

The following transcript is provided for your convenience, but does not represent the official record of this meeting. The transcript is provided by the firm that provides closed captioning services to the City. Because this service is created in real-time as the meeting progresses, it may contain errors and gaps, but is nevertheless very helpful in determining the gist of what occurred during this meeting.

>> Councilmember Constant: Good afternoon and welcome to the Public Safety, Finance and Strategic Support committee meeting for September 20th. First item under review of the work plan, we are going to be deferring items C 1 and D 4. For one month. If I could get a motion.

>> Councilmember Oliverio: Motion to defer.

>> Councilmember Constant: All in favor, none opposed, that's taken care of. We'll now move right into our D section reports to the committee the first one will be the monthly report on public safety communications initiatives and Chris Godley is here with us. Welcome.

>> Good afternoon, Mr. Chair, members of the committee, regards the update from the office of communications, a few items regarding the local issues, Silicon Valley regional interoperable authority, just two points. For the proposed 700 megahertz voice radio system known as the Silicon Valley regional communications system, the vendor selection process has been completed. The county Board of Supervisors will consider the contract next Tuesday, the 25th. The vendor selected is Motorola. Second point is that city staff are working to complete the transfer of the emergency communications microwave system assets to Svria and this will be brought to the council hopefully by the end of October for final action. Regarding the bay regional interoperable communications system, the request for a special temporary authority or STA is still pending at the FCC after being filed by last month. We expect an answer by the end of this month. This STA would allow the \$15 million B top project to proceed giving us frequency, essentially. As regard the national first net or first network responder system, to coordinate California's participation in the first net initiative the governor has designated the California office of technology to serve as the lead agency with the California emergency management agency in second seat. The first net board of directors has been appointed and will hold its first meeting next Wednesday on the 25th. Partnerships and partnership with our regional and state allied agencies and stakeholders, pending any questions you may have of any of these systems.

>> Councilmember Constant: Any questions? I would just add at last night SVRIA meeting, we voted in Jason Baker, the vice mayor of Campbell, to be the chairman, and Mike Wasserman, county supervisor, to be the vice

chairman. And we also have -- I don't know if we picked the date but we are going to have another joint meeting between the board and the working committee, which will be in February or March. We will update you on that when that is ready. Anything else? Motion to accept the report?

>> Vice Mayor Nguyen: Motion to accept.

>> Councilmember Constant: All in favor? Thank you very much. Thanks Chris. Our next will be the report on burglary rates by police district year to date, and we have lieutenant Chris Monahan. Welcome.

>> Good afternoon, chair, members of the committee, I'm lieutenant Chris Monahan from the police department. I'm the commander of our research and development unit and our crime analysis unit. The police department has been asked by this committee to report on burglary rates by council district year-to-date compared to last year-to-date. Today I'd like to take a second what we're planning to prepare on a monthly basis for this committee and provide some data, updated data for the month of July. So up to this point we provided data that compares this year to last year all the way to the month of June. I do have the July numbers and I will cover that in a minute. What my unit will be preparing on a monthly basis starting at the next October PSFSS meeting will be a report that will show month-to-month data. At this point the police department is integrating a new automated field report writing system and a records management system. The integration of that system has caused some delays in the way we process all our paperwork. We are roughly running six weeks behind as we catalog and index and link data. As the police report hits the police department it processes through several steps before it finally can be scrubbed and identified as its truest form of a crime. So like I said I do have the month of July data but what I'm hoping to present in October is the data all the way through August. So I'll be a little bit behind. What I'm anticipating though as our program becomes more and more efficient, that I'll be able to report data on a much more timely manner where I might be two or three weeks behind. The officer will write the report, it will immediately hit the system, it won't need to be indexed so it's going to cut some steps out. So I'll ask this committee to be patient as this data comes faster, but as fast as I get it I'll be happy to present it to this group. Let me cover a little bit about July in comparison and last in the month of June. So for June 2012, the city experienced 370 burglaries. Again, that's June 2012, 370. When I'm talking about the category of burglary, I'm

talking about residential, commercial, and school burglaries. In July 2012 there were 458 burglaries, again, residential commercial and school. That is a 23.8% increase as we look from June of 2012 through July of 2012. In comparison, July of 2011, there were 321 burglaries, and in July of 2012, 458 burglaries. That is a 42.7% increase. And again, the police department does not track crimes by council district. We do track by police district. What I'm hoping to have in October is a council breakdown. So again, as the process of us reporting us out on a monthly basis moves forward I hope to have a little more broken down detail in terms of district so it will give this committee and also the full council a picture of what's happening in their -- in our replies directs and hope to marry that up to your council districts.

>> Councilmember Constant: Thank you. Any questions from my colleagues?

>> Councilmember Oliverio: Lieutenant, captain?

>> It's lieutenant thank you.

>> Councilmember Oliverio: Some day promotion.

>> Maybe.

>> Councilmember Oliverio: So let's say a year from now an AFR, RMS and we have the backlog and everything is running, where do you see lead time as being is it most like instantaneous?

>> I wouldn't say instantaneous. Because again, officer writes the report -- officer responds to the scene -- just to give a little background, officer responds to the scene, listens to what the party has to say and thinks that it's crime X. That process then is entered in the system, reported on the system, it goes under crime X. We still want to have some review of that. Supervisor may review it crime and intelligence analyst may review that and may say oh maybe that's a Y instead of an X, so what I'm really think will probably happen and I am hoping it won't be that long probably three weeks. I would hope that at the September we're able to provide that data in a more timely

fashion. Right now I see us as about six weeks behind. Like I said here we are at the third week in September and I have end of July data. I'd like to move that process up ahead a little bit.

>> Councilmember Oliverio: So truest form and that our numbers are in line as we report them as UCR data, again a officer in the street may Y and so we want to be very carefully to make sure that what we report to you what's reported to the government is all scrubbed so that we're on the same page.

>> Councilmember Oliverio: Thank you.

>> Councilmember Constant: Madison.

>> Vice Mayor Nguyen: Thank you. Just a quick question. So moving forward, will you still be breaking the rates down by police district and then council district or are you going to break it down by police district and then council district? Good no in October what I hope to present will be broken down by police district. We don't break anything down by council district. We have 16 police districts and the 17th is the airport district. What we track down council district level, I shouldn't say never. But right now it's not. We track by police district but I'll provide that by police district at the October meeting and I hope to have all the details up through August so that as I continue to present the information we're not too far behind but we'll paint a picture.

>> Vice Mayor Nguyen: I guess I misunderstood earlier. I thought you were going to break it down by council district, I thought that was going to happen.

>> We can't ops if you think that's something that might be helpful for your office I can provide that to you.

>> Vice Mayor Nguyen: Okay great thank you.

>> Councilmember Constant: So Chris on the automated reporting it doesn't break it down to the B B B just the beats?

>> The beat is the lowest level and then if we want to look at B B B then we have to look at the beat where it occurred within that beat and then plug that into a BBB so that's a low level of dissertation.

>> Councilmember Constant: I thought that's automated when the call is generated but I guess it's not.

>> I can check. I'm not well versed in that system. interest to you I can check and certainly find that answer.

>> Councilmember Constant: I just know that when I went through the police redistricting committee and served on that all the crime data was provided in B BBs and that helped build beats in the districts and I think if it is available at some point in the future it would be able to give you a much closer approximation to council districts.

>> The way A FR and RMS break it down to the BBB. That's an answer I don't know. But account police department break it down to a BBB yes we can. We can look at a specific address and find that beat within that district. I don't want to be confusing i don't know if the system does it automatically or if the officer has the capability of looking at that.

>> Councilmember Constant: That would be interesting to do it in the future.

>> I can do it in the future, it's not my project but like I said I can certainly make an attempt to find out.

>> Councilmember Constant: All in favor, thanks Chris our next item will be the monthly report of activities June, July and August 2012 from the City Auditor. We have Sharon Erickson with us welcome.

>> Sharon Erickson: Good afternoon. So I'll run through these three monthly reports, the first one for June, was for June and July. I did want to let you know that we have processed a new audit procedure within the city such that the City Auditor a's office will be notified each time an external agency audits a disarrangement. Those website. I also want to let you know that the state auditor did release their report on the City's pension obligation

on August 21st, that's also linked on our Website. The city council in June did approve our work plan. We will be taking a change to that work plan forward to the Rules Committee shortly to include an audit of taxi San José. In the month of August we issued a report on environmental services. We also brought on board several new auditors so as part of our new budget request we took two senior level positions in the office and reallocated those as three entry level positions and added an entry level position funded through the environmental services department special funds. So we've brought on four entry level auditors at this point. I think the only other thing I wanted to say was that we did issue a report on fire department injuries, and that was put over, until next month. And with that I'm happy to answer any questions on our monthly report.

>> Councilmember Constant: Go ahead. No? I would just make a comment on the assignments not yet started. The overhead reimbursements were next year's budget as we get to the budget. Otherwise it then becomes something that we need a year later in my mind.

>> Sharon Erickson: Got it.

>> Councilmember Constant: Because that's where the context of that one originally came up, how we're allocating the overhead in our budget to the different departments and also to the external organizations that we deal with. So you want to just roll right into your follow-up and we'll do one motion for both. Number 5. Thanks.

>> Sharon Erickson: That would be great. The other item you have in front of you is our semi annual recommendation follow-up report. The report summarizes the status of 205 audit recommendations as of June 30th, 2012. Since our last report, city staff implemented 30 recommendations, I want to do a special shout-out to the airport department and the parks department for implementing the majority of those recommendations. So we do have 175 audit recommendations still in some kind of sort of process. Or pending. There are several millions of dollars associated with some of those recommendations. Most of the significant dollars however are tied up in meet-and-confer issues. And with that I'd like to run through a few of the audit recommendations with you. On our audit of employee medical benefits, this is on page 29 of the report, if you want to follow along, I did want to point out that the administration is addressing most of the issues in this report. So these are some of those high-dollar-

value audit recommendations. I did want to point out that the retiree in lieu recommendation has -- is not really seen much movement to date. So this was the issue of offering retirees the ability to take an in-lieu payment instead of medical insurance. On page 40 of our report I wanted to point out some more good news which was our audit of animal care. We had recommended that we review the allocation of cost to other jurisdictions that are served by our animal shelter and I wanted to report that the City of Milpitas is donating, not donating, they are paying, an additional \$120,000, as a result of a review that animal services did on their cost recovery and of course that money all goes to benefit animals within the City of San José. Well and the other jurisdictions. Animals at the shelter. On page 49 of our report, we do -- we had our audit of civilianization opportunities in the police department and I did want to raise this particularly in light of the conversation the other night with council. We do have about 50 FTE that the department and we agree could be considered for civilianization. These again, are positions that are being performed, these are functions being performed by a sworn officer who, unless disabled, is by definition, street-ready. That could be performed by a civilian. So if there's an opportunity to civilianize more positions, those are folks who could be, with the caveat about disability, could potentially be street-ready much faster. I did want to point out on page 49 we have our open audit recommendation on use of community service officers. I was happy to hear that conversation the other night and hopeful that we will be able to move, we the city will be able to move forward on that. On page 60 of our report we did an audit back in 2010 of the City's licensing and permitting of card room owners and employees. There has been substantial amount of work in the card room area gone on lately but I do need to point out that we've seen little progress in addressing some of the systemic issues that we pointed out in our report with regards licensing and permitting of employees. On our pension audit which of course the city council is deeply involved in and working on, I did want to point out one of those recommendations. It's page 77 of our report. It's recommendation number 6. And this was one recommendation that I thought all parties could agree to. And this was to improve communication and understanding of the financial health of the pension systems, that the retirement board should be providing an annual report to members of this system, both active members and retirees. So we currently still don't have a simple four-page kind of a report, to active members and retirees of these systems. That tells them where their money is invested, what the rate of return was, what the payments out, what the payments in are. And I know that the boards are considering this but I think it's one of those things we need to keep moving on. And my office will keep agitating for whenever we have the opportunity. I did want to point out a few more of these

audits. On page 78 of my report we have the audit of take home vehicles. I wanted to point out that one of our primary recommendations was the city do a policy on take home vehicles. The city has just revised that policy. We have not had an opportunity to review all the implementation of that. So the policy is out there. I did want to point out that we are still seeing on the 2012 list of approved take home vehicles, individuals who are traveling more than 65 to 70 miles each way every day. On page 80 of our report is the summary of the status of our police department staffing audit. This was the audit that dealt with span of control. And I guess I just want to point out that that is an issue. Those numbers have changed and we did not update the numbers with revised staffing in the department. But in light of the other night's meeting I just want to point out that is another area that we can continue potentially to move on. And then, on page 103, this is a very long report. I wanted to point out, in our audit of police department secondary employment there were a total of 30 recommendations in this report. It was just issued in March of this year. The department is moving on a wide number of those recommendations. And is conducting an overall review of the program. I am hopeful that changes will be made to that program in the near term, rather than the long term. I wanted to point out again that we are the only city that does it the way we do it. And that the way we do it causes some problems. And this is, we had 30 audit recommendations and we're hopeful that progress can continue to be made. And finally, I just wanted to say in summary that the value of the report to us is in the making of the report, so I appreciate your indulgence in hearing this report. What this report forces us to do, and forces us to engage with city staff on, is the status of each open audit recommendations, it allows us to raise these issues. So we do cut down a couple of trees to write the report. But I think most people get it by e-mail anyway. And it really does force us to follow up on the audit recommendations. This city invests substantial amount of money in my office. We use a substantial amount of city staff time. We want to make sure that the changes that -- the problems that we found, the changes are addressed and recommendations are eventually implemented. And with that I'm happy to answer any questions.

>> Councilmember Constant: Well, thank you. I always like getting this report, because it's great to see what progress we've made and quite frankly what progress we haven't made. I did want to mention that at today's Federated retirement board meeting they previewed the first version of a two-page summary, not exactly what your recommendation was, but it's prepared by their investment consultant. To show the impacts of asset allocation in the short and long term. They even talked about expanding it by one page to have a definition sheet,

a glossary type sheet for people who don't understand all of the language. And I think you should take a look at it. Because they are looking for comments on how to improve that. And I think it's one step in the direction of getting to that audit recommendation that you mentioned. And then, just a general overall compliment. As you mentioned, we've heard a lot about implementing a lot of old audit recommendations lately and sometimes it takes a while for things to get traction and stick. But there is a light at the end of the tunnel because I see them all coming up over and over again. With that any comments or questions from my colleagues? D-3 the monthly report of activities and D-5 the semi annual recommendation of all outstanding audit.

>> Councilmember Oliverio: Just a question do we cross reference?

>> Councilmember Constant: I don't think so all in favor, opposed, I haven't skeed for public because I don't see any members of the public charging down here to talk but if you do want to speak on anything come down and let us know. Item is 6, D-6 recycle plus billing options.

>> Good afternoon. Ashwini Kantak acting assistant director of environmental services and I'm joined here by Vijay Sammeta, acting director of I.T. and Julia Cooper, acting director are finance and we should be joined here directly by Kay Romanow who is just coming from another meeting, director of ESD. So I would like to start out by just going over the recommendations for daw. We are asking the committee to accept the staff report and also recommend council approval of staff's proposed strategy of basically discontinuing the in-house service delivery option and continuing to evaluate two other alternative service delivery options. It is important to opponment out we are not asking the committee to approve a specific service delivery model today and in terms of taking the matter to council we have key september 2nd so I would like to request a reference to council for the October 6th meeting. So the city has been using the integrated billing system or IBS since 2006 to administer recycle plus! and other billing functions so IBS currently administers muni water as well as billing services for business stacks and storm and sanitary sewer services. The city call center also uses the customer relationship management module which is accessed through IBS to manage general resident calls that are nonutility related. Just one year after implementation in 2006, so in 2007 the city was notified that the current version of IBS would not be supported by Oracle. At least the level of support that they were providing then. And so the current in-house

system is now nearing the end of its useful life so we do need to implement an alternative to IBS by January 1st, 2013 to ensure collection of \$300 million in revenue from all the different billing systems. And so staff has been exploring alternate ways to provide billing services for all these different functions. Though IBS supports recycle plus! billing module and various service delivery options for this module. The options for the recycle plus! being presented to you today that are part of a larger plan to replace the current IBS system for all users by 2015. So supported by less expensive solutions, that would be catered to their business needs and therefore alternate force business are being pursued separately. And the city has been working with a consultant to perform a professional independent evaluation of a number of alternatives. That the city could consider to replace the aging IBS system and so this evaluation really looks at all aspects of the various options including cost and potential risk. So staff has identified three possible options for replacing the aging IBS systems. One would be to continue with the current service delivery model by developing a new in-house billing and customer service system for all recycle plus! customers. And alternate service delivery option would be to replace billing for single family accounts on the property tax bill with billing for multifamily accounts and premium services to be done separately by the haulers providing those services. And so under this option haulers would also provide customer service and the basic service on the tax roll would be for the 32-gallon cart. And yet another alternative option would be to contract with haulers to provide billing collection and customer service for all recycle plus! accounts. So this table summarizes the major considerations related to each service delivery option. I'll just touch upon them quickly, the key pieces of information that this table highlights and then I'll go into further detail later in the presentation. So in terms of cost continuing with the in house service delivery option would be the most expensive with an estimated cost of \$11.8 million per year. And the option to place recycle plus! billing on the property tax bill is the least costly at \$8.8 million per year. Continuing with the in house delivery model does not align with the city's strategy and I will expand on that later. And all staffing options property tax bill option and if least with the in-house option. So the in-house service delivery model does present several important considerations. So the estimated costs of developing an in-house billing and customer service solution to replace IBS is expected to cost the city about \$106 million over nine years. And this nine-year time frame is being used for all options to just align with the term of the hauler agreements to make sure we're doing an apples to apples comparison. Developing an in house system does present significant risk first and noars is rapidly changing technology that makes existing systems obsolete in a very short period of time. For example the city invested several years over \$15 million and 35 people

including city staff and consultants in the last implementation of IBS in 2006 and as I mentioned a year later the city was notified by Oracle that it would not be able to heavily invest in so developing a new system to replace the IBS system would place the city in a similar system of not being able to adapt to changes in technology. Also some continuing with an in-house system would not align with the City's technology strategy which is really to divest from technologies that require heavy customization, large capitalization from and the city has also been reevaluating its investment in technology in order to evaluate the cost of ownership. greater than the alternate. Continuing with an in-house solution would require additional capital outlay in the future to upgrade the system. Every five years with the major upgrade needed in about 15 years. So starting off with one of the options. This option does present several potential benefits to the city when compared to the in-house option. It's estimated to be the most cost-effective generating an estimated \$3 million in annual cost savings. In addition this option will also result in process improvements by streamlining billing operations and eliminating redundancies in how we deliver customer service. So residents will be able to contact service providers directly on service related issues while city staff will monitor hauler performance to ensure the quality of performance remains high. Eliminating the lien process on the city side for single family accounts will substantially reduce the negative residents and really the county ensures the city will receive the revenue at least risk and then finally the service delivery option does align with the City's key priorities in terms of investing in cost effective solutions that are aligned with the technology strategy. So although there are many benefits to the property tax bill option there are some issues that staff has identified that we need to work through. So this option will result, likely result in the elimination of approximately 33 budgeted city positions. Some of these are vacant, and as we fill those vacancies we are trying to plan for it so we will continue to try and mitigate the staffing impact through attrition planning and redeployment to the maximum extent we can. This option will also result in the elimination of approximately \$2.1 million of late fees. Recycle plus! late fees. And in the past late fees which are an unrestricted source of funding have been used to fund a variety of special programs like garbage rate assistance program, solid waste construction and disposal at about 140 facilities and parks, addressing homeless encampments and illegal dumping on city property. This service would also require customers to transition from a by monthly to by annual payment amounts. I do want to point out though that we have been billing on the property tax roll for storm and sanitary sewer fees for several decades now. This option would also result in the elimination of the 20 gallon cart service for approximately 7500 cart subscribers to the service because these customers would transition to a 32-

gallon cart service and that currently represents about 86% of the customer base. But again an important consideration here is that the additional costs of an in-house option would translate to higher rate for all customers. And so the 20-gallon service customers would likely pay more without getting anything more without any added benefit. And so again staff believes that the benefits of this option outweigh the potential issues and would like to continue to look at ways to mitigate the impacts of potential program changes before bringing forward a final recommendation on the option. So now move on to the hauler billing option which would be the hauler providing billing and customer service for all recycle plus! customers and this option will also generate some amount of savings much less than the property tax bill option. So about \$333,000 in annual cost savings. In terms of streamlining billing operations and business processes is the same benefit as the property tax one that I just talked about. And then this service delivery option also aligns with the City's technology strategy and community priority of controlling cost. The key issue this is about 30 budgeted city positions that this option would impact and again, we would try to mitigate impacts to the best extent we can. It is worth mentioning that while this option would eliminate positions in the city, it's possible that haulers may create other positions. For -- to handle additional billing and customer service responsibilities. So to summarize our analysis thus far suggests that proceeding with an in house service delivery model for providing recycle plus! billing and customer service does not appear to be a cost effective solution and would in fact be an option that provides the highest uncertainty relating to not only require a significant amount of city investment would also -- but would also present a significant risk in terms of the resources expended in the face of the rapidly changing technology. So given the fact that both alternate billing options are less expensive, would create less risk for the city and would provide less certainty on revenue collection, staff would further explore the other two options including potential strategies for addressing the issues that are identified. So again, just a reminder about the recommendations before you today, not picking one option but just kind of approving or recommending council approval of staff strategy. And here are some of the next steps. So this table outlines then, it's a little difficult to see but I can go over some of the immediate next steps. Outlines the proposed implementation schedule as we move forward with developing a final business case analysis. As I mentioned before we would like to come to council on October 16th instead of 2nd in the memo so it's highlighted in red. And then our immediate next steps following council approval in October would be to conduct outreach to stakeholders, schedule meet and confer sections as a goal would be to return to council by the end of calendar year with the final recommendation to discontinue the in-house service

delivery model and also bring forward any additional information on the other two options. And so that concludes our presentation. And thank you for your time. We are -- staff is available for any questions you may have.

>> Councilmember Constant: Thank you. I have a couple of questions to start off. If you could go to the chart that has the -- it's the chart that's on page 3 of our memo. It's got the major considerations number 1 through 5 of the in-house billing by hauler. The table. Yeah, I think that's it here. I guess where I'm having trouble with the math is, how does the eliminating of 30 FTEs only generate \$333,000 a year? That comes out to \$11,000 per FTE.

>> So we are paying the haulers, though, to, you know to perform those functions so we may be eliminating city positions but the haulers have to bear those costs to provide those functions.

>> Councilmember Constant: Okay, so we're just shifting the cost from us direct-paying to paying the haulers.

>> Right.

>> Councilmember Constant: But when we go to the property tax bill, there's no cost for the county to do it or very minimal cost for the county to do it?

>> Yes, the cost are minimal compared to the hauler.

>> Councilmember Constant: And then the other concern I have is, I know it's not a large amount of people by percentage. But doesn't giving people you know 50-something percent more garbage can space kind of go against our zero waste goals of this? I guarantee you, you know you look on my court there's only eight houses and we have a split between the big cans and the small cans. And it seems like the biggest households have the most recycling and the least garbage. And the other ones who have the bigger cans seem to fill them up every week. And I'm just wondering what our impact if we thought about what that impact is going to be.

>> Kerrie Romanow: Kerrie Romanow environmental services director. Only about 3.5% of the customers use the 20 gallon cart. So those would be the only ones that would move up from 20 to 32. So percentage wise, it's not that big of an impact. So we tried to weigh the financial considerations with the environmental considerations.

>> Councilmember Constant: I just know people it's kind of like a council meeting. Things -- it's like a vacuum, it sucks in whatever it needs to fill the time. Questions for my colleagues? Pierluigi.

>> Councilmember Oliverio: Could we have a better understanding from the information technology perspective what is the grand plan? Because I think that's important to understand, where you know Vijay you want to see the city go.

>> Thank you, councilmember, Vijay Sammeta, acting information director of the city i'll try and relate it just to the tech strategy as it relates to the IBS and other large systems. In general I will say we try and avoid those things that require my staff or consultants to have highly highly specialized skills. There is a long ramp-up period and then typically what happens is, on day 1 of go-live that we're frozen in time in terms of features and functionality for a period of time. I think you heard 2006 through now. So six years. And if you look at the long ramp up time plus you know features being kind of frozen in time, a good example you know the day before the iPhone 5 is released is if you think of when we started planning for this effort, Apple was pretty much dead. Nobody really counted Apple to be a viable company back in 2002 and 2003, and everybody is taking bets who is going to buy them out for their they are the largest company mountain world, they're wildly profitable. And our systems today make it very difficult in IBS to pay from a Mac. And so when we look at those types of investments we're kind of looking at how do we not have specialized skill sets and how do I focus my staff's time on things that deliver you know kind of the AD 20 rule. I don't want to be managing servers and software when I'm not delivering value on the 20%. So I want to shift my staff's focus to the 20% but also implement technologies that are able to change and meet changing conditions in the marketplace like Apple becoming hip again. So you know for us there's a considerable amount of effort on something like IBS and when we look at all the options and whether it's the ESD director or the finance director and the I.T. director putting our heads together, there are alternatives to this that don't require us to kind of do that same process. The great uses the technology is matured and instead of

write code we're able to configure as opposed to customize and a lot of that comes from us making smart choices. In this case the smart choice and I realize the irony of the technology director telling you we shouldn't do a technology project because it's in the best interest of the city.

>> Councilmember Oliverio: So even look the at a SAS or problems we have now of being unsupported would be still a subscription cost and us maintaining the system is that what I'm hearing?

>> Yeah, I think there's always that kind of interface of well, once we even collect the revenue even from a SAS application or a nonprim application it's going to got to touch other parts of the city and we have a established methodology with the tax roll for other payments. So we have already kind of vetted that process. So it kind of just makes sense to continue along that same path.

>> Councilmember Oliverio: And then for someone who has the perspective that gee, this isn't General Fund, I could just spend all the money I want, in this area, and make a project, have increased cost, employ more people, et cetera. But inevitably you are increasing the cost to the resident who's paying for recycle plus!. So it's not -- it's not really a salvation that you're, you know because in the end we have a responsibility to do things efficiently as you provide different alternatives to us. Because I think I've heard from some sentiments well if it's not General Fund who cares? Let's just spend all we can. And I think that problematic.

>> I guess my comment would be, I also live in San José I pay garbage bill and I have a 20-gallon cart, Councilmember Constant. [Laughter]

>> I've committed to the members of the team not to increase my garbage utilization seriously. I don't think a citizen particularly cares whetherrists sales tax property tax or rate fees. It's all money going out of your pocket at a time when everybody is counting every dollar that they have.

>> Councilmember Oliverio: And on the billing by the hauler so there's a decrease on people managing it here. But it's not necessarily equal to the hauler. Because they might have a more efficient system, they might

have a different ability so that's not a guarantee. I'm not asking for a guarantee. I'm just saying I don't think that will be.

>> Kerrie Romanow: The haulers are also spreading the cost over many customers so not just the City of San José.

>> Councilmember Oliverio: And then finally on swiping it to the county -- switching it to the county, they may or may not, probate not, it's just another -- probably not it's just another line item, right? I think it's a good presentation. I think you've provided multiple alternatives. It seems like you've thought about things from different perspectives from I.T. to finance to ESD. And I look forward to the interesting conversations we'll have at council. Thank you.

>> Vice Mayor Nguyen: Thank you, thank you very much for the presentation. Two quick questions: One is, if we were -- if this was going to the county, and I'm not sure, I think we get two property tax bills a year at least I do. And if people are late, in terms of paying their property tax bills, who goes after them? Would it be the county folks or would it be us?

>> It would be the county. So we would get our revenue, you know, as we're supposed to and Julia you want to add?

>> Yes. For those types of fees as Ashwini mentioned, we're on the teeter plan. So the county give us 100% of the money they put on the tax bill and they're responsible for doing the delinquent collection.

>> Vice Mayor Nguyen: This is minor. Ashwini you mentioned there is some vacancy right now in the department in regards to people responsible for doing this. How many vacancies do we have?

>> We have I think two each in each of the departments but like in ESD we have two vacancies but we are filling them now but limited term. Anticipating we may not need them. Kind of filling them on a limited term basis.

>> Vice Mayor Nguyen: So the 32 FTE staff include the two vacancies?

>> Actually six vacancies total. North Carolina okay, thank you.

>> Councilmember Constant: Just a couple more questions or comments here. Have we sought any input from property owners, and residents? Because you know, we have the people who live in places aren't always the people who are paying the property tax. I mean they are ultimately because it affects rental rates but you have people that have leases over long periods of time, and some leases include water and garbage and others don't. So if, for example, the Vice Mayor owns a house and I rent it and we've got a three-year lease but I'm responsible for garbage and water and we make this change, now she's responsible for garbage and water. Or garbage in this case, not water.

>> Kerrie Romanow: Last year we made the change that garbage bills are sent to the property owner not to who's living there so that really facilitated moving in this direction because the property owner is already paying the bill.

>> Councilmember Constant: Okay. But have we reached out to any of our residents or organizations to see what people think of these two options? Because it is -- it's a pretty big difference. To have it go from a monthly bill to being on your property tax.

>> And so that's -- part of it -- council approved that strategy and we can kind of take the in-house option off the table then outreach to different stakeholders on the two other options would be part of the plan. Before we bring anything back to council in spring.

>> Councilmember Constant: Okay. Yeah, I think that's something we need to consider. And the other question I would have is, have we looked at all the other cities and seen what they're doing? Would this be an anomaly among the top 20? Would it be what eight of the top 20 are doing? That type of --

>> So we have -- it's unusual for the city to be doing the billing. So a lot of the other cities use somebody else to do the billing. Some use -- some go on the property tax roll. Others use haulers to do the billing. So I have -- I mean Oakland, San Francisco, do use hauler billing for -- they use the haulers to do all the billing. But then we have like Berkeley Dublinee Palo Alto and Union City, several of the cities outside the region use property tax billing.

>> Councilmember Constant: Okay, I think that's all my questions. Anybody else? We're looking for -- a member of the public. Anybody else like to speak on this or any other issue? Come on up, Steve.

>> Thank you. I'll make it brief. Steve Jones with garnts sanitation. We've been involved in this. We didn't go out to look to be-run the call center and the billing called us and asked us for the proposal I just have a couple of things I'd like to say. I think that it makes sense for the city council to look to the outside, either one of these proposals. I've got some issues with the one on the tax rolls. For a couple of reasons. San Francisco and Oakland do bill through the hauler. Berkeley provides the service. The city of Berkeley provides the service, they don't have an outside hauler that's why they bill it on the tax rolls. The reason that East Palo Alto bills theirs on the tax roll is it's an issue of making sure that they could pay the provider of the service. So they -- those people all pay for one 96-gallon cart and anything other than that, the provider has to try to get the money and it's almost impossible. The issue I have with the tax roll, I have two issues. When we put our proposal together, it matched what city staff and, I mean ESD and finance had asked us to do. There were certain things where we had suggested doing it one way and they wanted to do it a different way. So our prices reflected that level of scrutiny. And there's a lot of -- there is a lot of damages that can be assessed through that potential contract. And obviously, whenever you're doing something like this you have to protect yourself when you're figuring out those prices. The problem I had is, we met I think two weeks ago or something, and that's the first time we heard about this tax system. And the idea is, they're going to bill everybody for a 32-gallon can. But if anybody has a 96-gallon can, then I have to bill them for the difference. Which means I'm going to have to keep the entire database, which is fine. We have half of it now anyway. We're going to keep the entire database because we're not going to know you know who doesn't, so we can keep track of who's increasing service, who's doing this, who's doing that. But

we're not going to be able to lien anybody who doesn't pay it. If you pay your property tax and you have a 96 gln cart and I send you a bill for two more increments and you don't pay me I have no recourse in what was presented to us two weeks ago. But yet I'm responsible for the entirety of the bill to the city. And if I don't collect it then I don't get it. Well I'm only going to get \$9 or 10.25 to provide the service so if they have a \$90 bill I'm on the hook for 90 bucks, that doesn't make sense, you know. And the contract extension that we talked about has a thing in there that says you know we'll do it as a date mutually acceptable. If we're looking at all the burden being on us then there probably won't be a date that's mutually acceptable. And we haven't given them a price of what our portion will be if it goes on the tax roll so I don't know how that price measures up because it doesn't have the other component. And I'm still not sure how we are going to collect the green waste. We have a lot to work out. We're prairp we support the City of San José pretty good already. We don't want to be the ones holding the bill because they don't want to go to lien. So there's issues there that we would like handled.

>> Councilmember Constant: All right, thank you. I think those are some things that we can continue to look into and the other thing that I might suggest we look into as well is if we're going to, if we end up going to the tax bill route, which I agree with what Pierluigi said, you know, it really makes sense for us to look for the best cost savings for our constituents. But we need to make sure that we also have protections for the vendors that we have agreements with. But we might also want to look at, I really think we should do what we can to keep small cans. And perhaps there's a way that we can look at a rebate system. So if I get build let's just say \$200 a year for garbage but I opt-in to a 32-gallon can or a 20-gallon can or whatever, come one a five-gallon can, five gallon bucket you do that for the entire year you get a rebate of X dollars. I think that's a way we could encourage good behavior and as somebody who fills out every rebate form I ever get I think it's a good incentive for people and I think it can help achieve both goals. We need a motion to accept this and cross reference it to the October 16th council meeting.

>> Vice Mayor Nguyen: Motion.

>> Councilmember Oliverio: I'll second that but I have a question. The questions the gentleman brought up. My guess those are one way or the other details that could be worked out once you sort of scope out here's the situation he's talking about if we're going one way or the other.

>> Kerrie Romanow: They're certainly issues we talked about, our expectation is there would be up front credit card payments so they would pay in advance for the service. Certainly part of being a good partner is working through those and finding solutions that leave the haulers whole. They need to make a profit on running the service and providing cost-effective service to the residents. So lots of details beyond what's been brought up that we just need to be able to focus our energy towards which offering up both options and saying which one makes the most sense.

>> Councilmember Oliverio: And you need guidance on the overall direction to go and ironing all those out. And in billing the county there is no ability to bill two different rates? It would be -- they don't allow it they bill one rate, don't mess with it we've had the same system for 100 years kind of thing?

>> Kerrie Romanow: That's why it's so cost effective the one option.

>> Councilmember Oliverio: When we do eventually do outreach to residents I think it needs to be explained that yes there would be a change but we're also doing it to save X so your rates don't go up. If people would have that understanding they would sort of be more acknowledging of the change to happen. Thank you.

>> Councilmember Constant: Thanks I agree. It would be nice when we come on the 16th if we have a dollar per household savings in each column because that's what really matters to the residents. We have a motion and second. Any last comments? All in favor? Any opposed? We'll see you on the 16th. Thank. Our next item is we have two, the semi annual report on workmen's compensation program and then roll right into the update on reform and we'll handle in one motion when we're done on both.

>> Alex Gurza: On the semi annual workers compensation report we don't have a presentation but happy to answer any of the committee's questions on the report. Moving into the workers compensation reform report as the committee knows we've been working on an RFP for to look at options for claims administration as well as our cost containment features. We had anticipated being concluded with that process by now it has taken us a little longer but we are very close to completion and we'll have more information about that shortly. One of the things we did want to talk about is that the governor just recently signed SB 863. Which makes changes to the workers compensation system that are effective January 1st of 2013. So I asked Dave Wong our health and safety division manager in human services to give the committee a brief review.

>> Yes Dave Wong of which goes into effect for all date of injuries after 1-1-13 so that's pretty much the key. So any existing injuries probably in most of the components of this law doesn't go into effect. So as you know with any major legislation this is the first one since SB 899 which went into effect in 2004. So they've been working on this when it came about and it was reached by both parties both the applicants side and also employers. So I'm going to go into two major areas. The first one is that there's going to be an increase in permanent disability rates for the more serious injuries. So those are going to be the injuries that are 55% or more. So a person that has a injury less than that there's no changes. Let me give you an example. A person that has a 60% permanent disability rating right now will receive approximately \$80,700. As 1-1-2013 they're going to see 94,800 so 14,000 more. So we're going to be cognizant of this fact because when we look at the workers comp budget you're going to be having more injury above exactly how much this is going to cost our program. But it's going to be a major factor, okay? And of course there's a lot of concern among other cities and California employers in general about this one component of it. Also a permanent disability, currently we have a system where if the person returns back to work, and we offer permanent work, we get a reduction of 15% from their permanent disability award. If the city cannot provide any kind of modified work on a permanent basis we pay an additional 15%. So sometimes when that's like 75% disability it's a lot of money that we're talking about in terms of an increase. So what they've done once again as of January 1st they've eliminated any plus or minuses in the disability water, it is going to be the amount they get. Add permanent disability points to their award. And what they have done is that they've eliminated this completely so there will be no more add-ons so employers are happy about that. The other area is regarding what we have talked about many times in these meetings and that is ysk by a physician and employee

we go through this process called a QME, a qualified medical examiner. A person has to request one. An exam takes place, sometimes it could be six months to a year. And there's been many, many complaints to the legislature about this they want something to happen. So now what they've done is they've developed this what they call an independent medical review process. A lot of the details are going to be worked out between now and January 1st. But basically the administrative director from the state of California is going to sign probably a consultant to develop this panel. As soon as an employee gets something that's denied they can apply to have it reviewed. And most likely we are going to assume it is going to be a doctor assigned to this case so this is looked forward to by a lot of people out there. Now the only thing about this is that this rule is binding. So they cannot appeal either side to the workers compensation appeals board so it is a binding result. Okay. And there's some other areas in this legislation that probably won't have that much of an impact on our program. Give you one or two examples. Currently a chiropractor can treat an employee for up to 24 visits. What the law says now is after that occurs that chiropractor can no longer be that person's primary treating physician. They have to then transfer their care to like an orthopedics for example. The chiropractor and they think that that will probably stop some of the excessive treatment that's going to be requested by potentially chiropractors and physical therapists. There's also going to be changes there is a vast amount of liens that are filed for example in Southern California by surgical centers. A lot of them don't have any validity to it but they do it 98. They are no longer going to that's going to affect that. And we talk about the fact that we'll have a medical network provider be considered for the city. There's a lot of changes to that nothing major but a lot of the components are kind of changes. Those actually are the major part of the SB 863. And I'd like to take any questions.

>> Councilmember Constant: Great, thanks. Any questions on any of the three items, the review, the reform report or the SB 863 update? No. Thank you very much. So I'll take a motion on -- well, two.

>> Vice Mayor Nguyen: Motion.

>> Councilmember Constant: So we have a motion to accept on both of those.

>> Councilmember Oliverio: Second.

>> Councilmember Constant: Second, all in favor, motion carries. Our final item report on City Hall events catering RFP and City Hall plaza ordinance. Welcome gentlemen.

>> Dave Sykes: Thank you. Dave Sykes director of Public Works, Matt Morley reviews you all our and Matt is going to do the presentation.

>> Thanks Dave just a quick presentation for you. There we go. As background as you know we opened City Hall in 2005. That was preceded with extensive planning on how we were going to use the facility. Including events and both internal and external. I think that preplanning went a long way. We did a pretty good job on identifying, hitting the mark. And out of that a variety of events have materialized. One of the interesting events that we get the most of is weddings and have quite a good wedding business here but also, a good amount of corporate events that come through. And even more recently, great popularity in the filming area. We have had channel 11 do their investigative reports, wees had Symantec recently do a server rack offer the top of the tower, that being that by the time that server hit the ground they had backed up all the data on it. Even today PBS is filming a portion of a mini series called refugee and it's about future states, what the -- what we may look like in future years. And I hear that there is a councilmember with a bit of an appearance in that filming on Sunday. Our latest changes occurred in 2010 where we made some adjustments. We memorialized our free use policy which allows council and departments to use various spaces for free. That was important, and something that we did as a trial purpose -- trial project starting out and then moved into more permanently. We adjusted our rate packages because weddings were so popular we put together a wedding package that made that more friendly to the brides. And then we added simple things like the ability to do holiday displays which we hadn't memorialized but have until now balance between legal needs and ensuring that we have great community use here in the facility and having a good look at revenue potential of the facility as well. Today we're looking for input on several areas. One area that we found that we have additional need on is small events. This is to meet the needs of folks who want to do things like have a demonstration but they want to have some equipment associated with that demonstration like a podium or a table or something along that line. Our structure isn't currently set up to accommodate that so it makes sense from our perspective to put something like that on the place and that is

something that would occur on the plaza. We also do a fair number of flag raisings most of them for council offices. This little chart shows sort of a breakdown of how we do our free use amongst those flag raisings. As you see they are very popular and we would like to incorporate that into the free use policy because we don't have an event type or a way to support flag raisings, although we have been doing that for free. We would like to continue that model how we support them with a basic setup and I think the popularity speaks for itself on how we should do that. One of our suggestions associated with that would be to combine flag raising with reception in the rotunda which seems to be something growing in reception shortly afterwards. Nice things about flag raisings is they typically occur in the afternoon where there's a low demand for the facility anyway so again something that we would like to continue to support and really put into our potential offerings. And then finally there's some rules and regulations changes we need to make, things to address skateboarders and bikers that have taken their toll on the plaza. We're doing some work on the benches on the plaza now that are fairly costly because of the wear and tear, we're making changes there but if we were able to incorporate that into the ordinance we'd be able to do some potential enforcement which we have had beyond we would like to address our camping regulations to be able to enforce around that so we have a balance of how we enforce things occur in and around City Hall. One of the things as long as I'm on the free use chart, in the report we talked about the qualifications of a free use, free and open to the public. Being directly connected to city official business and occurring in the report it says Sunday through Thursday. The correction I'd like to make is that's actually Sunday through Friday which captures quite a few of the more popular events that we do on Fridays. That was the change that we'd made along the way. Our goal with the dates is to hold -- to try and again achieve that balance between the revenue and the community use. And by holding Saturday free we are using one of the more popular event days where we can really sell the location for paid events. Just a couple of quick pictures of some of the events that we do. This is a corporate event using the rotunda, and the neat thing about that is it's a well lit up rotunda. And in a corporate event it's an exciting venue and we've had a good amount of success selling it with this type of illustration. The biggie for is the weddings. It is a modern location and hits a niche market from a price perspective as well. Looking forward we would like to consider doing an RFP, do an RFP for managing of events. What we found is that there's some capacity restraints -- constraints doing event in-house. We have capacity in advancing the events and we have capacity constraints in supporting the events actually on site. What we find ourselves doing is limiting the amount of events we can support on a given weekend. Or in any given month, as staff workload tends to get backed up

on the busy times. And using contracted event support services might relieve some of that by bringing their expertise and their established models into play here at City Hall. We'd like to make sure that if we were to do an RFP to focus on a variety of options one of the nice things now about City Hall is the wide variety of caterers that can support an event. This RFP model wouldn't allow the same variety of caterers but we would want to ensure that the caterers that we did bring forward would be able to provide a wide variety of food and meet a wide variety of needs from the food perspective especially on the cultural side because we do support a number of different cultural type events. And then most importantly we would want to protect our city for use. We think that's become important and we would want to achieve the balance in the RFP, and the vendor should we select a vendor is aware that for use is important to us and have a clear understanding and boundaries associated with that. So we think there would be a good potential for increase in revenue associated with events. We met and talked with the Fairmont who manages the center behind us here. They -- that particular site all by itself doesn't fit into their model anymore. So their contract ends the beginning of next year. We'd like to combine that with the City Hall effort and hope that -- have the expectation that the two facilities together would be more attractive than one by itself. If we look at the revenue associated with City Hall and again this goes to some of the capacity as we reduced our capacity, our revenue has taken a pretty good hit and we think there's a pretty good opportunity to surpass even the high point of 230 that we were at in 2007 and 8. One of the things that -- an outside manager that may be able to do that we just can't handle is scheduling multiple events for a day. So for instance the Fairmont talked about turning three weddings in a day at the Fairmont, not to say that would happen here but it is a potential especially the rotunda that can trouble supporting that many. There are some considerations that we'd like -- that we're aware of, we'd want to be careful of. I talked already about retaining and protecting our free use events. Want to make sure that the events that we use on a free basis don't fall into a category that would make them cumbersome for us to support if they were to be supported by an outside vendor. And we'd want to make sure that we keep it as broad a broad number of choices as we possibly could for our clients. I think that being an attractive element of the facility. So that's a quick summary of what we're looking at from a next steps perspective we would like to continue forward with the RFP process but we definitely want to hear feedback on our thoughts and how we're taking this on from you all so I'll stop there and turn it back to you.

>> Councilmember Constant: Thank you. Thanks for recognizing we have so many events on Fridays. I know a lot of our flag raisings and other council driven events are on Fridays. So want to give just a little input. I'm not a big fan of having full event management as an RFP. I think that while you can have one company provide a variety of food, I think it really limits the choice because you have a lock on price. And let's face it. Up here Madison could have an event with veed name ease food, I can get an event with Greek food and Pierluigi could have Italian food, that's we're just a few cultures given the number of cultures out in our community. I've seen events where we have very high end caterers that are over \$100 a plate out there and I've seen pizza and finger food, four or five bucks. Disability awareness day that had box lunches that were I think \$4 apiece. I want to make sure we have the ability to do that not only ourselves as a city because we increase our cost. If events services is able to generate \$50,000 a year more but other services spend \$75,000 to have their events here we're not doing ourselves any favors. I want to make sure we look at that. Preserve choice for not only departments that have the free use but also for the residents that come. And any of you who have planned a wedding know that people want to be able to pick their caterer, they want to be able to pick their DJ their photographer their this, their that. And when you go with an event management company you lose all of that. And I think there's a whole lot of folks that will choose not to come because of the restrictions. But there's a whole lot of folks that will be priced out of our market because the people that tend to do event management tend to be a little higher-priced than events that you can put on kind of like hiring a general contractor and being your own general and hiring subs. There's a lot of money that goes into there. I want to be sure that since this is a public space we're focused on the use just as much as we are on the revenue and I'd like to hear from my colleagues as well.

>> Vice Mayor Nguyen: Thank you. I have very similar concerns as chair constant. I just think that it's just really difficult trying to get one company that will cater to such a diverse community like the various communities in our city. I'm not opposed to the idea. If this is what staff is looking at. I understand you probably put a lot of thoughts into this. At this juncture I'm not sure I can be supportive. But if there's a process where we can actually try this out like a pilot program for maybe two years or so and after that do a very extensive survey, especially of people that actually use City Hall use the rotunda to see how satisfied they are with the event management company, that is something I could possibly support. But just going full-out and do this RFP for an extended five years or longer than that, I'm just kind of -- I'm very concerned about that.

>> Councilmember Oliverio: Just staying on that topic do you foresee a way to have an outside company manage events but yet the client, the customer, the event provider might have hey I have an in-house option I have these five cuisines I can do for you but the client says I really want this, do you have that option?

>> That's absolutely something we've contemplated, knowing that there are some folks who absolutely have to have their caterer or a caterer we select couldn't provide that they would want the ability to provide to bring in. I would expect there would be this goes back to the costs and managing the costs and being smart how we do that. I would suspect there would be cost beyond the catering sort of the markup cost.

>> Councilmember Oliverio: Managing the event, getting the chairs tables and cloths anding all that sort of thing.

>> Exactly.

>> Councilmember Oliverio: It makes not just having someone there all the time when nothing was done but actually pulling people when the demand was there so that makes sense. Would that be a similar analogy do you think that's fair?

>> It's fair how we would like to increase what we already do. We already have a program where we bring in we call them event captains but folks that support the captains they're part timers, trained on the facility but on demand essentially I think we've done a good job in that perspective but where we front in and it's unfortunately a very time consuming aspect of it and as much as we try and streamline it, especially when you talk about somebody who's getting married they want it to be perfect and it takes a bit of hand holding to get them comfortable.

>> Dave Sykes: The key is striking that balance to strike ops add the capacity so we're at a point right now where a lot of flexibility but not a lot of capacity so how do we move that over.

>> Councilmember Oliverio: And a smaller comments when councilmembers have events a lot of usher at so much an hour. Why do I need an usher? I can have my own staff assist us rid of as an extra cost that doesn't need to be there. And another item is I think you're going to need as many people participate in as you like. I think it's important that this RFP not have those famous important to them. But don't restrict it in the RFP because then I would like to have the ability to see a total cost based on whoever bids versus just a small group of people that did a specific you know specific set of criteria.

>> Councilmember Constant: Then anything Kansen?

>> Councilmember Chu: No.

>> Councilmember Constant: One last come that I would make and I don't know if you have thought about this but perhaps looking for someone that where their revenue is generated on a per-event basis and a management fee, not necessarily a management fee where they're making a markup on everything that they do. In other words all they're doing is the logistics end and they can have their list of preferred this and that, where they could have their agreements with. But if our goal is to make, I don't know, \$400,000 out of it that we pay a management fee of \$50,000 plus X per event that gives them the incentive to really book the events and their fees are tied to the rental fees not necessarily everything else. That's another option.

>> That's another valid point and one of the things we would want to be careful of is leave the options open, so the industry will tell us what would work, provide some options but not as you said Councilmember Oliverio not restrict things right out of the gate and leave it open for consideration.

>> Councilmember Constant: So how do we go from here? You then take this feedback and come back to the council at a later date or come back here or what do you see as happening from here?

>> If the thoughts are that if we're careful we can be successful with an RFP I think we would want to explore that option. bring that RFP the results of that RFP back to council for awards that you have the final -- the final say at that point and we can vet what the package looks like essentially at that point.

>> Councilmember Constant: I'm personally comfortable with that, because I think you heard pretty clearly from us on what we would like to see. And we've got a pretty good cross section here. So with that do we have a motion? Motion to accept and --

>> Councilmember Oliverio: And there will be a second. I think you just caution underlying will always be this thought about food when you are having that discussion. That's just a tender topic it's silly but they'll think about this food component to this thing and they'll have a lot -- you mentioned do the summit center and the rotary club will then have a different caterer than the Fairmont hotel.

>> The Fairmont is likely to participate probably not if it's just the fourth street center not that I want to speak for them --

>> Councilmember Oliverio: They're fallen out of fair or fallen out of their business model.

>> Councilmember Oliverio: Sure.

>> But a fuller setup where they have City Hall and they can potentially tie that to their production with the hotel might actually tie early with them so that we understood a little bit more of the market there. So if they didn't participate yes, the rotary would have a different caterer and we would definitely want to include them in the conversation along the way so they were part of for instance an evaluation team on the RFP.

>> Councilmember Oliverio: Is there anything on the space that was never filled retail is there any space there that could be used by the group for storage or anything like that, did that need to be a portion of this consideration or that could be a place where you could store the stuff?

>> I think one of the underutilized portion of the fourth street garage is the kitchen. The Fairmont doesn't use it at all. It is a huge kitchen that is very high-end, needs a little prefreshing but that's part of what we would look to incorporate into the entire discussion.

>> Councilmember Oliverio: Thank you.

>> Councilmember Constant: Talking about someone like the Fairmont, I could see they they having then could you do multiple events. All right we have a motion and second. All in favor? Any opposed? All right, our last item, public comment we have one member of the public comment here are you here to comment Mr. Paul? All right we're adjourned, thanks.