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>> Mayor Reed: Good evening. I'd like to call this meeting to order. We have a quorum on this side of the dais and more councilmembers here so I think everybody will be here shortly. But I'd like to go ahead and get started. Tonight is the public hearing on my June budget message. The only purpose of this meeting tonight is to take public testimony on the budget message. Council's not taking action tonight. We're here to listen. After we've heard from the public tonight we will continue the hearing until tomorrow afternoon when the council will take any additional testimony from anybody who hasn't already spoken and then we'll deliberate and vote on the budget message. So today, tonight, is quite a relief from previous years when we've sat here facing huge budget gaps that we've had to close. After a decade of cuts we have a small, 1% cushion in the budget that will allow us to avoid major service cuts and begin restoring some services. Of course this is only a one year reprieve because we know the following fiscal year we're facing a gap and we aren't funding \$100 million of infrastructure we should be funding. There's some other uncertainties that have increased even since the budget message was released and certainly since March when we framed up this budget. Santa Clara County is threatening to withhold tax revenues that belong to the bond holders and about \$20 million. If they carry that out that could negatively impact our budget including the General Fund. Our retirement boards will be looking at their investment returns. Cal PERS announced today that Cal PERS was negative for the year by June 8th by 4.7% negative for the year, as of a few days ago. If our retirement boards decide to modify the investment return assumption from 7.5% to 7.25%, that add about \$20 million of increase in our retirement cost, and much of that would go to the general fund. So that's why, in the March budget message, council gave direction to the manager as she prepared the budget to deal with ongoing costs with only ongoing revenues and not spend one-time funds in ways that will create an ongoing cost, because we really have to bridge this year and next year in order to avoid major cuts next year. And that's why the council has been very cautious, as we've gone through this process because we are looking ahead more than one year. Councilmembers have issues over 50 budget requests that total over \$50 million much of which was ongoing requests. The council gave direction in March and I've included in my June budget message, plans to open the City's four new constructed libraries and the new Bascom community center which have been closed even though they were brand-new. Council also approved allocating \$2.5 million in additional funding for gang prevention programs, investing additional money for street repairs for the city's most heavily used roads, addressing critical operational infrastructure needs on things that are just about ready to break or already broken. And then, setting aside the ongoing funds in some of whatever we have in one-time

funds, to address our future projected budget. So those are reflected in the proposed budget the manager gave us on May 1st. My June budget message also recommends a few additional adjustments to the proposed budget such as additional funding, mostly one time funds for senior transportation, to support or senior nutrition program, additional funding for crossing guards. Traffic safety. And homeless encampment cleanups as well as authorizing some small park developments for parks with very limited ongoing maintenance costs. So that's where we are tonight. Those are the recommendations in front of the council to consider tomorrow. But tonight we're here to allow the public a chance to speak so you don't have to come down tomorrow afternoon. That's why we're here. But before we get to public testimony I just want to acknowledge that I've gotten a lot of assistance from my council colleagues over the last several months, their advice and suggestions not all of which I agreed with but all of which are important, certainly from my staff led by Armando Gomez and City Manager and her great budget staff that put all of this together for us to consider. We're almost done with the process, only a few days to go before the fiscal year starts and unlike the state of California and the federal government, we'll have to balance this budget. It will be balanced. But we don't have a printing press. And we have to do it with real dollars affecting real people. And that's why I want to thank everybody that's come out here tonight. You are in a group, a large group of people that have participated in our budget process. We had a meeting in every council district, numerous public hearings and study sessions, and we really value the community input, the comments on what we're proposing and thinking about doing and so with that we're here to get some more of that community input and we'll take testimony until we're done. And then we'll adjourn until tomorrow afternoon. So with that, let me call some names. Please come on down close to the microphone. As I call your name so you're close when it's time to speak. Gaye Gayle, Rita Torres, Tony May.

>> Two minutes, Mr. Mayor, or one?

>> Mayor Reed: Two minutes this evening.

>> Good evening. Spartan Keyes is a multicultural middle to low-income neighborhood from 280 south to Alma Street, between 1st and 12th Street. We don't have a school in our neighborhood. We do not have a community center. We do not have a library. We are located between two of the highest crime areas in the city, so we're a

target for gang tagging, abandoned stolen cars and other ripple effects of crime. What we do have in our neighborhood are people who care, who gather monthly to pick up litter, paint out graffiti and weed common areas. Many artists live in Spartan Keyes and the San José State foundry is located within our boundaries. Before the Redevelopment Agency's SNI program spending by the City of San José in our neighborhood was nonexistent. With SNI funds and most importantly SNI staff we made progress on our top three priorities of traffic calming, a small art park and a meeting area where we run programs to benefit people who live in our neighborhood. Two budget proposals in the mayor's June message will have a major impact on the health and safety of our neighborhood. We ask for your support from each and every member of the city council and the mayor. These two proposals came from Councilmember Liccardo. The first is for funding to support a half time recreation leader so we can keep the homework and activity center open for our young people each weekday afternoon. It's a relatively small amount, but it makes a huge difference in the lives of our youth. The second item is a rehabilitation and paving of two alleyways. You can see them on your screen. That are currently magnets for unsavory illegal activities and trash dumping. Last year two former SJSU students were killed in one of our alleys. Residents along the alleys feel unsafe, and when it rains, take a look at what might be just the fourth largest lake in San José. We call it lake Liccardo. The city owns these alleys and our neighborhood livability has decreased significantly by the shape they are in. We know it will take a lot of money to fix these, and recognize the budget is very tight with many worthwhile proposals in front of you.

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

>> The neighbors of Spartan Keyes urge you to affect our neighborhood.

>> Mayor Reed: Next speaker is Rita Torrez, followed by Tony May and Carol Valentine.

>> Thank you Mayor. My name is Rita Torres, I'm a volunteer in the Spartan Keyes neighborhood. I've been part of the strong neighborhood program when we started the NAC, neighborhood action commission. I'm here to thank you for the two budget items that Councilman Liccardo had petitioned and got into the budget that is for the recreation leader for the Spartan Keyes neighborhood and also for the alleyway neighborhood. As you see Lake

Liccardo is, it's not a comment on Councilmember Liccardo, it's not his fault but last year there was a murder in that alleyway and any deter any further crime of that nature. I ask the council, all of you to support the two budget items that Councilmember Liccardo wrote for our neighborhood. Particularly my concern is the youth at risk. We do have and have seen gang recruiters in the neighborhood and we have young men, boys who are anywhere from fifth to eighth grade, who don't have anywhere to go. They hang out and they've been coming to the center. There's nowhere else to go. They all go to schools far away from the neighborhood including charter schools, the Franklin McKinley school district, San José unified. But all of the schools are away from our neighborhood. As Gaye told you, we don't have anything funding the partnership with the city, and so we've been in this leased space for three years now and I think it's made a difference with the children to have a place to go. We have other partners food bank who comes there for monthly distribution of food, we have music jam, Esme Kwong they are they have musical instruments they're learning music, as well as first five which a preschool program. Those are center. So beyond the recreation leader to provide service for the helping the children manage their energy and direct it in some creative ways operating funds.

>> Mayor Reed: Sorry, your time is up. Tony May is our next speaker followed by Carol Valentine and Tim Kline.

>> Thank you could we have the same slide of the alley once again? I'm leery to speak once again on both of the issues that are in the market gardens approval area. Mainly though I'm a resident who has lived on south third for about 30-some years and the alley has been a particular thorn in our side ever since I've been there. But I just yesterday received this letter from Keith Stattenfield who cannot be here. I'll read you a couple of excerpts from it. Over the next few years I'll be doing even more work to try to restore some of the historic elements of the building to make it shine. He mentions other issues that some of the issues -- some of the residents in the area are quite well maintained, quite a few are not. One area of the city odd [Audio problems.

>> Mayor Reed: We're not sure what that means, don't take that as a commentary on your --

>> Many were 80 years old and driveways in the front were nonexistent. The dirt here is summer it is a dusty and dangerous place as well. As cars navigating through the many potholes can kick gravel up pretty easily. My property, okay skip that. When I got it the bad Of the alley was one of the things the Realtor brought up as a significant problem that affected the entire area. If this city together with others spends some money and improves this alley then it will make everyone's property a bit better and pull it up closer to where it can be so he says I support the request for the Martha gardens alleyway improvement. We realize this is an awfully large portion of the budget and we are amazingly grateful that reflect well on the state to have that nice alley. Thank you.

>> Mayor Reed: Sorry, your time is up. Carol Valentine, Juan Kline, Juan Martinez.

>> My name is Carol Valentine. This is the first time I've spoken to the city council so it's a new experience. I'm one of the volunteers at the Spartan Keyes neighborhood center. I want to compliment our city government for actually in the past focusing on neighborhood issues. The whole concept of strong neighborhoods I know we've had to cut back but as a result of the city getting involved we do have currently our little center but unfortunately right now we're kind of fragmented we're volunteers because all the paid staff have disappeared. We've been trying to work with other nonprofits, and we are actually doing a number of amazing services considering there's no one person who can coordinate. And so the idea of having one position that's there sometime, five days a week would make a big difference in terms of the future. Also, I know you guys are somewhat removed, you don't actually see the faces of the kids that I see when I'm there and I've seen kids come in who are isolated, vulnerable to bad influences, but by getting to know the other kids in the neighborhood, they now have connections. And I can't stress how important that is, and what a difference it makes. I won't waste any more of your time except say thank you very much and please do whatever you can to help us continue to help the kids in the neighborhood. Thank you.

>> Mayor Reed: Steve Kline, Juan Martinez and then Juan Rios.

>> Good evening, my name is Steve Kline. I have heard every elected official in this city say at one time or another that the future of our city, the future of the state belongs to our children. And part of that future is their education. And while this is not a school board and I understand that the power of this organization is minimal, with regard to the education, each and every one of you has the ability tonight or tomorrow to do something very important for education and our students, and that is, to open our libraries an extra half-day. And at all times on Saturday. It is critical, because you are the wrap-around for what education is not able to provide through their cuts. And with our little amount of money that we have to expend this year, what better place to expend just a small amount of that money is for the future of our city and our state. You can do it. You have the money. You have the ability. You have the vote. Now, the people are watching. To see that your rhetoric is matched by your words. Thank you.

>> Mayor Reed: Juan Martinez. Juan Rios, Paul Murphy. [Spanish] good evening, my name is Juan Martinez. Thank you for this time I've been representing the voices of the patients and the voices of the children of this school Lowell. 7 and Reed. (inaudible) (inaudible) on the street they have people that drive very bad. On entrances for the freeway, the traffic lights, they work correctly and grownups they cross the street, with the danger of being hit. I am living myself this problem, an accident, what we want to see is avoid another accident. I thank you for your time. Our petition is for you the people to make sure the safety of our children. Because they as all of us we have a dream. And we don't want that to be destroyed. For something that we can do today. Thank you for your time.

>> Mayor Reed: Juan Rios, Paul Murphy, Robert Sandoval. [Spanish] good evening, my name is Juan Rios I represent also the children, the community, and the future. And also, as you know on 7th street, on Lowell elementary school, there was a death. We want to avoid that. The problems for the future of the children that studied there, that lived there, in the community. We ask you as a favor to send us security in time of school and outside school time, too. I ask you with my heart to at least pay attention to me and to help us. Thank you very much. Thank you.

>> Mayor Reed: Paul Murphy, Robert Sandoval, con Nguyen.

>> Good evening, my name is Paul Murphy, what a difference a day makes I'm here to invite you Tony Hawk is, Tony hawk is bringing his bird house tour to San José to lake Cunningham and that's a testament to the work of Councilmember Herrera and all of you in preserving this resource and keeping it staffed and open. Come on out and see him and his group skate. I do want to foreshadow that if the revenue at the park is sufficient during the summer we may come back and ask that the manager position be increased in the percentage of FTE it is but we're waiting to see if the revenue is there to merit that because we understand it must be cost recovery. And the second thing I must say I observe as a member of a family in San José as you mentioned mayor, the federal the state the county the city the school district budgets are considered and enacted independently. But ultimately they affect families. So I appreciate anything that you can do like the crossing guards and the senior nutrition where you're working across the families to help the City of San José. Thank you.

>> Mayor Reed: Robert Sandoval, con Nguyen, Adelfa villa lobos.

>> Honorable mayor, councilmembers, I'm here tonight to express my sincere thanks for the accomplishment of our new cutting park. We were waiting so long for this to take place and it finally got here. I want to express our thanks for our residents living in West Evergreen and want to thank every one of you that rendered this decision in favor of our Vice Mayor and also the other two parks that are going to also be developed also in this year. Again, thank you very much to you and all.

>> Mayor Reed: Con Nguyen, Adelpha villa Lobos, Guzman.

>> Con Nguyen for the neighborhood association to echo Robert, tanks and to say that the city works, right? In 2005, the city came to us and told us, support this development, the Pomona center retail 69,000 square feet. Opened in January 2006. And in exchange, we'll build you a little park. Well we've been waiting since then and the last experience I have with meadow fair park where the city say, support the development and we'll build you a park. And well the city finally did it 25 years later. So this is about six and a half and hopefully, by the time it's finished seven years. Good improvement not right away but something. So hopefully you'll approve it and we'll

move forward and then made the connection that with development, with traffic, with retail that would generate the revenues to maintain parks. And neighborhood parks. Thank you.

>> Mayor Reed: Adelpha villa Lobos, fatima Guzman, McGee. [Spanish]

>> Good evening everybody, my name is Adelepha villa Lobos. My occupation is the future of our children. We hope that our schools be one of the -- they say they put security crossing guards to protect the children. Because the children we are almost close to death because of this, the people that drive or they have no conscience for driving and then also, they study on the side that they get they didn't do it correctly. They go on the freeways, they didn't take into account the university, the students, and big problem that we are facing all the parents. And I ask you please, to help us with these big problems that we are living. Day by day. Around security in our community. Thanks to you, I hope you do something for us. And for our children. Thank you very much. Have a good evening. de Guzman Angie McGee and Nordquist.

>> My name is Fatima de Guzman.

>> Preparation for our meeting with Vice Mayor Nguyen this Saturday. I asked my neighbors, what concerns they are -- what are their most concerns about with our neighborhood and what did they want to see happen. Many express their concerns for traffic safety. They want speeding to stop. As one neighbor puts it, we are not a freeway. Treat our streets as though it is a freeway. Some others express their concerns for personal safety and they would like to see more police enforcement. Gang activity is become more prevalent. Cars have been broken into and it seems like it feels like some of the neighbors do not have any hope in trying to get some kind of resolution in our neighbors. So I do hope that you are listening right now and you would take what I have just stated into consideration.

>> Mayor Reed: Glynnis McGee, Angie Nordquist, Joséph Young.

>> Hello, I'm Glynnis McGee I want to thank you for your support of this program. And now we're asking for your commitment backing this program and for accountability seniors need a safety in of a reliability consistent caring program. At the same time each day, notice when they do not appear a piecemeal solution is no solution for them. They cannot be expected to have a driver, a taxi drive up and honk the horn and then to get out there on their own. Nor can they expect to make different arrangements for rides on different days. This socialization programs. We would like an update on where the money's being spent. We would like to receive responses indicating as to whether this program would be free to seniors or not, and on some consensus on the radius for the vans, two to three miles would be quite inadequate. Please implement this program to meet the seniors needs and they are important to you. Thank you.

>> Mayor Reed: Angie Norquist, Joséph Young and Milan picks.

>> Mayor Reed and councilmembers, I just want to say thank you for all the support you gave us for our transportation. We really appreciate it. My name is Angie norquist and I'm a community leader at Sake Red Heart. I'm here to point out some services that I think our seniors need still, about the van service, about the distance that the van is to go and their limit is at three miles or is this going further than that distance. The consistency and accessibility will van service be, is it going to be five days a week, pickup and drop off? Accountability of the money that is -- that you gave us to spend for the van service? Is there going to be someone accountable so the money is spent properly? In addition to these needs for advance there are free to the seniors. It is very important that they'll be regularly, the means to assign drivers to specific centers. This will ensure relationship between the driver and the seniors who ride in the van. The seniors are much more comfortable with someone they know who can greet them each day and help them get on and off the van for safety reasons. Thank you very much.

>> Mayor Reed: Joséph Young, Milan Pakes, chambers.

>> Glynnis and Angie gave you some need for transportation I'd just like to add that previous speakers spoke of children and the future. Seniors live in the present. What they need, they need now. And they need it when they

need it. So the thing about all of this is, these people are the ones who fill out the risk assessment forms that the county has which says 71% of them eat a single meal a day. So when you cut transportation so that they can't get to that single meal a day, you've pretty much cut a life line for them. So I just wanted to make that point very clear. And I thank you for your time. [applause]

>> Mayor Reed: Milan Pakes, Salvador,.

>> Hi I'm Milan Pakes, I live in the 800 block of 2nd street and I represent about six of my neighbors who couldn't be here tonight. The alleyway between second and third street on the 800 block especially the 800 block is notoriously dilapidated. I know the alleys in that area have been there since the 1880s and it looks like they're still in the concondition of the 1880s. It's really atrocious that you you sink in six to seven inches of mud replace and fix over the years. I've been there 18 years. And nothing has ever been done to even look at that alley yet over on 1st and 2nd street, the alley there was repaved last year and it wasn't even in bad condition. I'm just wondering what's going on with the streets here, it's an embarrassment not to mention it's probably dangerous and slows the fire department down if there's a lake in the way and other situations like people smoking and drinking and hanging out back there because it's an atrocious looking area. I would really appreciate it if the city council could really dig their feet in and let's get this thing fixed. It's probably been that way for probably 100 years. There's no pavement there, I'm at 808. There's no pavement there, it's just mud. It's atrocious. You saw the picture, that's not an exaggeration. Last week when it rained we had another one. I've got rugs behind my house just to help me not to step in mud anymore. I paved the alley in rugs and I'm sorry if I have to do that but I don't know what else to do. I can't get out of my car anymore and sink in the mud every time I get out. I've done what I can when I get out. I picking up nails from all the stuff that collects in the dirt just so I don't get a flat.

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

>> Thank you very much.

>> Mayor Reed: Salvador Blanca carbahal. AB Abby.

>> Good evening. My name is Salvador [Speaking Spanish] I come to expose the problem of the people at a drive too fast. It's not a holiday, it's a school day. And they speed and go too fast. Too much speed. And it's a very close to have an accident with the people. We need help for to put more cops there. We are able to see the problem, with the people that leave their cars half the car inside the property and half the car on the sidewalk. We have to actually get off the sidewalk and walk on the street very fast-by, we have to cross you know where the danger is. And the people that drive also drunk, they are not just seeing people are crossing the street. The children are coming from school. And I come to ask you, if you can help us. Avoid these problems. Accidents that already happened there. This Saturday a a car collided two houses away from me. They hit the car and you know, he backed off, after hitting the car, some part of it. And did some damage on the house. That is everything, thank you. Thank you, Mr. Chair.

>> Mayor Reed: Blanca carbahal, Angie Serbeske.

>> Bueneos Noches, my name is Blanca carbahal. I live in the Washington neighborhood and my be position is the prostitution we have in the community. We have talked to the Facebook and they keep secure on the street because the men that go after these women they think that any lady that is walking around is a prostitute. And the children are also looking that. Another thing that is preoccupied in the community is the gangs. They have a lot of deaths there, and many tragedies that happen there. Our young people, you know, they just -- we losing them. In order to get more programs, for our young people, in order to avoid you know losing them with the gangs. Also, we would like extended hours at the library. Like to have a little more patrol cars going by. In order for the children to walk a little safer. Thank you.

>> Mayor Reed: Angie Brosky and Jean Lee.

>> Good evening, my name is Angie Brawley and I'm a volunteer at sacred heart. And I would like to talk about the seniors needs again. And this one is in regard to transportation. You know, it's very important for seniors to have a good meal. Five days a week. To socialize and so on. But it's also very important for them, in order for

them to meet this need, is to have adequate transportation that's reliable and very specific. Same time daily, to and from the centers. With fixed run times and drop off times that should not be changeable and five days a week, Monday through Friday. And the same driver. So there's trust that builds between the seniors and the driver so the driver is aware, the physical handicaps of the seniors, and what additional help they need to get on and off the transportation vehicle. Thank you.

>> Mayor Reed: Jean Lee.

>> Good evening, mayor and councilmembers, my name is Jean Lee and I am the care of the San José public library commission. First of all I'd like to thank the mayor and the City Manager in their budget reports for this coming year to support the opening of the four library branches that have stood shuttered for too long. The libraries are really a central part of our community, for some they are a life line. And as such I would like to request that support be given to expanding the operating hours as well. I know that this is in the mayor's June budget message for pending funding depending on how the pension reform goes. But again, I think there has been a memo out supporting funding for increasing the operating hours of libraries. Using general funds. And so I would like to advocate for that again with the library being such a central part of this community, and especially in these very, very challenging economic times and they are a life line to so many sectors of the community. Thank you.

>> Mayor Reed: Anybody else want to speak? Come on down, last chance. I have no more cards. Come on.

>> Good evening. My name is Alisa Koff Ginsborg, and I'm here as the part of the community input group in terms of neighborhood association youth, surveys and the differently meetings you've held. I recognize there can be a difference of opinion over which priorities that are raised from community input you want to fund. I'm troubled however that you are spending over \$2 million on something I can likely say was never raised by these input hearings and the surveys. That's the repayment of the fiber optics loan fund to yourselves from another government funds. I'm here to say, hear tonight at meetings, the problems with burglaries that we're seeing in our city. The need for a burglary unit, the need for Saturday library hours and other items. I also on a personal level

want to add my support and community budget support the senior transportation program but on a personal level I stand here today because I as I'm sure many of you have aging relatives and at different times have tried to get them to engage in activities outside their homes which they're very reluctant to do. It years to talk about wouldn't you like to go to the senior center, do you not want to be alone during the day and you want to go and spend time with other people. You talk to the person over and over again, you finally get them there you start to arrange the transportation but then the person changes or it's a different person every day. And I can see many seniors, saying, you know what, it's not worth it, I problem. That should be addressed as you are reinstating these services. Thank you.

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

>> Thank you, mayor Reed and Vice Mayor Nguyen and the city council. My name is Curtis sasser. I'm a current and long time senior member. Used to be when we were over at the Shirakawa Center, they moved it over to seven trees. I've been going there about four years. Currently I volunteer every day to check in the seniors for the nutrition program. When we moved over from Shirakawa over to Seven Trees, they promised everybody that currently attended Shirakawa would be provided transportation over to Seven Trees. That was said to three meetings that I went to. And Vice Mayor Nguyen attended both of those meetings. They not only did not honor that obligation, they have cut transportation in the meanwhile, that currently now, I looked over the list, when we were at Shirakawa and I see at least 50 people that no longer come to the nutrition program because they don't have transportation. Some of them can't walk a half a mile from the bus stop that's currently provided to Seven Trees. They've legislated or tried to get a bus stop at Seven Trees and capital expression way to no avail. And currently there's no way they can get there. They can't walk half mile or they have no other transportation to get there. They cut down the outreach program so that they had to cut the people that was getting there from -- they used to come five days a week. Now they attend one or two days a week because they were cut in outreach program. So I just wanted to give you that input, for what I've noticed in the last four years. I thank you very much. And I hope that you can do something about this problem. Thank you.

>> Mayor Reed: That concludes the public testimony for this evening. We'll continue this item until tomorrow afternoon. We'll take it up shortly after 1:30. And so we are in recess until then.