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>> GOOD MORNING EVERYONE. IF YOU COULD PLEASE TAKE YOUR SEATS, IT'S NOW 10:01, AND WE ARE GOING TO GET STARTED.

>> GOOD MORNING EVERYBODY. WELCOME. IT WAS SUNNY A LITTLE WHILE THIS MORNING, I APPRECIATE YOU GIVING UP A FEW HOURS OF SUNSHINE TO DO THIS ON A SATURDAY MORNING. THANK YOU FOR COMING AND TAKING THE TIME-OUT OF YOUR LIFE, THIS AFFECTS YOUR LIFE. AND IT'S VERY IMPORTANT THE WORK WE ARE IN THE PROCESS OF DOING WITH THE CITY BUDGET AND YOUR ROLE IN IT. THIS SATURDAY MORNING MEETING, I THINK THIS IS THE THIRD OR FOURTH TIME WE HAVE DONE THIS PRIORITY SETTING SESSION. IT'S PART OF OUR COMMUNITY-BASED BUDGETING PROCESS WE STARTED SINCE I HAVE BEEN MAYOR. IT FITS INTO THE SEQUENCE LEADING UP TO A DECISION BY THE CITY COUNCIL IN JUNE TO ADOPT NEXT YEAR'S FISCAL BUDGET. THIS YEAR IT'S NOT EVEN THE BEGINNING OF THE SEQUENCE. BECAUSE NEXT YEAR'S BUDGET LOOKS SO UGLY. WE GOT STARTED EARLIER AND SOME OF YOU WERE HERE FOR A BUDGET WORKSHOP THAT WE HELD LAST MONTH. AND WE COMPLETED DOING A POLL OF OUR RESIDENCE, FOR CITY-WIDE PRIORITIES AND THAT DATA HAS TO BE CRUNCHED. AND THEN WE MOVE TO COUNCIL AND SENIOR STAFF, NOT AS BIG AS THIS BUT THE SAME KIND OF IDEA, WE WILL DO THAT IN FEBRUARY. AND IN MARCH WE HAVE THE MAYOR'S MARCH BUDGET MESSAGE, THAT I WILL TRY TO FRAME THE BUDGET AND THE COUNCIL WILL CONSIDER THAT AND ADOPT DIRECTIONS TO THE CITY MANAGER, WHO IS TASKED WITH BRINGING US A BALANCED BUDGET ON MAY 1. AND THEN HAVE A MONTH'S WORTH OF HEARINGS AND VOTE ON IT IN JUNE. THAT'S A LONG DRAWN-OUT PROCESS BUT IT'S IMPORTANT TO PARTICIPATE IN IT. BECAUSE WHEN WE GET TO THE END OF THE PROCESS, WE WANT TO HAVE A HIGH LEVEL OF CONFIDENCE THAT THE BUDGET REFLECTS THE VALUES THE COMMUNITY. AND YOU HAVE AN IMPORTANT ROLE FOR THAT. THIS IS THE AGENDA FOR THIS MORNING. BEFORE WE GET STARTED ON ELEMENTS, I WANT TO INTRODUCE SOME PEOPLE. FIRST AND FOREMOST IN TERMS OF THE BUDGET PROCESS AND GETTING TO A BALANCED BUDGET IS OUR CITY MANAGER, DEB FIGONE. AND FOR BENEFIT OF ALL OF THE COMMUNITY MEMBERS, I WILL LIKE TO HAVE ALL THE MANAGERS/STAFF/SENIOR STAFF AND EVERYONE FROM THE CITY MANAGER'S OFFICE, STAND UP SO EVERYONE KNOWS WHERE YOU ARE AND CAN SEE YOU. SO THE PEOPLE IN THE COMMUNITY I WANT YOU TO KNOW THAT YOU HAVE OUR ATTENTION. AND WE ARE INVESTING A LOT OF EFFORT IN THIS, BECAUSE WE APPRECIATE THE WORK YOU ARE DOING. AND WE HAVE COUNCILMEMBERS HERE, COUNCILMEMBER ROSE HERRERA. MEMBER OLIVERIO AND PETE CONSTANT IN THE BACK. AND I THINK THAT'S ALL HERE FOR THE MOMENT, THEY WILL BE HERE THROUGH THE MORNING, AND FROM MY STAFF AND PART OF THE BUDGET STAFF IS HERE, MRS. GOMEZ AND ANTONIO GERA. AND MY CHIEF OF STAFF, PETE FURMAN. WHAT WE WILL DO THIS MORNING IS FIRST, I WILL DO A LITTLE OF BRIEFING ON WHERE WE ARE. AND THEN WE ARE GOING TO GO INTO SOMETHING WE HAVEN'T TRIED BEFORE. THOSE WHO HAVE BEEN HERE EVER YEAR, KNOW THAT IT'S DIFFERENT, BECAUSE WE LISTEN TO THE FEEDBACK AND TRY TO FIGURE OUT WAYS TO BEST ENGAGE THE COMMUNITY. SO WE HAVE THIS PILOT PROGRAM PRIORITIZATION THAT THE MANAGER GOT FROM THE INTERNATIONAL CITY MANAGER'S ASSOCIATION AND WE ARE ADOPTING IT FOR SAN JOSE. A MARKETPLACE EXERCISE VALUE OF THE PRIORITY RESULTS THAT'S A DIFFERENT WAY OF VOTING BY DOT. YOU WILL GET TO THAT AND KIM WILL EXPLAIN THIS IN GREATER DETAILS. WE WILL HAVE SMALL-GROUP DISCUSSIONS AND DEBRIEF. AND ASK YOU TO FILL OUT A SURVEY. THERE IS PAPERWORK THAT YOU PROBABLY HAVE IN FRONT OF YOU. BECAUSE WE WANT WRITTEN INPUT AS WELL AS THE GROUP DISCUSSIONS AND TIME FOR PUBLIC COMMENT. AND I WILL BE ASKING FOR ADVICE AS PART OF THE END OF THIS PROGRAM. THAT'S THE LAYOUT THIS MORNING, AND I WOULD LIKE TO START WITH THE BUDGET SITUATION. BESIDES SAYING IT'S BAD, BAD, BAD. I NEED MORE DETAIL THAN THAT, BUT IT'S BAD. WE ARE FACING A GENERAL FUND SHORT FALL GAP FOR 2010-11. IT'S EASIER, JUST \$100 MILLION PLUS OR MINUS 10 MILLION, BECAUSE IT COULD GET WORSE OR BETTER. BUT THESE ARE THE NUMBERS THAT JENNIFER MCGUIRE PUTS TOGETHER, THAT'S PRETTY PRECISE AND WE ARE IN THE MIDDLE OF THIS FISCAL YEAR, AND WE DO A MID-YEAR BUDGET, BUT WE ARE NOT HERE TO SOLVE THOSE PROBLEMS. WE BALANCED THE BUDGET LAST YEAR, UNLIKE THE STATE OF CALIFORNIA. AND THE MANAGER

DOES A GOOD JOB OF KEEPING EVERYONE ON BUDGET, SO WE HAVE A BALANCED BUDGET THIS YEAR. WHILE THERE ARE PROBLEMS, IT'S NOTHING LIKE 2010-11. WE ARE HERE TO TALK ABOUT HOW WE SOLVE THIS PROBLEM, PART OF THE DISCUSSION. BECAUSE WE HAD A BUDGET WORKSHOP TALKING ABOUT REVENUES AND OTHER THINGS WE COULD DO. AND TODAY WE ARE HERE TO FOCUS ON THE PRIORITIES OF THE PROGRAMS AND THE THINGS THAT WE SPEND OUR MONEY ON. BACK TO THE UNCERTAINTIES, THE STATE OF CALIFORNIA HAS TAKEN A LOT OF MONEY FROM US. WE KEEP TRACK OF THESE THINGS, IT'S ABOUT 4,095,000. AND SOMETIMES THEY TAKE AND SOMETIMES THEY GIVE, MOSTLY THEY TAKE. WE ARE RUNNING NEGATIVE WITH THE STATE TAKING ABOUT \$40 MILLION A YEAR, BUT THAT'S NEVER ENOUGH, AND THIS LAST BUDGET SESSION THEY CAME CLOSE TO TAKING OUR HIGHWAY TAX, CALLED HUDA, THAT WOULD AMOUNT TO \$17 MILLION, THE GOVERNOR WAS WILLING TO SIGN THE BILL BUT IT FAILED IN THE ASSEMBLY, BUT IT'S \$17 MILLION AND THEY WILL BE BACK. BECAUSE THE STATE IS STILL IN BUDGET TROUBLE. THAT WILL BE BACK ON THE TABLE, IT'S JUST A QUESTION WHEN. AND ANY ELSE THE STATE CAN THINK TO TAKE AWAY, LIKE THE \$75 MILLION FROM THE REDEVELOPMENT BUDGET. SO WE ARE EXPECTING MORE FIGHTS. WE HAVE COSTS FROM UNMET AND INFRASTRUCTURE AND MAINTENANCE NEEDS. A TOTAL AMOUNT OF MONEY WE NEED TO GET CURRENT AND 4-500 MILLION, AND THOSE COSTS CONTINUE TO GO ALONG AND THAT'S NOT INCLUDED IN THIS GENERAL FUND. THERE IS MORE THERE. WE DON'T KNOW WHAT WILL HAPPEN AS WE GET THROUGH THE REDEVELOPMENT AGENCY BUDGET, THE STATE HAS TAKEN MONEY AND THE ECONOMY IS BAD, AND WE HAVE YET TO ADOPT THE BUDGET FOR REDEVELOPMENT, PROBABLY WILL FEBRUARY 23. BUT THAT COULD HAVE AN AFFECT ON THE GENERAL FUND. THERE ARE PLENTY OF OPPORTUNITIES, AND SOMETIMES WE HAVE REVENUE AND SOMETIMES NOT SO LUCKY AND HAVE EXPENSES. IT'S \$100 MILLION PLUS OR MINUS 10 MILLION. THERE ARE THREE THINGS WE CAN DO, WHEN GO THROUGH THE BUDGET PROCESS THE CHOICES ARE NOT THAT BROAD, WE CAN REDUCE OUR EMPLOYEE COST. IF WE ONLY HAVE SO MUCH MONEY AND WE NEED PEOPLE TO DELIVER SERVICES, THE MORE COST PER EMPLOYEE, THE LESS EMPLOYEES AND THE LESS SERVICES. IF WE CAN REDUCE OUR PER EMPLOYEE COST, THAT WILL HELP. IT'S GONE UP DRAMATICALLY AND THE COUNCIL HAS ASKED TO NEGOTIATE WITH THE UNIONS TO TRY TO BRING THE COSTS DOWN. THAT'S ONE STRATEGY WE ARE DOING, AND NOT HERE TO TALK ABOUT THAT, THAT'S HAPPENING WITH THE BARGAINING UNITS. AND WE CAN REDUCE SERVICES, WE HAVE HAD LOTS OF CUTS AND SERVICE REDUCTIONS. AND THAT'S ULTIMATELY THE DEFAULT. IF WE CAN'T REDUCE PER EMPLOYEE COST AND CAN'T GET NEW REVENUES, THEN IT COMES OUT OF SERVICES. THAT'S UNFORTUNATELY THE UNIVERSE WE HAVE TO DEAL WITH. INCREASING REVENUES AND THAT'S A POSSIBILITY. NOT SAYING IT'S NOT GOING TO HAPPEN. I THINK IN THE NEXT SLIDE -- I AM GETTING AHEAD. LET'S TALK ABOUT THE OPTIONS TO REDUCE EMPLOYEE COST. WE ARE LOOKING AT EVERYTHING AND THESE ARE SUBJECT TO BARGAINING WITH THE UNIONS. LOTS OF THINGS ARE DISCUSSED AND HAVE TO DO THIS THROUGH A BARGAINING PROCESS. WE DO SERVICES WITH THE PEOPLE, AND YOU CAN SEE THAT PERSONAL SERVICES IS TWO-THIRDS OF THE BUDGET. IF WE DON'T HAVE ENOUGH MONEY TO GO AROUND, YOU HAVE TO DEAL WITH THE PERSONNEL SIDE. AND THE MONEY SPENT ON PEOPLE, AND IF WE DON'T HAVE ENOUGH, THAT MEANS LESS PEOPLE. AS I SAID THE COUNCIL HAS DIRECTED CITY MANAGER SEAT TO REDUCE PER EMPLOYEE COST. THIS IS THE TARGET, TO GET A 5% REDUCTION IN OVERALL COST PER EACH EMPLOYEE. THAT WILL COVER, THE GENERAL FUND IS \$31 MILLION, BECAUSE NOT EVERYONE WORKS FOR THE GENERAL FUND. OUT OF THAT, WE ARE TRYING TO GET \$30 MILLION WITH THIS APPROACH. IF WE ARE FORTUNATE AND GET \$30 MILLION IN CONCESSIONS, IT'S WORTH \$30 MILLION AND IF NOT, OTHER METHODS WILL HAVE TO INCREASE. YOU ARE ALL FAMILIAR WITH REDUCING SERVICES AND ELIMINATING SERVICES. EITHER REDUCE THE NUMBER OF EMPLOYEES, OR WE HAVE ALTERNATIVE SERVICE DELIVERY MODELS THAT WE CAN DO MORE WITH LESS. AND WE HAVE BEEN DOING MORE WITH LESS FOR YEARS. YOU MAY NOT REALIZE THAT SAN JOSE IS ONE OF THE THINLY STAFFED BIG CITIES IN THE COUNTRY. OUR EMPLOYEES WORK VERY HARD. WE HAVE ON A PER CAPITA BASIS, NOT A LOT OF EMPLOYEES. AND SOME DEPARTMENTS ARE HEAVILY STRESSED BY THE WORKLOAD. BUT OUR EMPLOYEES HAVE DONE MORE WITH LESS. AND REDUCING ENOUGH EMPLOYEES IS ONE WAY WE

HAVE SHRUNK BY ABOUT 800 PEOPLE SINCE THE PEAK. YOU REMEMBER THE GO-GO DAYS OF THE LATE NINETIES AND EARLY 2000, WE HAVE SHRUNK BY ATTRITION BECAUSE OF PEOPLE RETIRING AND LEAVING. AND ALTERNATIVE SERVICE DELIVERY MODELS THAT'S AN AREA THAT IF YOU LOOK AT THE LONG-TERM STRUCTURE DEFICIT ELIMINATION PLAN, IT'S ONLY A FEW MILLION DOLLARS, IT'S NOT THE ANSWER TO THE PROBLEM. IT'S IMPORTANT, WE CONTINUE TO WORK ON IT. BUT IT WILL NOT NECESSARILY CLOSE \$100 MILLION GAP. IMPROVING EFFICIENCY IS IMPORTANT, AND JANE IS HERE AND THE LIBRARY SYSTEM IS ONE OF MY FAVORITE EXAMPLES OF ACTIVITY, BOOKS, EVERYTHING IS GOING UP. AND STAFF IS FLAT, FLAT, FLAT. THEY HAVE DONE A GREAT JOB OF DOING MORE WITH LESS. [APPLAUSE] THANK YOU JANE, WE APPRECIATE THAT. OF COURSE WE KEEP GIVING HER NEW LIBRARIES. AND THAT'S PART OF WHY WE HAVE A GAP AS WE CONTINUE TO BUILD. AND EVERY TIME WE BUILD A LIBRARY, WE NEED TO PUT PEOPLE IN THERE. EVEN THOUGH THEY ARE EFFICIENT AND DOING MORE WITH LESS, YOU NEED MORE PEOPLE TO DO ANOTHER LIBRARY. HERE IS HOW WE SPEND THE MONEY IN AGGREGATE. PUBLIC SAFETY IS 45%. THIS IS THE ADOPTED BUDGET. IF YOU TAKE OUT THE RE-BUDGETS AND THE ONE-TIME THINGS, YOU GET DIFFERENT NUMBERS. IF YOU LOOK AT THE GENERAL FUND REVENUES AND EXPENDITURES. BUT THE ADOPTED BUDGET AFTER WE ARE DONE WITH ALL THE PIECES, PUBLIC SAFETY IS 45%. I SHOW YOU THIS, BECAUSE PUBLIC SAFETY IS MY NUMBER ONE PRIORITY AND IT'S THE COMMUNITY'S NUMBER ONE PRIORITY. BUT IF YOU HAVE \$100 MILLION GAP TO DEAL WITH, AND PUBLIC SAFETY IS 45% OF YOUR BUDGET, YOU CANNOT IGNORE PUBLIC SAFETY. SO PARKS, LIBRARIES, COMMUNITY CENTERS, THE TOTAL BUDGET OF PRS, AND THE LIBRARY SYSTEM COMBINED IS ABOUT \$100 MILLION. SO THEORETICALLY YOU CAN CLOSE THIS GAP BY CLOSE LIBRARIES, COMMUNITY CENTERS AND PARKS. NO ONE IS IN FAVOR OF THAT, BUT IT'S THE MAGNITUDE OF THE PROBLEM. IF YOU DON'T DO SOMETHING WITH PUBLIC SAFETY, IT AFFECTS THE OTHER DEPARTMENTS. NEW REVENUES. EVERYONE LOVES TO THINK ABOUT NEW REVENUES BECAUSE IT'S EASIER THAN ALTERNATIVES. BUT THERE ARE LIMITS ON WHAT WE CAN DO FOR NEW REVENUES. HERE ARE SOME THINGS, EVERY YEAR WE GO THROUGH THE BUDGET AND LOOK AT PROGRAMS AND COST RECOVERY AND BE SURE THAT CHARGING FOR THINGS THAT WE USED TO GIVE AWAY. AND WE WILL CONTINUE BUT LOOKS IN THE RANGE OF 4-10 MILLION THAT IS FEASIBLE FOR THIS NEXT YEAR. OF COURSE THERE IS THE POSSIBILITY OF A NEW TAX. WHEN WE HAD OUR BUDGET WORKSHOP, WE TRIED TO PRIORITIZE THE POTENTIAL NEW TAX REVENUE SOURCES. AND WE HAVE BEEN POLLING ON THESE AND WILL HAVE DATA ON WHETHER OR NOT THE TAXPAYERS ARE IN THE MOOD TO GIVE US NEW REVENUES. I AM NOT OPTIMISTIC ABOUT THESE, BECAUSE WE POLLED ON THESE LAST TIME. AND SINCE THEN THE ECONOMY HAS GOTTEN WORSE AND THE STATE GOVERNMENT IS IN TROUBLE AND THE FEDERAL GOVERNMENT IS TROUBLE AND A LOT OF THINGS HAVE HAPPENED, THAT ARE ALL NEGATIVE WHEN IT COMES TO ASKING VOTERS FOR MONEY. THE ECONOMY IS GETTING BETTER, AND MAYBE BY NOVEMBER IT MAY BE BETTER. I DON'T THINK THESE WILL SAVE US BUT CONTINUING TO STUDY. THE LAST TIME WE WENT THROUGH THE POLLING THE TAX ON CARD ROOM AND THOSE POLLED THE HIGHEST, DOABLE IN THE 60% RANGE. THAT'S ONE THAT IS STRONG BECAUSE IT'S A TAX ON OTHER PEOPLE. THOSE ARE THE MOST POPULAR KIND OF TAXES. BUT I DON'T THINK THIS IS THE ANSWER TO OUR PRAYERS. AND THAT TAKES US INTO OTHER THINGS THAT WE WILL HAVE TO DEAL WITH. WITH THE NEXT SLIDE. I LAID OUT THIS PROCESS EARLIER, AND I AM NOT GOING THROUGH IT AGAIN. YOU ARE PROBABLY FAMILIAR WITH IT, THIS IS THE SAME CYCLE AND SCHEDULE WE HAVE DONE IN PAST YEARS. WE ARE ADDING SOME THINGS AND DOING SOME THINGS EARLIER, BUT IT'S THE SAME PROCESS. BY JUNE WE WILL BE DONE WITH THIS EXERCISE. AND WE WILL ADOPT A BALANCED BUDGET. I KNOW WE WILL ADOPT A BALANCED BUDGET, BECAUSE WE HAVE NO CHOICE. I FIND IT EASIER TO DO THE RIGHT THING IF YOU HAVE NO CHOICE. UNLIKE THE STATE OF CALIFORNIA WE CAN'T USE THE GIMMICKS AND THE THINGS THEY DO, AND UNLIKE THE U.S. GOVERNMENT WE DON'T HAVE A PRINTING PRESS AND CAN'T PRINT MONEY. SO WE WILL ADOPT A BALANCED BUDGET AS WE HAVE FOR THE LAST NINE YEARS. NEXT SLIDE. THERE IS NO NEXT SLIDE, OK. SO THAT'S WHERE WE ARE NOW. AND THERE WAS ANOTHER PERSON HERE I FORGOT TO INTRODUCE, SHARON ERICSSON, OUR AUDITOR IS BACK THERE. AND SHARON

HAS PRODUCED ANOTHER VERSION, THE ANNUAL VERSION OF HER SERVICES AND ACCOMPLISHMENTS, THE FCA REPORT WILL BE AVAILABLE FOR YOU TO TAKE WHEN YOU LEAVE. THERE IT IS, THAT WAS VERY POPULAR LAST YEAR. SO THERE IS THAT. SO WE WILL NOW TRY TO MOVE INTO THE MEAT OF THIS MEETING, TO TALK ABOUT THE PRIORITIES. AS WE GO THROUGH THE BUDGET PROCESS WE TRY TO LISTEN, AND ONE THING WE HEARD, WE NEED TO LOOK AT PROGRAMS. WE CAN'T JUST SAY "X"% OF A DEPARTMENT, WE NEED TO LOOK AT PROGRAMS. SO WE SEARCHED FOR A WAY TO TRY TO GET PROGRAM INFORMATION AVAILABLE AND COUNCIL AVAILABLE TO THE COMMUNITY. SO WE HAVE COME UP WITH THIS NEW TOOL. AND ONE OF THE THINGS WE WILL ASK YOU TO DO TODAY IS EVALUATE THE NEW TOOL. FOR PURPOSES OF HOW WE ARE GOING TO USE IT AS A CITY. AND HOW WE USE IT FOR THIS GROUP. AND I WANT TO TURN IT OVER TO KIM WALSH THAT WILL LEAD THE REST OF THE DISCUSSION AROUND THIS AND BE BACK FOR THAT. BEFORE I DO THAT, I THINK I STILL HAVE A FEW MINUTES.

>> YOU DO.

>> I WANT TO MAKE SURE IF YOU HAVE ANY QUESTIONS ABOUT ALL THE STUFF I HAVE COVERED, THAT YOU HAVE A CHANCE TO ASK THEM AND WE HAVE PLENTY OF STAFF TO ANSWER THEM. IF I GOT A FACT WRONG, WE CAN GET IT CORRECTED. WE WILL TAKE TIME TO DO THAT. I KNOW IN THE LAST SESSIONS PEOPLE APPRECIATED THE FACT THAT WE GOT THE QUESTIONS ANSWERED.

>> AND BECAUSE WE ARE RECORDING THIS SESSION, IF YOU COULD RAISE YOUR HAND AND WE WILL BRING THE MICROPHONE TO YOU.

>> ONE OF THE MAJOR CATEGORIES OF THE BUDGET IS NON-GOVERNMENT SPENDING, SUNSHINE REFORM TASK FORCE SEPARATED THAT OUT. IS THERE GOING TO BE A LISTING OF THAT SO WE CAN SEE IT. THE AMOUNT OF MONEY THAT IS NOT SPENT INSIDE THE CITY THAT GOES TO GRANT SUBSIDITIES.

>> YES, THERE IS A LISTING OF THAT, IF YOU GO TO THE COUNCIL AGENDA FOR FEBRUARY 2, I BELIEVE. THERE IS A REPORT ON OUR NON-PROFITS ENGAGEMENT EFFORT TO TRY TO DO THAT. AND ATTACHED TO THAT REPORT IS A LIST OF \$36 MILLION WORTH OF GRANTS THAT GO TO A VARIETY OF ORGANIZATIONS, FOR A VARIETY OF WAYS. SOME GENERAL FUND AND OTHERS, AND THAT'S PUBLISHED AND OUT THERE AND YOU CAN LOOK AT IT. GRANTS TO DEVELOPERS AND CORPORATIONS, NO, THIS IS GRANTS TO NON-PROFITS.

>> [INAUDIBLE]. THERE IS A LOT OF OTHER NON-GOVERNMENT SPENDING THAT DOESN'T GO IN THE GRANT AREA BUT GOES TO A DEVELOPER AND DOESN'T SEEM TO BE IN ANY ONE PLACE.

>> I DON'T KNOW WHERE THAT COLLECTED. I CAN THINK OF A COUPLE OF PLACES BUT I DON'T KNOW --

>> [INAUDIBLE].

>> YEAH, \$4 MILLION AT FIRST STREET THEY ARE INVESTING AND WE AGREED TO GIVE BACK A COUPLE OF YEARS OF THEIR PROPERTY TAXES TO HELP THEM BUY EQUIPMENT. THAT WAS \$4 MILLION THAT CAME OUT OF THE REDEVELOPMENT BUDGET AND THAT WAS A BUDGET LINE ITEM. THERE ARE THINGS LIKE THAT. BUT MOST OF THAT IS COMING OUT OF REDEVELOPMENT BUDGET SO IT'S NOT GENERAL FUND. YOU WILL NOT SEE IT IN THE GENERAL FUND BUDGET. WE'LL HAVE TO FOLLOW UP ON THAT AND SEE WHERE THAT INFORMATION IS AND MAKE IT AVAILABLE. OTHER QUESTIONS?

>> I UNDERSTAND THAT IF REDEVELOPMENT CAN'T MEET THEIR ANNUAL BUDGET IT COMES OUT OF GENERAL FUND. HAVE WE GIVEN FROM THE GENERAL FUND TO HELP DEVELOPMENT?

>> THAT'S NOT A CORRECT UNDERSTANDING, ALTHOUGH IT'S A CORRECT WORDING. REDEVELOPMENT AGENCY IS SEPARATE. REDEVELOPMENT OBLIGATIONS ARE SEPARATE. IT DOESN'T DIRECTLY, AND THE GENERAL FUND DOES NOT STAND BEHIND REDEVELOPMENT. BUT GENERAL FUND DOES BENEFIT, IN THIS LAST YEAR IT WAS \$20 MILLION THE LAST YEAR, PAYING FOR PART OF MY SALARY AND CITY OVERHEAD, AND SPECIFIC FUNDING FOR PROJECTS THERE IS ABOUT \$20 MILLION A YEAR. IF THE REDEVELOPMENT AGENCY DOESN'T HAVE MONEY, IT CAN'T PAY FOR THOSE SERVICES. SO OUR STRONG NEIGHBORHOODS INITIATIVES HAVE BEEN SUPPORTED AND THE MAYOR'S TASK FORCE HAS BEEN SUPPORTED AND A COUPLE OF CROSS-OVER THINGS. ONE IS ON THE SLIDE, WHICH IS CONVENTION CENTER. THE FANCING FOR THAT HAS THE GENERAL FUND BACKING IN A COMPLICATED WAY. BUT THE REDEVELOPMENT AGENCY PAYS THE CONVENTION CENTER'S DEBT SERVICE, IF IT DOESN'T, THEN THE GENERAL FUND HAS TO. THAT'S AN EXAMPLE WHERE THE GENERAL FUND IS AT RISK. BUT OTHER OBLIGATIONS OF REDEVELOPMENT IS OUTSIDE OF THE CITY'S. BUT THERE IS RISK TO THE GENERAL FUND IF THE AGENCY IS NOT DOING WELL. AND WE DEAL WITH THAT THIS YEAR, BECAUSE THE AGENCY REVENUES ARE NOT DOING WELL.

>> GOOD MORNING, I AM TINA. HISTORICALLY THE NEIGHBORS HAVE GOTTEN TOGETHER TO BE ASKED, HERE ARE YOUR SERVICES, WHAT DO YOU WANT CUT. WHAT I WOULD LIKE TO KNOW IF WE AS NEIGHBORS WILL BE ABLE TO GET TOGETHER TO HELP ON HOW PERSONNEL COSTS ARE MANAGED AND HOW TO INCREASE REVENUE IN SOME PUBLIC FORUM.

>> WE DID THE IDEAS OF INCREASING REVENUE, THAT WAS A BIG TOPIC AT THE BUDGET WORKSHOP. WE POLLED ON SOME OF THOSE AND LOOKING AT OTHERS. WE WILL HAVE A SERIES OF BUDGET WORKSHOPS TO TALK ABOUT THOSE THINGS AND ANYTHING ELSE THAT PEOPLE WANT TO. WE ARE TRYING TO START THOSE SOONER. WE ARE TRYING TO GET A COUPLE OF THEM DONE BEFORE WE DO THE MARCH BUDGET MESSAGE AND THE REST IN APRIL. SO WE ARE NOT DOING THEM IN MAY AFTER THE BUDGET IS PUBLISHED. BUT WE WILL PROBABLY HAVE ONE IN EVERY COUNCIL DISTRICT IS THE TARGET. A QUESTION UP HERE.

>> I AM DOLLY FROM NEIGHBORHOOD'S COMMISSION. SO YOU MENTIONED THAT WE HAVE A VERY LIMITED NUMBER OF EMPLOYEES AND WE ARE TRYING TO DO MORE AND MORE WITH THAT NUMBER OF WORKFORCE, COMPARED TO OTHER CITIES. SO WHAT WE ARE DOING DIFFERENT OR WRONG THAT OTHER CITIES ARE NOT IN THE SITUATION AND WE ARE?

>> WELL, OTHER CITIES ARE IN THIS SITUATION. TO VARYING DEGREES OF TROUBLE. SO I DON'T THINK WE ARE DOING ANYTHING NECESSARILY WRONG COMPARED TO OTHER CITIES. THERE ARE LOTS OF INTERESTING THINGS ABOUT OTHER CITIES THAT I WOULD CHANGE. IF WE HAD THE AVERAGE PER CAPITA OF REVENUES FOR OAKLAND AND LOS ANGELES, WE WOULD HAVE ANOTHER \$2 MILLION PER YEAR. IF WE HAD THE AVERAGE PER CAPITA REVENUES OF PALO ALTO, WE WOULD HAVE \$3 MILLION. AND IF YOU LOOK ON THE OUR EMPLOYEES AND HOW WE EMPLOY THEM, WE LOOK FAVORABLE. I DON'T THINK YOU CAN SAY WE ARE DOING ANYTHING WRONG, WE SUFFER FROM THE SAME PROBLEMS OF PENSION AND HEALTH CARE, BUT THE PENSION PROBLEM IS NOT JUST SAN JOSE BUT ALMOST EVERY CITY IN THE STATE. NEXT YEAR PART OF THIS GAP, I DIDN'T GO INTO THE DETAILS OF THE GAP. BUT PART OF THE GAP FOR NEXT YEAR IS THE PROBABILITY THAT WE WILL HAVE TO WRITE AN ADDITIONAL \$50 MILLION CHECK INTO THE PENSION FUNDS IN ORDER TO COVER, BEGINNING TO COVER THE LOSSES SUFFERED OVER THE LAST YEARS. BUT OTHER CITIES ARE IN THE SAME BOAT, THE CITIES IN THE CALIFORNIA. CAN I INTRODUCE OUR ARE INTERRIM PLEASE AUDITOR.

>> LAST NIGHT ON THE NEWS THERE WAS THE EMPLOYMENT REPORT FOR THE STATE OF CALIFORNIA. AND THEY INDICATED THAT THE COUNTY OF SANTA CLARA WAS THE ONLY ONE THAT SHOWED A VERY SMALL INCREASE IN EMPLOYMENT. DOES SAN JOSE SEE THAT INCREASE COMING? AND IF SO WHAT NEW REVENUES COULD IT GENERATE FOR THE CITY?

>> WE DO SEE THE INCREASE COMING, WE HAVE TURNED THE CORNER AND WILL SEE SOME JOB GROWTH THIS YEAR. AND THERE IS ECONOMIC STRATEGY THAT WE WILL REVIEW ON FEBRUARY 8, AND THERE ARE LOTS OF THINGS WE ARE DOING TO TRY TO GET THAT JOB GROWTH BACK. THE THINGS LIKE THE DEAL WITH BROCADE, THEY WILL HAVE THOUSANDS OF PEOPLE WORKING IN SAN JOSE. I THINK WE WILL START SEEING EMPLOYMENT GROWTH THIS YEAR. BUT MOST OF OUR REVENUES ARE LAGGING IN THE SENSE THAT PROPERTY TAXES WON'T START COMING BACK FOR A YEAR OR TWO PROBABLY. AFTER WE START SEEING INCREASE JOB GROWTH. SALES TAXES MAY COME UP. I KNOW I WAS AT A MEETING RECENTLY AND THERE ARE PROJECTIONS THAT MAYBE IN THE LAST QUARTER OF THIS FISCAL YEAR, SO APRIL-JUNE, THE SALES TAX NUMBERS MAY TURN POSITIVE. SOME PEOPLE THINK THAT. THAT WOULD BE GOOD, BECAUSE THEY ARE GOING DOWN AND DOWN. THE FACT THAT THEY TURN POSITIVE IS A GOOD THING. BUT THE JOB GROWTH ITSELF WON'T IMPACT US FOR PROBABLY ANOTHER YEAR AT THE EARLIEST WITH OUR REVENUES. JOB GROWTH HELPS IN A VARIETY OF WAYS. SALE TAXES, PEOPLE ARE GETTING PAID AND GET THE SALES TAX. AND WHEN WE FILL UP THE BUILDINGS WE GET UTILITY TAXES AND PROPERTY TAXES ARE IMPORTANT. BUT YOU DON'T GET THAT PROPERTY TAX INCREASE UNTIL AFTER THE BUILDING IS FILLED UP AND REASSESSED AND GETS ON THE TAX ROLLS. WHAT IT DOES IS STOP THE DETERIORATION OF THE PROPERTY TAXES, BECAUSE THOSE ARE GOING DOWN. SINCE THE PEAK OF SALES TAX WAS DOWN 25%, PROPERTY TAXES PEAKED LAST YEAR WERE DOWN HAVE NOW TURNED NEGATIVE. BUT JOBS ARE IMPORTANT TO CHANGING THOSE NUMBERS.

>> GOOD MORNING, HELEN, I AM GLAD YOU MENTIONED SMALL BUSINESSES, BECAUSE ON THE ALAMEDA WE HAVE NOTICED THE SHUTTERING OF THE SMALL BUSINESSES, WHAT ARE WE DOING TO ENCOURAGE SMALL BUSINESS DEVELOPMENT AND STOP THE SHUTTING OF THOSE.

>> I THINK IT'S THE ECONOMIC DEVELOPMENT STRATEGY THAT KIM AND HER STAFF HAS PUT TOGETHER. THERE ARE INITIATIVES THAT MANY WE ARE DOING. I FOCUS MY EFFORTS ON DRIVING INDUSTRIES. BECAUSE IT'S THE INDUSTRIES BRINGING THE MONEY INTO THE CITY AND SELLING TO THE WORLD OR COUNTRY, THAT ARE GROWING AND HIRING PEOPLE. THAT THEN CREATES THE DEMAND FOR THE SMALLER BUSINESSES AND SHOPS AND SERVICES. BECAUSE EVERY TIME THEY HIRE SOMEONE AT BROCADE, THAT PERSON NEEDS A DENTIST, A DOCTOR OR LAWYER AND SOMEONE TO DELIVER PIZZA. THAT'S WHAT DRIVES OUR ECONOMY, I FOCUS MY EFFORTS ON THAT AS THE KEY TO TURN THINGS AROUND. BUT WE HAVE INITIATIVES TO HELP THE SMALL BUSINESSES GET STARTED. BECAUSE THEY ARE IMPORTANT AND GENERATE SALE TAXES AND PROVIDE SERVICES TO THE NEIGHBORS.

>> RICHARD --

>> WELCOME BACK TO SAN JOSE.

>> THANK YOU, RETIRED POLICE CAPTAIN. DON'T KNOW IF YOU DEAL WITH IT HERE, BUT DO YOU HAVE IDEAS OF HOW TO RESOLVE THE ISSUES OF RETIREMENT PENSIONS? WHAT IS YOUR VIEWS, THE TWO-TIER OR OTHER SYSTEMS?

>> I HAVE THOUGHT ABOUT IT A LOT. AND WE HAVE COLLECTIVELY THOUGHT ABOUT IT AND THE COUNCIL HAS GIVEN DIRECTION TO SEEK A TWO-TIER SYSTEM, DIFFERENT BENEFITS FOR NEW HIRES, WE ARE NOT TRYING TO CHANGE THE SYSTEM. BUT WE CAN SAVE MONEY IF WE HAVE A DIFFERENT SYSTEM OF RETIREMENT OR HEALTH CARE FOR NEW EMPLOYEES. IT WON'T HELP A LOT IN THIS NEXT FISCAL YEAR, BUT IT GETS BIGGER EVERY YEAR. AS OUR

PEOPLE RETIRE AND REPLACE, WE WILL HAVE A SUBSTANTIAL NEW EMPLOYEES OVER THE NEXT FIVE YEARS, UNLESS WE KEEP SHRINKING. I THINK I HAVE A COUPLE MORE MINUTES.

>> JUST A QUICK QUESTION ON THE PENSION. WHAT ARE WE DOING TO CONSIDER TYING THE PENSION BENEFITS TO THE PERFORMANCE OF THE MARKET AND NOT STICKING US WITH THE DEFICIENCIES IN THE MARKET SECTOR?

>> I DON'T THINK THAT THE MANAGER HAS GOTTEN INTO THE DETAILS OF THAT TWO-TIER WILL LOOK LIKE. SOME CITIES HAVE PROPOSED GOING BACK TO THE GOVERNOR, GOING BACK TO THE WAY IT WAS BEFORE WE MADE IT WORSE. IN THE LATE 90'S, IN THE PRE-EXISTING BENEFITS, SOME PEOPLE SAY WE HAVE DEFINE CONTRIBUTIONS THAN THE BENEFIT PLANS. BUT WE HAVEN'T MADE ANY POLICY DECISIONS OF WHICH WAY TO GO.

>> HARVEY, CHAIR OF GREATER GARNER ACT. YOU MENTIONED A 4-5 MILLION DEFERRED MAINTENANCE. I KNOW OUR NUMBER ONE PRIORITY IS THE \$10 MILLION ON THE DEFERRED MAINTENANCE ON OUR STREETS. AND THAT WAS YEARS AGO, AND WE KNOW THAT THE STREETS CONTINUE TO DETERIORATE AND IT WILL BE MORE EXPENSIVE. ARE WE LOOKING AT HOW MUCH THIS IS ESCALATING AND SECOND ARE WE LOOKING FOR A MORE LONG-TERM SOLUTION TO FUND THIS THAN PUSHING TO THE FUTURE?

>> YES, OUR STAFF HAS DONE A GOOD JOB OF IDENTIFYING THE BACKLOG AND THE ANNUAL COST THAT IT'S GOING UP. WE KNOW THOSE AND HAVE LOOKED AT LONG-TERM SOLUTIONS, WE DON'T HAVE A SOLUTION BUT HAVE CONSIDERED A POSSIBLE DEFERRED TAX, BUT IT DOESN'T POLL WELL, THERE IS NO PROSPECT OF GETTING A TWO-THIRDS TAX FOR DEALING WITH THOSE. AND WE ARE STUCK. AND IT'S HELPFUL TO GET MONEY FROM THE FEDERAL GOVERNMENT, AND WE GOT \$15 MILLION OUT OF THE STIMULUS PACKAGE FOR STREET MAINTENANCE. WE WILL DO THAT OVER THE NEXT YEAR, BUT THAT WON'T HELP WITH THE BACKLOG BUT HELP US NOT GOOD WORSE AS FAST.

>> BOB FROM THE ROSE GARDEN NEIGHBORHOOD ASSOCIATION, WHAT I FORESEE AIDING THE CITY IS MORE PUBLIC AND PRIVATE MARRIAGES PER SE. WE HAVE GREAT SUCCESS AT OUR OWN ROSE GARDEN, AND I NOTICE THERE ARE SOME SIGNS AROUND THE CITY TO ELIMINATE LANDSCAPING. AND NEIGHBORHOOD ASSOCIATIONS COULD JUMP ON THE BAND WAGON AND SAVE THAT. AND I SEE SOME THINGS THAT WE HAVE REDUCED THE BLIGHT GROUP AND I SEE VIOLATIONS OCCURRING, I PERSONALLY HAVE TURNED IN 10 PEOPLE FOR NOT HAVING BUILDING PERMITS THAT GENERATE REVENUE. IS THERE WAY AN AS CITIZENS TO GET TRAINED AND TO AID THE CITY IN PERHAPS RECOVERING SOME OF THIS MONEY?

>> THERE IS AND THERE ARE HUGE AMOUNT OF EFFORTS AND THE ROSE GARDEN IS THE BEST EXAMPLE THAT COMMISSIONER PIERIUGI HAS HELPED. AND WE HAVE TRIED TO HAVE THIRD PARTIES AND HAVE PROCESSES AND PROCEDURES IN PLACE. AND WILL SEE HOW THAT GOES. THE VOLUNTEER WORK WE GET OUT OF THE COMMUNITY IS HUGE. ESPECIALLY IN THINGS LIKE GRA FFITI AND WE NEED A WAY TO LEVERAGE THAT BUT IT'S NOT GOING TO SOLVE THE \$100 MILLION PROBLEM. IT'S DIFFICULT TO DO. ONE MORE QUESTION AND THEN I HAVE TO TURN IT BACK TO KIM TO KEEP ON SCHEDULE. WHO HAS THE MICROPHONE? ELSIE GETS THE LAST QUESTION.

>> LAST WORD, THANK YOU. I APPRECIATE WHAT THE CITY IS HAVING TO GO THROUGH, LORD KNOWS, AGAIN IT COMES DOWN TO THE COMMUNITY. I WOULD LIKE TO SEE [INAUDIBLE] ROSE GARDEN THINKING ALIKE. THE PROGRAMS WE DO HAVE, WOULD IT BE POSSIBLE BECAUSE WE NEED TO WORK SMARTER, WOULD IT BE POSSIBLE TO LOOK INTO PROGRAMS THAT WOULD BE TOUCHED OR UNTOUCHED TO TAILOR THEM SO THAT VOLUNTEERS THAT ARE WILLING TO WORK AT IT, CAN DO IT IN A PROACTIVE FASHION, AND I HATE TO POINT OUT THINGS, WE HAD A GROUP THAT WENT TO THE BLITHE PROGRAM AND A LOT

WALKED AWAY BECAUSE IT DIDN'T DEAL WITH THE NEEDS. IS IT POSSIBLE TO GO TO THESE PROGRAMS THAT COULD RELY ON VOLUNTEERS TO CHANGE TO POLICY CHANGES?

>> I THINK WE DO THAT, AND THAT'S AN INTERESTING QUESTION AS YOU LOOK AT THE PROGRAMS. AND YOU HAVE THIS 450 OR 500 PROGRAMS THAT IF YOU CAN IDENTIFY THINGS IN THERE WHERE YOU THINK WE COULD DO MORE WITH VOLUNTEERS. THAT WOULD BE HELPFUL. BECAUSE IT'S REALLY A PROGRAM BY PROGRAM ANALYSIS WHERE IT WOULD BE USEFUL. AND IF WE CAN EXTEND THE REACH OF OUR VOLUNTEER EFFORTS, THAT WOULD BE HELPFUL. AS YOU GO THROUGH THE BOOKS AND LOOK AT THE PROGRAMS, IDENTIFY AREAS WHERE YOU THINK WE COULD MAKE BETTER LEVERAGE OUT OF OUR VOLUNTEERS. WITH THAT I AM TURN BACK TO KIM TO GET INTO THE EXERCISE PART OF THIS.

>> I WANT TO RECOGNIZE HOW REMARKABLE -- [APPLAUSE] -- HOW REMARKABLE IT IS WE HAVE A MAYOR OF SUCH A LARGE CITY THAT PERSONALLY HOSTS A MEETING LIKE THIS AND INVOLVED IN MAKING SURE THESE MEETINGS ARE SUCCESSFUL. THANK YOU, MR. MAYOR. JUST LIKE YEAR THE INPUT YOU PROVIDED LAST YEAR REALLY HELPED OUR CITY MANAGER, OUR MAYOR AND OUR COUNCIL IN FASHIONING LAST YEAR'S BUDGET. I WANT TO BE CLEAR WITH YOU, THIS MEETING HAS BEEN STRUCTURED SO THAT THE INPUT YOU PROVIDE US IS LITERALLY GOING TO BE USED IN THINKING ABOUT HOW TO APPROACH THIS YEAR'S BUDGET. AS WE MENTIONED WE ARE AT A POINT TO GO DEEPER AND LOOK AT THE PROGRAMS THAT THE CITY PROVIDES. AND FIGURE OUT WHICH ARE THE HIGHEST PRIORITY OR LOWER PRIORITY, AS WE MAY NEED TO THINK DIFFERENTLY AS THEY ARE PROVIDED BY THE COMMUNITY. TO TAKE US INTO THIS PILOT METHOD THAT WE ARE USING TO THINK ABOUT HOW TO PRIORITIZE THE 550 PROGRAMS THAT THE CITY HAS. IT'S MY PLEASURE TO INTRODUCE WALTER ROTHMAN, HE'S THE ASSISTANT DIRECTOR OF OUR BUDGET OFFICE. HE'S BEEN A CRITICAL PART OF THE TEAM THAT WORKED ON THE PILOT PRIORITIZATION EFFORT. WALTER WILL GIVE YOU A BRIEFING ABOUT WHAT IT IS. I KNOW THAT MANY NEIGHBORHOOD'S ARE FAMILIAR, BUT IT'S IMPORTANT TO HAVE BASIC KNOWLEDGE AND WE WILL DO EXERCISES WHERE YOU CAN PROVIDE MORE SPECIFIC INPUT. I PROMISE YOU AT THE END THE MEETING, YOU WILL HAVE MORE OPPORTUNITY TO SPEAK DIRECTLY TO THE MAYOR AND OFFER INSIGHTS. SO WALTER ROTHMAN.

>> THANK YOU, I WOULD LIKE TO GIVE YOU THE FRAMEWORK OF WHAT THE CITY HAS DONE AS A PILOT PROGRAM. STARTING IN JUNE AND JULY ALL THE WAY TO TODAY, AND WE ARE HAPPY TO HAVE YOU AS PARTICIPANTS TO SHARE YOUR INSIGHTS, THE PILOT PROGRAM MOVING FORWARD AS WELL AS THE INPUT YOU WILL SHARE WITH US. LET ME TALK FIRST, WHY DO WE CARE TO PRIORITIZE SERVICES? THE MAYOR TALKED ABOUT THE BUDGET FIGURES, AND GIVEN THE BUDGET, WE CANNOT MOVE FORWARD WITH EVERYTHING WE ARE DOING TODAY. WE HAVE LIMITED RESOURCES AND HAVE TO MAKE CHOICES. WHAT WE HAVE HEARD THAT COUNCILMEMBERS AND STAKEHOLDERS WANT YOU TO KNOW WHAT THE CITY CAN DO AND WHAT ARE 550 PROGRAMS WE HAVE IN THE CITY TO DELIVER SERVICES TO YOU AS THE NEIGHBORS OF THE CITY AND RESIDENTS OF OUR CITY. LOOKING AT THE OBJECTIVE OF PRIORITIZATION, FIRST WE WANT TO PROVIDE INFORMATION. IF YOU LOOK AND SEE THIS TODAY, ALL OF YOU HAVE THIS ORANGE BOOK ON THE TABLE. THE INFORMATION IS ONLINE SO YOU DON'T HAVE TO GO THROUGH IT NOW. YOU CAN DO IT AT LEISURE, AND THIS LISTS ALL THE DEPARTMENTS WITH DESCRIPTION AND THE DOLLARS ATTACHED TO IT. AND THOSE ARE PRELIMINARY DOLLARS BASED ON OCTOBER SNAPSHOT OF LAST CALENDAR YEAR, AND STAFF AND ANY BUDGET INFORMATION SUCH AS REIMBURSEMENT, IS IT COST OR RECOVERY OR NOT AND THE RESOURCE AND THE PROGRAM MANAGERS. AND THEN WE WANT TO UNDERSTAND THE PROGRAM, HOW THEY RELATE TO CERTAIN PRIORITIES. ON YOUR TABLE YOU GOT A HANDOUT AND I WILL POINT TO YOU MORE DETAIL TO IT. THIS MAP, THESE ARE THE FIVE PRIORITIES YOU CURRENTLY HAVE, SAFE CITY, PROSPEROUS ECONOMY, SEEK GREEN SUSTAINABLE CITY, VIBRANT ATTRACTIVE NEIGHBORHOOD AND A RELIABLE MAINTAINED INFRASTRUCTURE SYSTEM. HOW THESE PROGRAMS AND WHETHER THEY ARE PUBLIC WORKS OR ENVIRONMENTAL SERVICES AND HOW THE PROGRAMS SUPPORT THESE FIVE PRIORITY

RESULTS. AND OBVIOUSLY WE HAVE TO MAKE CHOICES AMONG THE PROGRAMS, WHICH WE HAVE, THE LIMITED RESOURCES. AND PART OF WHAT YOU ARE HERE TODAY TO GIVE INPUT ABOUT THE PROGRAMS THEMSELVES. WHAT ARE THE STEPS, WE ARE NOW AT STEP 6-7, RIGHT IN THE MIDDLE. I WANT TO FIRST LEAD YOU IN THE LAST SEVEN STEPS WE STARTED AND WHERE WE ARE TODAY AND HOW THEY RELATE TOGETHER. FIRST THE PROGRAMS, THAT WAS A MONUMENTAL TASK FOR THE CITY STAFF, WE NEVER RECORDED THE PROGRAMS AT A DETAIL LEVEL, WE WORKED WITH THEM BUT NOT IN THE DETAIL YOU SEE TODAY. AND THEN FOR THE SAFE CITY AND GREEN CITY, ETC. AND FIGURE OUT WHAT THIS MEANS. NOT JUST PUBLIC SAFETY, POLICE AND FIRE, BUT ALSO THAT WE HAVE THE REGULATORY COMPLIANCE TO PROTECT LIFE, PROPERTY AND THE NATURAL ENVIRONMENT. THEN WE SCORE THE PROGRAMS. WE WORKED WITH A MODEL THAT IS INITIATIVE IN JEFFERSON COUNTY, COLORADO, AND WORKED WITH AN ASSISTANT TO HELP GUIDE US THROUGH IT AND PROGRAM TO OUR NEEDS. THE COUNTY IS NOT ENGAGED IN PUBLIC ENGAGEMENT AS WE HAVE TODAY, BUT TO PROVIDE SCORING, AND WE WANT TO REACH OUT AND GET YOUR INPUT INTO THIS PROCESS. THEN HOW DO YOU INVEST ACROSS [INAUDIBLE]. THAT'S WHEN YOUR TASK COMES IN, THE ROLL OF NICKELS YOU RECEIVED, THOSE ARE YOUR \$100 THAT WE ASK YOU TO INVEST, OBVIOUSLY IT'S ONLY \$1. AND TRY TO MAKE IT EASY IN FIVE CENT INCREMENTS, THE AMOUNT YOU WANT TO INVEST. AND THEN WE NEED TO PRODUCE A PROGRAM RANKING AND I WILL EXPLAIN WHERE WE ARE TODAY. AND THE LARGER PIECE OF ENGAGEMENT, WHAT DOES THIS MEAN TO US AS STAFF, TO THE COUNCILMEMBER AND THE MAYOR? WHAT DOES IT MEAN TO THE REST OF THEM ONCE WE GO THROUGH THIS PROCESS. IDENTIFY CITY PROGRAMS, WHAT IS A PROGRAM? IT'S NOT A DIVISION, IT'S NOT A TASK, IT'S SOMETHING INBETWEEN. WE HAVE THE POLICE DEPARTMENT AND SMALLER DEPARTMENTS SUCH AS FINANCE. HOW DO WE BREAK UP THE PROGRAMS AND HOW TO MAKE SENSE. AND WE HAVE THE DOLLARS ATTACHED TO IT. WHAT YOU SEE TODAY ARE PROGRAMS THAT ARE FUNDED CURRENTLY AND INTENDED TO BE FUNDED FOR THE NEXT FISCAL YEAR. SOME ONE-TIME FUNDINGS ARE NOT INCLUDED IN THIS EXERCISE. IN TERMS OF PRIORITIES, I LISTED THEM, SAFE CITY, PROSPEROUS ECONOMY, GREEN AND SUSTAINABLE CITY AND VIABLE NEIGHBORHOODS. AND WE LOOKED AT INTERNAL SERVICE DEPARTMENTS, THAT'S YOUR HUMAN RESOURCES DEPARTMENT, AND INFORMATION AND TECHNOLOGY AND FINANCE AND PUBLIC SERVICES, ETC. WE ARE NOT GOING TO TALK ABOUT THAT OUTCOME TODAY, RATHER WE WANT TO CONCENTRATE TO THOSE PROGRAMS AND SUPPORT THE COMMUNITY RESULTS. LET'S TALK A LITTLE ABOUT SPECIFIC PROGRAMS HERE. SAFE CITY. IF YOU FLIP TO YOUR HAND-OUT NOW. GO TO THE THIRD PAGE, IT'S IN YELLOW, COLOR-CODED. AND WHAT WILL YOU SEE WHAT KIM WILL LEAD YOU THROUGH, THE SAME OUTCOMES ARE HERE, AND IT'S IMPORTANT TO UNDERSTAND WHAT WE MEAN WITH SAFE CITY ACROSS THIS ECONOMY, ETC. SAFE CITY, PLANS FOR EMERGENCIES, THAT'S THE FIRE DEPARTMENT AND POLICE DEPARTMENT DUTY. AND TO PROVIDE COMPLIANCE FOR THE PROPERTY, AND THAT HAPPENS TO MANY DEPARTMENTS, TO CODE ENFORCEMENT AND ENVIRONMENTAL SERVICES FOR THE STORM WATER AND THE PROTECTION FOR RIVERS AND THE BAY. REDUCE CRIME, PUBLIC EDUCATION, PREVENTION, AND EARLY INTERVENTION. THAT'S NOT JUST THE POLICE DEPARTMENT, BUT THE LIBRARY DEPARTMENT AND PARKS AND RECREATION, SO THERE ARE SEVERAL AREAS ACROSS THE CITY TO ENSURE WE HAVE A SAFE CITY OUTCOME. AND THE DEFENDERS, THAT'S THE POLICE DEPARTMENT, AND TO ENSURE SAFE TRANSPORTATION AND PUBLIC SPACES AND NEIGHBORHOODS. THAT'S THE TRANSPORTATION DEPARTMENT AND OTHERS. AND LOOK AT THE BOTTOM, ON PAGE 2, PROCESS ECONOMY HAS SIX DIFFERENT OUTCOMES. ATTRACTS BUSINESSES AND JOB CREATION. WE TALKED ABOUT THIS, HOW TO SUPPORT SMALL BUSINESSES. PLANS FOR LAND USE AND FACILITATE LAND DEVELOPMENT. THAT'S IMPORTANT TOO SO WE BUILD AND PLAN OUR CITY IN SUCH A WAY TO SUPPORT A PROSPEROUS ECONOMY. PROVIDE INFRASTRUCTURE AND BUSINESS INVESTMENT. THE INFRASTRUCTURE IS THE STREETS AND ROADS AND BRIDGES, THE AREAS TO ENSURE THAT PEOPLE CAN MOVE, THE TRANSPORTATION SYSTEM BEHIND IT. DEVELOPS AND SUPPORTS COMMUNITIES AND AFFORDABLE HOUSING TO ATTRACT AND MAINTAIN WORKFORCE. WHEN SOMEONE DECIDES TO MOVE TO OUR CITY, THEY ARE NOT JUST LOOKING AT I HAVE A JOB. BUT WHERE DO YOU WANT TO LIVE, IN A NEIGHBORHOOD THAT IS ATTRACTIVE. OR CLOSE TO PUBLIC TRANSPORT

OR TO A MAJOR ROAD SYSTEM. AND DEVELOPS A WORKFORCE THAT IS POTENTIAL FOR EMPLOYERS. BUT WE WANT TO BE ATTRACTIVE FOR THE BUSINESSES. THE NEXT ITEM WE HAVE AND NEXT PRIORITY RESULT, GREEN SUSTAINABLE CITY. THE MAYOR AND CITY COUNCIL IN 2007 ADOPTED THE GREEN PROVISIONS TO ENSURE THAT WE ARE A GREEN SUSTAINABLE CITY. WE WANT YOU TO UNDERSTAND THESE AND BE AWARE OF WHAT IT MEANS, WHEN YOU TAKE YOUR \$1 OF NICKELS AND YOU COME TO THE TABLE, THINK ABOUT HOW YOU WOULD DETERMINE THE DOLLARS ACROSS THESE FIVE RESULTS. A GREEN SUSTAINABLE CITY IS ACHIEVED BY PROMOTING AND SUPPORTING LEADERSHIP AND REGULATION AND EDUCATION AND INCENTIVES. IT MINIMIZES NATURAL RESOURCES, WE ARE ONE OF THE LARGEST CITIES WITH RECYCLING PROGRAM. AND TO HAVE ENVIRONMENTAL IMPACT ON AIR, LAND AND WATER QUALITY. AND PROMOTES NEW TECHNOLOGY AND FINALLY PLANTS AND DESIGN TO PROMOTE TO MINIMIZE EMISSIONS AND PROVIDE OTHER IMPACTS. FOR A VIABLE, ATTRACTIVE NEIGHBORHOOD, TO SUPPORT THE ARTS AND ENTERTAINMENTS AND TO PROVIDE FOR LEARNING AND CULTURAL ACTIVITIES. TO PROMOTE ATTRACTIVE PLACES TO WORK AND PLAY, OUR LIBRARIES AND PARKS AND OUR TRAIL SYSTEMS. AND TO PROMOTE HEALTHY LIVING AND PERSONAL DEVELOPMENT AND TO CELEBRATE AND CONNECT THE DIVERSE CULTURES. AND TO MAINTAIN AN INFRASTRUCTURE, IT'S THREE AREAS AND IT LOOKS AT THE INFRASTRUCTURE THAT THE CITY HAS CONTROL OF, THE CITY, AND LIBRARIES, AND THE ROAD SYSTEM AND SEWER SYSTEM, ETC. IN ORDER TO ACHIEVE THIS INFRASTRUCTURE, WE HAVE ACTIVITIES IN THE PROGRAM TO ENSURE LONG-TERM SUSTAINABILITY, AND TO PROMOTE AND SUPPORT A QUALITY COMMUNITY AND SERVICES. AND TO PROVIDE A VARIETY OF ACCESSIBLE AND CONVENIENT TRANSPORTATION SYSTEM. NOW THAT WE SET THE STAGE FOR THE FIVE PRIORITIES, WHAT DO DEPARTMENTS DO? THEY HAVE TO SCORE THEMSELVES. IF YOU LOOK AT FIELD PATROL AND POLICE, THEY SAY FOR A SAFE CITY, WE ARE ESSENTIAL FOR PROVIDING A SAFE CITY. WHEN YOU CALL 9-1-1 YOU WANT THOSE TO SHOW UP, AND THEY RATE THEMSELVES AT 4. WHEN YOU SPEAK OF A SAFE CITY, AND TO HAVE A DEGREE OF RESULTS. AND THAT'S THE EFFORTS OF THE DEPARTMENTS, THEY LOOKED AT SUB-CATEGORIES AND TO LOOK AT HOW TO INFLUENCE AND ACHIEVE THESE RESULTS. THE NEXT STEP IS ONE PERSPECTIVE FOR US, YOU HAVE DEPARTMENTS THAT USE THESE SERVICES AND THINK THEY KNOW HOW TO RATE THEMSELVES. AND THEY HAVE CERTAINLY PERSPECTIVES AND WE HAVE A REVIEW TEAM THAT CONSISTS OF 16 MEMBERS, AND A DEPARTMENT HEAD THAT'S NOT RELATED TO THAT OUTCOME, ON SAFE CITY WE HAD A DEPARTMENT HEAD THAT HAD NOTHING TO DO WITH THOSE PROGRAMS. AND EXECUTIVE STAFF MEMBER AND MIDDLE BRANCH. WE WANT TO GO THROUGH OUR ORGANIZATION AND FIGURE OUT IN VARIOUS AREAS TO LOOK AND REVIEW THESE SCORES. AND WE WANT TO BE SURE THAT OUR UNION HAS AN UNDERSTANDING OF WHAT THIS MEANS AND THE NEIGHBORHOODS. SO WE HAD SIX NEIGHBORHOOD LEADERS THAT TOOK THE TIME AND OFFERED THEIR TIME. THIS WAS IN TWO TO THREE WEEKS AND THEY GOT THE STACK OF PROGRAMS OVER THE CHRISTMAS HOLIDAY, AND IN JANUARY, THE SECOND WEEK WE WERE DONE. THE OUTCOME WAS AMAZING, FROM THE PERSPECTIVE OF THE VARIOUS GROUPS, THE GROUPS CAME TOGETHER AND REVIEWED THE SCORES. LEARNED TO UNDERSTAND THEM. AND SAID, YOU KNOW WHAT, THAT DOESN'T MAKE SENSE OR THAT IS RIGHT ON TARGET. WE WENT THROUGH THIS PROCESS AND RANKED AND REVIEWED THE PROGRAMS. AND THEN THE QUESTION IS, HOW DO WE INVEST IT? THE MODEL SAYS WE HAVE SCORED EVERYTHING AND RANKED AND AGREE ON THE SCORES. BUT NOW WHAT IS MORE IMPORTANT? IS SAFE CITY MORE IMPORTANT THAN A GREEN SUSTAINABLE CITY? ARE THEY EQUAL AND HOW DO THEY RELATE FROM EVERYONE'S PERSPECTIVE? SO YOU COME UP WITH THE RANKING, A PRELIMINARY RANKING BY 200 PEOPLE, NEIGHBOR LEADERS, SENIOR STAFF, MAYOR AND CITY COUNCIL AND THE GENERAL FUND STRUCTURAL DEFICIT NEIGHBORHOOD GROUP, THAT'S A LONG NAME BUT IT WAS A GROUP THAT ALLOWED FOR INPUT. AND THESE EXERCISES WILL HELP US FURTHER TO FIGURE OUT HOW TO INVEST \$100 TOWARDS THESE FIVE RESULTS. WHAT DOES IT MEAN? WE WILL TALK ABOUT THE GROUP EXERCISE, AND I WILL POINT YOU TO IT. PRELIMINARY PROGRAM RANKING GENERAL FUND PROGRAMS. WHAT WE DID HERE, THE INITIAL RANKING THAT WE WANT TO GET INPUT TODAY ON THE INVESTING OF RESULTS. AND THEN WE CAME UP WITH THE RANKING. AND WE FIGURED OUT WHAT THIS MEANS. WHAT WE ARE TALKING ABOUT TODAY IS NOT AIRPORT

FUNDS, ALTHOUGH THERE ARE ISSUES THERE, AND NOT UTILITY FUNDS. WE ARE TALKING ABOUT GENERAL FUNDS, THE GAP OF \$100 MILLION, AND THE PROGRAMS LINKED TO THOSE FUNDS. IN THE HAND-OUTS YOU HAVE THESE PROGRAMS TO TELL WHERE THE PROGRAM IS HOUSED AND THE DESCRIPTION OF THE PROGRAM. WHAT DOES LEVEL 1 MEAN? STRONG CONTRIBUTOR, AND 2 IS ALSO STRONG AND 3 IS MEDIUM AND KIM WILL DISCUSS THIS. LASTLY, WHAT DOES IT DO AND NOT DO? EVERY MODEL WE USE IS NOT PERFECT, IT'S NOT TO ACHIEVE TO CLOSE THE \$100 MILLION GAP. BUT IT'S A METHOD TO ALLOW US TO GET INSIDE OF THE 550 PROGRAMS AND HOW THEY ARE NOT JUST SILOS BUT HOW THEY ARE INTERRELATED. AND THAT'S THE BEAUTY OF THE MODEL. IT PROVIDES FOR THE PROGRAMS ON THE CITY'S FIVE PRIORITY RESULTS. AND IT PROVIDES CHOICES ON THE PROGRAMS GIVEN THE LIMITED RESOURCES. WE IDENTIFIED SOME DUPLICATIVE EFFORTS, AND WE REALIZED THAT THERE ARE THINGS TO DO DIFFERENT. SO IT HELPS US UNDERSTAND OUR ORGANIZATION BETTER AND HELPS NEIGHBORHOODS AND RESIDENTS TO UNDERSTAND IT BETTER. WHAT IT DOES NOT DO, IT DOES NOT GUARANTEE THAT A LOW PRIORITY PROGRAM WILL BE CUT. JUST BECAUSE IT'S IN PRIORITY 4, DOESN'T MEAN IT'S NOT SOMETHING THAT WE SHOULD CONTINUE. AND NOR DOES IT MEAN THAT IT WILL BE PRESERVED AS IT. BUT TO ALLOW US TO LOOK AT THESE MODELS THROUGH PARTNERSHIPS AND ETC. LAST PIECE, TO REVIEW AND DISCUSS, WE ARE STARTING NOW. THIS IS OUR FIRST BIG MEETING TO BRING IN THE RESULTS, AND THIS WILL BE GENERATED AND HOPE TO DO THIS THROUGH JUNE AND IN OTHER FORUMS, WHETHER AT BUDGET DISCUSSIONS OR COUNCIL MEETING, AND TO ENSURE THAT THE MAYOR AND COUNCILMEMBERS WILL UNDERSTAND HOW THIS PROGRAM WILL BE USED. THANK YOU VERY MUCH.

>> THANK YOU, WALTER. I THINK WALTER DID A GREAT JOB OF EXPLAINING WHAT WE HAVE BEEN EXPERIENCING IN THE LAST MONTHS. WE WANT TO PUT THAT INFORMATION OUT BECAUSE WE BELIEVE THERE IS SOMETHING HERE IMPORTANT FOR OUR COMMUNITY. I WANT TO PAUSE AND RECOGNIZE WE HAVE A FEW MORE COUNCILMEMBERS, MEMBER SAM LICCARDO. AND MEMBER CHU, AND MEMBER CHIRCO. THANK YOU FOR JOINING US. SO WE WANT TO START BY GETTING YOUR INPUT ON WHAT ARE YOUR PRIORITIES FOR THIS YEAR'S BUDGET AT THE HIGHEST LEVEL. AND BY HIGHEST LEVEL WE MEAN ACROSS THOSE FIVE PRIORITY RESULTS. THAT'S WHY WALTER TOOK TIME FOR YOU TO FOCUS ON WHAT THOSE PRIORITY RESULTS ARE. WE WILL CREATE A MARKETPLACE. SO WE HAVE AT THE FRONT OF THE ROOM HERE, WE HAVE A STATION FOR EACH OF THOSE FIVE PRIORITY RESULTS. SO YOU WILL SEE THE HANDY-COLOR CODED CIRCLES YOU ARE FAMILIAR WITH. AND THERE IS A GLASS JAR BY EACH ONE. AND YOU, AS WALTER POINTED OUT, YOU HAVE A DOLLAR'S WORTH OF NICKELS. WHAT WE WANT YOU TO THINK ABOUT, AND WE ARE GOING TO HAVE THE MARKETPLACE OPEN FOR 10 MINUTES. THINK ABOUT THE QUESTION THAT'S UP ON THE SCREEN HERE. HOW MUCH WOULD YOU INVEST TOWARD ACHIEVING EACH PRIORITY RESULT IN THIS NEXT YEAR'S BUDGET, 2010-11. SO IT'S A GAME, BUT IT'S A SERIOUS GAME. AND IT'S SERIOUS, I WANT YOU TO REALLY THINK THAT YOU ARE RESPONSIBLE FOR INVESTING THIS MONEY. AND HOW WOULD YOU INVEST THIS MONEY NEXT YEAR IN PROGRAMS TO ACHIEVE EACH OF THOSE FIVE RESULTS. ONE RELATIVE TO THE OTHER. NOW YOU MIGHT THINK OVER TIME WE NEED DO IT THIS WAY, OR I AM A FAN OF ONE, AND I WANT TO PUT ALL OF MY NICKELS INTO ONE OF THOSE JARS UP THERE. AND YOU ARE FREE TO DO THAT. BUT AS MUCH AS POSSIBLE I WANT YOU TO THINK THAT I AM RESPONSIBLE FOR MAKING DECISIONS ABOUT NEXT YEAR'S BUDGET AT THIS MOMENT AND TIME, AND WHAT WOULD I DO. AND WE WILL TALLY YOUR INPUT AND ALLOW YOU TO KNOW THE WISDOM OF THE CROWD AND HOW YOU WOULD TALLY THE RESULTS THIS YEAR. AND I WILL ASK LADY CITY MANAGER TO OPEN THE MARKETPLACE BY RINGING THE BELL. IF YOU WOULD DO THE HONORS. THE MARKETPLACE WILL BE OPEN FOR 10 MINUTES. AND THINK ABOUT IT LIKE IT'S AT MARKETPLACE. YOU CAN TALK AND CHAT, AND LOTS OF ACTIVITY. SO FEEL FREE TO GET UP AND FEEL FREE TO TALK TO YOUR NEIGHBORHOODS. AND FEEL FREE TO CONVINCING EACH OTHER AND ASK QUESTIONS. AND MAKE YOUR WAY TO THE FRONT AND DEPOSIT ALL OF YOUR COINS. IF YOU WANT TO SIT QUIETLY AND THINK ABOUT IT AND MAKE PILES AT YOUR TABLE. YOU CAN DO THAT. I WILL GIVE YOU A ONE-MINUTE WARNING BELL. AND THEN I WILL ASK THE MAYOR

TO COME BACK. WHEN YOU SEE THE MAYOR CLANG THE BELL, THE MARKET IS CLOSED AND YOUR NICKELS BETTER BE IN THERE. I HAVE TWO RULES, RULE 1, THOUGH IT MAY BE TEMPTING, PLEASE DO NOT REACH TO YOUR OWN POCKET AND PULL ADDITIONAL NICKELS INTO THE SYSTEM. AND OF COURSE, NO HIGHWAY ROBBERY OF YOUR FELLOW NEIGHBORS, NO STEALING NICKELS FROM YOUR OTHER PEOPLE. AND TAKE THIS SERIOUSLY, AS IF YOU WERE THE PERSON MAKING THESE DECISIONS. ANY QUESTIONS OF HOW TO DO THIS? EVERY NEIGHBORHOOD LEADER AND PARTICIPANT. OK, MADAM, CITY MANAGER, OPEN THE MARKETPLACE. [BELL]

>> ONE-MINUTE WARNING.

>> ALL RIGHT [BELL] THE MARKET IS CLOSING. THAT'S IT. PLEASE TAKE YOUR SEATS. WE ARE READY TO MOVE ON TO THE NEXT THING. YOU KNOW IT ALL LOOKS KIND OF CLOSE WITH THE NICKELS. BUT WE WILL FIND OUT EXACTLY HOW MUCH IS IN EACH ONE. AND WE HAVE A SPECIAL PROCESS, HIGH-SECURITY.

>> I WOULD SURE LIKE TO KNOW.

>> WOULDN'T YOU KNOW EXACTLY HOW MANY? HOW ARE WE GOING TO FIGURE IT OUT.

>> I AM PLEASED TO WELCOME THE SAN JOSE CREDIT UNION MANAGER, AND HER ASSISTANT, THEY HAVE AGREED TO TAKE THE VASES AND GO TO THE COIN COUNTER AND COUNT THEM AND BRING THE ENVELOPE BACK. GRACE AND GINA. DO YOU NEED AN ARMED ESCORT? THANK YOU EVERYONE FOR PARTICIPATING. GOOD JOB.

>> I UNDERSTAND THAT SOME OF THE NEIGHBORHOOD PARTICIPANTS MAY HAVE JOINED US LATE. IF YOU ARE SITTING IN THE BACK OR SIDE, AND YOU ARE A NEIGHBORHOOD PARTICIPANT. LOOK ON YOUR NAME TAG AND MAKE YOUR WAY TO THE TABLE. WE WANT YOU TO PARTICIPATE IN THE SMALL-GROUP TABLE DISCUSSIONS THAT ARE NEXT. SO THE FOCUS OF THE SMALL-GROUP DISCUSSIONS THAT WE ARE GOING TO DO NOW. IS THE PROGRAM PRIORITIZATION RESULT. AND AS WALTER MENTIONED YOU HAVE IN FRONT OF YOU, THESE ARE THE PRELIMINARY RANKINGS OF THE PROGRAM. IT SAYS, "PRELIMINARY PROGRAM PRIORITY RANKINGS." FOR THE PROGRAMS THAT HAVE GENERAL FUND FUNDING. AND IT'S PRELIMINARY FOR ONE REASON, BECAUSE WE JUST FOUND OUT HOW YOU WEIGHED THIS RESULTS AND TAKE THAT INTO ACCOUNT FOR THE FINAL RANKING. WHAT WE WOULD LIKE TO DO IS GET YOUR INITIAL IMPRESSION ABOUT THE VALUE OF THESE PROGRAM RANKINGS. WE WILL GIVE YOU UNTIL 12:15 TO HAVE A CONVERSATION AT EACH OF YOUR TABLES. AND THE CONVERSATION WILL BE FACILITATED BY ONE OF OUR WONDERFUL NEIGHBORHOOD COMMISSIONERS. SO COULD ALL NEIGHBORHOOD COMMISSIONERS RAISE YOUR HAND THAT ARE FACILITATING AT EACH TABLE. AND WE HAVE AT EACH TABLE SOMEONE FROM OUR STRONG NEIGHBORHOOD STAFF THAT WILL BE LISTENING AND RECORDING AND WRITING DOWN WHAT YOU WILL SAY. EACH OF YOU RAISE YOUR HANDS. AND WE HAVE ONE CITY DEPARTMENT HEAD OR SENIOR STAFF AT EACH TABLE, THAT'S WELL TO HELP OUT AND ANSWER QUESTIONS AS NEEDED. RAISE YOUR HANDS, SENIOR STAFF. EXCELLENT. SO WHAT WE HAVE ARE THESE FOUR QUESTIONS. LET'S TAKE A QUICK LOOK AT THEM. FIRST WE WOULD LIKE TO GET SOME QUICK REACTIONS, AS YOU LOOK AT THIS PROGRAM RANKING, WHAT IS MOST SURPRISING TO YOU ABOUT THE INITIAL RESULTS? IT COULD BE ANYTHING. BUT TAKE A GLANCE AND SHARE SOMETHING THAT IS SURPRISING TO YOU. THE SECOND QUESTION, LITERALLY IMAGINE YOURSELF ON THE CITY COUNCIL. IF YOU WERE PRESENTED WITH THIS KIND OF INFORMATION, HOW WOULD YOU USE IT TO MAKE TOUGH BUDGET DECISIONS. THINK ABOUT HOW YOU WOULD USE THIS INFORMATION. THE THIRD QUESTION, WHAT CONCERNS DO YOU HAVE ABOUT HOW THIS INFORMATION MIGHT BE USED. YOU MAY HAVE CONCERNS OR WORRIES ABOUT IT, WE WANT TO SHARE THOSE. AND LAST, WHAT IDEAS DO YOU HAVE ABOUT DIFFERENT WAYS THAT THIS INFORMATION COULD BE USED. MAYBE WHY NOT THIS BUDGET PROCESS. SO IN YOUR SMALL GROUPS WE WANT YOU TO HAVE THAT CONVERSATION. WE WILL

BE TAKING NOTES. AND AGAIN THOSE NOTES WILL GO INTO THE SUMMARY OF THIS MEETING, WHICH WILL BE GIVEN TO THE MAYOR AND COUNCIL WHEN THEY MEET NEXT ON THE BUDGET, THE FEBRUARY 16TH STUDY SESSION. ANY QUESTIONS?

>> [INAUDIBLE].

>> GOOD QUESTION, SO THE GENTLEMAN IS ASKING THE QUESTION ABOUT THE PARTICIPANT SURVEY. THAT IS ACTUALLY THE LAST EXERCISE THAT WE WILL DO AT THE VERY END. SO YOU WILL DO THAT AS AN INDIVIDUAL AT THE END. SO YOU DON'T NEED TO WORRY ABOUT THAT NOW. AND YOU DON'T NEED TO COME TO ANY CONSENSUS AROUND YOUR TABLE. WE ARE JUST LOOKING FOR YOUR REACTIONS AND YOUR IDEAS. AFTER YOUR CONVERSATION, YOU WILL HAVE AN OPPORTUNITY TO TELL THE MAYOR YOUR SINGLE-MOST IMPORTANT INSIGHT ABOUT THE BUDGET AND SHARE THAT WITH HIM. THAT'S WHY WE HAVE A RECORDER AT EVERY TABLE, TO CAPTURE YOUR IDEAS. BUT THIS IS ABOUT GETTING SOME INITIAL HIGH-LEVEL REACTIONS TO THIS NEW KIND OF INFORMATION THAT WE HAVE NEVER HAD BEFORE FOR OUR CITY. ANOTHER QUESTION?

>> [INAUDIBLE].

>> SO THE QUESTION IS, IF YOU TURN TO LEVEL 1 PROGRAMS, THEY ARE ALPHABETICALLY LISTED BY DEPARTMENTS. AT THIS POINT WE ARE NOT MAKING ANY DISTINCTION AT ANY LEVEL THAT ONE IS -- YEAH, FOR NOW THEY ARE ALL GENERALLY LEVEL 1 PROGRAMS OR GENERALLY LEVEL 2 PROGRAMS, THEY ARE NOT RANKED SPECIFICALLY. OTHER QUESTIONS?

>> [INAUDIBLE].

>> ABSOLUTELY, YEAH, YOU CAN BRING ANYTHING INTO THE CONVERSATION, I WOULD LIKE YOU TO KEEP FOCUSED ON THESE FOUR QUESTIONS, AND AT THE END OF THE MEETING, YOU CAN PROVIDE MORE VERBAL INPUT OR ANY OTHER COMMENTS ABOUT THE SESSION.

>> [INAUDIBLE].

>> GOOD QUESTION, VERY ASTUTE, HE'S NOTICED THAT THE PROGRAM DICTIONARY, THERE ARE ABOUT 550 PROGRAMS, AND A QUICK SCAN OF THE PRIORITIZED PROGRAMS, THERE ARE FEWER. THERE IS ABOUT 250. THE REASON IS JUST FOR THE PURPOSES OF YOUR DISCUSSION TODAY, WE HAVE JUST GIVEN THE RANKINGS FOR THE PROGRAM THAT HAVE GENERAL FUND FUNDING IN THEM. THESE ARE THE ONES THAT WE HAVE THE MOST DISCRETION AND HARDEST DECISIONS ABOUT. WE DIDN'T WANT TO GIVE YOU THE 550, IT'S TOO MUCH INFORMATION. YOU HAVE THE SKINNY-DOWN LIST. FOR THE RANKING AND THE PRIORITIES, THIS IS THE SUBSET THAT MATTERS THE MOST TODAY. I WANT TO TAKE ONE MORE QUESTION.

>> [INAUDIBLE].

>> HE IS SAYING, IF I THINK A PROGRAM SHOULD BE GENERAL FUNDED AND IT'S NOT, CAN I EXPRESS THAT. YES, YOU CAN CERTAINLY EXPRESS THAT. AND AT THE END THE MEETING, WE WILL PUT UP AN E-MAIL ADDRESS, IF YOU HAVE ANY INPUT ON THESE PROGRAMS AND HOW THEY ARE PRIORITIED AND THE METHODOLOGY, WE WANT YOU TO SEND THAT TO US TO ADDRESS THAT QUESTION. IN THIS CONVERSATION, WE WANT TO KEEP IT TO THE HIGHER LEVEL OF THESE FOUR QUESTIONS THAN THIS PARTICULAR PROGRAM OR THAT PARTICULAR PROGRAM. THERE WILL BE OPPORTUNITIES TO DO THAT IN THE NEXT MONTHS. ONE MORE QUESTION.

>> [INAUDIBLE].

>> SHE'S JUST ASKING, WE WILL GIVE YOU A SPECIAL E-MAIL ADDRESS, SO ANYTHING THAT COMES TO THAT E-MAIL ADDRESS WILL BE ADDRESSED. SO I THINK YOU GUYS KNOW WHAT YOU ARE DOING, YOU HAVE GREAT FACILITATORS AT YOUR TABLE. WE WILL RECONVENE YOU AT 12:15 FOR THE SESSION WITH THE MAYOR, ENJOY YOUR CONVERSATIONS. THANK YOU. [BELL]

>> OK, THANKS EVERYONE. I COULD TELL THERE WERE SOME HEATED AND INTERESTING AND DEEP CONVERSATIONS GOING ON. IF I COULD HAVE YOUR ATTENTION. SO WE ARE IN THE HOME-RUN SESSION NOW. I WANT TO THANK EVERYONE FOR PARTICIPATING IN THE SMALL GROUP DISCUSSIONS. AND I WANT TO ASSURE YOU THIS IS THE FIRST CONVERSATION WE HAD ABOUT THIS AND THE FIRST INFORMATION WE PUT OUT ABOUT THIS. AS WE GO THROUGH THE BUDGET PROCESS AND HAVE MORE CONVERSATION IN DISTRICTS AND NEIGHBORHOODS, WE CAN GO DEEPER AND PUT OUT AS MUCH INFORMATION YOU WANT TO RECEIVE ARE. SO THANK YOU FOR THAT. WE ARE IN THE HOME-RUN STAGE OF OUR MEETING. AND I FEEL WE HAVE ACCOMPLISHED A LOT. YOU HAVE LEARNED ABOUT THE CITY'S BUDGET SITUATION. YOU HAVE LEARNED ABOUT THIS PROGRAM, PRIORITIZATION EFFORT. YOU GAVE US A SENSE OF HOW YOU WOULD VALUE OR INVEST IN THE FIVE RESULTS. AND AT THE END OF THE MEETING WE HAVE THE OFFICIAL RESULTS WE WILL SHARE. AND WE WOULD LIKE TO TURN TO THE FINAL QUESTION, AND MAYOR REED, IF YOU WOULD STAND IN THE FRONT OF THE ROOM. THIS IS YOUR OPPORTUNITY FOR EACH OF YOU TO SHARE WITH MAYOR REED THE ANSWER TO THE QUESTION UP ON THE WALL HERE. AS YOU CONSIDER THE PRIORITY RESULTS, AND THIS PRELIMINARY PROGRAM PRIORITY INFORMATION, WHAT IS YOUR SINGLE BEST INSIGHT OR IDEA ABOUT HOW TO SOLVE THE 2010-11 BUDGET SHORTFALL. YOU CAN SAY ANYTHING YOU WANT, IT COULD BE AN IDEA YOU HAD, OR SOMETHING THAT CAME OUT OF THE DISCUSSION. JUST ASK THAT YOU LIMIT TO ONE. THERE IS A LOT OF PEOPLE HERE. THE WAY WE WILL DO THIS, WE HAVE THREE PEOPLE FROM THE NEIGHBORHOOD STAFF, ONE IN THE BACK, ONE IN THE MIDDLE AND ONE IN THE FRONT. WHAT I WOULD SUGGEST THAT WE START IN THE BACK. TAKE ONE COMMENT FROM THE FRONT AND THEN THE MIDDLE AND THEN THE FRONT. SO YOU GUYS TEE IT UP. AND MAYOR REED, I WOULD ASK YOU TO DO SOMETHING THAT MAY BE HARD. WHEN THEY SHARE THEIR IDEAS, I ASK THAT YOU TAKE IT AND THINK ABOUT IT BUT WE DON'T HAVE TIME TO GO BACK.

>> YES, I WON'T RESPOND, I WILL JUST TAKE IT. I CAN DISH IT AND I CAN ALSO TAKE IT. BUT HERE IS THE RULE, WE ONLY HAVE 15 MINUTES FOR THIS SEGMENT. SO THIS IS A SPEED ROUND. THIS ISN'T TWO MINUTE RULE OR ONE MINUTE RULE, IT'S 25 WORDS OR LESS, THAT'S THE ADVICE FROM ME AND MY STAFF. I HAVE TO PUT TOGETHER THE MARCH BUDGET MESSAGE, THIS IS YOUR CHANCE, MOST IMPORTANT THING YOU THINK WE NEED TO DO. THIS IS YOUR CHANCE, 25 WORDS OR LESS.

>> OK, WHO WANTS TO GO FIRST. NO PRESSURE. START IN THE BACK. AND MICROPHONE PEOPLE HUSTLE.

>> CROSS COLLABORATION, USING ONE PROGRAM TO ENHANCE THE OTHER.

>> DUPLICATION OF SERVICES AND LIKE NONPROFIT AND CITY DEPARTMENT.

>> SAME THING, CONSOLIDATION, PROJECTS AND PROGRAMS THAT ARE IN MULTIPLE DEPARTMENTS, GET OUT OF THE BUNKER MENTALITY THAT EACH DEPARTMENT MUST BE IN NOW.

>> THANK YOU. AT THE BACK.

>> TAKE A LOOK AT THE PARTICIPATION OF THE CITIZENS THAT USE THE SERVICES BEFORE THEY ARE CUT.

>> EXCELLENT.

>> ONE THING THAT CAME UP AT THIS TABLE IS PROTECT CITY JOBS, BECAUSE THAT WILL PROTECT CITY JOB AS THEY SPEND THE MONEY AND LEAD TO REVENUE.

>> COST RECOVERY, THAT'S IMPORTANT HOW MUCH WE GET BACK.

>> SOMEONE FROM THE BACK. SPEAK YOUR PEACE TO THE MAYOR. TO THE MIDDLE. SOMEONE IN THE MIDDLE? AN IDEA?

>> I WOULD LIKE TO INCREASE ECONOMIC DEVELOPMENT AND THE TAX BASE THAT WILL PAY FOR EVERYTHING.

>> DOWN IN FRONT.

>> ANALYZE EACH PROGRAM BY THEIR PERFORMANCE OF THEIR OBJECTIVES AND TOWARDS THE PRIORITY.

>> GOOD, ANYONE IN THE BACK? DON'T BE SHY BACK THERE. WE HAVE SOMEONE.

>> ENGAGE THE YOUTH AND HAVE THEM GET US UP TO SPEED ON TECHNOLOGY.

>> VERY GOOD.

>> DON'T TAKE ONE-TIME FIXES AND THINK THAT'S THE SOLUTION.

>> DOWN IN FRONT.

>> LOOK AT THE COST OVER THE LONG-TERM OF ANY COST CUTS WE MAKE THIS YEAR. AND WHAT IT MAY COST US TO PUT THEM BACK IN WHEN WE HAVE MONEY.

>> GOOD, WHO ELSE? GOT SOMEONE BEHIND YOU.

>> BRING IN NEW BUSINESS TO INCREASE REVENUE FOR OUR CITY.

>> GOOD, THANK YOU. IN THE MIDDLE.

>> HE'S HAVING A BRAIN FREEZE, WE WILL COME BACK.

>> BUDGET TO THE EXPECTED OR PRIORITIZE PERFORMANCE STANDARDS.

>> GOOD, THANK YOU. WHO ELSE?

>> ACCEPT A HIGHER LEVEL OF RISK TO THE CITY TO DO MORE INNOVATIVE THINGS WITH THE PROGRAMS.

>> VERY GOOD. WHO ELSE?

>> LOOK AT BEST-PRACTICES ACROSS DEPARTMENTS AND/OR DEPARTMENTS IN OTHER CITIES SO NO ONE REINVENTING THE WHEEL.

>> EVALUATE THE COUNTY AND STATE IF THERE IS DUPLICATION OUTSIDE OF THE CITY.

>> CREATIVE OR COLLABORATIVE SOLUTIONS FOR THOSE PROGRAMS THAT DO NEED TO BE CUT. ARE THERE OTHER OPTIONS OR WAYS THAT THEY CAN BE PROVIDED WITHOUT THE CITY'S INVOLVEMENT.

>> EFFICIENCY THROUGHOUT ALL LEVELS, INSTEAD OF LEVEL 3 AND 4, COMBINE WITH LEVEL 1 AND 2 AND PARTNER WITH EACH OTHER.

>> TAKE A HARD LOOK AT THE PROCESSES OF HOW WE FULFILL THE PROGRAMS WE HAVE AND BE OPEN TO PARADIGM SHIFTS WAYS OF THINKING.

>> GOOD, OTHER IDEAS? WHO ELSE?

>> BETTER USE OF THE VOLUNTEERS.

>> A LOT OF GOOD ENERGY IN THE ROOM ABOUT PARTNERSHIP AND VOLUNTEERING.

>> THIS MAY HAVE BEEN SAID, BUT DEFINITELY ENCOURAGE THE BEST CROSS POLLINATION OF ALL DEPARTMENTS WHERE THEY ARE NOT DUPLICATING BUT LEARNING FROM EACH OTHER AND GETTING MORE EFFICIENT.

>> VERY GOOD, THANK YOU. WHO ELSE? ANYONE ELSE HAVE AN IDEA OR INSIGHT? OK, GREAT. THANK YOU FOR THAT.

>> THANK YOU ALL. [APPLAUSE]

>> AND NOW LET'S ANNOUNCE THE RESULTS OF THE VOTING. MAYOR, WHY DON'T YOU COME BACK UP HERE AND LET ME ASK THE CREDIT UNION MANAGER, GINA, SHE'S GOT AN ENVELOPE, I WILL ASK YOU TO OPEN THE ENVELOPE, LIKE THE ACADEMY AWARDS.

>> DOES ANYONE REMEMBER KARNAC, THIS IS NOT KARNAC. THE MYSTERY ENVELOPE FROM THE CREDIT UNION, THANK YOU FOR COUNTING THE NICKELS. THE RESULTS ARE GREEN SUSTAINABLE CITY, 15%. RELIABLE INFRASTRUCTURE 19%. VIBRANT CITY 19% AND SAFE CITY -- I WILL REPEAT. GREEN, 15%, INFRASTRUCTURE, 19%. ATTRACTIVE COMMUNITY, 19%. PROSPEROUS ECONOMY, 20%. SAFE CITY, 28%.

>> ALL RIGHT, SOME VARIATION BUT ALSO NOT SURPRISING ALL OF THESE THINGS ARE IMPORTANT TO MOVE FORWARD ON WITH SAFE CITY AS THE TOP. AND THE GREEN SUSTAINABLE CITY AS PERHAPS THE LOWEST ONE. BUT A STRONG CLUSTERING IN THE MIDDLE THERE. LET ME BE CLEAR HOW WE WILL USE THIS. SO EACH ONE OF THOSE PROGRAMS GOT A SCORE AND WAS THEN REVIEWED BY THE REVIEW TEAM. AND THEN A COMPOSITE SCORE FOR EACH PROGRAM. WE WILL USE THE WEIGHTING FOR THE COMPOSITE SCORE, AND YOUR WEIGHTING WILL BE COMBINED ALONG WITH THE TELEPHONE SURVEY AND USE TO REVIEW THE FINAL RATING OF THE PROGRAM THAT WE WILL RELEASE. WE HAVE ONE MORE WAY WE WOULD LIKE YOUR INPUT, THAT'S A PARTICIPANT SURVEY THAT SOME OF YOU NOTICED ON THE TABLE IN FRONT OF YOU. WE WOULD LIKE YOU TO FILL THIS OUT AND AS YOU LEAVE TO THE DOORS, PASS IT TO SOMEONE AND THAT'S YOUR TICKET TO GET YOUR LUNCH, THAT'S IN THE ROTUNDA. YOU GIVE US THE SURVEY, AND YOU GET A FREE PASS TO LUNCH. LET'S LOOK AT THIS. WHAT WE ARE ASKING YOU TO DO YOU CAN SEE WE HAVE EACH ONE OF THE RESULTS HERE. AND WE HAVE SUB-RESULTS, ELEMENTS OF THE WHEEL IN THE COLOR GRAPHIC. WHAT WE WANT YOU TO DO, LIKE IN SAFE CITY, RANK ORDER IN YOUR PRIORITY ORDER. HERE 1-5. THE WAY TO THINK ABOUT THIS, FOR THE NEXT BUDGET YEAR, PROGRAMS THAT REDUCE CRIME THROUGH PUBLIC EDUCATION COMMUNITY PRESENCE. FOR THIS BUDGET YEAR, PROGRAMS THAT ENSURE REGULATORY COMPLIANCE. WHERE DO I THINK WE SHOULD INVEST THE MOST ACROSS THOSE FIVE. SAFE CITY, RANK THOSE 1-5 AND THEN TO PROSPEROUS ECONOMY, THERE ARE SIX THERE, AND RANK THOSE 1-6. THE RANKING FOR THE

BUDGET YEAR, WHEN THE CITY MANAGER HAS TO MAKE DECISIONS ABOUT WHAT KINDS OF PROGRAMS SHOULD WE PRIORITIZE TO KEEP THIS YEAR, THIS IS INPUT INTO THAT PROCESS. AND I WANT TO POINT OUT, THERE IS ALSO A GENERAL PLACE FOR YOU TO PROVIDE INPUT ON SOLVING THE BUDGET SHORTFALL. ANYTHING YOU DIDN'T SAY TODAY OR WOULD LIKE TO WRITE DOWN, PLEASE WRITE IT THERE. AND THERE IS OPPORTUNITY FOR YOU TO PROVIDE FEEDBACK ON THE MEETING. THAT'S IMPORTANT TO US. WE TRY TO DO DIFFERENT THINGS TO GET INPUT FROM YOU, AND THAT IS MEANINGFUL AND TO HAVE AN ENJOYABLE TIME TO DO THAT. WE WANT YOUR FEEDBACK ON THIS MEETING. AND I WANT TO CLARIFY NEXT STEPS. IS MAYOR REED STILL IN THE ROOM? I THINK HE HAD TO RUN OUT. I WILL CLARIFY THE NEXT STEPS. AS I SAID BEFORE, WE WILL CREATE A WRITTEN SUMMARY OF THIS MEETING. AND WE WILL HAVE THAT DONE WITHIN 10 DAYS TO TWO WEEKS. WE WILL SEND IT OUT TO ALL OF YOU. AND IT WILL BE POSTED ONLINE FOR THE FEBRUARY 16TH STUDY SESSION THAT THE MAYOR AND COUNCIL HAVE ABOUT THE BUDGET. THE INPUT FROM THIS MEETING GETS SHARED WITH THE MAYOR AND COUNCIL AND WILL BE AN INPUT INTO THEIR DELIBERATIONS. WE WILL ALSO CONTINUE TO THINK ABOUT THIS PROGRAM PRIORITIZATION, AND HOW TO USE IT AND WHETHER TO USE IT IN FUTURE YEARS. IF YOU HAVE ANY COMMENTS ABOUT THIS, THERE IS THE E-MAIL ADDRESS, YOU CAN SEND ANY COMMENT ABOUT THE BUDGET OR PRIORITIZATION TO THAT E-MAIL. WE WELCOME YOUR COMMENTS. AND THEN THE MAYOR, I THINK YOU KNOW HE ISSUES HIS BUDGET MESSAGE, THAT'S HIS WAY OF PROVIDING DIRECTION TO THE CITY MANAGER ABOUT THINGS THAT HE THINKS ARE MOST IMPORTANT OR TO BE CONSIDERED IN THE BUDGET PROPOSED. SO THE MAYOR'S BUDGET MESSAGE WILL COME OUT ON MARCH 12. AND THEN THE CITY MANAGER HAS TO DO HER HARD WORK TO RELEASE HER BUDGET ON MAY 3. SO THERE WILL BE A LOT MORE CONVERSATIONS, DELIBERATIONS AND REVISION OF THIS WORK AND THEN THE BUDGET FROM NOW UNTIL IT'S ADOPTED IN LATE JUNE. SO THIS ENTIRE PROCESS, YOU ARE GREAT AT ASKING QUESTIONS AND DEMANDING INFORMATION AND GIVING US INPUT. I WANT YOU TO THINK ABOUT HOW TO TAKE THAT TO YOUR NEIGHBORHOOD. THERE WILL BE A MEETING IN EVERY COUNCIL DISTRICT AND I ENCOURAGE YOU TO PARTICIPATE IN THOSE. WE ARE ENDING A HALF-HOUR EARLY, WHICH IS GREAT. THAT GIVES YOU TIME TO FILL OUT YOUR SURVEY AND GO TO THE ROTUNDA AND TALK AND HAVE LUNCH AND ASK ANY QUESTIONS. I WANT TO THANK THE NEIGHBORHOOD COMMISSIONERS AND THEIR ROLE, [APPLAUSE] THEY ARE A FABULOUS GROUP. AND I WANT TO THANK THE CITY STAFF AND THE DEPARTMENT HEADS AND ESPECIALLY THE STAFF FROM THE STRONG NEIGHBORHOOD' INITIATIVE THAT HAVE PUT TOGETHER A TREMENDOUS WORK TO GET YOU HERE AND THE RESULTS OF THIS DAY. THANK YOU TO THE STRONG NEIGHBORHOOD TEAM. AND THE PURPLE REPORT PUT OUT BY OUR CITY AUDITOR IS AVAILABLE FOR YOU ON THE WAY OUT. IT'S ANOTHER RESOURCE AND A WAY OF DESCRIBING THE DIFFERENT ACTIVITIES AND THE SERVICES THAT THE CITY PROVIDES, AND THE DOLLARS SUPPORTED AND THE MEASURES OF EFFECTIVENESS OF THE PROGRAMS. WITH THAT ARE THERE ANY OTHER COMMENTS FROM THE PUBLIC? I THINK I NEED TO MAKE SURE THAT ANYONE ELSE NEED TO HAVE FINAL COMMENTS OR PUBLIC COMMENTS? COULD WE HAVE A MICROPHONE THERE? THANK YOU.

>> HELLO, SOMETHING THAT I DON'T THINK I HEARD THAT SHOULD GO BEFORE CITY COUNCIL, WHEN EVER THEY VOTE ON SOMETHING, IT WOULD BE NICE IF THEY COULD VOTE KNOWING WHAT THE FINANCIAL RAMIFICATIONS ARE. FOR EXAMPLE, THAT ISSUE REGARDING PLASTIC BAGS WAS AN ITEM WITH A LOT OF POSITIVE RESPONSES. IF THEY KNEW WHEN THEY VOTED ON IT THAT THE CHANCE OF LITIGATION IS HIGH, AND EVERY CITY THAT HAS IMPLEMENTED IT HAD TO THE TUNE OF MULTIMILLIONS OF DOLLARS OF LITIGATION, WHAT WOULD HAVE BEEN DONE AT THAT TIME, THE RAMIFICATIONS.

>> THANK YOU, AND ANY OTHER PUBLIC COMMENT, INCLUDING ANYONE THAT WAS NOT A PARTICIPANT IN THE MEETING, YOU ARE WELCOME.

>> AS I REVIEWED THE FIVE CATEGORIES AND THE LINE ITEMS, I COULDN'T FIGURE OUT HOW YOU COULD INDICATE SUPPORT FOR NEIGHBORHOODS. THE GRANTS AND THE PEOPLE THAT

HELP US, NEIGHBORHOOD ASSOCIATIONS ETC., IT SEEMS LIKE MUCH OF THE FUNDING ARE NEIGHBORHOOD SUPPORT THAT IS CRITICAL TO THE COMMUNITY, IS NOT PART OF THE GENERAL FUND. I WOULD RECOMMEND NOW WHEN TIMES ARE LEANER, PERHAPS IT'S TIME TO SHIFT THAT FUNDING TO GENERAL FUND RATHER THAN CONTINUING TO RELY ON SOURCES OF INCOME THAT MAY NOT BE SUSTAINABLE OR MAY DISAPPEAR TEMPORARILY. SO IT WOULD GREAT TO SEE NEIGHBORHOOD SUPPORT DISCUSSED AS A GENERAL FUND ITEM IN THE FUTURE.

>> ANY OTHER PUBLIC COMMENT? OK, WITH THAT, I WANT TO THANK YOU FOR PARTICIPATING IN THIS MEETING. YOU ARE A GREAT GROUP, GIVE YOURSELF A ROUND OF APPLAUSE. I APPRECIATE YOUR TIME ON A SATURDAY. AND I WILL ALLOW MAYOR REED TO CLOSE THE MEETING.

>> THANK YOU FOR COMING, DID YOU SAY SOMETHING ABOUT LUNCH?

>> LUNCH IN THE ROTUNDA.

>> ALL RIGHT, AND ON THE WAY OUT GET THE SERVICES AND ACCOMPLISHMENT REPORTS FROM THE CITY AUDITOR. THANK YOU FOR COMING, WE APPRECIATE YOUR PARTICIPATION. AND WE WILL WORK THROUGH THIS PROCESS GETTING MORE SPECIFIC IN EACH STEP. STAY IN TOUCH AND COME TO THE COMMUNITY MEETINGS IN THE DISTRICTS, AND STAY ENGAGED, WE APPRECIATE YOUR HELP.