Okay. So I think I understand why staff recommendation was, to come with a pilot project. Because as I understand it from what Laura just targeted, at least the evidence from Dana street is far from conclusive. We haven't seen significant drops from there, that was on a local road and where we know the crashes around injuries are occurring we can't implement this policy at all. And so I guess it brings me to question, you know, are we going to be diverting scarce resources, from other really critical priorities, in terms of traffic calming, to address away may be a very popular approach which is let's install 15 mile-an-hour signs everywhere but Jeff doesn't have nearly enough people to go out and enforce out there. While we may be diverting that money from the areas where we know the crashes are really occurring. And so I wanted to get a sense you know as we look at the direction here, you know, we think about grant money that comes from MTC or through VTA like transportation for livable communities and other kinds of grant programs where we really are trying to do everything we can to get that money in places where it's going to have an impact in improving bike and pedestrian safeties. Does this direction -- does that create a likelihood that that money is likely to be diverted for 15 mile-an-hour programs when we know it might be better spent on you know maybe enhanced crosswalks or radar designs or all other kinds of improvements?

>> Hans Larsen: I don't think so. I think generally, I mean where we're able to get grant moneys are where we have statistic information. I think grant projects are more likely to be competitive dealing with issues on the major road system.

>> Councilmember Liccardo: Okay.

>> Hans Larsen: Because I think that's where the data shows you get the more frequent occurrences, the more serious issues. I wouldn't view this as creating a competition for grant funds. I'm supportive of this because it allows us to evaluate a new tool and expands the tools we have in the tool box. I think what's valuable about the pilot program is getting it out there. I think there's a challenge in finding schools that would be able to commit $5,000 to $10,000 to be able to do this. I think it's important for us to start it off, show how it works. I think try to make this as efficient as possible, we'll have a better understanding of what it really costs and from the benefit of that we can have a discussion with schools about what their most critical safety needs are. And if it's the major street system we'll work with them to try to address that. If 15 miles an hour is important for that school we have that tool in the tool box.

>> Councilmember Liccardo: Hans, I completely agree with what you just said. The problem is you are talking about a proposal which staff made which was to evaluate something under a pilot. My understanding is that approach was rejected and we're not going to be collecting data and focusing on a pilot, we are going to focus on city policy. What I'm trying to understand is what at what time do we get to evaluate this as part of our city policy such that money might be diverted to that purpose if in fact it works? I don't understand how the current direction gives you the ability to evaluate it and come back to us and say you know what it doesn't work. Based on the motion before us. Unless the maker of the motion would like to clarify it.

>> Councilmember Oliverio: Thank you, that qualifies to ask for 15 miles an hour in addition to Councilmember Constant's friendly amendment was to as staff wanted to was to choose three schools which they would do more of an analysis that there could be something to look pack on in the future. For me I'm happy to accept that. Personally, I'm -- I would just rather do it. I mean today, in Councilmember Herrera averages example when they sha's a school on a 45 mierp roads during school it automatically goes down to 55. There wasn't a traffic and engineering study. It's the fact that it's a school with children that go there. So in reality, councilmembers, scant's friendly amendment will give you some point you want with three schools. However we are not saying that the fourth school cannot have it that you're not deserving or worthy of it.

>> Councilmember Liccardo: Let's try to understand where the money is coming forward, I didn't hear from staff report that school superintendents were ready to put forth the money because it didn't seem to me like they were very enthusiastic to believe with. Regional grant funding are we going to be chasing, I'm trying to understand exanlt where the money is coming from so we can be clear about whether or not, in everybody's budgetary decision of course, we're obviously choosing what not to fund or if in fact there is some money out there so to speak that is there for the taking that can simply be applied. What money are we really talking about?

>> So councilmember, this is for the three initial schools you're referring to? So our staff report we've estimated the DOS of doing that as $27,000. So the staff work associated with doing the one or two-page study, the taking it to council, and then our signed budget that we have just you know to do citywide signage issues, we believe that we can take out of our existing resources, carve out of you know small allocation of resources and really, to -- to start this. So we begin with the works --

>> Councilmember Liccardo: I agree at toss 27. What I'm trying to get to is what other sources of money are like there that are likely to be expeppedded beyond this pilot? I think that's really where my question is. I have no objection to doing a pilot, if the data comes back that weigh need to do it let's go do it. Is there an expectation that the D.O.T. is going to be chasing grant money for this as opposed to other critical safety measures?

>> Well, I think my -- I think the memo from the mayor and Councilmember Oliverio and Rocha indicates, the intent is if schools or parent organizations or neighborhoods, or through the budget process which would be council's discretion which is where the future funds come from in doing a broader program. I think the question of grants is you know, one there -- perhaps either way, I would see it play out is that we would want to come back to council after we've done the initial three with the results of our evaluation. And that provide you know some guidance and terms of you know should we fund more of these with city dollars? Should we actively pursue grant funds to do this? I think that's sort of a question that could be, you know, addressed you know six months from now or so.

>> Councilmember Liccardo: I agree and I guess I'd ask the maker of the motion then if this were to return to transportation and environment committee prior to coming back to council would you be amenable to rerealitying it?

>> Councilmember Oliverio: That's right, I think one year, six months is too short, come back in a year, I won't stay pilot, but the three schools you have selected to become part of the measurable results, go pack to T&E and then if necessary back to council.

>> Councilmember Liccardo: That's final whatever time is required to have staff get us some results.

>> Mayor Reed: The motion is amended with referral and report back. Thank you.

>> Councilmember Liccardo: My concern is I think we all agree 15 miles per hour is superior with 25. If we had more Jeff Moroziks out there we would be able to enforce it we don't. I'm concerned about a placebo that's diverting resources from critical traffic safety priorities that we have. We took this to the schools collaborative, we didn't get a warm reception from the superintendents, it hasn't gone to T&E. The data doesn't support it, I think we should be treading more carefully rather than jumping in. I understand Councilmember Oliverio you just want to do it but there's reason in world of scarce resources not to just do it but actually get the data and ask are we having a positive impact first.

>> Councilmember Oliverio: And just to clarify the original memo simply states a variety of sources and as Councilmember Campos mentioned probably be a lot of PTA organizations that would be willing to donate and I don't think we should stand in their way.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you. You know I agree with a lot of the concerns raised but I think I've received a lot of complaints over the last few years on traffic issues around schools. Some of them related to speeding but

others related to some of the other issues brought up, the double parking U turns and what have you. In any case I will support the motion, because I think as state law has allowed us to do with AB 21 and '08, allow us feed limits and think it's it's not as Councilmember Oliverio indicated it's not going to bind us in terms of funding because really what it does is allows to committee reconcile and their streets on their school they can decide if they feel that that's the -- that will have the positive effect and they can raise the funds for it I disagree, with the arrive of the three schools we will be spouting, I do think whether or not there's enforcement out there or not I don't think should be a primary consideration. Because I do believe that placebo effects, generally placebo effects have positive results. Again, coming back we'll be able to discern that in terms of the number of incidents around schools. But I don't see supporting this in any way diminishing the council's resolve in doing something about the major roads, and incidents and accidents on major roads and I don't given the answers from Mr. Larsen doesn't seem like there's a diversion of funds that could otherwise go to issues other than roads where the moocialght flt accident occur too many that the state legislature is allowing us to use and all we're doing is allowing the schools and the neighborhoods to actually use that tool without having to go through an overly burdensome process and I'm home that this process is used not just initially with the three schools that we'll be funding but going forward that the cost will go down as there's more consistency in the review process as the mayor indicated. So I'll certainly support this and support this being a tool for all communities and look forward to the results and hopefully the results will show some positive effect.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you mayor, I'll be supporting the motion but I believe that accidents can occur at any speed. My biggest concern is to give the students, the kids or the parents a false sense of security now where school zone is 15 miles per hour, you'd be able to wander out on the street more often. And I do believe that to the best way to prevent some of the accidents is by educating our school aged children and their parents. So I was wondering out of your 790,000 safe route to school grant money, any ever them would be allocated to the street smart programs? Like the some of the wonderful programs that we have in the City of San José?

>> Councilmember Chu, can you clarify the 7 huh --

>> Councilmember Chu: I was just saying the i don't know about the SRTS grant I don't know about the accurate safe route to school.

>> If I could clarify, the grant that is mentioned in the council memo is a grant we received a couple of years ago to bring all of the signage arounds school zones in San José up to current state standards. So at a was 100% allocated to signage. And we have completed, last year we completed that every. We have a little bit of moisten left over that we're using to upgrade some of our malfunctioning school radar signs.

>> All right, so the street start traffic education money is from the traffic calming program ?

>> The street smarts program is a program that is very limited right now. Unfortunately some as part of the adoptived 11-12 budget the positions that provided that prom were eliminated. And right now, we are using existing staff to go out to schools as part of our grants, the future walk and roll grant, and to bring the street smarts program as part of that grant.

>> Councilmember Chu: Thank you very much. I hope my colleagues will support me to restore some funding for the street smart program come next budget situation. Again, I don't want to give people out there false security and I just believe that the best way to avoid some traffic accident is through education. Thank you very much.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. I want to echo my that is being to Councilmember Oliverio for his leadership on this issue. Looking at the time commitments and going through this three schools and from 2012-2013?

>> Hans Larsen: I think I had a slide that outlined the -- that program. Whoops, no it doesn't. If we go forward with the three schools we would do outreach to the school superintendents and council offices to identify the lucky

three schools that we would look at. And so we would evaluate any applicants for participating in that program, in January. So we would do a compliance check, that they comply with state law, and if we have many requests, we would evaluate them based on any special conditions, which are primarily safety-related. So we'd look at does the school have long distances where they don't have traffic control stop signs or signals that break up the road. Are kids coming to school and having to cross streets at uncontrolled locations? So there's a number of safety factors that we could look at, that would go into the prioritization. The other thing that we'd look at is the commitment of the school to do outreach within the school community to help ensure enforcement. So we would look to the schools to basically set a standard that we want to be a 15 mile-an-hour school zone and we are going to advocate an expectation that our school community will comply with that. So we're looking for a level of participation from the schools that would maximize the success of the program. So with that as a selection process we would go through the necessary actions of doing the study, having council adopt the resolution on establishing the speed zones. We would install the signs in March. And so we have the benefit of the latter part of the spring school year, March, April, May to look at the effectiveness of the fen mile-an-hour zone. And so we would do some after studies within that period.

>> Councilmember Rocha: So you'd really kind of establish a template for going forward as part of this process and streamline the process. Hmm I think yeah that is one of the goals that we would have, make this better understand the cost the process the streamlining opportunities so that if we have other schools that are interested in participating, that are beyond what we could fund but that they could provide funds for, we could provide them with a much tighter cost estimate of what it would take for them to participate in a 15 mile-an-hour program for their school.

>> Councilmember Rocha: So in a perfect world we're looking at March and we know we don't exist in a perfect world and we know that our staffing resources are very limited. So let's just say hypothetically, we push into April or even May. To try to get a sense of the impact and analysis that you're talking about I'm concerned that that's not much of an analysis as opposed to a full school year. So, well, on top of that I'm also trying to understand what analysis outside of establishing a template going forward what analysis could we possibly see that would tell us not to do this? Can you give me -- I know this is asking you to make an assumption, or predicting the

impossible but what could we find that would suggest that we shouldn't move forward with allowing this program? More accidents? Anything.

>> Hans Larsen: Well, I think we would certainly part of the compliance is that we have to look at the accident history around the school, so we have that data data already. I think what we would be looking at as part of the evaluation is a before and after study of the speeds within the school zone would be one of the factors, as is contributed towards a reduction. I think the other thing that we would look to and I think you know the commentary and he feedback is, the level of I would say comfort or effectiveness that the school officials and parents have in knowing that it's a 15 mile-an-hour zone. I think there's the kinds of community feedback in terms of their feelings about it would be certainly part of the survey that we would want to look back and report on. So I think there's some kind of technical criteria and there's probably some other softer criteria in terms of you know, do the parents and school officials feel this is effective in helping ensure in a sense of safety and particularly, a sense of allowing kids to walk and bike to school, because of having the 15 mile-an-hour zone. I would say that you know, this is a very, a quick turn around. I think the suggestion was made that perhaps we evaluate this over a longer period of time. I think the suggestion of 12 months, I think, is a good one. And so we could do a quick near-term evaluation, have that available but also, you know, follow up with a more longer term evaluation, say, you know, six to 12-month period to see what more longer lasting effect of this is.

>> Councilmember Rocha: I too am concerned about scarce resources and spending them as priority areas. But the more you talk about the analysis I think is, and the resources and time that may go into that I think is exactly part of the reason why my interest in not doing the full analysis on every school and going through the whole process because just trying to be a layperson and think likely, I think 15 miles an hour is has got to be better than 25 miles an hour. To me it's obvious but I'm not a professional. I'll jump ahead and I think some of the impression I had from the city schools collaborative, I'm putting my school board hat on and I'm thinking well what is being proposed was a new program or policy and often as a school board member our representative you are waiting for the other shoe to drop and, are you paying for it? I am sure that was in their minds, they are struggling just as much as we are and they are trying to educate their program. They want to do this program, and what do you think? I don't have any money for this. My priorities are these other issues, traffic safety is one of those priorities,

this is low on the totem pole, I also didn't hear them say please don't lower the speed limit around my school. Bring it to your attention, we want to do this i'm struggling with us saying, you know we need to analyze this to death the way some governments are doing this, why we want to do this but honestly, the analysis to me, I'm trying to understand what we can see in that that we don't already know. So I am going to be supporting the motion and my main -- my main point has been made here today as well as having another tool for the school districts and for the city, and I don't want to slow things down too much because the potential for one injury to me is one injury too many and I'd hate for something to happen again. I'm dealing with an issue over at farnham school and unfortunately there are not enough resources for this. Reading through the memo I didn't see this will solve all our problems or ignore the issues and I didn't see spend scarce resources on this. historically have we spent any of those regional dollars or grant funding on changing speed limits on any city street? I'm thinking maybe the expressways we're going through that with Almaden.

>> Hans Larsen: I don't believe so.

>> Councilmember Rocha: Okay, I'm going to leave it at that, thank you.

>> Mayor Reed: I think I have at least an example if not an analogous situation. Enhanced crosswalks. Now, my guess is, if you did your engineering study you'd find out that enhanced crosswalks have no measurable impact on the data and things that you measure. However, people like enhanced crosswalks. Schools like enhanced crosswalks. And it seems like a good thing. So when we look at the three schools where you're going to spend a little bit of money, and you come back and say there's no measurable impact on anything, then our response would probably be, we don't want to spend any more money on it. But if the schools see that they like it and they think it's helpful and they're able to raise some money to do it, it's something we will allow them to do. I'm interested in seeing the data from the three projects not the pilot, will be useful. If the schools and the principals and the PTAs think that's a wonderful thing and they want to pay for it I think we can probably do it even though there's no measurable impact. So I'm going to support the motion. I'm going to thank Councilmember Oliverio for bringing this up. And wee all concerned about schools. We all wish we had more resources. Everybody would like to do more around the schools. And this may be a way we can help. We'll try it and see. There's many other

things in our tool box that may be better for the dollars spent and I think the evaluation that you'll do will tell us of those things are better or not. So I think we'll make some progress on this. Councilmember Herrera.

>> Councilmember Herrera: I just had a question for Rick. Going back to the necessity I any you said there is a necessity for doing an analysis --

>> City Attorney Doyle: Yes, there is, state law does require some analysis. It is a vehicle code requirement. While it's streamlined, I use the word stream lines but it is a less intensive study. Hans was talking about that when he held up the two pager. It is something we can do. We just got to make sure that we can cross off the list that we complied with the vehicle code section 627.

>> Councilmember Herrera: So on the three project schools that are going to be done, we're going to do the study for those and we're going to create some sort of abbreviated study hopefully. Then on new schools that want to do it, who would be doing that study? There would be no study? That's what I'm trying to understand. So on future schools Rick there would not have to be a study is that right?

>> City Attorney Doyle: I'm not so sure. There are streets and traffic D.O.T. folks need to at least sign off on setting the speed limit.

>> Councilmember Herrera: Is there going school raising the money and then they'd pay us to do that study? That's what I want to get clear.

>> Hans Larsen: I think that's how we would view the program. We would certainly look to streamlining. There's two process steps. Really it's more of a exrien study. We're looking at the school and assuring that it complies with the requirements of state law. And then we need to take an action to council to adopt a resolution to establish the speed zone. So there's some cost of staff resources associated with doing that and then there's the hard costs of actually laying out the signs and the materials and labor associated with that.

>> Councilmember Herrera: Okay so I'm clear about the projects schools. We're handling that, you've got the money to do that. What I'm asking is, if another school decides they want to do it, and they're going to raise the money, they want to do it, I understand that's intent of this motion, there's still a study required. Is the school then going to pick up the cost of that study?

>> Hans Larsen: I think you know unless directed otherwise by the council we would pursue a cost recovery call it a fee structure that if you wanted to do this we would estimate you know what it would cost to implement, looking at consistent with our cost recovery direction that we have on other things that we do.

>> Councilmember Herrera: So I'd be looking to hear what the cost is, of course we would want to make that as streamlined as possible and get the cost as low as possible but I think it's important we understand the cost because that will be part of what the schools will have to do if they are going to implement this in their neighborhoods. Finally I like the idea if a school adopts this and walking becomes part of it and there's a whole safety zone around that school I think that will be very interesting and I'm hopeful that that works in these project areas. I think it's much better coming from the school community and they embrace it than us telling them you're going to be 15 miles an hour. That would be very interesting. I'm going to support the testimony.

>> Mayor Reed: I'm going to take some public testimony. Jeff Bodola, Joe Jogan tirvetionino. Tina Morrill.

>> Hi. D.O.T.'s report I thought was very good. I also was going to suggest deleting the point of the memorandum that recommends not extending the pilot phase. You guys covered all that really well. I'll just go to -- well, I just think when we talk about stuff like this it's like driving. And when you have to think, it's good to slow down. Okay? And here's some thoughts. Everyone, I'm going to read this fast. Everyone who cares wants change. Conditions are hectic and pressured and we are aware of how unhealthy that is. In frustration, our distress can be whoaj and we may act hastily. When we do the results are not what we had hoped and we are left again with a sense of something must be done. Vicious circle is defined as a condition in which a disorder gives rise to another which subsequent affects the first. The urge to act hastily addresses the problem at the same level as the original problem. So the net result is to perpetuate it and the merry go rounder gets another push. This is

the way we tend to do things when we get ourselves swept up in the passions where the need is felt most. As a radical approach we can choose to start with the common sense premise that we are the change we've been waiting for. Real change girns with you and me not them. All we have to do is be willing to do what's right. As drivers, as walkers, to be willing to honor what we know about how to conduct ourselves, to want to increase our knowledge, so as to be better ourselves and better examples. Wherever we are. Then, we'll have real change in social conditions, too. Thank you.

>> Mayor Reed: Joe Gigantino, Tina Morrill, Richard McCoy.

>> Thank you for giving me time to speak. I think this is a great topic and I'm happy you guys are supporting this. I've lived on dry creek since 1994, and right by bookson school and I've witnessed speeding just with about every day. I've kind of got notes all over the place but I think if everybody is talking about the dropoff times, I never see speeding during dropoff times, that's when it's guested. I think the speeding is happening during school hours and after school when a lot of parents are not dropping off their kids, but kids are walking home or getting picked up by friends. Lower speed will give peace to the residents in the area since I've lived there a long time, that 15 mile-an-hour zone would be I think calming for me. My kids are older but I always dealt with the speeding issue when my kids were young but I see a lot of people in the area that have girning kids. I think we issue 15 mile-an-hour around their school. A because I don't think they're at the school. They don't see the people speeding and I think the residents in the area maybe in your study or as you talk to people should be included. Because I think you'll see that they'll be happy with the 15 mile-an-hour zone around their school. I'm not sure if dry creek is a local street or it's considered one of the majors. It feels like it's a major the way people ride down there. But I think you know we only spoke about the kids that are going to school and the kids that are riding their bikes but I think the kids in the neighborhood that live there those kids are usually not driven to school. They are driven to school or maybe using the school for after school events. Even driving and being conscious it is 4:00 in the afternoon and it might not be time that kids are in school but if people knew they were slowing down and kids were going to practice back and forth you might have some -- just consciousness of people slowing down. Also just get some community feedback from the residents in the area as you do these three schools see what the residents say if they are happy about it. I assume they would be because they have

people driving at times when maybe their kids are out maybe their kids don't even go to that consume but they are slowing down.

>> Mayor Reed: Sorry your time is up. Tina Morrill, ripped McCoyle, Ross Signorino.

>> I'm Tina Morrill. I live in the Vendome neighborhood. As far as this issue I wanted to go over a few points. I think I heard it dialogued out here. I think both parents and kids need to be he educated so schools can take ownership of having you know traffic education, avoid cars or whatever, maybe weigh work with the schools to do that. And I totally agree that we should utilize the community. Maybe we could use the community for data gathering. Is that a possibility? Can we tap into the PTA? Would peemedz bl willing to maybe adopt signs or purchase a sign or maybe they would be willing to buy a few hours for an off-duty police officer to provide enforcement and kind of do it on a surprise basis so people are not going to be aware of when the cop is there. And last, I really hope that we can somehow reuse the existing signs that we've got and be a little bit greener and maybe get some sponsors for signs. Those are a few of my thoughts but I definitely agree that around the school zones it's nuts and something needs to be done, thank you.

>> Mayor Reed: Richard McCoy, Ross Signorino.

>> Good afternoon, councilmembers. I'm here representing the Hafley park neighborhood association which is part of the Councilmember Constant's district. And we support this measure in concept and think in principle it's going to work fine. But I have to agree with some of the comments that Pete made with regards to the congestion that already existed around many of the schools. That you can't even get up to 15 miles an hour most of the time when you're loading and unloading your kids go to school and the parking and congestion are all issues. The other thing I wanted to bring out is the enforcement of this particular law. Unless there's probably somebody on site there to see the action it's probably something that could not be cited for and it would be very difficult to support. Also want to agree with Councilmember Oliverio's suggestion about expanding this to some of the park areas. There's a park, Havway park our namesake, the street it's on you can barely get three, maybe four cars there at one time. Where the picnic tables are restrooms and play area are adjacent to the street where there's

constantly kids out there exposed to traffic issues. Another issue is cost of the signage. I suggested earlier in the rule comas committee instead of replacing the signs maybe a sticker could be made to change the number from 2 to 1 as we do on some of the highway signs with the 55, 65, they did a few years ago to save some cost. Also the radar signs while expensive are very, very good. There's one on Hamilton avenue just approaching the San José border there, in Campbell, and I drive by there several times a day and every time I drive by there my attention goes to that sign and I monitor my speed constantly. They're expensive, they do work very well and perhaps are not in the city budget but if they were it would be nice. Thank you.

>> Mayor Reed: Ross Signorino.

>> Ross Signorino: Mr. Mayor, members of the council. Speaking on this subject here, of trafficking, and around schools and so on is very -- it's very critical. But the remarks that Pete Constant's made were to taken very seriously because you got drivers that are just going to do what the hell they want and that's it. And over there, where I pass and I go walking on the Devargas school there between de Vargas trying to go to San Tomas express, East and West on Bollinger, no matter what the speed is they want to get to work and the kids are in the way. You could put up signs but I think something else should be added to that sign, walk and roll San José, I think something else should be added to it, type, how much the fine is going to be, a couple hundred dollars something like that put teeth in the law. This way you've only got the sign. There's no police officer or anything, I'm going, you know. Put teeth into the law. If they know they break the law that's it. Maybe cameras is something you need to have around the school. It's a good technology but somehow or another we're afraid of it. Parents are afraid to let children walk to school because they could be kidnapped just in Los Gatos yesterday, a little teenager was kidnapped, but the girl fought and got away. So parents are afraid. As a matter of fact, you should go through the schools and tell kids, and parents, that you should never let a kid walk alone. They should always be in pairs, if not in pairs, more. Because that's the only way kids can defend themselves out there. Can you put up signs all you want but nonetheless you have to preach right programs to the kids at the same time. Thank you all very much.

>> Mayor Reed: Thank you. I think we're almost done on this. I was deathly afraid we would get done before 5:00 and have nothing to do before the evening meeting. We are going to get done after 5:00. I want to make sure we get the motion out there Councilmember Oliverio could you state the motion.

>> Councilmember Oliverio: Sure, it's moving the memo, made by my self and your self e-and Councilmember Rocha, and fourth the fifth the sixth school to apply loopss as long as they find the funding.

>> Mayor Reed: And then the referral to bring it back to T&E.

>> Councilmember Oliverio: Bring it back to T&E one year after it's actually, put the signs in, let's say it's March-April then come back in one year after you've had an opportunity to review after multiple school sessions.

>> City Attorney Doyle: I'm assuming it is in compliance with state law.

>> Councilmember Oliverio: City Attorney ripped Doyle, certainly in compliance with state law as it ever changes for cities to have more flexibility.

>> Mayor Reed: On the motion, all in favor, opposed, we have none opposed, that's approved thank you very much. Last item on the agenda is open forum. Any cards under open forum we have no cards so we are going to recess until 7:00 p.m, we'll see you all back here then.

>> Mayor Reed: Good evening. I'd like to get the San José city council meeting back into session from our evening recess. We will take up a couple of ceremonial items first this evening, then we have a report on the preliminary General Fund forecast. San José family camp and one land use matter. We will start with the ceremonial items. I'd like to invite Councilmember Kalra and Kelly newall to join me at the podium. Kathy newal is a third grade teacher, third a third gray of grade student from choking. Councilmember Kalra has the details.

>> Councilmember Kalra: Thank you mayor. I am very excited to have the opportunity to honor Ms. Kelly newall, an educator for over a decade and the product of the Oak Grove School District, where she currently teaches. Ms. Newal reacted bravely and without hesitation on September 28th this year just when she was about to dismiss class. That was a moment when she noticed that one of her students was choking. Courageous and calm under pressure, Ms. Newell drew on her first aid training and successfully dislodged the obstruction from her student's airway by using the Heimlich maneuver. While simultaneously directing another student to get help, basically textbook of what you are supposed to do in that situation. Thanks to her preparedness and swift action, she undoubtedly saved her young student from a very dangerous situation and gave him the opportunity to make a full recovery. I did have the opportunity to go to the school and had a chance to meet the young man, he was very happy healthy and vibrant. Obviously he and his family and all all the students that were able to see this young man be saved, all owe Ms. Newall a great debt of gratitude. She is a hero amongst us and is really, this is the kind of commendation that I really enjoy giving, because it's not something that happens every day, but when it does happen it should be recognized. On behalf of city council, Mayor Reed, would you please present Ms. Newall a well-deserved commendation, in recognition of her life-saving heroism, and the bravery she demonstrated during a crucial moment. [applause]

>> Mayor Reed: It's Kelly Newall, not Kathy Newall. I'm sorry.

>> Thank you very much. It was an honor to receive this award. It was a scary moment. It was a very long moment, it took a long time to get -- it ball that he had swallowed. And he swallowed it on purpose, so it was very far lodged into his throat. So it took a long time, and I didn't think he was going to make it, but at the very, very end he did. And it was very fun to see all my students so happy and proud of their teacher. So thank you!

>> Mayor Reed: Thank you, Kelly. [applause]

>> Mayor Reed: Now I'd like to invite Patsy Cortez, CATT the county wide chair to join me at the podium. Along with some other members of the organization. Please come on down. Patsy will be presenting an award on behalf of the tobacco free coalition of Santa Clara County and community advocate teens of today.

>> Thank you, Mayor Reed. Amazing everybody, my name is Patsy Cortez, I live in district 7 and I go to San José State. I'm the former district 7 youth advisory co-chair along with Amanda Odama, who couldn't be here tonight, and I'm also co-chair for community advocate teens of today, former alumni, a public health team coalition. I'd like to introduce some of the many youth that actually worked with us in the City of San José.

>> My name is Victoria Bordon, I grew up in district 5 and currently live in district 6.

>> My name is Vie, I live in district 5.

>> I'm Brendan Vu. District 5.

>> My name is Christian Fruda, I live in district 7, go to school in district 8.

>> And tonight we're here to celebrate and commend the Cit of San José for finally adopting a great prevention enforcement policy. We'd like to give thanks to mayor chuck Reed and the former city council member and current state assembly member Nora Campos for championing the tobacco retail license. And we're also showing great appreciation for councilmembers like vice mayor Madison Nguyen, Ash Kalra, and Kansen Chu for taking time to becoming educated present the benefits of San José adopting a tobacco retail license.

>> Thank you, Patsy. I also want to take a moment to acknowledge and recognize the amazing work of the -- thank -- of the youth and young adult coalition known as Catt, community advocate teens of today. Catt is a public

health advocacy group of young people of diverse experiences due to different economic, ethnic backgrounds owners and genders. For a good eight years some the Catt has been advocating for ATRL by surveying and outreaching to our communities by working with legislators by participating in decoy operations and district cleanups. This policy is a huge win to us. And also, a good show of partnership between policy makers, youth and young adults, taking ownership and responsibility of issues such as blight, addiction, quality of our health and wellness, and being more aware of our resources.

>> The core of this policy is the prevention of tobacco addiction, cancer, diabetes and asthma to name a few. This in turn will save massive health care cost. This policy also encourages businesses to be responsible neighbors by not allowing those under the ages of 18 to have access to tobacco products such as Huka swisher sweets and menthol cigarettes.

>> So after all, the serving stores, getting people's opinion, attending the gazillion community fairs, raising awareness of tobacco use, second hands smoke and presentations to San José city council, we are here to give a big thank you.

>> I'm Dr. Roger Kennedy, chair of the tobacco free coalition much Santa Clara County. I want to acknowledge our incredible youth who do so much to help with tobacco control in our county, and I want to acknowledge the city council for taking this incredibly important step. I just want to assure them that we will be there to help them with all the additional things that we are looking forward to having them do. Thank you very much.

>> Mayor Reed: Let's get over here for a photo. [applause]

>> Mayor Reed: First item of business for the this evening is item 3.6, a report on the 2012-2013 preliminary General Fund forecast. Jennifer Maguire will lead.

>> Jennifer Maguire: Good evening mayor and members of the city council. Jennifer Maguire budget director for the City Manager's budget office. The City Manager's budget office just recently completed a 2012-2013

preliminary General Fund foresights and to no one's surprise unfortunately the budget outlook for the city continues to remain dismal. Our economic reality and its effect on our revenue sources along with overall sources that continue to increase beyond our revenue levels have translated into projected shortfall of $80.5 million next year. 2012-2013 will mark the 11th consecutive year of General Fund shortfalls and follows three years in which the city addressed combined shortfalls of over $300 million and eliminated over 20% of the workforce. Over the last decade almost $700 million in shortfalls have been addressed by the city council and 28% of the city's workforce, over 2,000 positions, have been eliminated. This forecast anticipates that the economy will continue to experience a slow recovery through 2011-12 with moderate improvement projected for 2012-2013. Although the factors which drive the city's revenues continue to show mixed results, overall they appear to be trending to reflect positive economic growth which is consistent with our forecast. For example, as of September 2011 the unemployment rate stands at 9.6% which is down from a year ago when the rates stood at 11% but still remains high by historic standards. 26,800 jobs have been created over the last six months in the San José-Sunnyvale-Santa Clara metropolitan statistical area. Growth in sales tax revenues was experienced last year reversing a two-year downward trend. However, our housing market continues to remain weak with the September 2011 median price of a single family home down 5.6% from a year ago. As a cautionary note, it must be emphasized that this is a preliminary forecast based on limited data available. This forecast will be updated as additional information becomes available on both revenue streams that fund the city's General Fund operations and expenditure drivers. The 2013-2017 five-year forecast and revenue projections document that will be released late February 2012 will contain updated forecast projection, and as always we will continue to refine our forecast projections through the release of the 12-13 proposed budget as well as the adopted budget in June. This next slide shows why we continue to have General Fund shortfalls with the comparison of revenues and expenditures from the 2011-2012 adopted budget levels to what we are anticipating next year. It is clear from the slide that the increased expenditures are driving our shortfall as our revenue growth is insufficient to keep up with our cost increases. When you compare the 2012-2013 preliminary forecast to the 11-12 adopted budget the $80.5 million projected shortfall can be broken down into three components. First as you can see on the slide we are carrying over a $34.9 problem into 12-13 as we solved about 70% of the 11-12 $115 million shortfall with one-time solutions. Second, our expenditures are expected to grow 61.8 million next year due to primarily increased retirement contributions which amounts to $50.3 million of the shortfall. It's about 62% of the shortfall,

as the total represents. We have a $10 million increase from additional retirement, excuse me Redevelopment Agency impacts. We have 2012-2013 committed additions of $6.2 million representing the operating and maintenance costs for capital projects that are scheduled to come online next year. We have health care and salary step increases which in total add about $3.8 million in new costs. These additional expenditures, however, are expected to be offset by some savings we're projecting in the areas of unemployment insurance, sick leave payments upon retirement, debt service, and other subsidy savings, and some other net expenditure savings as we look through every expenditure category in the forecast. Finally, as shown on the slide, the third component reflects $16.2 million in increased revenues primarily attributed to estimated increases in the two largest General Fund revenue sources, sales tax and property tax, reflecting positive recent collections in these areas. As discussed on the previous slide, General Fund revenues are estimated to grow by 16.2 million in 12-13. Since property tax and seams tax constitute about 40% of our General Fund revenue base, I wanted to provide a little more detail in the assumptions used in the forecast and our approach to revenue forecasting in general. For property taxes, we are expecting 2.7% growth in 2011-12 as budgeted followed by another 2.8% overall growth in 12-13. This will bring property tax revenues to a total level of $205.7 million next year. Secured property taxes, which comprise about 90% of the revenues in this category, are expected to grow 2.5% next year, primarily based on an expected 2% CPI adjustment and recent rural data from the county. We are carefully monitoring these data points and are in constant contact with the county assessor's office to keep us up on any changes that they might be forecasting in this area. Sales tax revenues are expected to reflect economic growth of 2 to 3% in 11-12 and with additional projected growth of 3% in 12-13 sales taxes are forecasted to total $149.2 million next year. Economic growth assumptions reflect the compilation of data from a variety of sources including actual 2010-11 performance, economic sales tax consultant as well as the UCLA Anderson school and beacon economics. It should be noted that the 149.2 million collection level remains below the 154 million collected in 2007-2008, the City's most recent peak collection year. For the City's noneconomically sensitive revenue categories revenues have been adjusted up and down based on anticipated rate changes, collection trends and/or updated cost. Some examples include franchise fees, utility taxes, licenses and permits and overhead head reimbursements. On the General Fund expenditure side, as I noted, costs are expected to grow approximately 61.8 million next year from the 11-12 adopted budget levels. This net increase is best understood when you look at some of the key expenditure assumptions that are shown on this slide. As you know, the largest

expenditure category in the General Fund is personal services, and that category represents almost three-fourths of the city's base budget costs. In 2012-2013 salary and other compensation totals almost 347 million or 54% of the base expenditure budget and is forecasted to be 1.8 million above the 11-12 levels. No salary changes are assumed for any employee group, but just salary step and performance increases have been assumed. Retirement contributions are preliminarily projected to reach almost $248 million in the General Fund next year, reflecting 38% of the total base budget expenditures. These costs are projected to be about $50 million above the 11-12 adopted budget level of 198 million. This 50 million increase is attributed to forecasted increase in the Police and Fire retirement plans of about 41 million and Federated retirement system of 9 million. I have another slide on retirement contribution assumption that I'll go over in just a moment. Health and other fringe expenditures of $50 million are expected to decrease about 7 million from current year level. Health costs are forecasted to grow 11% in 12-13 based on projections provided by the human resources department, however unemployment insurance spending is expected to be lower than prior year levels based on actual experience to date. The remaining other expenditures of of 231.1 million are comprised of nonpersonal equipment, citywide expenses, capital, transfers and reserves, as well as committed additions, which again are the cost of operating and maintaining new facilities expected to come online next year. Although there continues to be great uncertainty regarding the future of the San José Redevelopment Agency, for the purpose of this forecast it is assumed that the agency will continue to operate next year. Based on the review of the agency's fiscal situation this forecast assumes a total General Fund impact of $20 million next year to cover the agency's payment of the annual convention center debt service, 15.3 million and potentially other obligations. Because 10 million towards the payment of the convention center debt service was already included in the 11-12 adopted budget, the net additional impact in this forecast is $10 million. Looking more in depth at our retirement costs, this slide compares our February 2011 forecast for expected 12-13 retirement contributions to those contribution levels carried in this November preliminary forecast. Since February, cost assumptions have been updated for the Federated city employees retirement system based on the June 2011 preliminary valuation by Cheiron, the Federated board's actuary, combined with the assumption changes approved by the Federated retirement board on October 20th, 2011. Health care contributions were calculated by the actuary in July 2011. The Police and Fire department retirement plan estimates that have been updated to reflect estimates calculated by Cheiron, which is also the Police and Fire retirement board's actuary in July 2011. Because the June 2011 valuation of this plan is not yet

available and the retirement board discussions regarding changes to the assumptions used to calculate the annual required contribution are ongoing, no changes in the contribution levels estimated in July 2011 have been assumed in this forecast, beyond the 11 million increase that was provided at that time. Once we adjust for this new information the required city contributions in the General Fund total almost $248 million which is 11.4 million higher than the assumed levels in the February forecast. The primary drivers for this change are reflected in the 7.5 million increase in the police plan, the 3.4 million increase in the fire plan, the most -- as the most recent projection for the Federated retirement system are within $500,000 of last February's protection. Although we are now calculating our retirement cost as a fixed contribution amount, I think it's important for the city council to know how these costs now translate in our budget system as a rate of payroll. In 2012-13 the budgetary retirement rates required to fund our projected annual required retirement contribution are 52.09% for Federated, 96.44% for police and 98.62% for fire. An example of how this has applied for a sworn police position is as follows: The average total position cost in 2012-2013 for a sworn police position is now estimated at $225,000. The average salary cost is $108,000. The retirement costs are estimated at 103,000 for that same position, which is almost as much as the salary cost, and the health and other fringe costs total $14,000. As I mentioned earlier, the preliminary forecast also does include city council approved committed additions totaling 6.2 million or about 7.7% of the General Fund shortfall. This consists of 6 million for maintenance and operating costs for new capital projects approved in the adopted capital program, including the south San José police substation, which will cost $2.4 million to bring it online next year. Four branch libraries. As you can see, the Bascom, Calabazas, educational embark, and Seven Trees libraries at a cost of 2.9 million and the Bascom community center at 600,000, although we are pursuing out a different partnership to run that community center at this time. In addition other operating impacts of 152,000 is allocated for new parks and recreation facilities such as trails and new traffic infrastructure such as new traffic signals, landscaping, street light, and the traffic incident management center. Due to the severity of the budget shortfall for 12-13 a continuation of the city council approved strategy to defer or delay opening facilities or pursuit of alternative funding sources or ways to open those facilities will likely be required next year. It's important to note that there are a number of significant risk factors as well as potential revenue and expenditure impacts that are not reflected in the forecast model that may impact the city's General Fund condition during the next fiscal year. In addition to the changes based on the updated information for both revenues and expenditures the following further caveats to this forecast must be noted. The preliminary forecast

assumes the total compensation reductions approved in 11-12 for employees represented by the Police Officers Association will be ongoing. However, whether those reductions were one time or ongoing in nature is scheduled for arbitration in the near future. If the arbitrator determines that the compensation reductions are one time, the projected shortfall will increase by approximately $25 million. In addition, there are no agreements in place for five of the City's bargaining units. You can see the ones listed on the slide. And no salary adjustments have been included for these or any groups. Any upward changes to compensation will have the effect of driving up the forecast shortfall. Unmet deferred infrastructure and maintenance needs as reported to the city council in May 2011 total $105 million ongoing in the General Fund, assuming a one-time General Fund backlog of approximately $474 million is met. This forecast does not assume any additional funding to address these citywide needs. And lastly, consistent with past practice, this forecast compares ongoing revenues and expenditures. It does not factor in any one-time revenue sources or one-time expenditure needs as they become available or identified respectively. With that I would like to conclude with this slide on the immediate next steps on budget planning for 12-13, feels like we just finished last year's budget. The administration will be continuing to monitor and report our current-year revenues and expenditures and economic impacts on the City's budget through the bimonthly financial reports. As discussed in September, the administration will continue to pursue fiscal reform efforts to address the General Fund structuralism balance. Though because a number of the reforms are subject to meet-and-confer we cannot assume the savings associated with these reforms until they are approved, therefore we will issue reduction targets to the departments within the next couple of weeks and plan at this time for budget balancing as usual, and lastly, the budget office will release the five year General Fund forecast update in late February 2012. With that I'll stop for any questions you may have.

>> Mayor Reed: Thank you. This is on the agenda tonight just to bring the council up to speed with this update. It's not here for us to take action or give direction. It's just a step in the budget process to make sure we're well informed. It's it is certainly informative and start being what we're paying for retirement costs, what it's doing at our budget is not a surprise, we've been looking at those numbers going up for quite some time. Councilmember Constant.

>> Councilmember Constant: Thank you. I have just a few questions. On the RDA impacts, on page 5 of the slides, we have the $10 million impact. If -- what's the potential worse-case impact given a bad decision in January from the Supreme Court? What's the worst case that we could be looking at?

>> Jennifer Maguire: Excuse me. Right now we are -- this is a 10 million on top of the 10 million we're already carrying. We think it is in the range of $20 million but has key assumptions behind that, tax increment remains flat, and you know, there's no acceleration of any debt. There's several assumptions on that so I don't really have a good answer for you other than higher. But we think this is a pretty good estimate, looking at their applications and what we may be on the hook to have to pay.

>> Councilmember Constant: So just to be clear the 80.48 million, includes 10 of the potential 20 million that we see here?

>> Jennifer Maguire: Actually includes 20. Because I've got -- it included an extra 10. So the whole on the expenditure side we're assuming that the General Fund is going to subsidize the Redevelopment Agency by a total of $20 million.

>> Councilmember Constant: So it's a total of 20, okay. On the retirement, I know we were concerned that retirement contributions were going to hit 72% of payroll in year 2015. And here we're at 2012 and we're looking at 98.62 for fire and 96.44 for police. I wanted to point out that's a striking difference over a very short period of time. Because it wasn't that long ago we were really worried about 72% in 201415 or maybe it was 201516. I don't remember the exact year. Do you recall what the rate as a percentage of payroll was in 2000? I somewhat recollect it was somewhere around the 24, 25%. But does anyone know that?

>> Jennifer Maguire: I'm looking to see if Alex Gurza remembers do you know? I don't remember.

>> Alex Gurza: No, Councilmember Constant but we can easily get that for you and the council.

>> Councilmember Constant: You don't necessarily need to do a memo but if you can shoot us an e-mail I think it would help give us perspective. Not only this discussion but all of the other discussions that we need to have. And then you mentioned that your projections here include the charter -- potential actuarial changes in Federated but not in Police and Fire. Is that correct?

>> Jennifer Maguire: Yes, that's correct. So the Federated has been updated based on the board actions in October. Since Police and Fire we don't have new valuation data, nor in the retirement board is still discussing assumptions, we have not updated that to the extent that we have updated it is based on the July 2011 preliminary projected numbers from Cheiron which showed our overall over five years going from 400 to 430 million all funds. We have taken that into account so hence overall why we have about a $11.5 million increase from last February's forecast.

>> Councilmember Constant: I just wand to remind everybody of my update of just a week ago, that just the actuarial changes based on the experience studies could be 8% of payroll in Police and Fire which I believe came out to, I don't know, it was 20 or $30 million. It was a pretty big number. But there is hope that when they do the actual valuation that most of that will be nullified. So we have to keep our fingers crossed there. On page 7 where we have the maintenance and operating cost for new capitol projects. Is it at all realistic, I guess this is to the City Manager, that we could even contemplate opening the south substation that we see the levels in the police department?

>> City Manager Figone: You know quite frankly, I don't think so. Keeping our facilities closed at least another year is the better tradeoff and cutting more staff which is what we have to get down to and what council will have to weigh.

>> Councilmember Constant: Yeah, I know from a budget context that we'll most likely have that discussion and I'm sure we'll reach that conclusion. I guess what I'm looking for is operationally, is there a number of officers that is needed for us to even consider activating it? I mean even if we wanted to spend this money today, could we functionally do it given the size of our staff that we have now?

>> City Manager Figone: I think that's a fair question. We probably have to relook at what the deployment assumptions were when you look at supervision, administrative staff, staff to fuel the vehicles because we have a maintenance bay out there so I think that's a very important question as we move forward.

>> Councilmember Constant: So perhaps on that since we're getting the regular reports at the Public Safety committee, that might be one of the things that we can have the chief bring us up to date on. And then, on the arbitration Alex remind me do we have that scheduled or is that still pending?

>> Alex Gurza: Yes, Councilmember Constant it is scheduled for I think it is four days in mid December.

>> Councilmember Constant: And I know in the past we have waited extended lengths of time to get arbitration results but most of our arbitrations have been fairly complex with multiple facets to them. Do we have any idea what we will be looking at for turn around time on a decision there?

>> Alex Gurza: No but we are very hopeful that a decision will be rendered much quicker than in the past. As you indicated this is a single issue arbitration with the 10% wage reduction should continue or cease at the end of the fiscal year. This will also be the first arbitration where we are utilizing the services of a local retired judge. We are hoping the decision will be rendered much more quickly so the City knows the impact on the budget for next year.

>> Councilmember Constant: Do we know how many police FTEs that $20 million would equate to? I think you said it's $200,000 a person, right, $224,000 a person?

>> Alex Gurza: We're looking to see if we have that number handy here.

>> Councilmember Constant: Assuming, I think you said 224 a little bit ago, that would be 100 FTEs, fairly close?

>> Jennifer Maguire: That would be correct.

>> Councilmember Constant: Okay, that's it. I just wanted to make sure I knew clearly what the bad news was. Thank you, no reflection on your work, of course, because we know how hard you all work to bring us this information, good or bad.

>> Mayor Reed: I just want to go back to that last question and answer about the number of full-time equivalent police officers for $25 million. You don't save $225,000 if you eliminate a single police position, because you still have unfunded liabilities to pay. So it's something less than $225,000, probably closer to $100,000. I'm not sure. But give staff a chance to figure that out and calculate it and get it back to us. But we do know that if you eliminate the position, you still have unfunded liabilities that have to be paid.

>> Jennifer Maguire: That's correct. But the 25 million we've excluded the retirement cost. If we included the retirement cost it was going to be more in the range of $35 million. I think we think it's still going to be around 100 positions. We'll double-check our math though.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you. Just to follow up on a couple of points regarding the substation I think it would be important to get a report from the police department and the chief on some of the points that Pete raised. In addition, the obvious cost of having to staff and all that, I know that this is the newer facility there may be some efficiencies that don't exist in the current building, and including particularly the maintenance portion of it but also are there cost savings in -- that are created because you have the ability to deploy -- right now our station is you know the northern part of the city and just the time, response time impacts as well as fuel and just factor that in. So I hope the chief is going to go forward, can at least look into some of those items to determine what the cost benefit is because I believe it's not simply just the cost of the lights turned on and having the staff there but there may be some efficiencies that can be created by having that facility open. I would agree with the early

assessment that it probably looks unlikely based on the pure dollars and cents of it. I don't know if staffing numbers alone make that decision so chief would probably be better to answer that than any of us up here. And secondly on page 6 Jennifer, on the graph on the chart, how much -- it says retirement cost for pension and health care and if you don't have this right now broken down understand maybe you can get it later but what is the percentage of that that's health care, versus pension? I mean is any of that unfunded liability or is it just pension cost for those particular positions like their normal cost and all that?

>> Jennifer Maguire: About $48 million of the $247 million is the health care. I do not have the breakdown of how much -- if I don't get -- I don't get tonight that form because I get the whole contribution. How much of that is the unfunded liability versus normal cost. We might be getting that as they finish with the final valuations, is that correct? So it will come later in the process and if I have that in time for our February forecast I can certainly make sure that's documented.

>> Councilmember Kalra: This is a general summary but I appreciate it, thank you.

>> Mayor Reed: I think that concludes our discussion. This is just a presentation no action to be taken. Anybody else? Okay Councilmember Herrera.

>> Councilmember Herrera: Just one real quick one. Jennifer I'm wondering if there is any numbers breaking out San José's unemployment from Sunday andsanta Clara. They were saying 9.6 for the aggregate, big cities together.

>> Jennifer Maguire: I certainly don't have that, see if we can get that. Mayor we did check the math on the 25 million. It's 156 positions that it would create too because we had to make sure we were doing equal on both sides. So it's 156 sworn positions that would equate to the 25 million if we had to put that back into our shortfall.

>> Mayor Reed: Thank you. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you mayor. Jennifer on page 8 describe the increase in contributions to current employee health care, an increase of about 7% in the current fiscal year which is about a $250 million bump we believe to the next fiscal year because these are calendar years overlap with fiscal years. Then there is a 11% projected, is that based on the projections from an economist about what's likely to come?

>> Jennifer Maguire: It's based on projections. So from -- that human resources department looks at talks to providers and looks at actuarial projections on where these increases might go, last year at this time we were looking at more of a 14% increase so it has come down a bit but there's a lot of unknowns with the Obama care and other things that could -- that will swing these numbers. But this is their best guess but it was nice that it came down to the 7% for this year.

>> Councilmember Liccardo: Yes, it's an odd position to be cheering for a 7% increase in cost.

>> Jennifer Maguire: I know.

>> Councilmember Liccardo: At any rate the other thing that struck me is this 80 million debt we projected for the coming year, if you subtract the 35 million of the carryover deficit from the prior fiscal year, is it safe to say the entire current deficit is driven by an increase in retirement cost?

>> Jennifer Maguire: That would be correct.

>> Councilmember Liccardo: Thank you.

>> Mayor Reed: All right. Now I think we're done. We will turn our attention to couple of matters on the agenda. First the San José family camp item 5.1 then we'll take up the land use matters after that. So we'll give our staff a chance to change positions and we'll take up San José family camp matters. There will be a staff presentation when we get the PRNS staff in place. Anybody wants to speak aplease fill out the yellow card. And just so everybody will know, we have a lot of people want to speak, not everybody wants to speak in the audience

many do. We will limit it to one minute, we have council discussion as well as other business. We will start with the staff presentation.

>> Thank you, Mr. Mayor, Julie Edmonds Mares, steve Hamax deputy director of PRNS in the parks division. Short presence presentation in the family camping rustic outdoor experience located just ten miles north of the northern entrance of Yosemite national park. The City of San José has been operating this site as a summer camping program since the year 1968. We run a full service facility for nine weeks each summer and add on preand postseason. family scamp a popular location with the last full year of operation approximately 5700 residents attended camp. The U.S. forest service is the lain owner of the site and the city has historically leased the 47 acre site to the city. The City of San José owns all the improvements or buildings such as the dining hall and that tent cabin that you see which is one of 70 at the site. The City of San José's current lease with the U.S. forest service will expire on December 31st. And negotiations for a new special use land leaps, the U.S. forest service required the City of San José to conduct a master plan and facility assessment and also to conduct required annual review of that facility assessment. In doing so we found that there was quite a bit of infrastructure needs in terms of capital. On March 2nd of 2010 council directed city staff to return with a feasibility analysis that would explain how family camp could operate with full cost recovery including capital cost and return those costs within ten years. That also to return with an exit strategy and the implications of closing family camp should we choose to do so. The business plan and feasibility study was undertaken to offer recommendations both to increase the financial sustainability of the site and to determine what aging infrastructure would be required to be mitigated. So I'll turn it over to Steve Hamek to talk about the business plan.

>> Okay, thank you Julie. The chart in front of you shows the General Fund expenditures and revenues associated with the camp since 2008 and projected out to the past year into 2012. And for 2011 the preseason was cancelled for repairs to the dining hall and staff anticipated that reduced attendance as you can see on the chart and the total number of campers. In 2008, and 2009, the camp's direct cost recovery rate was 94.7% and 91.4% respectively. In 2007 closer to 100% direct cost recovery rate. So for 2011, PRNS indirect cost percentage factor is a 68%, and as directed by the NSE committee we added that into what our General Fund expenditures and revenues looked like for camp. The current fee resident fee for camp now is $70 per person per night. And

the average nonresident rate at other camps is around $89 per person per night. So therefore there is some latitude in the camp's fee structure to absorb the additional amount to cover the indirect cost factor. This chart shows you the capital fee adjustment. The fee adjustment that would need to be done to recover capital cost. The march 2010 request from the city council asked staff to look at our operational cost along with the capital improvement costs and the implications, cost implications for closing camp. And the four alternatives are derived from the draft master plan. And that's on your chart the first column. And the cost to repair camp, the status quo over a 20-year period is estimated to cost $9.8 million as noted in the DMP column on your chart. This number has increased for alternative 2 and 3 to include a second story nature center to the dining haul and expand the foot print. Alternative 3 would also make us shovel ready for any grants that would come forward and if we are looking to the federal government and the state government for potential review. That is what's studied in the environmental review as we move forward. What would need to be to fund the projected improvements over a ten-year and 20-year period and such an increase could overprice camp in the marketplace compared to the surrounding camps in the national forest. Alternative 4 would close camp and gives you the cost ramifications for doing that work and removing all the amenities and returning it to a natural state which is just under $16 million. Staff estimated the mandatory minimal repairs and environmental work to dhample we absolutely would have to do would be somewhere over $3 million over a 20 year period. Again those are mandatory minimal repairs for code compliance and health and safety. And so we looked and we noted in our staff report that a $20 surcharge would generate somewhere around $1.3 million in 20 years associated to a tent per night and then historical 80 thousand dollars has been used of the C&C conveyance fund has been used for camp over the years. Combined with the surcharge could bring $2.9 million in the 20 year period to go towards a reserve fund for capital repairs. That still brings us short $6 million in terms of status quo repairs. So fiscal year 12-13 inability for the city and our department PRNS to offer all of its current programs next year. So therefore our recommendation tonight is to place, number 1, place the plant facilities up for sale forest service and 2, if the sale process provides no buyers, then the city would solicit for a third party operator to run camp on the City's behalf. Like other facilities under the City's community reuse program, and policy, this action would require the city to obtain a new special use permit and land lease agreement. The recommendation to close camp is one that staff would not like to make. However, the financial situation of the city and the request to be full cost recovery has directed staff to make this recommendation tonight. The P and R commission has advised staff reversing and revised council by a

letter reversing the above recommendation and finding a third operator first and if that does not come out, then go to a sale. The chair Mike Flaher is here tonight. We know there's a big audience we would like to speak.

>> Mayor Reed: Thank you. There are obviously a lot of people here that wish to speak and I think there's going to be a lot of council discussion, as well. And I guess I would check my councilmembers and see do you want to have some discussion first or do you want to hear from the public first? Take the public testimony. Okay. We're going to take the public testimony first and then we'll get to some council discussion and get a motion on the floor after we have the testimony. So I'm going to call your name, two or three at a time. Just come on down so you're close microphone. You can stand on the stairs while you wait so that will save some time in between speakers. So George shoner, Ralph Ojapinti, Gary Simonson. Come on down. I'm limiting speakers to one minute. So everybody will have a chance to speak and the kids will get home in time to finish their homework. Most of it's already done, right kids? And then we have more work to do as well so please come on down. George shoner our first speaker.

>> My recommendations differ from PRNS yet I read the same documents. Keep the camp open. Spend only $1.3 million of capital to meet minimum requirements that are listed. Operate with the concessionaire. Fill camp by using advertising and fully use the friends volunteers. Deem the city to have abandoned camp and to trigger the $16 million restoration. The city should continue to operate camp in the next two years. The 9.8 million status quo alternative is a maximum. Maximum, the mandatory cost for the next ten years is 1.3 as I said and that number and any number mentioned could be cut further by use of friends. Run camp as a concessionaire as the camp was done prior to 2004. It ran that way for more than 10 years. All the personnel were contracted and the reduction of cost could then be -- the savings could be recharacterized as a capital surcharge.

>> Mayor Reed: Sorry your time is up. It goes quickly. Ralph Ojapinti, Gary salmonson.

>> Ralph Ojapinti. 30 year volunteer. I'm going to help the city make more money than they do today, you don't have to worry about some of the cost projections that I've seen. If you look at camp during the week, it's not

full. Incentive pricing to get more people there and promote it so everyone in the city knows this is available! [applause]

>> So you get more campers there, it's like an empty airline seat, you get zero revenue. And that job we know how to do, we used to be able to do it. We'll continue to do it. And one other point. I was shocked the other day to find out, the indirect costs are assigned to those counselors. Those folks are up there in tee shirts, sneakers and shorts, they get no health care, no dental, no eye care, no pensions, no vacations, no nothing. We got to make the indirect cost structure right so this projection that I see up there looks more realistic and is in line with reality. Thank you sir.

>> Mayor Reed: Gary salmonson. [applause]

>> Gary salmonson. Honorable mayor, councilmembers, I am a member of the board of directors, and the president of the friends of San José family camp, as you no doubt know we have been assisting and volunteering our services to the camp for some 38 years. I'd like on behalf of the board of directors, and our membership, many of who are here, I'd like to thank the four councilmembers and the mayor who provided us an alternative recommendation to the one from PRNS. It was sensible. And well considered. And we certainly are in support of your recommendation. One thing about the cost we're still talking about $10 million. Now we're talking about $3 million over 20 years. Since the dining facilities have been reinforced, the camp is in the best shape that it's been from a physical standpoint in 30 years. And there are no capital costs major ones anticipated for several years. And if there are any minor projects or even major projects that need to be done the friends will help the city make camp profitable. If you utilize us effectively. Thank you.

>> Mayor Reed: Michael Jennings. [applause]

>> Mayor Reed: Michael will be followed by Tom Bronsack and Bree Anna Bonsack.

>> I think there are options that need to be considered to offset that if we offered WiFi camp at $5 a day per person we had 40 a day using it we could bring in about $12,000 a year. If we would put out solar panels, I have my students at San José State do this study, we could basically come up with about 2.5 times the actual usage of electricity that we need up at the camp. That means we could take the excess and put it against the San José city PG&E bill, that would amount to about $32,000 a year. If you look at those two numbers together you could see the options for savings. Our camp is in good shape that's one of the reasons we can do its. I think those need to be considered when you wh people talk about our overage. Thank you.

>> Good evening, my name is Tom Bonsac, I'm vice president of the friends of family camp. Just want you to know what the friends have done since the last time we met in March 2nd, 2010. The friends have helped with the weekend care taker when the camp was closed. The friends have removed the electrical from the dining ham and we reinstalled the electrical in the dining hall. We installed the water tanks and the insulation and the removal of the water tank system up there saving the city a lot of money. By showing up tonight I believe everyone here would like their taxes to go to keeping camp open in 2012. Thank you very much. [applause]

>> Mayor Reed: Brianna Bonsal.

>> My name is brinena bonsack. I go to Sherman Oaks. I want to keep San José family camp open. I'm just wondering if you close San José family camp where axe going to go to camp next summer? And -- I forgot. Sorry.

>> Mayor Reed: Good job! [applause]

>> Mayor Reed: Shorter is always better brinena because we remember the ones that are short so good job!

>> Mr. Mayor, ladies and gentlemen of the city council, my name is Angela Corcoran, I'm a long time friend of San José family camp. I'd like to throw out three ways to increase revenue some quick ones that ought to be fairly easy to do. Extend the season. The season used to be longer. It looks like the day-to-day operating costs were in

the black. If you are open more days you make more money. Second, consider the mid week discounts, I know last year, or this year they were talking about well we'd see how it went and part way through the year we'll consider it. That's too late. If you want to do it it needs to go out in the initial advertising so that people know. And lastly you guys are volunteers. It's somewhat disheartening when we know how tight we are under the microscope for money, to be told we needed something, and be told that's all right, we've got people coming up for it. You have people coming up for people who are willing to donate to do. I understand you are trying to keep people employed but --

>> Mayor Reed: Your time is up.

>> Pat Allen, one of your volunteer electricians, I go up two or three times a year to replace wiring and breakers and such, no cost to the city. In fact I have to pay to eat up there. The camp is only open nine weeks and it returns this close to total cost to the city. If the camp was utilized more, possibly year round, you could make a lot of money. You're only 40 minutes from downtown Yosemite, the heart of the parks and -- the parks the federal park system. Biggest symbol of California, Yosemite. You're only equidistance from the Hetch-Hetchy, beautiful area. Utilize the camp, keep it running under a contractor as it prior to 2004, it was by a contractor and keep the camp open longer. I support Mayor Reed's suggestion of running the camp. Going with a five year term.

>> Mayor Reed: Sorry I have to cut you off anyway. Wendy Marley, Scott McMaster and then Charles Welch.

>> My name is Wendy Marley. I've attended camp with friends with their children who attended with their parents as children. This is a long standing relationship with San José and this property. And I think we need to look at the mission statement of the parks department. We've got a lot of suggestions on dollars and cents and I think you can make it work. But this is something unique that San José has and I'm afraid that if you let it go this opportunity is going to be gone forever. Maybe what we need to do with the dollars and cents is also let more people know. You're going to have some people that never want to go. You're never going to get everyone from San José there. Some people won't sleep in a tent. My children at home said mommy don't let them close family camp. That's my plea to you. [applause]

>> Mayor Reed: Scott McMaster. Charles Welch and George Cox.

>> Thank you. By name is Scott McMaster, I'm speaking for the McMaster family. We started going to family camp 1971. My children have been going there 1989 and my son volunteered and is one of those counselors. Looking at this paper here walking in tonight I saw neighborhood services and right here are the words why we should keep San José family camp. To serve foster strengthen community by providing access to lifelong learning and opportunities to enjoy life. At San José family camp I think everybody can agree to that that they are lifelong memories. I'd like to know if anybody on this camp has ever attended family camp? Two. Tonight you're going to make a decision only two of you know what the experience is up there so you're going to be speaking for all of us so thank you.

>> Mayor Reed: Charles Welch. Followed by George Cox and Rebecca Hagerty.

>> Charles Welch a resident a business owner on behalf of my two children who say they would like to see this stay open. Some great ideas we are hearing. I would add one, there are a lome of Pete who ogo there who don't have a lot of means, but there are a lot of people who go who do have a lot of means. You have provided ways for those who could contribute to things that needed to be done. If you identify recognition to those people and provide opportunities for businesses to contribute. My accountant advises me there are certain ways of contributing. Like when I gave a popcorn machine to family camp. By putting a brass plate on it we could write off the expense as promotional expense. There are people who can and would contribute. I encourage you to take advantage of that, there are many of us who love this for ourselves and for our children. Thank you.

>> Mayor Reed: George Cox followed by Rebecca Hagerty and Eric Heknin.

>> My name is George Cox, my swive Janell COX. She started going to San José family camp in 1968. The first year it opened with her mother. Err lien is here tonight. they have been going up in every single year the entire family and this last year, we weren't there in 2010, in 2011, the family included 19 of us. And four generations. My

children are 19 and 20. Are 19 and 21, and both attended San José family camp with us this last year and they were going every year since they were babies. I urge you to keep San José family camp open, thanks.

>> Mayor Reed: Rebecca Hagerty. Followed by Eric heckman and Brian Rhine earth. Good good evening, do you ever have one of these days when you step outside your comfort zone, you tries something new and end up saying wow, that was great! My name is Rebecca Hagerty. I'm a resident of San José and I support San José family camp. I think of camp as a family field trip to the wonderful outdoors. In fact I once read that people who work towards protecting outdoors first develop a love of the outdoors. Family camp is a great venue for developing that love. It worked for me. The adults in oir family signed up for one more night we found out that that night to be a pleasure. We departed touched with the wonders of nature and a wonderful feeling for our City of San José. I hope can you can find a way to keep the camp open and provide this experience to other families. Thank you. [applause]

>> Mayor Reed: Terry heckman Brad Rhinehard and Greg bullman.

>> Eric heckman. I've been going to San José family camp since 1980. For the last ten years I've taken all my three boys to family camp. I've actually gone with former councilmembers and it's embarrassing that none of you have been up there except for a few. But if you go up there that is part of San José. Everybody there is from San José. Maybe the next time you are running for office you might want to do a campaign stop up there. One embarrassing factor is we're the capitol of Silicon Valley. We have no online registration, the only thing we don't have online registration in the city. It would be full all the time. Yosemite is full all the time. Get at a done. The indirect cost is bogus, $200,000 indirect cost, if you close the camp you lay off two people, 100% full time. I don't believe those projections are accurate. Get online, make sure people can use it and get a capital campaign. There's a lot of businesses, I'll write a check for 5 grand to put my name on something, just let me know how to do it I'll deal with the parks foundation. Thanks. [applause]

>> Mayor Reed: Brian Rhinehard, Greg bullman.

>> My name is Brad Riinard. I represent the Rinard family we make tee shirts, so this is one of the years it was kind of the teal, we got yellow, red from all of the past years. We love the place, the kids just absolutely love it. The parents love it. I have a few recommendations one in just less than a week and a half we're all high tech folks a lot of us on our street, we have access to the typical bigger companies. We are carkted the corporate directors at oablg, Adobe applied materials and MacAh fee. I've and a couple of my others neighbors had conversations with these other people and there is budget to be had. We just have to go get it. And so I'm not quite sure how much we can raise each year but we can probably get an annuity, that give back to the community they want to give. It does take a little bit of time, you have to start building a relationship with these folks. Many times they are asking for an education bent, we'll crate like a nature center where kids can come up with the family maybe it's a three day program stuff like that.

>> Mayor Reed: Sorry your time is up. Greg bullman, Ed Ortler and Adam niblg.

>> Thank you very much for your time about.

>> Hi my name is Greg bullman. I'm not going to talk about the financial aspect tonight I think there are enough to address that. Number one it seems like there's a fair amount of urgency on the part of the council for this topic. I've lost a lot of services in San José offer the last number of years and this particular topic is one I feel I need to address because I feel an urgency that it's not time to lose this resource that we have. I want to talk a little bit about what the family camp means in terms of heritage family values and educating our youth about the environment at large. Heritage, you just heard from some of my neighbors, they've been going there many years and you've heard from people who have gone there for decades. This is my first year and I don't want to lose this. My grand kids would love to come. Year after year. And I want to experience that with them. Family values, seldom is heard a discouraging word. This is camp being and the family values at this camp are amazing.

>> Mayor Reed: Sorry your time is up. Ed Ortler, Allen be nickel and followed by that Mimi Benny.

>> I'm Ed Ortler, thank you for your time tonight. I encourage you to head up there and see the pure joy on the kids faces. This place is a treasure these kids are unplugged and they're really learning educational experience. I work at a little company called Intel. Brad's right, there is a lot of money to be had. These corporations are willing to donate. In Southern California UCLA has a family camp they sponsor, we should get Stanford to sponsor this camp as well. Finally, there's other programs I'm not sure if we could zone it for forestry for Christmas tree growing but we could grow trees and have family members harvest those and sell them. Thank you for your time.

>> Mayor Reed: Allen niblg, Mimi Benny and Shannon Opila.

>> I just told to wear a tee shirt and come up. I didn't know I was going to talk. My name is Allen Hilton nickel. As Brad said we have had about 50 or 60 families that have been coming up for the last five years. We have a very close community and one of the reasons for that is San José family camp. We spend five nights a year at family camp. We do a 4th of July block party we have Christmas events together we have sleepovers, we are -- our moms get together and walk all the kids to school together. We're very close. There are other communities like that here and one of the reasons for that is family camp. We get together and spend five days with no other interruptions and that builds stronger communities. What do you get for your what was its 2 or $3 million? You get stronger communities. That's what the city is about. Thank you. [applause]

>> Mayor Reed: Mimi Benny, Shannon Opilla and Leon Burton.

>> My name is Mimi Benny. I've been going to San José family camp since 1974. Representing family and friends. At that time in inarch 74 there were five of us who went. We've invited friends and family and three generations now, and two years ago we had 70 plus people in our group. So I look at family camp as a place where families and friends can get together, we play games, it's a wonderful vacation for a mom, a mom who works, a mom who has children and someone cooks for you. And that was my -- that's why I looked forward to family camp when I was a young mother. Watching the faces of your children and grandchildren change and light up when they catch their first fish, when they float in the river on an inner tube, whether they be three years old or eight years old or 18 years old, it is something you can't get in the City of San José. I am willing to support family

example any way necessary. The friends of family camp have been sending volunteers for years to family camp. I know that would increase.

>> Mayor Reed: Sorry your time is up.

>> Thank you and save family camp.

>> Mayor Reed: Leon Burton and then Karen Gillette.

>> Hi, thank you. I'm here speaking on behalf of my four children and I believe many other children just like them. I have been a camper at San José family camp since 1974. I'm going to read a letter that was supposed to be spoken by my 13-year-old daughter Casey. These vacation. These numbers mean nothing to them except that their families want to be able to continue an affordable good family fun community vacation. So here is the letter to you on behalf of my 13-year-old daughter Casey. I'm really glad to be here today to tell everybody why you shouldn't close San José family camp. My family and I have been going there for as long as I can remember. Most of my best memories have been from family camp for example how I caught my first fish floating down the river to champagne rock, I love rafting going to fort Tuolomne and mostly being here with family and friends. Even people I don't know love family camp. Every day I count down how many days are left to family camp. The kids would be devastated if camp closed. It's our favorite part ever summer so please don't close San José family camp. Thank you.

>> Mayor Reed: Leon Burton followed by Karen Gillette and Sal see Do.

>> I'm lee on bur top, 10, singing camp fire songs and making Smors. 9, floating down the Tuolomne river. 8, catch a trout in the morning and you can have it for dinner that night. 7, read a good book while listening to the river trickle by. Six, stargazing that can't be found in San José city limits. 5, ping pong, connect 4 horse shoes, bingo night and limbo dancing. 4, archery in the meadow. 3, hiking in the gorgeous scenery. Two, three

generations of family spend being good clean quality time together. And the number 1 reason to keep San José family camp alive, we love it. Thank you. [applause]

>> Mayor Reed: Karen Gillette and Noelle Salcedo and Christopher Salsedo.

>> I'm Karen Gillette and I live downtown, Sam's my guy. The unique opportunity to be in nature is what's offered by family camp. As a single mother family camp was really the only way coy take my young, two young boys when they were young to camp, and I think that was really important. If you haven't been to camp, when we sit at a meal time, especially dinnertime, we sit together. We are meeting and greeting residents from all different backgrounds, all different walks of life. Mainly who live here in San José. We -- this fosters an openness, sense of community and mutual respect that we learn as parents, and our children are learning when we're at camp. Camp offers an alternative to drugs, gangs, computers and TV during the summer for our children. Camp employs and mentors our youth and one of the greatest benefits of living in San José, I think, is San José family camp. So I hope we can keep it, thank you. [applause]

>> Mayor Reed: Noel Salsedo and Christopher Salsedo.

>> You're going to be great. I'm going to hold your hand, okay? I'm going to hold your hand. Would you like me to read it for you. Okay. I'm Christopher Salsedo. I'm going to read this on behalf of my nine year old daughter Noel Salsedo. Hole I'm Noel my dad works as a fire captain, we've been doing this for four and a half years. I'm almost ten. When I was five it was my first time and I learned a lot. Those times are some of the best times of my life please let family camp continue, I don't want it to close. All right, good job. Good job. [applause] I'm going to go right into mine. I'm captain Christopher Salsedo San José fire department. She is nine years old. San José family camp has had that big an impact on her life. She is willing to come up in front of this city council to let you guys know how much this means to her. I know there are only a few city council members to have an opportunity to be there. I was born and raised in this city. Up until eight years ago, I never knew about it. One of the biggest issues on San José family camp is, it's the best kept secret. If we can address those issues and get that information out there if we can get all the city council to go out there and really experience the type of magic this place gives to

even adults like myself and especially to the kids the city council their mission is to nurture and their mission is education by keeping libraries open and community centers open. I think by keeping the San José family camp open accomplishes those same missions by instilling those beliefs in this place and thank you Noel for being brave enough for coming up here. Thank you city council for continuing your commitments.

>> Mayor Reed: Sorry your time is up.

>> Thank you. [applause]

>> Mayor Reed: That concludes the public testimony. I'm sure we'll have some council discussion before we take some action. Let me just start by saying that I've been involved in family camping most of my life. I've never been to this particular family camp but I appreciate the camping experience with your family and I know how important it can be. As has been described tonight. Personally I want to see family camp stay open. But I also want to see my swimming pools open, community centers stay open, libraries stay open, my golf courses stay open. There are a lot of things that need to stay open but times are not the best when it comes to the budget. Somebody mentioned tonight you would like to have your taxes spent on family camp. I certainly appreciate that sentiment. But you should know that every dollar of all the property taxes in this city plus every dollar of all the sales taxes collected 50 city and every dollar of every auto taxes covered by the city are not enough to cover our public safety budget and next year as you heard earlier our retirement costs are going to go up by $50 million and we have an $80 million shortfall. So it is not an easy thing for us to come up with money to operate any of our programs. Family camp is not alone, in the programs that are at risk, because ever the skyrocketing retirement costs. And over the past several years as somebody or a couple of people mentioned tonight, our PRNS department has been cut back significantly. We have cut hundreds of people out of the department. And we have shut down facilities and we have eliminated programs. So while we want to see family camp stay open it's not easy to find a solution. And one of the problems we're facing is the fact that the forest service wants us to commit to a 20-year lease with a possibility of annual operating losses, and ten to $16 million worth of capital expenditures. That's just not something we can commit to. Not something we can afford. But we do have an alternative that's in the memorandum that I signed on with Councilmember Pyle and other

councilmembers. I'm going to call on Councilmember Pyle shortly. I'm sure she'll put a motion on the floor. But fundamentally we need to get a better deal with the forest service. Beneath to shorten the duration of the lease or get a right of an assignment so that we're not solely responsible for these long term capital costs which we can't afford but I'm confident there's a partner out there that we can work with. To help figure out how to make this possible, to keep the family camp going for all the reasons that have been cited tonight. I don't think you'll find any disagreement up here on anybody, on the council, with what you've said about the value of family camp. That's really not the issue. And I know that our PRNS staff values it as well. But we have to find a way out of this problem. With partners and maybe a joint venture or all of the things that have been suggested in the memo. I think collectively we can find a way to keep it open. But that is not a guarantee. And as the budget continues to get worse, and it seems like the news is only in the worse category, it makes it harder and harder to be able to find solutions. But I think we will continue to try to do that. But people have to understand that these are not ordinary times in our budget and we are in very difficult position in this next budget year. So with that, I'm going to turn it over to my council colleagues who have comments and I'm sure we'll get a motion and take action to try to move this looping. Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. First of all I'd like to begin by thanking the staff for their presentation. And I wanted to ask you, staff, did you want to recommend selling family camp? I think not! No. Then I would recommend approval of the memo submitted by myself, Mayor Reed and my colleagues. Who are Herrera, licked and Campos. First I would like to thank Congressman Mike Honda and Zoe Lofgren for assist which underscores the need to keep this precious asset. I saw Zoe on Veterans Day, thanked her profusely for her help with this and was assured that she's in this quote unquote for the long run. I would like to thank my colleagues who signed on to the memo but in addition I'd like to thank the parks and recognize commission and their very capable chair mike flower, for their thoughtful discussions about family camp and their commitment to ensuring that the city continue to provide fantastic recreational opportunities for our residents. And I'd also like to thank staff for all their hard work on this issue. Julie Edmonds Mares, Dave Mitchell and Art who I see over here and lastly I'd like to thank the friends of family camp. All of you who are friends of family camp just raise your hands? That's a lot of people who took their time out to come down here tonight! [applause]

>> Councilmember Pyle: And I'd like to say too that the friends of family camp volunteer thousands of hours each year. Thank you for coming here tonight, and thank you for all the work you do, additionally. San José family camp as you know is just outside the gates to Yosemite. I've had the opportunity and pleasure to be there three times since taking office and I have to say if we give up this asset, and you've all said it, if we let family camp go we will never get it back! So -- [applause]

>> Councilmember Pyle: That truly, that truly would be a lost opportunity for the city. So with improved marketing to residents and tourists alike family camp has the potential to generate those much needed funds. Many of you brought up ideas tonight and you came one opportunities to donate. One very generous fellow made an offer of $5,000. I must say that we will have companies come through as well. We are working on maybe its finish now, a what do you call it -- a treasure chest for these funds, is it completed yet?

>> Creating a reserve or a gift fund?

>> Councilmember Pyle: Foundation.

>> Yes, we're working on that.

>> Councilmember Pyle: Okay. But companies can also come to the camp for a retreat. So there's that opportunity as well, for the outside the summer months opportunities. So through those partnerships, and through the volunteer efforts I'm certain that we can make family camp 100% recovery, cost recovery but we're going to have to work together to do it. So what I want to do now is to go over what this is, on this memo, because it is important for you know to know what those inclusions are. So here we go. We'll put it up on the screen for everybody to see. And the first part of this authorizes the manager to execute and manage for a term of shorter duration five years or alternatively an agreement that includes a right of assignment. Instead of 20, we'll ask for five, and then five year extensions after that, so that we can get our feet on the ground. Authorize the City Manager to execute and negotiate partnership agreements which may include the city of Tracy, by the way is there a representative here from Tracy? There he is. If you -- in just a bit we'll hear from you. You're the parks and

rec director from the city of Tracy. San José State University, I think we have someone from the university here tonight as well. If you'd just raise your hand. Maybe he's not here tonight. And then of course -- oh way in the back, thank you. Friends of family camp, to reduce expenses increase revenue and share future capital expenditures. And then, to direct the staff to continue collaboration, with the USFS and other agencies and our congressional representative to solicit grants and/or donations for future repairs finish the draft master plan and environmental documents as required prepare preand postseason reports to the parks and rec commission and neighborhood services to direct staff to establish a capital reserve fund for family camp and collect, this has to be worked on a supplemental user fee or a surcharge of $20 per tent per night, in 2012 to help fund future improvements at the site. I hope those can be written off, as a form of donation. So you all know the background. You know all the rest. And I'd like to open this up at this point to my colleagues, so that we can have a good robust discussion. I would like to say as well that the parks and rec commission unanimously voted to keep family camp operational. And the commission also voted unanimously to recommend that the camp be open during the 2012 season. Thank you for that, Mike. [applause] Now with that I'd like to make a motion that this be executed, be voted on and we get going on the contents of it.

>> Councilmember Herrera: Second.

>> Mayor Reed: All right we have a motion as outlined in the memorandum with a second. City Attorney has a suggestion I think for a slight modification language, City Attorney.

>> City Attorney Doyle: Yes, council in number 1, the delegation not City Manager for authority. There's 45 days left on the current lease and it may take time with the forest service. So included in that negotiation authority is to give the manager authority to enter into a short term extension on the current lease so as to consummate the new agreements.

>> Councilmember Pyle: Accepted.

>> Mayor Reed: Slight modification to the motion. All right. On the motion, Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. So the way I'm reading this memorandum, there's no opportunity to pursue a sale at the same time, if that's in the -- if that's an option, and if we are not, if the City Manager is not able to execute a five-year or seven-year lease, what happens?

>> Councilmember Pyle: Get back to you immediately on that. But I don't know how you sell something, and still continue to keep it going. Those seem to me like terms that are opposite one another.

>> Councilmember Constant: Well, it obviously can be done because that's the recommendation from staff, they believe they can do it. You know, I got to tell you I have a lot of issues with this. You know, first of all council direction you know was clear to staff on, going and getting a business plan and one of the things that disappointed me most in getting the staff reports was seeing that there were -- was an analysis of how to spend more money there. At two different extended levels of spending money, when the whole reason we were looking at this was because of financial problems at the city. And that just -- I just had a real problem with that. But let me tell you: There is no do you believe that there is a wonderful experience at family camp. And I don't doubt any one thing that any person here said about the personal experiences or how much fun it is to go, how much people and children learn, and the great experiences they have there. And as a father of five young kids, I know the value of taking those type of trips. But many of you were here to hear the presentation we heard just before this on the General Fund forecast. Where we are looking at over $80 million of shortfalls in our 11th straight year of deficits. I understand there's been a long tradition at family camp that we don't want to let go of. But there's also been a long tradition of having libraries and parks open and having police response. And we've had a proud tradition of public safety here in the City of San José. If those traditions have been broken, broken significantly, over the last couple of years. We have libraries, and parks, that are fenced off. We have a police substation that is closed. We are in dire financial straits. And we're looking at spending more money, and obligating us for a longer term here. I just don't understand that. Listening to the testimony, you would think that this is the only camp in California, and that if we close this there's no opportunities for camping. There are thousands of campgrounds.in the state of California.

>> Mayor Reed: Councilmember Constant --

>> Councilmember Constant: I didn't interrupt anybody up here.

>> Mayor Reed: I don't want you to polite and act the way you were taught at this camp. Don't misbehave in front of these children. It's not going to work out well for you when you get to camp. Councilmember Constant.

>> Councilmember Constant: You know, there are to us of camps for people to go to. And it is not, no matter how much you look in the City's purpose or mission or charter, there is nothing in that, that includes providing a good vacation for people. We cannot provide the basic essential city services that are outlined in our city charter. We are failing at our primary mission of providing essential, basic services to the residents. Less than one half of 1% of the residents in the City of San José have the opportunity to visit family camp each year. When I look at this, I don't even know why we would continue to spend money in this direction. You know, one of the speakers spoke with the top 10 list so I started thinking of what my top 10 list would be and I just want to read it off because there are -- this is just the ten that I thought of on top of probably 50 other problems we have. Laid off police officers, laid off firefighters, close libraries, library branches that are not open all week, a closed police substation. A billion dollars of need in the next ten years for our storm sewer and water pollution control plant. 1.4 billion needed in the next ten years in our roadway infrastructure, nearly $2 billion in retiree health care liabilities, over 10 billion in pension liabilities and the 11th straight year of deficits we're facing staring down the barely of over $80 million deficit and rising and we know that it is going to be higher than that. I just don't understand how we cannot be at the same time pursuing an opportunity to sell this to even explore it, to see if we can extricate ourselves from this. I think this is a terrible decision.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. I have some questions I guess that really are a follow up to hearing this at the committee meeting. I will thank staff for their work on this and the council report that you provided us. The friends of family quhoomple have devoted time and resources to this asset, this place wouldn't

be the special place without you, honestly, I think everybody on this council recognizes that. I'm in support of continuing this but I have some questions I'd like to start with. And I'm trying to understand how we got from the staff direction, or the committee recommendation, at neighborhood services and education committee in September to the recommendation you have today. I thought the committee direction was to pursue the environmental clearance for the improvements, of course, recognizing that we can go backwards on those improvements, we weren't obligated to the full improvements and also to pursue 20-year lease. And then the staff report now before us is different than that direction. So if you wouldn't mind sharing with me that and there's also the direction from the parks and rec commission that talked about continuing it and I guess they've modified it. I know there's a big question about how that modification came about.

>> Yes, Councilmember Rocha, the neighborhood services and education committee report that was in the spring was actually a -- it was the recommendation was to accept the report or the information in the report.

>> Councilmember Rocha: Yes.

>> There was no actual recommendation in terms of action. That was first of all we were providing information and we were outreaching to both community and to the council through NSE committee to provide feedback and then after gaining all that information we went back and put together a recommendation which is before you here today.

>> Councilmember Rocha: And it says to take input from the committee and from the parks and rec. I guess what I'm saying the input from the committee and the parks and rec was not to sell the facility.

>> No, that's correct. The staff recommendation is based on the primarily based on the current financial situation which was explained earlier today by the budget director, in addition to that the staff direction that was received by mayor and council on March 20th wherein the staff was asked to bring back a plan wherein user fees would be recovering all direct and indirect cost and all capital expenses that were needed at the site and to do so in a

period not to exceed ten years. And so the math of those three things did not calculate out. We would have driven ourselves out of the market with the pricing.

>> Councilmember Rocha: That decision seems premature given that we haven't displord all these papers and increased fees so am I being premature in that opinion?

>> It is true that we could pursue partnerships. We've recently had some new partners come to the table and as a part of the process are excited about the he potential of that. In addition our lease expires in 45 days so we don't have time to execute those agreements and the lease in the same time frame.

>> Councilmember Rocha: So I recognize there's a risk there not having any of that in place and entering into a lease agreement whether it's five or 20 years but I guess then I'm wondering why we haven't been working on those for quite some time. But I understand that these are not easy issues. These are not -- [applause] I recognize these are not one, two month efforts these take time and staff work and the difficulty you facing on these. We knew this was coming and I'm sure if we do enter into a new lease agreement we might be able to focus some of our attention on that. I heard the question posed by Councilmember Constant was the recommendation and the direction was to pursue the memo submitted 50 mayor and colleagues but how does that fit in from the direction of staff, is that in place of the recommendation from staff? Okay so we're going to pursue the five year lease. So I guess my concern with the five year lease is that if we -- I guess let me jump backwards and in terms of the investment on capital improvements. We had talked at the committee level that any improvements that were made to family camp that would be necessary or nice to have would come from capital dollars not General Fund dollars?

>> Yes, if we were able to obtain user fees into a capital fund and pay it from that source.

>> Councilmember Rocha: And also grant opportunities you're still pursuing?

>> Yes, under a partnership.

>> Councilmember Rocha: There are capital funds available? I looked at our investment with the billion dollars that we have and there are funds in capital but specific to the parks fund.

>> The only capital is the citywide C&C construction and conveyance tax. $80,000 a year for various infrastructure needs up there in addition to that, about a year and a half ago, we reinforced the dining hall at a cost of $400,000 out of that same fund and of course we have competing demands with our entire parks and rec infrastructure for those dollars.

>> Councilmember Rocha: And how long do we see family camp being able to operate in its current condition? I've heard competing, different opinions on that, I've heard initially seven to ten years and I've heard shorter time frame.

>> To the dining hall repair that Julie just spoke of the warranty is based on a five year warranty but we have an expectation of that repair and the support that has been completed for the dining hall to last at least ten years and probably longer. And in our mandatory must do things is a new roof for the dining hall and that's part of that $3 million that I spoke of if we went that route.

>> Councilmember Rocha: So the lease payments we've been making to the forest service are those capital dollars or General Fund dollars and any shortfall we don't make up through the fees?

>> They have been capital dollars.

>> Councilmember Rocha: Okay. All right. So if we are looking to retain this as a long term asset in my opinion a five year lease is not going to get us there especially if we make any investment and I'm not comfortable moving forward with a five year lease because to me this seems more of an exit strategy as opposed to a long term commitment and my opinion we need to be honest with folks that if we're not going to enter into a long term lease then we are looking to exit this and that's fine. If that is the direction of this council and the majority the council

wants to go to I want folks to know if we are not continue it, my interest is seeing more of a long term commitment I think this is an asset we shouldn't give up. I think we've heard from folks loud and clear [applause]

>> Councilmember Rocha: I think we've heard from folks loud and clear but Councilmember Constant is correct in terms of residents that actually use the facility is extremely limited. But if we can use dollars whether they're grant funds or capital dollars that don't compromise the General Fund until we have exhausted those efforts I'm not comfortable risking a negotiation that may just get us into a short term lease that we don't have a long term commitment. So I would like to make a substitute motion or ask for a friendly amendment but I think I'm going to -- I think I'm going to start with a substitute motion if I may. I'm going to make a substitute motion to recommend the direction in the memo by the mayor and his colleagues, with item number 1 removed, and replaced with direction to pursue a 20 year lease with the forest service and of course negotiating all the necessary terms to reduce our cost or obligation where possible and that would be including subleases partnerships, cosigners on the leases whatever that may be but I'd like us to exhaust those first before we commit to just pursuing a five year lease.

>> Mayor Reed: All right, we have a -- I think it's more properly considered as a motion to amend. And doesn't really matter, we'll get around to voting on it in a little bit. We have a motion to amend and we do have a second for that.

>> Councilmember Rocha: Okay and I guess --

>> Mayor Reed: We're not going to vote on it for now, we have plenty of discussion, we'll get back to that.

>> Councilmember Rocha: I guess the last would be to return to closed session to talk about any negotiations we have with the forest service. But i'd prefer this direction. Thank you.

>> Mayor Reed: Okay, on the -- we have an underlying motion then we have a motion to amend, don't worry about it folks we'll get back to that, we'll vote on these when we get done with the discussion. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you mayor. I wanted to thank the members of the community that came out to speak on behalf of family camp. I certainly appreciate your passion for keeping family camp open. I also appreciate Councilmember Constant's passion for doing what we can to provide services that are rapidly declining. I think it's quite possible for both sides to be right in this. But I disagree with Pete on one issue which is I think we still have a couple more aces left in the deck and it's too early to fold and we need to play this out and the way we can find those aces is through partnerships, I appreciate the gentleman from Tracy coming this way, it's a long way, I hope you enjoy the evening in San José. It's actually usually better hanging out in City Hall, I recommend going down to O.J.'s or something. I want to thank staff, I know you have been working on lots of differently options, it is challenging to chase all those options down a lot of rabbits and down a lot of holes I wonder why we are not open any longer, that is, I've heard it from various advocates, why aren't we open longer, drive full cost recovery that way. Could you help us?

>> Sure, Councilmember Liccardo. We have a very cost effective staffing model up there that's driven by seasonal labor. And that seasonal labor that's student oriented and they are paid a stipend but they are only available when school is not in so it allows us to keep the labor cost down but it makes it so they're only available for a certain number of weeks and then they need to go back to school.

>> Councilmember Liccardo: In a world where nobody's getting a job out of college anyway, [Laughter]

>> Councilmember Liccardo: Is it possible -- [applause]

>> Councilmember Liccardo: Is it possible that there would be a group of college students or recently graduated college students that would still be available from which we could go to for folks who want internship experience?

>> If I may I might touch on that. We have been communicating with San José State university.

>> Councilmember Liccardo: Great.

>> And we actually took a visit up there with members of the parks recreation tourism department very interested we see commonality in helping each other here mutual benefit and I think we're going to be proceeding forward if this motion --

>> Councilmember Liccardo: That's great. I teach over at San José State. I tell you there are plenty of my students who would be happy with three squares and a cot. Couple of questions raised by folks in my community talking about the opportunity we have here. Why haven't we implemented and automated registration to date? It seems to be something that would drive business.

>> Councilmember Liccardo, we have been automating our E commerce system is fairly new, this is one of the modules we will be starting, picnic reservations and family camp reservations.

>> Councilmember Liccardo: Certainly helps our bottom line. I want to address this issue that Don raised around the lease the five year versus a longer lease. I understand an awful lot of this conversation happened in closed session, because we are in real estate negotiations, we are trying not to show our cards with the United States forest service. Is there anything you can say publicly about why we might prefer a shorter lease that could help us understand collectively why it would be preferable to move forward with that option at this time? And if you can't, I understand, I just wanted to know is there something that can be said?

>> City Attorney Doyle: Just for record, the purpose of closed session is to talk about price in terms of payment. Anything else, you can talk about in open session.

>> Councilmember Liccardo: Okay, great.

>> So thank you, councilmember. What's driving the decision is the huge implications of the capital infrastructure need. And that being estimated between roughly 9.6 million and 16 million. But what pursuing some of the these alternatives such as cost deferment or partnerships or grants, we could find out in the next few years whether or

not we could do that. And then if we're successful in that regard then we can make a longer term commitment. But not knowing if we would be successful making that long term commitment is difficult. That's part A. Part B is we're still in the master planning process. We have not completed the master plan in terms of CEQA and Nepa so there's still a review process and potentially additional capital needs could even be added to the list which is concerning for us. And so we would like to have that completed which would be done in the spring prior to making a long term commitment.

>> Councilmember Liccardo: And we're under a shorter term lease to make this commitment is that right? That is we have got something of a deadline coming up this month to make a commitment when we don't yet have all the information about those capital costs is that fair to say?

>> That is accurate. The lease expires on December 31st of this year.

>> Councilmember Liccardo: I very much appreciate the intention of Councilmember Rocha but my concern is what we're really looking at right now is some runway so we can make good decisions to keep the camp open while we're exploring every potential opportunity for papers and to soft this capital 20 million problem at this point until we're able to nail down some of those relationships. So for that reason I'm going to support Councilmember Pyle's original motion which means I'm not going to substitute the original motion. I hope we can move back to the five year deal and vote and approve that and really vote for something that gives us opportunities to move forward without putting our selves in a position that will ultimately we may well regret in a couple of years. And I guess I just wanted to communicate to those folks who have been talking to your own corporate foundations, thank you for doing that, thank you for your willingness to be generous as Mr. Heckman suggested. There is really nothing we have to do to make that possible. It's already available. The parks foundation can set up a separate account for you for family camp, and Jim Reper will do it on the drop of a hat. Any community that wants to contribute for a local park project or family camp can do it through the parks foundation. Please give them a call, they have a great Website, San José parks foundation and we appreciate any support you can drum up out there. Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I guess I'm one of those councilmembers that actually did go and see family camp, Labor Day weekend. I can see why you all are very excited about it. My grandson got to sit around a fire and enjoy his first Smore ever. He talked about it for weeks later, he's only two and a half. He even remembered some of the songs. Seeing it is always much more impactful than hearing about it. I heard about it last year but thanks Councilmember Pyle here I was able to sigh it. And I want to thank Councilmember Pyle for taking an interest in this issue and really helping us. we're doing a lot of work on it. [applause]

>> Councilmember Herrera: Including working with our congressional delegation. Zoe Lofgren and Nancy is so optimistic about it and we need that. We do have a structural deficit issue Councilmember Liccardo is absolutely right about that, many competing needs in this city. We have folks who want to be able to utilize their local park their locality library and their local community center. I hope you can be empathetic with our budget issues and we are trying to balance all of these needs for the whole community . I support the idea of looking at the shorter term view the five years right now because I think it's really important that we trot try to get creative. I think this offers us as Councilmember Liccardo just said some runway. The ability to look at some of these creative solutions and you all have brought a lot of them tonight. I'm just so impressed that you've actually gone out and talked to companies and talked to foundations and you're already doing that work and I believe that can work. I'm working right now on putting a plan together to save our skate park. You may have heart about the Lake Cunningham skate park and we are making tremendous progress. So actually this does work. It has to make business sense, it has to make sense for our whole financial situation in the city. But I believe, I'm optimistic. We can't guarantee anything. You have to understand that we cannot. But I think all of us working together I have to believe we can find some solutions. So I think it's important that even if we were -- and I'm not saying we would do this, even if we were to sell family camp if it got to that point you wouldn't want to sell it cloached, so I think we definitely want to keep it open no matter what, what is the best thing that could happen. I just want to confirm Julie family camp is scheduled to be open this summer I think I heard that, next summer?

>> In the current budget we are budgeted to run camp until the end of the fiscal year which would be June 30th.

>> Councilmember Herrera: Okay, so hopefully out of all that we will be able to keep family camp open this summer. I think it would be important. Even in the context when staff brought forward the idea of selling it, selling something that's not open is not a very valuable thing. Sow I think we need to keep it open. I think we need to work on this five year lease. I think we need to consider the option of assignment if we do find a partner that can come in and help us. Because you guys, there might be a partner out in that can help us that I thing to new heights! So I think we have to be very open about that. I want to thank also our parks and rec staff. I know you have more than family camp to dare of Julie, you are so stretched, I don't know how many staff are involved in this, you are working with me on skate park and on everything. You are working so hard and we asked a lot of our staff and we need to be realistic about what their ability is to manage all this stuff. So I support Councilmember Pyle's motion, I think we need to work on options, I understand the city of Tracy had talked about doing marketing maybe if that worked out they could help us get this online system done sooner. I mean there's all those kinds of opportunities we have if we partner with people. So I'm optimistic and I'm supporting the motion Councilmember Pyle made. Thank you.

>> Mayor Reed: Vx Nguyen.

>> Councilmember Nguyen: Thank you, mayor. Staff thank you very much for the presentation and for the wonderful work with this issue. Obviously it's a very important issue and I agree with Councilmember Herrera that you have a lot of work on your plate and to be able to just divide your time and do everything. So wonderfully, which is we're really glad to have hardworking staff during these really difficult times. One of the issues that were raised by a lot of the folks who came up to speak tonight was the issue of marketing. I was just wondering what kind of marketing strategy have we implemented in the past and if we are able to save family camp moving forward what type of marketing strategy do we look forward to let our residents know more about family camp?

>> Thank you, Councilmember Nguyen. As we looked at potentially partnering with folks and again looking at every avenue possible to move family camp forward we did talk with San José State University we talked with the City of Tracy and we also looked at what we have and have not done. The good news is there's a lot more that can be done. So if this motion passes and we can move forward with those partners an others especially with the

university there's a lot of great understand the there with interns and different consumes in the area that can be part of family camp and they want to be. So that's good news. We ran camp last summer. We did it kind of on a shoestring. We had to move quickly to hire staff, we did a poor job getting that information out we know that and we know there's a lot more work to be done.

>> Councilmember Nguyen: Thank you for your honesty. Councilmember Liccardo talked about trying to entice college students or college graduates taking a help at family camp. We can probably offer it to high school students. Even if they don't want to travel that far it's a good way to outreach and put the word out there for high school students if they have younger siblings, that's a great opportunity for them to engage in family camp and get the family to go there during the summertime. In regards to the motion I'm going to support Councilmember Pyle who you guys should be very lucky because she's truly an advocate for family camp. That's all she talks about for months. [applause]

>> Councilmember Nguyen: But I'm going to support a motion. I think the shorter term alternative is a better solution. You know this is something we should be looking at, I think the 20 year lease it's not possible right now given our budgetary constraints and I think that five years really give us a lot of time and flexibility to find other alternatives and partnerships. We come into this with the intent of saving family camp for many years to come and I think five years it's a good time for us to evaluate whether or not we can do this successfully and I think this is the intent of this council. So I'm not going to support the amended or the substitute motion. I'd like to have an opportunity to support Councilmember Pyle's motion. Thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. A lot of comments have already been said, so I'll keep mine focused. I do have a couple of questions regarding the CEQA and Nepa analysis. You know, usually when you have extra environmental that's because you are planning on expanding or doing something -- you're creating an impact that wasn't there before. So is that what we're planning right now?

>> Yes, correct. As why have shown in our --

>> Councilmember Campos: Besides the dining hall because that was very well articulated in your report.

>> Correct. But you're right. When we make improvements or expanded foot pripts or whatever we need to follow through with viernld document. What level of environmental document is just the question, we're doing a in mitigated negative declaration. By early spring have the information coming forward from those regulatory agencies and what mitigation must be done as a result of the environmental review.

>> Councilmember Campos: Those are both for CEQA and Nepa?

>> Yes.

>> Councilmember Campos: You are doing those simultaneously. We should be focused on success before we even think about expanding. my concern is that we are going to be wasting money on doing an analysis on you know, future expansion where we're trying to they've. Could you comment on that?

>> Sure, councilmember, thanks for a chance to clarify. First of all, the requirement to do a nample, we have to have a master plan in order to get a new lease. That is one of the reasons we're doing that. The reasons for this master plan, because it's a 20 year time line, you want to look at all the options that could be in that time line not just the financial restraints for today. Even though we might not pursue it immediately it makes us shuffle ready for grants. There might be a nature and education center we had, if we just had other type of grant so it's really about grant applications in many ways.

>> Councilmember Campos: You know, Councilmember Rocha brought up a point, and you know as I was thinking about this over the weekend, you know, after I talked with Nancy about the memo, and you know, the whole point of the memo and Nancy's I mean awesome efforts of trying to save family camp, is that. And the reason why I agreed to sign on to the memo was because there's nowhere in my mind where sale is an option. As

a matter of fact, who would want to buy something that you would actually have to put in all of this improvement? I mean we're on the hook of $16 million of returning this back to its original state if we don't want to continue it. It seems to me that it would make more economic sense for us to make this work. That's why I signed on to the memo. [applause]

>> Councilmember Campos: Now, what I would like to see, as we're negotiating with the forestry, and I have a feeling that the forestry is going to probably push really hard on not accepting a five-year and wanting us to do a 20-year. I don't know whether or not there is in this agreement that includes right of assignment, if those are automatic extensions for a lease. But well, I would like to -- you'll cross that road when you get to it. I mean, you still need to negotiate with forestry. I would like to have a longer term. I'll accept this for now. However, anything short of continuation of operating this as our asset, as our resource for our residents would just be unacceptable to me. So if this comes back in five years, where you know, you're proposing a sale again, you know, I'm -- not going to have my vote on that. My expectation is that this retains a city asset that we that we put our collective minds together to find solutions to increase revenue. I like the idea of -- and I'll throw this one in getting Larry Ellison to pay for the dining hall, we could even name it the Oracle family dining hall at family camp. My point is this needs to remain a city asset. I would like to see automatic extensions, perhaps that's the way of getting the Feds to be more acceptable to something less than 20. But if they come back and say no absolutely not, we're going to have to do 20 and we have to come back to council, then I'm going to accept that. Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor and thanks to all the passionate supporters that have come out tonight. Considered to be lectures by Mayor Reed, you know what it feels like when you are acting out of line. Just kidding. anyway, it's great to see the passion of this as captain Salsedo, came down with his daughter Noelle. I've lived in San José 33 years, I had never heard about the San José family camp until it got in the council. I know more about it because of all of you and I can feel how important it is and sense how important it is because of the stories that you and your children relay. It speaks to a problem, there's a problem I never heard of it and I grew up here. What a lot of us have said up here, we collectively have to market it and make it as

successful as possible and help it retain as much of the cost recovery as possible including any of the improvements that are required. And I think Councilmember Campos, raises a -- and interesting point in terms of the five years and with Councilmember Rocha's amendment, and the 20, the reality is either way the directions for five, and the forest service is stuck on 20. You'll come back and say they're stuck on 20, but it's the other way around, in the sense of directions for 20 but there's an arrangement that can be made that's more comfortable I think I don't know, I think that the reality is that the intention as has been noted by a couple people up here that they'd like to see it more permanent then I think there's some advantages to the 20 years. And first of all let me following up on some of the comments that have been made up here or by staff and again thank you staff, I think you've been thanked and deservedly so for the work put into this. Capital dollars is what goes into if we can't cover some of the expenses it's from the capital fund?

>> Historically yes we've used capital funds for capital dollars. Just to clarify we can use General Fund dollars but of course we have a shortage of those dollars.

>> Councilmember Kalra: I don't think any of us up here would be supportive of that. I am supportive of a $20 fund set aside just being paid by those that use the camp and it goes for the camp. I appreciate Councilmember Liccardo mentioning the parks foundation, he already did for people who want to send money. The $16 million has restored the site to a natural state. There was mention of a lease done. As mentioned by Councilmember Campos what is the likelihood of being able to get a sale done and if not we're stuck and the lease we're not able to renegotiable and we're out of that business we stop with that liability of $16 million potentially.

>> Yes, that's correct. There is a provision in the lease that should we vacate the location, we could negotiate a reasonable amount of time as a result of that. It would be a negotiated term of lease thereafter .

>> It does speak to the fact that there are liabilities that exist currently, and so if question then goes to -d and I appreciated your response in regards to CEQA and having a master plan ready for grants. I really want to thank Councilmember Pyle who has been very passionate about this in particular reaching out to our federal delegation and federal representatives. In particular in regards to the ability for them to try to access tbrafts or if there's any

future rounds of stimulus funds to have a shovel ready type project some sint it likely, I'll just put it out there, as ceepped of a thought of mine, at least I feel it's more likely that with a 20 year commitment from the city and the forest service is a 20 year commitment that's going to be used for the purposes of a camp, you are nature camp or nor infrastructure improvements with a 20-year commitment rather than just a five year commitment. We have thousands of -- always the case thousands of applicants from around the country applying for a few does grants or a few hundred grantsists much less likely, to support a grant that only has a five year lease as opposed to a 20 year lease. Why do they invest that money into something they don't know is going to be in five years or can be used?

>> In terms of accessing other sources, relationships with Tracy and building those relationships, why a shortly are term seems in many ways to give us less rench with the forest service. Especially since they want that longer term. So you oh, I think -- I -- both arguments both ways I think are loiblg, I think everyone up here is being immensely reasonable in their approach. But from my perspective, the 20 years seems to make more sense in creating a more stable, fiscal situation, in terms of gaining partnerships, in terms of getting federal assistance, in terms of knowing what our long term infrastructure costs are going to be, rather than going forward five years with the uncertainty and really greatly increasing the chance that there's going of going to be no more camp in 5.5 years. [applause]

>> Councilmember Kalra: If you have any thoughts from that ramble, that's what I've gotten from it. At this point I agree with Councilmember Rocha, that ideally we should be seeking efforts to get a 20-year lease, and with that have a much more stable situation going forward, I think if we the four or five-year lease it puts us in the danger of that not exhibiting. Whoever wrote the contract Mexico years ago made a bad contractual where we're stuck with the improvement cost. If we could pull ourselves out of some of that responsibility by signing a longer term lease, I think this hold us leverage for us cps it was a longer term lease much more likely than a short term lease.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. So I understand a ribility better on the negotiation, we go in asking for a five year and if the forest service sets no, you go back to the council in closed session or open session and talk about an stedges? Keep in mind the spirit of the negotiation here, this doesn't give authority to go beyond five years?

>> I don't read it that way. The ogoal was to get off short term -- for example five years, and in the alternative it is a lease of a term that allows the city to assign the lease.

>> Councilmember Rocha: If they don't agree to a five year, they only agree to the ten or 15, you see authority here to go ahead with the rapts.

>> City Attorney Doyle: Before we did anything more because it's clearly there that is to be a consensus on the part of council and I don't think you want any surprises. The important thing in the alternative is you do have the ability to sign the lease.

>> Councilmember Rocha: But if they don't agree and I don't know you have negotiated with them before or you are current negotiating with them in terms of timing and I think the question was kind of posed a little bit earlier if we run out of time and we don't have an agreement with them or they're stalling and they're telling you you sign or you lose them, we have no recourse are we obligated to the 16 million to clean the site up come January 1st?

>> Councilmember, it is our understanding we would go into negotiations with them in terms of an exit strategy so if we are unsuccessful in negotiating a lease in these terms or unsuccessful in coming back to the mayor and council in presenting alternative terms which are acceptable then we would be getting into exiting the lease and if we exited the lease we would have to negotiate the exit strategy.

>> Councilmember Rocha: Are you familiar with how much is in there .

>> Off the top of my head I couldn't tell you the current balance of the citywide C&C but I could get back to you with that information.

>> Councilmember Rocha: That's not necessary. Part of my concern is the exposure long term if we don't agree with what the forest service asks and we stand firm on the five year we bump up against December and we're looking at the holidays and we don't have a lease and then come January 1st it's expired and then we're negotiating closure instead of continuing? That's part of my concern in the bigger picture.

>> City Attorney Doyle: Which councilmember why I suggested and the motion was amended to add that time period on the current agreement to allow us to have plenty of time to negotiate.

>> Councilmember Rocha: Does the forest service have to agree to that? Did he?

>> Councilmember Rocha: We still need the other side to agree to that.

>> City Attorney Doyle: It is a two-party agreement.

>> Mayor Reed: Yes.

>> Councilmember Rocha: To understand you suggested an amendment?

>> Mayor Reed: I believe your motion was to amend one small provision in section 1.

>> Councilmember Rocha: Okay it doesn't sound like that was accepted.

>> Mayor Reed: It was not accepted. It was a motion to amend, we'll vote on the motion to amend and then we'll vote on the main motion. Councilmember Pyle.

>> Councilmember Pyle: Thank you. I would like to say this is sort of a shock to a lot of people with the five years but there's some good reasons for it. Number one the draft master plan has been completed and will soon go out for the final environmental review. The feasibility study was completed only in August of this year. Our congressional leaders have just recently been asked to help. And their take on this is the following: Why would the city, and cities have been hit harder than ever in the history of cities, with all of the problems with budgets on the state level and the federal level, why would cities have to number one strip everything out when they left, that makes no sense because first of all there is emergency prep activities that go on at that camp without any recompense to us. There are a lot of things we could be discussing I guess is what I'm getting at and the one year old parks foundation is willing to step in and find ways to raise funds for the long term capital expenses and most importantly we've got all of these residents that are very impassioned and ready to go out and do what they can to help as well. So the five years was kind of a fail-safe measure so we weren't committing to something before we were totally ready for 20 years. There's some things that need to be worked out and I think that negotiation should be an interesting one.

>> Mayor Reed: I think that concludes the council discussion. I had a couple of comments. First, it seems to me impossible to do this deal without an extension. I don't believe we have environmental clearance to sign a new lease January 1st, based on what I've heard tonight. So if we're going to have to commit to doing things, in this lease, we better have the environmental clearance before we sign the lease. That's basic environmental law. Maybe I'm wrong. But we don't have a lot of time to get all that done. So definitely, the authorization to negotiate an extension so that we're not trying to do all this in 45 days as Councilmember Rocha has pointed out. That's not much time in dealing with any other government agency let alone the federal government. So that's one thing. So I would just request staff that if the forest service is going to refuse to consider an extension, let me know immediately, I will make a few phone calls to our federal delegation, I think they're totally unreasonable to refuse to consider an extension, that is in the stupid category, I'm happy to point that out. They want to keep us in the camping business just like we'd like to stay in the camping business. We do want to give the staff some direction. The motion that Councilmember Pyle made is the right direction. Councilmember Constant who wants to make sure we preserve the ability to sell it or maybe we should sell it soon whatever his opinion is, I don't think we could do either of the staff recommended alternatives to either offer for sale the improvements or operate

through a third party concessioner without some kind of a lease in place. It's like trying to sell a restaurant in which your lease is out. It's not worth very much. So we need to get ourselves in a position where we're not under the gun with 45 days we have some time to figure this out, figure out how to operate it at cost recovery, figure out how to pay for the capital improvements and whether that's threw joint venture or partnership or third party concessioner I think we'll sort that out. We're not going to do it in 45 days, there's no doubt about that. So I think the direction is appropriate. And I would not agree to sign on to a long term deal without their right to do an assignment. We can't commit ourselves for the next 20 years. It's going to be bad enough just in the next few years. So I think motion is appropriate. I'm going to support the motion that Councilmember Pyle made, I'm not going to support the amendment. I think we're through discussing that. We do have a motion by Councilmember Rocha to delete the five year portion and only go for a 20 year. If I understand that?

>> Councilmember Rocha: To save myself from embarrassment I'm going to withdraw.

>> Mayor Reed: We'll withdraw that motion and back to Councilmember Pyle's memorandum, further discussion on that? We have no further discussion on that. On the motion, all in favor? Opposed? We got I count one opposed, Councilmember Constant opposed, the motion is approved. [applause] That concludes action on 5.1. We still have a few matters left. So please exit quietly while we finish our work. We have to take up item 11.2 is next. Please don't start talking until you get inside. The sound carries pretty well in here. So we're going to shift 11.2, rezoning of property located on the East side of south 12th street. Are there any cards from the public to speak on this? Councilmember Liccardo. We have a motion to approve the rezoning. Joe Horwedel is dying to give a staff presentation but I'm going to hold him off. On the motion, all in favor, opposed, none opposed, that's approved. Good work, Joe. Any other cards under open forum? We have no cards under open forum we're done with our work, we're adjourned.