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City of San José city council. .

>> Mayor Reed: (gavel strike) Good afternoon. I'd like to call the San José city council meeting to order for March 23rd, 2010. We'll start with an invocation. Councilmember Liccardo will introduce the invocator.

>> Mayor Reed: Thank you, Mayor. Movimiento de Arte y Cultura Latino Americana, or better known as MACLA, has been at the forefront of bringing creative expression to the voices of our young adults. And we're very grateful today to have with us Diego Gomez who began writing poetry during a cultural ritual with his father and other elders in the community. And he had an epiphany, and he found that poetry was a wonderful way for him to express what was deepest in his heart. He needed some polishing discipline, and while in school at downtown college prep, he learned of MACLA's teen slam poetry program, which gave him some of the tools. As a member of MACLA's 2008 and 2009 teen poetry slam team, Diego represented San José in the national poetry competition, Brave New Voices. After graduating from downtown college prep last spring, Diego is now attending college. He currently works for MACLA, is indeed coaching some of their youth. With us today is also Angie Helstrop, who is the executive director of MACLA, as well as Fred Solis, who works very hard in this program leading our young adults. And I would like to welcome Diego Gomez. [applause]

>> Dancing to the beat of your heart. I whisper your name timidly under my breath. My body trembles from that whisper. My heart pounds like a drum echoing in this forest of ghosts. Beats on the stretched chocolate skin of a black tailed deer after many moons have drummed the same love songs, the same slow dance. My heart begins to tremble. The vibrations hum your name for a thousand years, dancing to the beat of your heart. I walk down a dirt path in the wilderness of my dreams, soaked redwoods tower above me. Water clicking down their needle leaves slowly impregnating, hanging droplets fall from heaven. A sigh lingers, like the world is being reborn, like a deep breath. Love birds intertwine in flight above me, dancing from branch to branch for one another. Swooping and gliding, twisting and spinning, they swim like fish in the sea that is theirs and only theirs to fall in love in. Pretend they are us, dancing to the beat of your heart. I come across an opening, a pond that has given the sky two faces. I fall onto my knees and cup the water with my hands, drenching my face with the ocean's tears. I let the water fall from my face and into the sky rippling my reflections. I close my eyes and dreams eclipse reality. I see your soft face embossed on my eyelids and I smile, my lips quiver a whisper, a secret, the simple utterance of your name, but with it the reason why the drums pound so violently in my chest. I have not told a single soul, and my heart bursts from inside of me, with every beat of the drum, and willingly, blindly it finds you, sitting at the edge of a single ray of light. Poking and nudging your way through enormous redwoods to nourish me. To watch me grow from a small sprout of sage. Stretching its limbs to the light, I beautifully transform into a tree, ringed by my ancestor's elders teaching me to quench my thirst with your light and give birth to every kind of fruits, every kind of song, every kind of flowers, teaching me to let my mouth -- let my heart drop from my mouth to yours when we kiss. But you will catch it with your teet. Bite into that sun-baked apple of my heart red with burning love and lust and let the endless juices run down your lips like streams, like rivers, like trails to your heart. Accompany these redwoods of mine. Beat the drum of love as loud as your heart can scream, let the beads of sweat roll down your back like rain from these trees. Let me whisper your name. Let our hearts beat simultaneously as we sleep, let me awake from this dream by your sun. Thank you. [applause]

>> Thank you guys for letting me do poetry here. My assistant coach is sitting over there, Dante Scott. He helps me write and teach the workshops. I thank MACLA too for giving me the opportunity. Thank you. [applause]

>> Mayor Reed: Next we're going to do the pledge of allegiance and we have some special guests here to help us do the pledge of allegiance. De Vargas elementary school third graders from district 1. So everybody please stand for the pledge of allegiance. [pledge of allegiance]

>> Mayor Reed: Thank you, de Vargas elementary school. First, the orders of the day. Are there any changes to the printed agenda? We have one item, 2.3B, the rules committee report of March 10th will be deferred for one week. Okay, motion to approve orders of the day. All in favor opposed, none opposed, that's approved. Closed session report, City Attorney.

>> City Attorney Doyle: Mr. Mayor, the council did meet in closed session this morning there's no report.

>> Mayor Reed: We'll now take up the ceremonial items. I'd like to invite my fellow veteran, Councilwoman rose Herrera, and representatives of the women's prevention outreach and education center to join us at the podium. I see there are a few veterans in the audience. Please come on down. We're going to recognize the month of March as women veterans month in the City of San

José. Councilmember Herrera and I both served in the Air Force a few years ago, at about the same time doing about the same job.

>> Councilmember Herrera: Thank you, mayor. As a Vietnam Air Force veteran, this is personal to me. I'm very honored and proud to proclaim today women veterans' day in San José, together with mayor Reed and my colleagues. At this time I would like to introduce and thank the representatives from women's prevention outreach and education center, they're located at the Veterans Administration in Palo Alto. The program coordinator is Ann Lefavre, and also we have Mary Shuman and Trish Venatiri. I want to recognize and convey my gratitude to the military women and woman veterans who have joined us here today, and I want to introduce them. Air Force captain Susan Feland, who is also the founder and president of the San José based academy women organization. Army captain May Alm, you might want to raise your hand so we know who you are, who is a World War II veteran and served from 1943 to 1945 earning five battle stars. [applause]

>> Councilmember Herrera: Captain Alm landed in Omaha Beach in 1944. She joined Patton's army in August 1944 and was in the Battle of the Bulge in Luxembourg. She was also an Army nurse and treated prisoners liberated from Dachau. Also today joining us is Navy Chief Petty Officer and World War II veteran Rina Estes. [applause]

>> Councilmember Herrera: Army major Marie Alm who served in the Army nurse corps. National guard staff sergeant Cowie who served in both desert storm and operation Iraqi freedom, she's currently on active duty. [applause]

>> Councilmember Herrera: Navy petty officer first class Sineta Neves Lee. [applause]

>> Councilmember Herrera: Air Force Master Sergeant Elizabeth Hargrove Washington, currently on active duty. Air Force staff sergeant La Sandra Crockett, currently on active duty. [applause]

>> Councilmember Herrera: Marine staff sergeant Jamie Favors, currently on active duty. [applause]

>> Councilmember Herrera: Army sergeant first class Imelda Simmons, currently on active duty. [applause]

>> Councilmember Herrera: And Guadalupe Spinner, an Air Force veteran and Vietnam era veteran. [applause]

>> Councilmember Herrera: And from the Army, Christine Newman. [applause]

>> Councilmember Herrera: And finally, Army Sergeant First Class Jessica Dean, currently serving active duty. [applause]

>> Councilmember Herrera: I want to take a moment to thank the many women veterans who are not present here today. One of those happens to be our mayor's daughter, Major Kim Campbell. Major Kim Campbell is currently serving in the Air Force, and she has flown over 100 combat missions in Iraq. Major Campbell is currently assigned to NATO and is managing air operations in Afghanistan. [applause]

>> Councilmember Herrera: Today we are recognizing March 23rd as women veterans month in honor of the American women who have served honorably in the Army, Air Force, Navy, Marine Corps, Coast Guard, National Guard. Women have participated in the military dating back to the revolutionary war. They've served in every conflict, fought for, in some cases paid the ultimate price in service of this country. It is very important that we tell their stories and remember the sacrifices made by these veterans. Currently over 200,000 women proudly serve our country in the United States armed forces and 7% of America's veterans are women. I'm honored to welcome Women Veterans Month in the city of San José. This annual day of commemoration is to recognize the courage and honor with which women have served and continue to serve in defense of our nation. And I've asked the women's prevention outreach and education center to join us today to recognize this program's effort in advocating for military women and veterans in our community. I'm honored to recognize the women's prevention outreach and education center at the VA Palo Alto Health Care for providing an outreach center to women veterans to support the transition from military to civilian life. In 2008 the women's prevention outreach and education center was awarded the VA center of excellence in women's health for women veterans. The contribution of women are countless, and today we acknowledge the women who fought and risked their lives in service to their country. I also want to invite everyone here to celebrate the history of women in the military and their contributions to the armed forces and our community at the salute to women veterans event this Thursday at the County of Santa Clara's government center from 5:30 to 7:30 p.m. Again, I'm proud and honored to proclaim women veterans month in San José, together with Mayor Reed and my colleagues. And now Mayor Reed will present the commendation. [applause]

>> Hi, our program director, Dr. Natara Garaway, couldn't be here today. She just had a baby two weeks ago, so she did prepare a few words for me to pass along to you all. I have at times thought about what it

would be like to receive an award for the work that we do. But now that the moment has arrived, I am very humbled. Our mission at the women's prevention outreach and education center is to increase access to health promotion and specialty mental health care for women veterans. However, we could not do this work if the women themselves did not walk through our doors. It is truly an honor to offer services to this highly deserving population. Women have been serving our military since the American revolution but have not always been fully recognized for their contributions. To the women veterans here today, thank you for your service. You are daughters, mothers, sisters and wives, and one of the most valuable things we see among the women who access services at our center is when those who have served are able to return home and reconnect to these relationships and to their lives. As a brand-new mother myself I have a new and even greater appreciation for this. For those who present this proclamation, mayor Chuck Reed councilmember Rose Herrera and policy director Esther Perales Diekman, you further honor these veterans. [applause]

>> Councilmember Herrera: Our World War II veterans?

>> Yes.

>> Councilmember Herrera: This is May Alm, she's going to say a few words.

>> Vet ram, I don't know how much of this to say. But I was -- have five battle stars, from D day to the end of the war. General Patton was our hero, of course. I don't know what else to say. I was in an evacuation hospital. There were six months where we were never out of our fatigues, taking care of patients. I don't know what else to say.

>> Battle of the bulge.

>> Oh, yes, I was in the battle of the bulge. It was just a little thing. Christmas day, yes, Christmas day we were in the battle of the bulge. We didn't even think about Christmas day. I don't know what else to say. Long story.

>> Mayor Reed: Thank you very much.

>> It's a long story.

>> Mayor Reed: Thank you for joining us. [applause]

>> Mayor Reed: Ladies, thank you very much for joining us. We appreciate you honoring us with your service and being with us so we could thank you. [applause]

>> Mayor Reed: One more picture.

>> Mayor Reed: Next I'd like to invite Councilmember Constant and Patty Cannon, our city surveyor and Gwen Gee, our county surveyor, to join us at the podium. Today we are declaring March 21 to the 27th as national surveyors week in the City of San José. Councilmember Constant has some details.

>> Councilmember Constant: Thank you, mayor. I think -- here they come, thank you. There are more than 4,000 surveyors in the state of California. Land surveying has played an important role in our nation's history, orderly growth of society. There's been many notable American surveyors, although you probably don't know that they were actually surveyors. So I brought a couple of examples to you. George Washington, Thomas Jefferson, Daniel Boone, and Abraham Lincoln were all surveyors in our history. During California's early years, surveyors of the mountains and valleys apportioned properties and marked boundaries to guide the development of our state. This tradition continues today as California land surveyors locate, landmark, describe, and map the land to authenticate boundaries and to establish property rights. These professionals adhere to a strict code of ethics and practices, emphasizing service in the public interest while improving their methods by adopting new technologies. During land surveyors week we recognize the rich history and important functions of land surveyors in San José and throughout California. So therefore, the mayor, Chuck Reed, and I, along with our colleagues on the city council, hereby proclaim the week of March 21st to March 27th, 2010, as national surveyors week in the City of San José.

>> On behalf of the land surveying community, I'd just like to thank mayor Chuck Reed, councilman Pete Constant, and the rest of the City of San José's council for recognizing land surveyors week. We're a hardworking group of people who are very proud of what we do and we just like to thank the council for recognizing that. Thank you. [applause]

>> Mayor Reed: Like to invite Councilmember Pyle who is here with me, and Henry Saidna and the representatives of the Syrian church -- hold on. Let's do the Assyrian church first. The Assyrian church of the East to the podium as we issue a proclamation recognizing celebrations lapping in the City of San José for the Assyrian new year.

>> Councilmember Pyle: As the ladies are making their way here I would like to say very often you've heard the expression, the sum of the parts is greater than the whole and that's certainly true in the City of

San José. And why is that? Because we have such a vibrant population. And we have such a diverse population, as well. With us today we have Saria Benjamin and representatives of the tea time community of the Assyrian church of the East. I'm not sure if father is here -- okay. The City of San José is a large and vibrant population that celebrates the Assyrian new year also known as Akitu. The 6760 Assyrian year will be celebrated this year on April 20, 2010, by Assyrians around the world. The Assyrian new year is a spring festival with celebrations involving parades and parties held by our Assyrian communities which contribute to the success not only of our country but add uniqueness and diversity to the City of San José. The Assyrian new year and the host of festivities that take place throughout the new year will provide an opportunity for all in San José to experience the richness of Assyrian culture and foster an appreciation for ancient traditions. Saria Benjamin is the chairwoman, here she is right here, for the annual tea time committee, the Assyrian church of the East. She along with 40 other women organize the annual Assyrian tea time. Through this annual event they have raised over \$77,000 in the past four years and get this: Donated half of that money to needy families. Saria acceptance this proclamation on behalf of the tea time committee of the Assyrian church of the East. Before she does this I have to say I have attended the tea every year and I wouldn't want to miss it because it is one of the most beautiful spectacular events one could imagine. Each table is decorated with a different theme, different China, different everything, it's just absolutely beautiful. So mayor we have something for to you read, as well. So therefore, mayor Chuck Reed together with myself and colleagues of the City of San José on this 23rd day of March, 2010, do hereby proclaim April 20th, 2010 to be Assyrian new year in the City of San José and encourage all citizens to join in the celebration of this long held tradition to bring family together, give thanks and share in this very joyous occasion. And with that would you like to say a few words? [applause]

>> Thank you, mayor, Chuck Reed, and councilmember Nancy Pyle, for this honor. I also want to thank father Lawrence Namatu for his leadership. And also, I have a special time for ladies, that they work very hard for months, that's why our tea time event got successful event. Thank you, ladies. Councilmember Pyle has been a great friend to Assyrian community and Assyrian church of the East. We love seeing her at our events. I am proud to serve the Assyrian church and happy Assyrian new year for us. Thank you. [applause]

>> Mayor Reed: And now we want to invite folks here to celebrate and recognize Naruz, the Iranian new year. Come on down, please.

>> Councilmember Pyle: While the Iranian community is making their way down, I would like to brag a little bit about them, as well. We all know about the diversity, and how much it makes all of us stronger. And many of our residents come there around the world, and bring with them many celebrations, traditions and festivities that promote the appreciation and understanding of various cultures. The City of San José has a large and vibrant Iranian population that celebrates the Iranian new year nobody as Naruz. The Iranian new year 1389 began on March 20th, 2010. The Iranian new year and the host of festivities that take place throughout the Iranian new provide an opportunity for all in San José to experience the richness of Assyrian culture. Henry Said Nah -- where are you Henry -- works for the San José Department of Public Works for 21 years, before he retired in June of 2009. Henry started the tradition of celebrating the Iranian new year as San José hall in 2001. Henry accepts this proclamation on behalf of all the City of San José employees that serve the City of San José. Therefore Chuck Reed mayor of the City of San José together with Nancy Pyle and our colleagues on the city council on the 23rd day of March, 2010 do hereby proclaim March 20th, 2010 in celebration of the Iranian new year in the City of San José. And we encourage all citizens to join in the celebration of this long held tradition to give family, thanks and share in this joyous occasion. As I look at this group, how many were city employees or were? Isn't this great? Thank you so much and would one of you like to speak? Henry.

>> I would like to thank mayor Chuck Reed and all members of the city council. I also would like to extend my gratitude to councilmember Nancy Pyle for her leadership, hard work, and representation of the Iranian community. Not only in the district, but also, throughout the region. The recognition of the Iranian new year Noruz means so much to the Iranians living and working in San José. Noruz or Persian new year is the major holiday of the Iranian people. Noruz is always on the first Dave spring and it lasts for 13 days. Families gather at tables set with a special traditional foods and other items to symbolize the family's beliefs and values. Noruz is celebrated by the people of Iran, Afghanistan, Azerbaijan, Tajikistan and a few other Asia republics of the soviet union. As an Iranian American who has been working for the City of San José for the past 21 years it's been an honor to serve this community and participate in its

growth and development. San José, as the capital of Silicon Valley, as a bright future. And Iranian American community is proud to be a part of it. Thank you for your time. And Adoshomobobak.

>> Mayor Reed: I'd like to invite bar Larson CEO of the American Red Cross Silicon Valley to join me add the podium as we are very proud to recognize March as the Red Cross month in the City of San José. Red Cross for the City of San José provides vital services for our city. Just over the past year the Red Cross provided services to nearly 50,000 people in Silicon Valley, responding to over 50 local incidents, together with over 1800 volunteers, the Silicon Valley Red Cross shipped nearly 100,000 pounds of care packages to our troops serving overseas. I want to take a moment to recognize the valuable work of the Red Cross and thank them for their contributions to the city. I have a proclamation to give to Barbara. [applause]

>> Thank you.

>> Thank you, Mayor Reed and distinguished councilmembers and in particular to the community here today, who without you, the Red Cross wouldn't exist. Because we're a neighborhood of volunteers that volunteer their time every day to help other neighbors. And so our thanks to you for this distinguished proclamation. It's our pleasure to serve you. There are 2 million people in the county so we've got a lot more work to do in terms of getting people trained. Our local disasters are at almost double what they were last year so our goal is to keep you safe and healthy and we really appreciate the proclamation and the opportunity to serve you. Thank you. [applause]

>> Mayor Reed: Our next item is the consent calendar. Are there items on the consent calendar councilmembers would like to pull for discussion? Motion is to approve the consent calendar. All in favor? Opposed, none opposed, that's approved. Item 3.1, report of the City Manager.

>> City Manager Figone: Thank you, Mr. Mayor members of the council I have one item, it is a good news item that I think will be of interest to San José and the region. Volaris airlines has announced that it will begin new air service between San José, California and Guadalajara, Mexico at the end of April. Volaris is the first new air carrier to inaugurate flights from Mineta San José international airport since Hawaiian Airlines launched its Honolulu flight in 1995. So tickets are now on sale for San José to Guadalajara flights. And I want to thank Bill Sherry and his team. They have worked very hard to lure Volaris to San José as I know the council is aware, for over a year, and I also wanted to express appreciation to our community partners who helped to make the vision of this new service a reality. That concludes my report.

>> Mayor Reed: It's always nice to have a little good news every now an and then. Thank you. Our next item is 4.1, annual progress report on the implementation of the San José 2020 general plan housing element. Any questions for staff on that? We've been down this road a few times before because we do it every year. I had a question for our housing staff. If you could just talk about what impact the lack of housing activity in San José, in general, has had on meeting our goals and what impact that might have on any of the funding sources or anything regionally that we're trying to receive from our regional agencies if we don't meet the RENA, the regional housing allocation?

>> Leslye Krutko: Thank you, mayor, Leslye Krutko, director of housing. The housing element provides a response to the state requirement that we plan for housing development to meet the needs of people at all income levels. And we've done that and our housing element was approved last June. And what we need to do now is, we have numbers in place, we have plans in place to build those housing units. If we don't build those housing units because of outside factors there's no real penalty as long as we have a housing element that's in conformance with state law. Clearly, we like to meet those goals and we have in the past. But because of the current financial markets and the current state of affairs in the whole development world, that's probably not likely. So we'll likely fall behind in this seven-year period. Right now it doesn't mean much with the passage of SB 375. Once that starts to be implemented then there will be more of a tie to the production, the actual production of housing to these plans.

>> Mayor Reed: Do we get brownie points or anything of that sort in the fact that we way surpassed the 1999 to 2006 period? I know we're way over the goals.

>> Leslye Krutko: Yeah, I mean, we don't get to count the surplus that we had in the past into this period of time. And the brownie points we've gotten as our reputation of meeting the needs of the Bay Area council puts out a report that has San José as -- at the top as far as being a producers of housing. So in the past we've been quite good. I imagine we'll be in good company going forward because we're not the only ones facing this difficult market.

>> Mayor Reed: Well, it's an extremely difficult market. What's the count so far this year in total housing units permitted in San José? It's probably 10% of what it was in previous years. So there's very little housing activity to go around.

>> Leslye Krutko: Sure.

>> Mayor Reed: And I know we're not the only one in that boat. Okay, thank you very much. Any other questions for staff? Councilmember Pyle.

>> Councilmember Pyle: I just would like to congratulate Leslye Krutko for being chosen by the business journal for one of the 100 most influential women in Silicon Valley.

>> Leslye Krutko: Thank you, Nancy. [applause]

>> Mayor Reed: All right. On the report, we need a motion. Motion to approve. All in favor, opposed, none opposed, that motion includes the congratulations, right? Official congratulations from the council. Item 4.2 is conditional use permits for drinking establishments that plate after midnight that have occupancy greater than 250 people within the downtown core primary commercial zoning districts on odd and even days, I forget which. This is about downtown.

>> Yes, it is, thank you Mr. Mayor. Lee Wilcox downtown coordinator for City Manager's office and joining me today is the director of Planning, Building, and Code Enforcement, Joe Horwedel. On December 18th, 2007, the city council and redevelopment agency board directed staff to study the implications of developing zoning regulations, including a potential zoning overlay and or zoning guidelines which would identify areas for entertainment and drinking establishments as well as appropriate development and operational standards for uses. At the time, the council passed this recommendation, they expressed an interest to have smaller venues in the entertainment zone, which would hopefully be one of the many factors that would lead to a better range of options in the entertainment zone. Recently a number of downtown stakeholder groups have been formed to address issues related to downtown night life. These groups include the urgency ordinance task force in 2005, downtown working group in 2006, the hospitality zone assessment in 2007 and most recently the City Manager's downtown advisory committee. These groups have worked on various elements to improve downtown night life and to promote a safe and vibrant environment for residents, employees and visitors. As you can see from the slide the proposal before you today that downtown zoning overlay is many of the strategies and projects that stakeholders have been working on for the past several months. As stated before the hospitality zone assessment report which included hundreds of participants in 2007 was adopted by council in 2008 and is the major strategic document for downtown night life. As part of this report, the council identified diversifying music and entertainment and transitioning from a night club environment to a night life is one of the key priorities. To achieve this objective the city's relying on four paths of travel. City policies and regulations, pleasing, the actual venues we have downtown and the branding of downtown. The past year we have seen huge strides with respect to the entertainment zone policing model the council adopted, the nightlife venues communication and collaboration with the city, and venues taking on the additional steps to train employees. Today's proposal is one of the many city policies and regulations that the city will see in 2010. In addition to the outreach process as mentioned before, staff, along with the office economic development, Planning, Building, and Code Enforcement, the police department and the redevelopment agency conducted specific outreach related to this recommendation. It included several groups, including an online survey which over 100 participants took part in, and the newly established City Manager's downtown advisory committee has heard this recommendation twice and worked through various issues with stakeholders to ensure that we were addressing the needs of the entertainment zone. Based on the outreach that took place, three desired outcomes were present among all stakeholders. To promote a vibrant and safe downtown and a welcoming environment for night life patrons and residents, minimize the negative impacts from night life venues on the downtown, and encourage positive and more diverse types of entertainment. During this outreach process we heard from a number of stakeholders of all age groups that are current options are geared towards a younger demographic, with regards do large occupant night clubs and that we have a concentration of this. Similar cities are having similar problems with this across the United States and Canada and are looking at various ways to aid the community in these transitions. Before you today staff is presenting two different recommendations. The first staff is recommending a new process for conditional use permit for public and drinking establishments over 250. Citing that the recommendation body be the -- or the final approval body be the city council rather than the Planning Commission. Because the city council has expressed a desire for smaller night life venues and they're most familiar with strategic documents staff is using we feel it makes sense for council to weigh in on these decisions. While the current concentration of night life venues in the downtown is not

what the stakeholders in the last two process have asked for they still do contribute to the downtown and provide -- and help provide the range of entertainment that everyone's talked about. With that in mind staff feels that it's not beneficial to present all night life venues with a occupancy of 250 or over. Other cities across the United States now are setting moratoriums for venues larger than 250 or 300. Staff feels that that would hinder the long term goal of the downtown to get to the options that we'd want, that it would single a lot of specific group. We do believe that creating an additional level of review would aid the city in working with these venues and regulating the larger venues since they will have a larger layer of review and second, staff is proposing that we amend council policy or to send us back out to develop amendments for council policy 6-23 to encourage language that would mandate public drinking establishments with an occupancy of 250 or over to have management plans that is developed in partnership with the San José night life businesses best practices guidelines which is current in development with the city, police department, San José downtown association, San José restaurant and entertainment association and various other stakeholders in the downtown. These joint development guidelines in other cities such as Seattle and Austin and New York have proved to be helpful tools for the city and night life industry. When staff returns to council with further revisions to the public entertainment permit in April, staff will be recommending that the council formally accept the best practices guidelines as official guidelines for nightlife businesses and will continue to ask the council to consider amendments to those guidelines at the time. With that, that concludes the presentation Mr. Mayor.

>> Mayor Reed: Thank you. I want to thank you for all the hard work that's getting us to this point because I know it's taken a lot of work. This dates well before I was mayor. I think you mentioned 2005, with the emergency committee that we put together. And so I know that a lot of work has gone into this not just by the City Manager's office but the planning director and all of his staff and police department and others who are not here today. It's good to see this in front of the council with some workable solutions. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. I wanted to echo the thanks. I know that these efforts really go back to 04-05, you know with the urgency ordinance and some of the groups that formed early on and there really have been a lot of wheel-spinning and fortunately I think the City Manager got really directly involved when she took the helm and I think that has really helped us get an enormous amount of traction. I appreciate everything you've done, Deb, in leading this effort and Paul Krutko in his efforts in sort of managing all the disparate interests of the many departments which I know is incredibly challenging given the needs of all the particular departments in the city. So I really appreciate all the efforts that have been exerted at this point and also Lee for your ability to step in and help folks collaborate where there had been very little conversation before and very little communication. So I laid out a very lengthy memo. I won't bore everybody with the details. But I just want to express gratitude to everybody in there including Joe, of course, and his team and also to modify the recommendation slightly. I think the management plan is a great idea. It's something that seems to be embraced by our business community as much as by the city. And it's something I think that we ought to create as a uniform requirement for any drinking establishment, including those that are less than 250 in occupancy. So I'd make that motion as described in my memorandum dated today's date.

>> Second.

>> Mayor Reed: We have a second to the motion so we have a motion on the floor. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor and I also want to ditto Sam and the mayor's thanks. And I had a couple of questions. Under the category of establishments over 250 that open after midnight, how many are currently in existence that are operating downtown or do you know the exact number?

>> I believe the exact number of public drinking establishments over 250 in the downtown right now continues to fluctuate between 30 and 32, depending on the week.

>> Councilmember Kalra: Okay. And in terms of Councilmember Liccardo's memo, I do agree and in fact, Joe you probably remember when I was on the Planning Commission the issue would always cox up and we were told that we couldn't manage management plan but we would delay or continue the hearing and say we strongly suggest you come back with a management plan and usually they would imply. And I definitely think it's very important regardless of the size of venue particularly because it really speaks to having some -- it really kind of like a business plan if you have a management plan aligned with that, it really lets you know how seriously that individual or ownership has taken the task of opening up a new establishment and whether they understand all the details that are involved with it and they usually end up with a better product when they would come back with that management plan after talking to staff and

talking to other owners and they would enter into this new business with much better sense of what could happen and how to be more prepared for it. So what allows us to -- my understanding is at least my memory is that we couldn't mandate it before. What would allow us to do that before?

>> Joe Horwedel: Councilmember Kalra it would be two things. One is part of the direction that staff is asking from the council is to go back and rewrite the night club policy 6-23 and in that we would add more specificity about what are the expectations of the clubs, there's a number of disparate items in there today, so we would deal with that part. The other piece of it, it's right now what we're talking about is the downtown clubs versus citywide that when we do come back one of the things we want to look at is the applicability citywide in the zoning code. So we're making some changes today proposed changes to the zoning code for the downtown as doing those also and actually building into the zoning code those hooks that would mandate a management plan, that's how I'm taking Councilmember Liccardo's motion.

>> Councilmember Kalra: And what are your thoughts on expanding it to all establishments regardless of occupancy?

>> Joe Horwedel: Essentially it is moving forward something staff has talked about as we are moving forward this issue and working forward how police department code enforcement fire department enforce the many regulations on these establishments it became clear that we needed to look at that larger pool. But we were focused on the larger ones where the most challenging issues had happened in the past. But it was kind of in the work plan at some point we would come back and do this.

>> Councilmember Kalra: Yeah, I think when we are dealing with the larger establishment issue and creating a system where they would have to come before us anyway I think that adds that additional layer of checks from the council level. And asking for a management plan so that when it goes for Planning Commission, I think it will be very helpful for the Planning Commissioners to have the ability to look at a management plan as well and at the end of the day I think it's good for the business owners entering into these arrangements, these establishments to have the business plans, it would make for a better product for them too. And last comment with regards to the flexibility, Lee, I appreciate your comments, other jurisdictions have create moratoriums I agree at this point to allow the flexibility we're still going to have the last word if there are new establishments that are larger in size that want to come through but you know, a lot of other cities have had entertainment districts much larger and much more widespread. And much older in many ways. And so I think, and I hope with this measure we'll be able to at least regulate it enough so we don't get to a point where we have to do that.

>> Mayor Reed: Vice Mayor Chirco.

>> Councilmember Chirco: Councilmember Kalra asked about how many clubs were over 250. About how many do we have in the downtown core that are less than 250?

>> That number continues to fluctuate. Of the public drinking establishments in the downtown I believe it fluctuates between 18 and somewhere around 26, 24, 26.

>> Councilmember Chirco: Because my question really had to do with having a management plan come back to the city. Joe, do you have the staff to handle this additional workload? I know we're having trouble, just with like plan checks, and then here's another 40, 50 management plans that would have to go through your department before they could, you know, get tide up with the two, four, six-week delay because you don't have the staff to handle it.

>> Joe Horwedel: Thank you for that. It is one of the challenges that we would have to work through, as we implement this, is how to deliver on them. But the one I think it's important consideration is that this ordinance does not require all those businesses to come back in this year to file management plans. This would only be for new clubs that would be coming through the process. So at the same time that we would be processing use permit for a new club we would deal with the management plan at that point. And as Councilmember Kalra says we kind of deal with it on the periphery right now so in some ways it's a lot more negotiable. This would put more certainty and say this is what you would need to do, is how I would see that happening. There would be more certainty for a club other than coming into it saying here's how we operate. Very much if I had ten clubs coming in next week that would be a real impact for staff to be able to respond and kind of figure that out all at once and kind of run with that number.

>> Councilmember Chirco: I know it's kind of like asking to get blood out of a turnip, and so I look to the City Manager. We have business people that are trying to get businesses on line, get them open, we have clubs that we need to have opened and operational, and to do any additional tie-up causes concern. We need to have the management. I'm not opposed to that. I'm just trying to think, how do we

handle it? And I know the mayor has mentioned a concern about staffing as we anticipate, in 2010, going into 2011, the reality of what's going to happen in our building community.

>> City Manager Figone: Yes, I think it's a very good question. I'd just piggyback on what Joe has just said. I think the reality is we'll be able to pace our way through the review of plans because I don't imagine a lot of turnover in clubs all at once. I could be wrong. The other is that I believe we're going to be developing the template for what these plans look like, as a result of outreach. And what we'll consider is the user friendliness of the template and the planning, the planned development for the businesses as well as our own review so that we don't create a bureaucratic nightmare. So I think that the caution is a good one. But right now it's in our hands to control and I don't think the turnover will drive a burdensome workload.

>> Joe Horwedel: The last thing I will add is the position that Lee is in as the person who's overseeing all of these issues in downtown on behalf of Planning, Building, and Code Enforcement, fire, police, he is a real resource to our staff to help deal with sorting out these kinds of issues such as putting together the template for what a management plan looks like. He's been very active on sorting through these issues, so we will also go through and turn to Lee to help us out as he's helped with getting this ordinance in front of the council today.

>> Councilmember Chirco: Then one last cautionary note, is the cost, using boilerplate, something as simple as possible, to minimize the cost, especially as we start looking at the smaller clubs, that it really is something constructive and not prohibitive. Thank you.

>> Mayor Reed: Speaking of cost, we do need to be cost recovery. And what is the status of the efforts to have the night clubs shoulder some of the cost of law enforcement downtown? I know it's one of the things on the work plan.

>> It's a very good question, Mr. Mayor. With the legal challenges to the City's public entertainment ordinance earlier in the year staff has put the cost sharing model aside to work with stakeholders. Those urgency changes council adopted in January and on the further revisions that council will hopefully see early to mid April. After those two items have been addressed, the city will be meeting with downtown stakeholders to readdress the cost sharing model and fold that into the budget process in June.

>> Mayor Reed: Okay, thank you. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I just want to add to everyone else, congratulations on the success. I think the collaboration has been great, and I guess I just had one question on -- back on the management plan. Did you say this would apply to clubs throughout San José or just focused on Downtown San José?

>> Joe Horwedel: This ordinance only applies to downtown. So it's one that, over the longer term, we would expect ultimately it applies citywide. And so as part of putting a schedule to Councilmember Liccardo's motion of adding this for less than 250, that is one of the things we would have to go back through and go back and look at that issue. Because we haven't done any outreach on the balance of the city. We've only dealt with downtown. We'd have to come back and see could we deal with that at the same time we do the downtown piece.

>> Councilmember Herrera: I share the Vice Mayor's concern with the impact of staffing and all the other things we're trying to do. What I hear from you and the City Manager, having this plan in the smaller clubs too will facilitate some collaborative effort and let the clubs know what's expected of them. So I'm kind of hearing you -- I think I'm hearing you say that it will actually maybe save some staff time in other ways, is that -- aim --

>> That's exactly correct, councilmember. The going into this process the management plan was something that staff and stakeholders felt was important. The development of a best practices guidelines which staff is in the middle of is really a tool to hand over to the night clubs so that they can develop that, and it will deal with the security issues, the line queues, the graffiti, and how to hire folks to do those duties inside the night clubs. So while it is an additional requirement that we're placing on them staff is really giving them the tools to come in and self-learn and do that so it doesn't put the burden on staff to do that. With that said, the best practices guidelines when they come through the door, and the management plan, that will really help to tie into the C.U.P. process and the entertainment permit process if they are going to be an entertainment venue. So we really think this is a way to streamline operations in the city and give them the tools to do that. So --

>> Councilmember Herrera: And I guess going forward before we apply it to businesses around San José I guess I would want to make sure that we're kind of solving the same issues because there may be some differences and again we don't want to overburden the city staff or the businesses. So I think this is

great and the businesses are potentially strong economic drivers for the city. So I see this as a real positive, and I'll be supporting the motion.

>> Mayor Reed: Surprisingly enough there's nobody here from the public to speak on this. I think that speaks well for the work the staff has done to get this here. Without a lot of controversy. At least not a lot of controversy today. So we thank you for that. I see there's no additional council discussion so we have a motion on the floor made by Councilmember Liccardo. All in favor? Opposed, none opposed, that's approved. Thank you staff, good work. Our next item ask 6.1, Blossom Hill pedestrian overcrossing agreements.

>> City Manager Figone: I think we have just a very brief verbal introduction, Hans Larsen our interim director of the Department of Transportation.

>> Hans Larsen: Thank you, Debra. Mr. Mayor, members of the council. I just want to make a few remarks about this project which is quite notable. The actions before you would allow for construction of a new \$10 million pedestrian overcrossing bridge over Union Pacific railroad tracks and CalTrans's Monterey highway in the Edenville blossom valley area. This project will improve safety and accessibility for pedestrians and bicyclists as part of our Green Vision goal to create a better bicycle transportation system. This project became a top priority of the city council in 2005 following a very tragic death of a two-year-old boy that was struck by an Amtrak train. Following that tragedy, former councilmember Forrest Williams led an effort to get this project fully funded and I think one of the remarkable stories was how we were able to start with \$250,000 of city money, and then leverage a \$2 million federal grant, and then use that to leverage \$7 million of state funding and then get \$1 million to close the funding gap from the VTA. We now have this project as fully funded with cooperation agreement we had with VTA, they took the lead in the design. We have a project that is ready to go out to bid. And if all goes well, we should have an opening of the this project by summer of 2011. Just wanted to -- we have the actions before you are essentially a series of agreements that are necessary to move this forward. Because it involves Union Pacific right-of-way, CalTrans right-of-way, the partnership with VTA, there is a series of four agreements that the council would need to execute or authorize the City Manager to execute so we can move this project forward. And I think councilmember Ash Kalra has a few more comments to make. So I'm available for any questions.

>> Mayor Reed: Thank you. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor and this is actually many years in the making. And it did evolve out of a tragic accident involving a two-year-old named Alexander in 2005. And we know even more even after the wheels were put in motion for this there was a gentleman by the name of Jesse Dominguez who was hit and killed by a train last year as well. And particularly with the opening of the Lowe's it's really opened up that area. And I think that we can't have this built fast enough. Because I think there's certainly -- it's certainly a need. And this is really exemplifies a great partnership the City of San José was able to achieve both with the VTA and also working in collaboration with the CalTrans and Union Pacific railroad. And we couldn't have done it also without the assistance of the federal government. It is really, as Hans said, remarkable how this really -- we parlayed \$250,000 of the City's money really into a \$10.5 million project. First and foremost, I think former councilman Forrest William deserves the most credit in really not just advocating for it but doing the heavy lifting and the work to get all the parties together and to lobby at the federal level and the state level. And along with councilmember Williams, his chief of staff, who is also my chief of staff, Anthony Drummond, deserves credit in working with the councilmember in achieving this great accomplishment. Certainly U.S. Senator Dianne Feinstein deserves a tremendous amount of credit for helping sponsor -- for sponsoring the federal grant of approximately \$2.5 million and establishing the project as a federal priority allowing the project to be fully funded for design and facilitating project delivery support from CalTrans and Union Pacific railroad. Also thanks to Merrit Gupman of Patton Boggs who is our city's lobbyist in D.C. for assistance in obtaining those federal grants. At the VTA level, certainly thanks to Michael Burns as well as the project planning and design directors, Michael Ristow and Mark Robinson, for their timely project development management and funding support. At the City of San José level certainly Hans Larsen deserves tremendous amount of credit, and for the initial project development grant support and project delivery coordination, along with Kelly Doyle and René Cordero, Zahir Golzade and Jay Thorstensen, and the City of San José's Attorney's office Johnny Fenn for his skill and patience in preparing the variety of complex agreements necessary with VTA, Caltrans, and Union Pacific Railroad. And thanks as well to the entire -- to the mayor and city council for sticking with this project and to the City Manager as well for helping to oversee the project. I'm just happy to see it coming. I've gotten questions, even about my short

tenure in office, about this often. People are wondering when it is going to be built and how we can say that we are going out to bid and we will start building this thing this year. So I'm very happy for that, and with that would like to make a motion to approve the staff recommendation and adopting the resolutions.

>> Mayor Reed: We have a motion on the floor. Councilmember Pyle.

>> Councilmember Pyle: Sorry, Hans but do I have a couple of questions. One, first of all, congratulations. This is truly a significantly needed bridge, and we're all excited about it. How will this project fit in with the design of high speed rail?

>> Hans Larsen: So we have been coordinating with the high speed rail project, so the -- this is a corridor where high speed rail will pass through here. We have their -- the bridge will likely require some modifications, as high speed rail goes in there. Because where we place the columns now isn't necessarily where it would need to be later. But -- so we've designed it basically to be flexible so it works in the current conditions and it would be modified with very little cost and effort to support what's currently planned for high speed rail. So we've definitely taken that into account.

>> Councilmember Pyle: Well, that was the answer I was looking for, thanks, great. And then who will have the liability for injuries incurred on the overcrossing, now and/or when high speed is built?

>> Hans Larsen: This pedestrian overcrossing is -- will be under the ownership of the City of San José. So agreements before you clearly spell that out that once it's constructed by the VTA it will be a city bridge, really no different than any other city bridge or a bridge that we have that crosses other railroad corridors or highways.

>> Councilmember Pyle: Okay, thank you.

>> Mayor Reed: That concludes the council discussion. We have a motion to approve made by Councilmember Kalra. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I just wanted to say how pleased I am that this project is moving forward and thank Hans Larsen and all the other people and all the other organizations that Councilmember Kalra already mentioned. Last year, I was saddened to have to deliver an adjournment for Jesse Dominguez who was killed along those railroad tracks, and I know his family when they hear about this are going to be very excited and pleased. But most important, this really protects pedestrians and it shows our values where we care and that the community cares and we're able to work hard to make this happen and protect pedestrians that are going to be crossing along these major transit corridors. Thank you.

>> Mayor Reed: On the motion, all in favor? Opposed, none opposed, that's approved. Our next three items are joint consideration with the city and the redevelopment agency. It's items 9.2, 9.2 and 9.3. We'll first take up 9.1, the monument policy.

>> City Manager Figone: We do have a staff presentation.

>> Honorable mayor and city council, I'm Barbara Goldstein, I'm the public art director for the City of San José and I've been working and coordinating this monuments policy for the last two and a half years, working together with general services, PRNS, Department of Transportation, redevelopment agency, City Attorney and City Manager's office. Next slide please. You might ask, why we might want to create a monuments policy, and why now? We find that there's been a regular demand from a variety of different individuals and groups to see themselves, their contributions to the city recognized. And usually, in a pretty specific and public place. In order to have a consistent policy and a consistent approach to being able to evaluate these requests, staff felt it was very important to be able to develop a policy that could guide city council, the administration, departments, and commissions. Next slide, please. So in order to do that, we really tried to create a process that would allow us to move through the review of monuments on city property. It proposes that the request come first to the City Manager's office and the City Manager would evaluate whether the proposal actually meets the exact criteria set forth in the policy and going from there it would be directed to departments which would do a report to the appropriate commissions and then the commissions would come back with their recommendations to the City Manager. This image that I just showed you actually was showing a similar process that took place when we created the J.J. Montgomery project at Yerba Buena in the Evergreen district. This was a project that involved a lot of public process, and discussion between the artists that created it and the community group. Next slide please. So when you think about creating something on public property you really need to think about trying to make sure that you're not creating an open ended First Amendment forum. So what's happened is that the monuments policy defines monuments as government speech. And we tried to do that in as broad a way as possible just the way we defined government speech speech when we created an exhibits policy in City Hall. That we try to talk about things and events, people and topics that are

significant to the people of San José. Next slide, please. Another critical aspect of the monuments policy is how it's financed. We know that the city has financial challenges. We don't want monuments to create additional financial burdens for the city. So the recommendation is, there are two basic principles. Either that the group that's proposing the monument provide funds to the city to create the monument in collaboration with city staff, or that they come up with the funds that would cover the entire cost of the monument, design, administration, installation and ongoing maintenance. And the monument that you're looking at here which is the Japanese internment memorial came about in exactly that way. It was created by a community group that funded it and gifted it to the federal building, and it has minimal cost for its ongoing maintenance. Next slide, please. So public involvement is very, very important. And this policy really charges the group that is donating the monument with ensuring that the public outreach takes place. And that public outreach policy process would follow the same kinds of public outreach that are used for land use decisions. It would be up to the group to really look at making sure that there was enough public involvement that there was enough noticing for these decisions, that they inform the public that there was funding for the project, that there was a place for the project, and that they also inform the public that you can't have two monuments for the same topic within the city. This -- these images here are images of a project that really followed that process despite the fact that we didn't really have a policy. And that was the San José veterans memorial which was a very intensive process that took place over several years and involved more than 2,000 people. Next slide, please. And also, lastly, that the criteria need to be consistent with city standards. So that when we create a monument, we hold that piece of construction to the same standards that we would hold anything that we build for ourselves. That the work takes place on a site that is appropriate for it, that is designated in a given plan, for that type of construction, that it's durable, that it's well designed and that it's maintainable. So that's pretty much everything the policy maintains. And if you've got any questions we'd be happy to answer them.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you very much. I do have a couple of questions but before I do that, I wanted to thank councilmember Rose Herrera and Nora Campos for their memo dated August 12, 2009, I think it was this memo that brought us here today and I think they'll probably speak to that memo and what we're discussing today when I'm done. I have a quick question in regards to not duplicating monuments that Barbara just alluded to. For example, I think many of us received this information from the San José Vietnam war memorial foundation incorporated, and I know that they've been talking to many of the councilmembers in the past, regarding erecting a monument to celebrate, commemorate the sacrifices that veterans made during the Vietnam war. And -- but I also understand that certain groups in the Vietnamese American community also wanted to erect their own monument. So my question is if the San José memorial foundation has an opportunity to build their monument, then that will prevent other organizations from erecting a similar monument, is that correct?

>> This specific example is actually why, in the supplemental memo, we addressed the idea of having OCA work collaboratively with the parks department, convene a conversation about veterans memorials in general. We feel it's important to have some kind of education day to talk about the existing San José veterans memorial to talk about what the kind of issues and ideas are out there, to consider that within the context of the policy and then to try to reach some kind of consensus about what's the best way to go forward with this particular issue which we realize is a very sensitive issue.

>> Councilmember Nguyen: Thank you, Barbara, and then another brief question. So the current policy that we have before us, staff is preferring that organizations come with private funds to build a monument. I know that, you know, with other projects that we are in partnership with, we partner with different organizations we also provide sort of like a matching fund. Is there any opportunity to do that here?

>> I guess that would depend on the state of the City's budget.

>> Councilmember Nguyen: Okay. Well -- I guess we're in a really bad situation so that's not going to hoop. Those are my questions, thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I want to thank Councilmember Nguyen for her comments. I want to thank Barbara Goldstein, thank you Barbara and to everyone involved. I understand this is a long and deliberative process for everyone and I appreciate your memo and the topics you've covered in here in terms of funding, community outreach, definition of government speech, all of those are really good. I believe you've worked very hard to get us to a good point of consideration today. Monuments they're really important and I'm sure you know a part of community's collective

appreciation of historic events or individuals. Monuments play different roles in planning a community, and they play a role in beautifying a community. If you look at your summer vacation photos they're going to be filled with visiting monuments and some folks get a chance to go around the world and you might see the Washington monument or the Eiffel Tower or maybe the statue of Lenin in the soviet union. These are all symbolic monuments that we want to visit, and they are are strongly associated with their locations. All monuments of varying types and purposes yet symbolic. While I don't expect to set the bar at the statute of liberty, all the same I think it's important to set the standard high for San José. Part of that high standard should be the transparent and open process to let the city arrive at its final decision. Now I'd like to get to the policy itself. When this item was before the Community and Economic Development committee I had language add bed the appeals process and I'm glad to see that the appeals process is addressed a bit more in the supplemental memo. But I think we need to add a little more and I would like to extend the appeals process window to 30 days and first of all, number two I believe the council should be more aware of the applications that come forward. Therefore, I would like to move to approve the monument policy with these changes: One, extend the appeals window to 30 days and have the approval and appeals process written out and included in the application so everyone can understand it, and I'd like to see all the applications in the City Manager's recommendation come forward to the Rules Committee as an informational item.

>> Mayor Reed: We have a second from Councilmember Campos, on that discussion on the motion, Councilmember Constant.

>> Councilmember Constant: I just had a quick question for Barbara. I know we've talked offline a little bit about this. But I just want to make sure that there's no impact on the Public Safety memorial project that's kind of in process right now. And if there's anything you wanted to add to that clarification.

>> Mayor Reed: Sorry, you need to get that into the microphone. Had something to do with money.

>> Councilmember Constant: She basically said show her the money and I'm working on that.

>> We have it in our work plan. It's intended to be a public art project and we're very excited to be working on it as soon as the money comes through.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. Unless my memory is tricking me Barbara I believe that that's the Almaden library, the front of of it. And I'd like to really applaud you for your wonderful creativity and ability to solve problems by going outside the box. What you see here is an area on the left that's round, and that's where children can wait for the parents to pick them up. Over on the right, which -- those are story stones and they allow kids, there is phrases written on them and they're able to use one phrase from one stone, connect it with another one to form sentences and paragraphs for the more verbose groups. I think it's creative, it's elegant, it's still in place, it's still working well, and I just wanted to thank you for that. And then I wanted to ask a question of Rose. For the appeal process, I would hope that there would be a deadline on that, after which no appeal may be made. In other words, I can see where it would be unfair to groups that have spent a lot of time, effort, money to get to a certain point, and then boom, there's an appeal. So I'm not quite sure --

>> Mayor Reed: I believe the motion contemplates that period would be 30 days.

>> Councilmember Herrera: Yeah, we're saying 30 days, this is a group that is maybe initially denied but they have a chance to have that heard again and then they have 30 days.

>> Mayor Reed: Or if someone doesn't like the decision --

>> Councilmember Herrera: They can appeal that.

>> Mayor Reed: From outside, 30 days and that's over I believe that's the motion.

>> Councilmember Pyle: There's a specific period of time in which that has to be resolved.

>> Councilmember Herrera: I think I'll ask staff help with that. I'm suggesting 30 days and maybe the City Attorney can weigh in on that.

>> City Attorney Doyle: They have deli days to file the appeal and it would go to the Rules Committee for rube. And it's really really up to the Rules Committee to decide how to proceed. My experience with that committee is they would like to process things as fast as possible.

>> Councilmember Pyle: And I just want to ask Barbara or whomever wants to answer, how do you feel about the 30 days?

>> Paul Krutko: I'll do it, Barbara. Those are recommendations that we can incorporate, and we'll be fine to do that.

>> Councilmember Pyle: Okay, thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. First of all Barbara, thank you for taking on this work and being able to bring it back in a timely manner. I supported the additional language that Councilmember Herrera put forward, because I think it's a better process. I think it's a little more inclusive and it allows people an opportunity to be able to have their opinion at the time if they're not happy with the process. And I also agree that 30 days for the applicant to be able to appeal and the process for it to go to the Rules Committee and the Rules Committee to determine the next steps on how long that process will take. Considering that sometimes their agenda is a little full, and they may have to postpone something for another Rules meeting. So I'm supporting the motion and I hope my colleagues will support it.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I also wanted to add my thanks to the staff. I have a question just came to my mind is that, is there or would there be a process to remove a monument? I mean -- we're talking about appealing, I mean, I know in the history of San José we have a monument, we have to kind of move from one place to another. I don't know at that time do we have a process to follow, or will we going to have problems?

>> Paul Krutko: Councilmember, can I clarify your question just make sure we're answering the right thing? Are you suggesting where we had a monument that was established through the process and for some reason we needed to develop on that site, we needed right-of-way or something and we needed to move it as opposed to taking it away completely? That's the distinction I'm trying to make. Just move it?

>> Councilmember Chu: Both.

>> Paul Krutko: Both.

>> Councilmember Chu: We wanted to just take it down for whatever reason.

>> This is Barbara Jordan from the city attorney's office. I think the intent of the policy if it's not clear is that the monument becomes the City's property once it's installed because it is government speech and therefore at that point the city is free to do what it feels is appropriate with the monument. It's not tied -- it's no longer the speech any private party, it's the government speech and it should say and if it doesn't we can go through it and make it clearer that certainly if it's damaged, certainly if we need to use the property or certainly for any other reason the city determines it should be removed the city can remove it, that's the intent.

>> Councilmember Chu: Thank you for that clarification. In other words, the council is able to make that final determination.

>> Yes.

>> Councilmember Chu: Thank you.

>> Mayor Reed: Councilmember Herrera. Okay, I had a couple of comments. First is I love monuments when I go to Washington, D.C. there's monuments everywhere, in fact there are monuments, nobody knows what they mean anymore. And my main concern about monuments is I don't want to have to pay for it, number one, and number two I don't want to see a knock down drag out fight among the community that comes to the council where we have warring factions fighting over monuments. So I think this policy will deal with both those problems. I look forward to seeing monuments in application and inconsistent with the policy I think they're nice additions to the community. And if we can find the kind of money they find in Washington, D.C. to build monuments we can do a few more. I do have some requests from the public to speak. I'd like to take that testimony now. Councilmember Campos did you have a question first?

>> Councilmember Campos: Yes, mayor I think you bring up a very good point about that we don't want to have a monument divide the community. So I would just like to add something to that. If we have a monument that may look like it may be dividing the community, that we follow that, and that the results come back to the Rules Committee for a discussion, so if we need to revisit this policy. Because I think that's a very good point, mayor. We don't want to create monuments that are going to divide our community. So if you can incorporate that, that maybe we review it after the first monument that goes through a process, I think that would be helpful for us. And it can go to the Rules Committee.

>> Mayor Reed: Take that as a request for a friendly amendment. Councilmember Herrera.

>> Councilmember Herrera: I would accept that friendly amendment and thanks Councilmember Campos for that.

>> Councilmember Campos: You're welcome.

>> Mayor Reed: Take the public testimony at this time. Mike Salas, please come on down when I call your name so you're close to the microphone. Mike Salas, Socorro Puentis Rehill, John Sotello, Kathy Bernal, and Dennis Fernandez. There are places down here you could move on to the front.

>> Mayor Reed and city council I thank you for your time today, first of all. My name is Mike Salas. I was born and raised in San José. I'm currently enjoying -- excuse me -- I'm currently enjoying my 39th year of employment with the San José water company. I am a member and involved with the American GI forum, the American legion and the Vietnam veteran war memorial foundation. I served four years in the United States Air Force during the Vietnam war era as a crew chief on jet fighter aircraft. I have been proud to serve my country. Our mission is to erect a Vietnam war memorial monument in the city of San José, California to honor distinguish and remember the 143 sons of San José who gave the ultimate sacrifice to defend freedom during the Vietnam war. They were the valiant ones. You know the Vietnam war statistics. 58,000 killed in action, 303,000 wounded and 2,000 missing in action. Within these devastating numbers 143 from the City of San José were killed. As a people, we need to represent and account for our sons of San José, Vietnam veterans, who were killed in action during the Vietnam war. 143 young men registered in San José, and gave the ultimate sacrifice for our freedom. The memorial will bring all of San José's diverse communities together. It will become the gathering place for Vietnam veterans and their loved ones to share memories, thus promoting comfort, healing and quality of life. Smaller surrounding cities have remembered their fallen sons, however, San José is the largest city in Northern California, and as yet to erect a monument in their honor. We are asking for Vietnam war memorial monument etched with the 143 names to be erected in honor of these veterans. A monument when touch will feel sacred as the one in Washington, D.C. Yes, it still hurts when you place your hand over a name on the wall. Please don't let this be a forgotten war. I urge your support. We need you. Your heart and your efforts to make this happen within the community. We are ready willing and able to partner up with the City of San José to make this a successful project.

>> Mayor Reed: I'm sorry your time is up.

>> Thank you.

>> Mayor Reed: Socorro Puentas Vijil followed by John Sotello.

>> Good afternoon. I'm Socorro Puentas Vijil. My brother is Michael Puentas. He was one of the six alumni of San José high to have fought for this country in Vietnam and lose their lives in the line of duty. San José high alumni have proudly served this country since the Civil War. When the country called on them they didn't shy away. I've been introduced to this memorial project recently and cannot tell you the emotions that have been brought to the surface. Things I thought I have forgotten are now vivid again. I was just a little girl when my brother came him in that big box with our nation's stars and stripes on it and I remember seeing that -- and I remember seeing it and looking at my dad and his reactions, not understanding how Michael's death was going to change my dad forever. Bien Dong in South Vietnam is a very faraway place. It's the last place my brother said with his own eyes. It was difficult for me to even find it on a map, and yet Michael was there with his new brothers fighting for all of us. Having this memorial established in our own backyard I'm sure as Michael and my dad are probably looking down on us smiling proudly, I know it makes me proud. I have to have his story a part of this memorial is befitting to this community. Puentas brothers incorporated was integral to San José's growth and legacy. My brother and the others deserve to be remembered with dignity for the honor they brought to this community for their ultimate sacrifice. Monuments like these tell stories. Stories that will continue to be told by others when we're long gone. Stories how these bold young men fought for our freedom. Stories how these men were our neighbors, our play mates, our paper boys, our friends and most important, once they grew up, our protectors. I'm here to ask you for your support in this project and these gentlemen in this endeavor. It's the right thing to do.

>> Mayor Reed: John Sotello then Kathy Bernal and Dennis Fernandez.

>> Hello, my name is John sotello. I served in Vietnam in 1968 as part of the special forces group. A few years ago I was fortunate enough to visit the Vietname Memorial in Washington, D.C., with my wife and family. My wife is the widow of Rudolph Sotello Ronterio and seeing his name on the wall opened old wounds for her. Since I am a Vietnam veteran, I was able to look up some of the names of my fellow comrades. Such as the sight of such a tremendously large memorial for over 58,000 service men and women is overwhelming. I've been told that some of our make cities such as Santa Clara, Milpitas, Morgan Hill, Hollister, have built memorials to honor the men who died in Vietnam. There are 143 men from San José who deserve to be honored. I would ask that you, our city council, support the memorial which could recognize the ultimate sacrifice of these brave men who made the ultimate sacrifice for our

country. Rudolph Sotello renteria was 21 years old when he was killed in 1968, that was 42 years ago. This memorial is long overdue. Rudolph was a young soldier recently married and looking forward to a better life like so many other men. When a hand grenade thrown by the enemy was about to explode Rudolph gave his life by landing on the grenade thus saving the lives of his fellow soldiers. He made the ultimate sacrifice for those around him. His actions earned him the distinguished service cross, our nation's second highest decoration for bravery. He and all of the men who died for our country deserve to be remembered in a manner commensurate with their sacrifices. Thank you.

>> Mayor Reed: Kathy Bernal and then Dennis Fernandez.

>> Hello, my name is Kathy Bernal. My brother is Raymond Bernal, Jr., who died in Vietnam. He volunteered in 1966. Our family is honored to have a beautiful park named after my brother. Only after a long plight of gathering signatures, gaining community support, hard work and perseverance we were successful and eternally grateful. Those of you who have friends, sons, brothers, fathers, names on the Washington memorial wall may or may not have actually been to Washington, to view this monumental memorial wall. Others have someone bring back a paper with pencil tracing of the names of a loved one such as the one I bring before you. And it touches your heart but unfortunately I have been to the wall with my parents and I can tell you, there is no experience like seeing your loved one's name etched into the memorial wall. And actually touching it. It brings reality straight to the heart. It brings reality into focus. It brings real perspective to what ultimately -- what ultimate sacrifices our men and women give in service of their country. This wall maybe part of our history, but there is also nothing more real and present than the pain and suffering of losing a loved one who voluntarily served and unselfishly gave their life to protect our freedom. It is my hope that our city can approve this memorial for our deserving veterans. To help put things in perspective, I'd like to conclude with this: I was only five when my brother passed away. Until this day, songs, colors, beautiful smells that permeated from our kitchen whenever my brother was on leave, have and will always bring love and joy into my heart. But it also brings the heartache that my parents, family and friends suffered the day we were told that my brother fought his last battle, and he would not make it home. This is not only history, but it is very present. It is very now. Thank you for your time and your attention to this very important proposal before you. Thank you.

>> Mayor Reed: Dennis Fernandez.

>> Good afternoon. I'm the vice president of the San José Vietnam war memorial foundation. I'm here to make this happen. I've given each of you a binder to the information of what we'd like to do. And I think the main thing you've heard my colleagues and friends and ... I'd just like to say we have the support of Steinberg architects and other volunteers to help donate their time and energy, and most of all we have the money to make this happen. Thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion on the floor. Is there additional council discussion at this time? Councilmember Herrera.

>> Councilmember Herrera: I just want to thank the veterans that have come forward today to share their concern and share their support for the Vietnam memorial. We're not making that decision today. But I'm proud to have co-written the memo with Councilmember Campos supporting it. So we have to first put the monument policy into place before we can consider new potential memorials. But thank you very much for coming today.

>> Mayor Reed: I think that concludes the council discussion. We have a motion on the floor. All in favor? Opposed? None opposed that's approved. And that concludes our work on item 9.1. We'll now go to item 9.2, actions related to sale of 2112 Monterey road from EHC to charities housing development. We have a motion to approve the actions. All in favor? Opposed, none opposed, those actions are approved. Item 9.3 is the redevelopment housing tax set aside allocation bonds. I think typically known as the TEFRA hearing. We are only going to take up one of the items on the agenda because we need to defer one of them for a week. Agenda item A is one we're considering today and that is the public hearing which we are now going to open up as required by the tax equity and fiscal responsibility act of 1982, to provide an opportunity to the public to comment on the proposed bond issuances for the refunding of various housing projects that have already been constructed. The list of projects was published in the Mercury News and is exhibit A to the original staff memorandum. Is there anybody here who wishes to speak to any of these prompts as part of this public hearing? We'll take that testimony now. I have no cards. Anybody here didn't submit a card that wishes to speak on this item? Seeing none, we will consider the issuance of the bonds at next week's meeting. But this is the hearing on that matter. Last chance. No one here to speak on that item so we'll close the public hearing and take up the issuance of the bonds at next week's meeting. We don't take any action on the public

hearing piece of this, it was just the hearing. We get it right City Attorney? Right. I do want to thank our city staff and redevelopment staff for working together to resolve this crisis created by the state of California when they decided to take \$75 million from our redevelopment agency. This is an important part of the solution to the short-term problems created by the state, and can only have happened with a great deal of cooperation and help from both city staff and redevelopment agency staff. Looking forward to next week moving this on so that we can be on the schedule we need to be on in order to deal with the State of California. But that does conclude item 9.3. We'll now take up the redevelopment agency specific items on the agenda for the redevelopment agency board meeting. We'll have some shift in staff. As we get redevelopment staff into place, first question is, our first item is the consent calendar. Are there any items on the redevelopment agency consent calendar that councilmembers would like the pull for discussion?

>> Move to approve.

>> Mayor Reed: We have a motion to approve the consent calendar. All in favor? Opposed, none opposed, the consent calendar is approved. Next item is 3.1, that is the presentation of the quarterly projects status report.

>> Harry Mavrogenes: Mr. Mayor, members of our board, Bill Ekern of our staff will present the update for you.

>> Bill Ekern: Good afternoon, Mr. Mayor, members of the board, I would like to take you through some slides that show you some of the work that actually took place. And it's always hard at this point in time to remember we're looking at last quarter so we're looking at projects that began and ended at the end of 2009 and some them that are in your districts, oh my gosh that's already done or that's much further along. I'll try to -- this allows me to come up twice and talk about if same project. The project that is very valuable in the downtown this is a project that we're involved with with Barry Swenson builders. They're now work on the original first church of Christ science, finishing the weatherization. Kind of the modern update on this as well is that they've begun to do the demolition of the Ledgers garage which really sets the stage for this housing project to come on line. San Pedro square, again, I think this is another exciting project that really demonstrates the commitment to the downtown beginning with the McEnerys to begin the demolition to set the stage for the retailers to begin to move into this project on San Pedro square. They're still telling us that August 1st they should be open. They are meeting with retailer -- potential retailers and looking to signing leases as fast as we can. And the convention center roof, this is a \$4 million project that deals solely with the flat roofs on the convention center. Total replacement to stop at least the majority of the leaks in the building, and allows us to move forward with a planned expansion this coming year. This project, again, is very much -- is much further long and frankly is complete as of this first quarter of 2010. In the civic auditorium. We've been work for the last several months doing very major improvements to set the stage for this to become a major entertainment venue. Mostly the work has been in the ought tomorrow area to help with the performers and support spaces, brand-new bathrooms going into the mezzanine and upgrades to the bathrooms on the ground floor, work in the dressing rooms and in the green rooms. On the transit mall this is a project that we're work with, the Department of Public Works to resolve some of the settlement along the Fairmont Hotel. This is underway now and the project is moving along. Part of when we were starting to look at this project you begin to realize there's a lot of other things happening in the downtown, and it's very difficult in the bright light in here to see the activity that's on the street, the people that are now on the street on the transit mall taking advantage of our sidewalk cafe programs, and also enjoying the flowers that are part of the Pbid in the downtown. I thought about how you would talk about the Pbid and it's important to recognize that this property business improvement district actually has the City of San José and the redevelopment agency as members. And so this is our money at work as well beautifying the downtown. On Post Street this is a project that the redevelopment agency funded with the Department of Transportation, we replaced some of the worn-out bricks and hazardous areas on the sidewalk area and then reconfigured the entryway so that the trucks driving in there quit driving over the bricks and tearing them up so this project is now complete. BCA architects, an architecture firm looking to move into the downtown, especially in the market Almaden area now, they are under construction now and have advised us that they should be complete by July, so we could move new businesses and jobs into the downtown. Redevelopment agency has invested in this project as well. Botown facade, this is down in the south Sofa area, probably the most significant thing to talk about other than this being completed, if you can see the before and after pictures on the left of the screen, we've been dealing with this project long enough for the 360 condominium project to be completely built. The facade area, most people would recognize this as the pizza Chicago space, and this

project is now complete, and should be very exciting during the summer months when they can open those large garage doors and allow people to move in and out. The Lamole building, most of us remember this as the Aconda Hotel. Construction at this point in time was still ongoing, this is an important development, new office space in the downtown with ground floor retail. One of the things that the redevelopment agency tries to work closely with the city Department of Transportation on an annual basis ongoing is to make sure that the infrastructure in the downtown is continually refurbished and modernized. We've worked with them to paint the street light poles in the redevelopment project areas to replace and repair the damaged ones and the ones that are no longer operative. Done by D.O.T. forces and funded by the redevelopment agency. I was trying to think about something I could say about the commissioner but I probably won't go there. And what I would say is that we are continuing to provide information to the baseball, major league baseball. They continue to have questions trying to finish their reports. We're active in the planning. We're ready to go as soon as we get the phone call. Signage grant program, the one project that was completed last quarter of the year is the fourth street pizza directly across the street and it really does put some electricity on that corner as well. In the strong neighborhoods, really doing some work in the housing rehab program. This is a project down in the Washington neighborhood. I believe it's on Palm, new paint, new driveway, new roof and gutter, very nice project, \$25,000 worth of government money is to go into this rehab project. Also, in the strong neighborhoods, again it's important that part of our charge is to help eliminate blight. This is a project that the redevelopment agency led, in demolishing the city-owned PAL building, really helped remove a major source of blight in the Delmas neighborhood. Another thing that the redevelopment agency is able to assist in is buying property to help move projects into the private sector. This is an example of that. More infrastructure projects that we're able to assist in. This is street lights at Fuller Park and Gardner and street lights, traffic signals in the Winchester area. As you know there's an item later in the agenda today, really outlining how engaged we are in the Winchester area. And Story Road. This project and the next project really demonstrate, when you get a redevelopment agency project, redevelopment project that goes in and it comes alive retailers begin to move in and this is very good neighborhood serving retail at the busy intersection of Story and King. We helped grants for small businesses, we're sincerely hoping as the economy turns better and the redevelopment agency has some money that we can put back into this program there is a demand at the small business level for more opportunities. Retail openings it was a busy end of the year. This is an example of some of the businesses in the downtown that have opened and some of the businesses that have opened in the neighborhood over the last quarter. So a good end to the year. Edenvale community center, this project is closing in on being complete. It's frankly has dragged a little bit more than we hoped it go but contractor is diligently pursuing completion and we expect to turn this over to the city in the next month or so. This is a project that's very difficult to see what it looks like finished. It is finished now. But with the St. Elizabeth folks, redevelopment agency provided \$400,000 in funding that they were able to use to build new restrooms for the students, new restrooms for teachers, we do the gymnasium floor, replace the windows, replace the roof and provide ADA access to this space. And it was a tremendous opportunity to go out there and walk the site and just be mugged by the primary -- by the childcare staff saying this is the greatest thing that's ever happened to us to be able to actually have a bathroom we can get to from the outside while the kids are out so we don't have to go inside and be lost while they're roaming around. Great great project. This is a company that's moved into 160 West Santa Clara street. One of the advantages again where this ties to us is that they've taken advantage of the City's downtown parking programs so that we're able to help leverage them into this downtown space. Some example of the companies in the industrial areas, that the redevelopment agency has assisted with helping to stay and come into the city. In the enterprise zone is still very active, still a very aggressive project and program at the end of the year, we had 11 companies come in and participate with us in the last quarter. And the innovation center of this is a project that the redevelopment agency consolidated a number of incubator programs that we operate. The environmental incubator, the market access and others, enterprise groups, entrepreneur center into this building, that benefited tremendously in the downtown by the facade work as well, the new paint job and new signage in this project. At first, at first and what, at first and highway 237 when you're going to look for this. A great project on a 39 acre site, brocade anticipates being able to bring folks in between May and July. Hotel Sierra anticipates opening in November and Target anticipates opening in October. So very great opportunity plus there's 73,000 square feet of neighborhood serving retail that is anticipated to come into this area. With that I'd be glad to answer any questions.

>> Mayor Reed: I don't see any requests for questions. Good presentation, lots of good news in there. I think that's all we had was a presentation on this report, motion to accept the report would be in order, I think. Motion is to accept the report. All in favor? Opposed, none opposed, that's approved. Our next item is 7.1, it's an amendment to the CBL agreement for the quilt museum at 520 south first street. Motion is to approve the amendment. All in favor, opposed, none opposed, that's approved. Item 8.2 and 8.3 are joint items with the city council redevelopment agency 8.2 is approval of purchase and sale agreement for 445 old West Julian street to allow for development of the autumn street extension project. Motion is to approve. All in favor, opposed, one opposed Councilmember Campos, that is approved. Item 8.3 is acceptance to the Winchester enhancement strategy report. Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. Hopefully, my voice will last through this. I'm trying save it for tonight that's why I've been so quiet. The Winchester boulevard enhancement strategy is a project that really started over ten years ago. I remember when I owned a business on Winchester boulevard and was one of the first members of the Winchester business association, this was a project that we talked about starting back then. Then, shortly after that, I became the elected business representative on the strong neighborhoods SNI PAC and the NAC in our local Winchester area. And it was identified as a top priority of the Winchester area at that time. Over the years, a lot of work has been done on Winchester boulevard including the community process that culminated in this report that you have before you today. When we first spoke of doing this enhancements enhancement strategy and the related NBD that I know we've discussed a couple of times up here and some of the other strategies, at first there was some apprehension by the residents in the neighborhoods that were adjoining, worried about how business areas may encroach upon the neighborhoods, how traffic from Winchester Boulevard could be directed, or pushed off into the neighborhoods. And as we went through the process, we found that there were ways that we would be able to address those issues, issues of parking and crowding and traffic flow and traffic diversion. And I'm happy to say that as we move to the conclusion you creating this plan, the neighbors in the surrounding neighborhoods really became some of the strongest supporters of this plan. Because they realized not only the benefits that it would bring to Winchester Boulevard but the protection it brings to the neighborhoods by clearly delineating and identifying where the businesses should start and quite frankly where they should stop. The plan has been out in draft form for a number of months and I'm very happy to report that it has caused quite a few of the property owners in the area to reach out to both my office and the redevelopment agency and Planning Department to talk about what the possibilities now are on Winchester boulevard now that they see a unified community vision. I think when we look at Winchester being kind of stuck in between the successful projects at Santana Row and valley fair and the very successful revitalization of downtown Campbell and now the Winchester master plan that have been implemented and created for Campbell, the City of Campbell, this fits right into that puzzle and will really be the piece that prevents Winchester Boulevard from becoming a forgotten blighted connection between two or three successful projects. I hope that this is a plan and a process that can be replicated in other areas of the city and other business districts. I know we have several members of the community that are going to speak on this. And I ask that -- my colleagues that you all support me in approving and accepting this plan which is the motion I now make.

>> Second.

>> Mayor Reed: We have a motion on the floor. We do have some requests from the public to speak. I'll take the testimony after we get a brief presentation from the staff. I think they've got a few slides to show.

>> Harry Mavrogenes: Deputy director Abi Magamfar will do a brief presentation on this.

>> Abi Magamfar: Good afternoon, Abi Magamfar deputy director. This presentation is really short. It really doesn't justify the months of time and energy that was put together throughout the community to come to the conclusion of this enhancement strategy but it is a small sampling of it. The map showing is the map of the SNI throughout the city, and on the left-hand side the oval red shape shows the Winchester initiative area that Winchester Boulevard enhancement strategy took place. The creating a neighborhood serving main street style atmosphere for Winchester Boulevard was one of the top ten goals for the Winchester neighborhood action coalition. The project kickoff was in May 2008 and there was total of seven different community meetings taking place until August 2009. Over 135 community members and business representatives attended this meeting. I might add that many of these 135 people attended all seven meetings. So there were more than severalfold of 135 members that attend. The subject of discussion throughout the meetings, 16 months, included land use, zoning, fiscal enhancement, local and traffic, neighborhood traffic issues, retail opportunities and development strategy and overall identity for the district. The enhancement concept and outcome included the set of 16 different

recommendations, four of which -- one of which was creation of retail clusters in four different areas along the one-mile stretch of the district. Other recommendations included encouraging property owners to consolidate and redevelop where possible support the business association, implement neighborhood traffic mitigation if warranted, and foster San José's Green Vision goals. The map shows the four different clusters. On the left-hand side is Stevens Creek Boulevard and all the way to the right Hamilton Avenue in the city of Campbell. The four clusters represent approximately 48 acres of development site for potentially developing two 1.1 million square foot of development. This is a little highlighted sections for those four cluster area. On the left-hand side is the first cluster, approximately 546,000 square foot that contains seven parcels. On the right-hand side the second cluster is approximately 670,000 square foot potential development, contains 17 different parcels. On the left, on this map is cluster number 3. That is the smallest of the four, approximately 252,000 square foot of development opportunity, contained in six different parcels and finally, the fourth and final one is the 630,000 square foot opportunity for development containing 16 parcels. I would like to add that this development of this strategy was a collaboration between the NAC, SNI as a whole, different city departments, particularly the Planning, Building, and Code Enforcement, Department of Transportation, and many members of the community, both in the residential and business district. We did this work with the help of the consultant firm of Field Paoli. Frank Fuller, principal of that firm, is here today if there is any question for him. With that, we're available to answer any questions.

>> Mayor Reed: I think I'll take the public testimony before we get into council questions and discussion. Please come on down when I call your name so you're close to the microphone. Charles Laur, Steve Landau, Shozo Kagashima and Ken Kelly.

>> Hi, my name's Charles Laur, I'm part of Winchester NAC. And I want to thank the RDA, thank Pete, thank Pierluigi. The involvement of the neighborhood associations which are stakeholders within the NAC, was very successful and they followed through the process all the way to the end. On both sides of Winchester in District 6 it was the Hammond park neighborhood association and the Maglioca-Huff property owners. On the D-1 side it was Lynhaven and Eden, it was Westside property owners association, and the business association. The importance of the plan is that Pete stated, is that we are now a thoroughfare for Santana Row and downtown Campbell. And this is a big tuned to get people to stop in our -- in the Winchester area and to serve the neighborhoods in the district. And that's all I have to say. Thank you very much.

>> Mayor Reed: Steve landau, Shorzo and then Ken.

>> My name is Steve landau. I'm a resident in the Eden neighborhood and president of the Winchester NAC. Rather than repeat I just wanted to enforce that this has been a tremendous collaboration between city staff, the councilmembers and the neighborhoods and I think really reflects the best thinking and good thinking that went into this rather than a unidirectional approach of what should happen along Winchester. So definitely has support from the community as well as I think from the businesses. Thank you.

>> Mayor Reed: Shoji Kagashima and Ken Kelly.

>> Good afternoon Mayor Reed, councilmembers and city staff. My name is Shoji Kagashima, and I'm here today to represent the Winchester business association. I ask the council to accept the Winchester enhancement strategy report as presented by the redevelopment agency. The enhancement strategy plan was developed with the input from stakeholders, businesses, property owners and residents of Winchester community. Everyone was encouraged and given the opportunity to voice their opinions and concerns during the many community workshops. The plan was developed, taken into consideration, everyone's comments, wishes and concerns. The plan presented to you is a win win for all parties involved, it will encourage businesses to locate on Winchester boulevard, incorporate safety and convenience for residents to visit the businesses and finally generate more tax revenue for the city. The Winchester strategy plan presented to you will help remake Winchester Boulevard a vibrant community for businesses to prosper and and residents to enjoy. Thank you for your time.

>> Mayor Reed: Ken Kelly is our last speaker.

>> You always choose the last for best, don't you? Thank you. My name is Ken Kelly. I'm president of United neighborhoods much Santa Clara County and most important for this event, here today, I'm the immediate past chair of the Blackford neighborhood action coalition. We are not on Winchester boulevard. We are just above San Thomas expressway and there are several homes that are involved in that area. The Blackford NAC representatives were involved in the Winchester and that's manstrategy from the very beginning. After the first couple of meetings we became convinced that this was going to

make Winchester Boulevard a much better place for our neighbors to be able to shop. We don't have a whole heck of a lot of places to shop up in the Blackford NAC so we encourage you to improve the enhancement program that is projected for Winchester Boulevard. It's very important to the neighbors that live in the Blackford NAC and as president of UNCC it's very important for neighborhood revitalization and neighborhood development. Thank you very much and we hope that you'll approve this.

>> Mayor Reed: That concludes the public testimony. Councilmember Constant did you want to speak on the motion?

>> Councilmember Constant: Yeah, I just wanted to thank the community members for coming out here. The four gentlemen that have spoken are very active throughout district 1 not just along Winchester Boulevard. I also wanted to acknowledge we have some of our other property owners, the Nguyens sitting up there who have invested heavily in Winchester Boulevard and also to thank the RDA, because there was a lot of work that went into this including revisions that were made just as recently as two weeks ago as we tried to put the final changes on this. So I want to thank all those parties involved. And the last comment that I want to make, I actually failed to make the first time and that is, you know, hundreds of thousands of people regularly get off freeway 280 at the Winchester Moorpark exit to go to Santana Row or Campbell or any of the others there. And I know many of you have gotten off that same freeway exit and you've come off to what's really a wonderful shopping mecca and neighborhood, for disclosure I live right in the Lynhaven neighborhood right there. And you're faced with a bunch of old dilapidated buildings and a trailer repair facility that's been for sale for years, trying to get people to invest there. But there's always been lacking the vision and the identity for the area. And I ask -- I hope if you have some time that you get a chance to really look at the one noticed that is specifically in that area of the freeway offramp. Because the possibilities there are really incredible and we could really have a wonderful gateway to West Santana -- West valley San José and Santana Row. I also want to give thanks to Pierluigi. Because this strategy is basically split between our two council districts. And in the past the two council districts didn't necessarily always work together to get the vision of Winchester Boulevard done. And my business was actually on his side of Winchester boulevard versus my side of Winchester boulevard. But early in the project Pierluigi came to me and he said you know what, you take the lead on this, keep me informed and I'll support the community and what they want. And it really helped us go together with one voice to the community, and have the community have one point contact to create this plan. So pier, thank you -- Pierluigi, thank you for your help and support throughout this and again, I hope that you can all join us in voting for this acceptance.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. I just wanted to thank Councilmember Constant for his constant preaching the gospel of Winchester Boulevard. Certainly it's paid off with the well attended meetings by many and many of the folks who came to speak today. I think it's a good strategy of the western front as we border Campbell and Santa Clara and make sure we avoid leakage of sales tax and capture of sales tax from other areas. Providing a blueprint to those private property owners on how they can develop and I think that's the important thing to remember leer. As much as we have a plan here it still takes private property owners to sell their land or take the initiative to build. So this will like any of the plans we do may take several years or decades to happen but at least there's a strategy for that. So thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: I wanted to congratulate the members of the community and councilmembers constant and Oliverio for their success in making all this happen. I think this is a great success. I spent a lot of time in this area as a kid, and I'm still trying to get over the loss of bob's big boy because that was really an important icon for me in this city. I'm hoping part of this plan will help bring Bob back to Winchester. I look forward to RDA making that happen in the near future. But I also think that I know there was a vision here for creating a main street. I think this has a potential to be much more, a grand boulevard for this valley. I think there are only a few streets in San José that have this potential for this kind of unique development and with all the infrastructure that's there. So I look forward to seeing more and more happen along Winchester.

>> Mayor Reed: We have a motion on the floor. All in favor? Opposed, none opposed, that's approved, congratulations now the hard work starts. Making it happen. Thank the community's involvement, it doesn't happen without the community's interest and support. We are now going to tape the sign code. Continuation of work that we've been doing over several council meetings. Trying to get to the end of the list of things that need to be discussed. We hope to be able to do that today. But we'll have to see

how long it takes. Anybody who is coming into the middle of this, we really are in the middle. We've had multiple meetings. We're not talking about everything in the sign ordinance today, just a few areas of discussion. Turn this over to Joe Horwedel to start the presentation.

>> Joe Horwedel: Thank you, Mr. Mayor and with me again today Laurel Prevetti, René Gurza and Carol Hamilton, the team that's been working on the sign update. When we last left this we were talking about supergraphics in the downtown and had completed that portion of the topics, since it -- the next topic is supergraphics outside of downtown, and specifically in North San José, Edenvale and the airport area. And so the question we'd like the city council to consider is, should the city explore regulations that would allow large, temporary supergraphic signs in North San José, Edenvale and in the airport sign zone. We did have a large amount of conversation in the downtown portion of this issue about what was the length of time that was appropriate. Staff had recommended 60 days as one of the major considerations. And that would be similar sorts of issues here. In this case, this is a picture we took when we were in Boston this last fall, standing at Fenway park, I knew it had to go into our sign presentation. I will add that a member of our group had city cited this as an illegal sign. It's a nice sign. The questions and staff had recommended that we should explore allowing supergraphics in these industrial areas that we do think it would explore or would allow us to help some of the businesses in the area to help market temporary release of product that we think there are some advantages to it, and so we are asking the council to pursue that. But it is something that we would like some council direction on this issue. And as the council talks about this, really, if you're interested in this topic, some of the things that we would think are relevant to this is do we have concerns about the location of where those supergraphics would go? Remember with the downtown we talked about whether windows could be covered or whether it only went on blank walls. Is there a size consideration we should be look at in the downtown. We looked at I think it was 5,000 square feet, Laurel or René? Yes. How long they could staff and is there an overall number downtown, we had talked about the concern over how many and whether there was -- the number was too small and that's one of the things that staff was going to return on. The last piece I do want to add on this is one of the models that staff had looked at was the issue that we started in coming up with this proposal, was the Apple building in Cupertino that in many years three had banners that faced the freeway, as it lined up with marketing campaigns and the question is why can't we do something like that. It's another one we found out later as we started researching sizes, again the city had asked Apple to remove that sign that it was not allowed by their code but it was up there for quite a while. But it was one of the things that we thought worked with the building in that case and it was something we think might work with North San José and Edenvale so interested in the council's thoughts on that.

>> Mayor Reed: Well, let's see if there are some council thoughts on it, I believe there will be. First let me just say that I think that we very much need to look at doing supergraphics in North San Jose. To think that eBay might hold their eBay live here again with thousands and thousands of people live from and the world and not be able to put up the supergraphics on their campus if they wanted to, that would be bad, I think. And to be able to facilitate that, some of the same reasons we would do it downtown. I think it is important for the companies out there where we want to have their corporate headquarters and we want -- we'd like to brag about it and allow them to brag about it sometimes. So I would certainly support doing that, without being overly restrictive to allow them to do it on some reasonable basis along the lines of what we've done or already decided about downtown. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I'd agree. I'd also support seeing supergraphics that are accessible from sight lines from the airport. I'd just be very concerned about sight lines from residential areas. I think we're all familiar with the neighborhoods around the airport there on the eastside where Rosemary gardens and other neighborhoods there, clearly, residents would not want to have to deal with what they would probably consider to be blight. But facing the airport I think would be a very different story. And there are advertising opportunities and probably revenue generating opportunities.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Thank you. I agree that we should allow the supergraphics in these areas. I think as you travel around the country and visit great cities you'll see that supergraphics are really an integral part of many urban areas and they really do enliven the urban areas and provide a great base for economic development. I think that as the mayor pointed out, when you have big companies like eBay, Cisco and all the great companies we have in San José, they have a lot to be proud of and a lot to put out there, and show people how great they are and bring people to visit our city. And I'm a big big big proponent of supergraphics. And I agree that the place to do them is in areas like North San José,

Edenvale, downtown and not in areas like the neighborhoods. And I think in regards to these, the bigger, the bolder, the better. Thanks.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I'd just like to make a motion to support the exploring the regulation for supergraphic in the North San José-Edenvale area.

>> Mayor Reed: Okay, we have a motion on the floor. Councilmember Kalra.

>> Councilmember Kalra: I also agree that we should explore the supergraphics in all these areas, and particularly, in terms of sight lines in airport and also freeways. And I think it can certainly help businesses. I know there are opportunities particularly in North San José but in Edenvale, opportunities can also present itself where there could be a need for supergraphics where there are -- more and more of the companies there are continuing to grow and we also have the sport complex down there which sometimes get tournaments and so on, giving them the opportunity to help market some of the events they have down there I think can be a benefit. One of the questions I have at well is in regards to the airport as planes arrive or take off. I know that in other jurisdictions, sometimes they allow for graphics on a rooftop. And I don't know that that's something that we would want to allow but I'm curious if that was anything that the planning staff had contemplated.

>> Joe Horwedel: The regulation of signage on rooftops is I think the basic strategy we've taken is what you see from the street. It was an issue when the HP pavilion most recent agreement was done, there is an issue of signage on the roof of the arena. I know there are buildings downtown that have signage painted on the roof surface. That is not something that we've really looked at as being a problem. Because you can't see it from the public right-of-way. It is one of the challenges I think as you -- for like North San José it's not a problem. In downtown, you might start getting into the arguments with the residential coming in, whether people would be complaining bit. But it's -- we've taken a no harm no foul approach to that.

>> Councilmember Kalra: Okay. Well so, otherwise I think we should explore everything you indicated in terms of the pros and cons regarding the size, the temporal, the time that would be allowed as well as Councilmember Liccardo indicated sensitivity to surrounding, existing neighborhoods. And let's see what other people or other cities have done particularly in regards to airports how they've allowed or what they've allowed in terms of surrounding the airport. And so there may be some good ideas we can get in terms of other jurisdictions that have some buildings, I know in Orange County they have some buildings surrounding the airport and many other cities do as well, see the conditions of allowing the graphics, what are the conditions.

>> Joe Horwedel: We specifically added what was going on in the arena, in my memory that was more of a function so it intended to be lit, for the fly-overs for the arena for sharks games, as opposed to being in north San José, the expectation would be we wouldn't be lighting rooftops up there. So again, to the extent it's a nonlit, it's just a painted surface, it's -- we really stay out of regulation if they're treating it as a regular sign and lit, it's a 24-hour sign then that's the way we dealt with it in the code.

>> Councilmember Kalra: If it's a private rooftop and they put lights up there is there anything to deal with that?

>> Joe Horwedel: We did -- we do deal with that in the sign code in the downtown. Outside of downtown, I think we would say is that illuminated signs are not loud that are up on the rooftop or they would count towards your sign area.

>> Councilmember Kalra: If you had a graphic and just had lights up there?

>> Joe Horwedel: Part of it, the whole question is you start getting into the green as it will go through and do a LEED-platinum building and then light the roof up with halogen lights that aren't counted in your certification, you're kind of going in the wrong direction.

>> Councilmember Kalra: Thank you.

>> Joe Horwedel: That is part of it as you run with the airport the whole issue is with FAA. Something for us from a policy standpoint to talk about and if that is something that the council thinks we should be incorporating, we can look at that.

>> Councilmember Kalra: I don't think so. To use it up until this point it really hasn't been an issue. I don't want you to look into something that hasn't been an issue especially when we're giving you so many other areas to explore. Thank you.

>> Mayor Reed: Vice Mayor Chirco.

>> Councilmember Chirco: Could you just refresh our memory what the limitations on the downtown supergraphics were? Because having had the doubtful pleasure of being in downtown Los Angeles, I'm not overly zealous about supergraphics.

>> The proposal for the downtown is to allow supergraphics on buildings that are -- do not have windows. The supergraphics can be on the blank walls of supergraphics. There's a limit of five at any one time and there was an initial proposal for a 60-daytime frame which the council asked us to look at. There is also a proposal to allow them, on a temporary basis for buildings that are less than 75% occupied and those would be allowed to cover windows of nonoccupied space and that would be in lieu of a skyline sign that presumably could be put on the building after the building is fully sold or leased. And the temporary sign goes away.

>> Councilmember Chirco: Are these the same conditions you're envisioning for the additional areas we're now talk about?

>> Joe Horwedel: Now is a part of outside of downtown we were looking only at North San José, and Edenvale and the airport and we were looking at some of the base provisions about size and where they would go. So we didn't from the staff standpoint we didn't think it would be appropriate to cover architecture on a building where they should only be going on blank walls or an area designed for this type of sign. Recognizing North San José is much larger our expectation is that more than five would probably be more appropriate but clearly they should be treated as temporary signs and not a permanent sign, otherwise you should be considering it as some kind of regular billboard or regular type signage. We're looking at what the council suggested for us to do size of buildings an just the area.

>> Councilmember Chirco: Based on what you just outlined I can support the motion, but I don't think that's a very -- I don't care how big we are, it looks tacky and every building looks gift wrapped and you don't look very Christmassy either. As we move into this area, think twice, act once. Thank you.

>> Mayor Reed: I do want to mention that the supergraphics are not billboards. Whether downtown -- we're not talking about billboards in north San José or Edenvale either. These are related to the building they're hanging on in some fashion.

>> Joe Horwedel: That is correct. That is an important distinction between off-premise and on-premise advertising.

>> Mayor Reed: There was a term for it and I forgot. I was in Washington recently and got to see some supergraphics there, one with a political message and one with a commercial message. They are gigantic billboards and that's not necessarily what we're trying to do here so the off-premises versus onpremises is a key point in how we're trying to do it. Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. Questions for Joe, you know, with this new sign ordinance and the supergraphic do you see a need to update our North San José neighborhood plan or the guideline?

>> Joe Horwedel: I don't think we need to update the guidelines. I think the concern that Councilmember Liccardo made about facing residential something we need to think about in north San José because we are really weaving residential and jobs together. But that's something in how we craft the sign code, we should be thoughtful about. But I don't know what the answer would -- that would be right now.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you. I support this. I think it's important that we give these companies a chance to showcase the fact, that in our area. This is more creative, it gives them a little more chance to express that corporate image. I'm also concerned, though, about the possibility of something showing up, that might not be welcome to the community. And so I wanted to know about the time frame that they will be hanging on these buildings, what's the time limit.

>> Joe Horwedel: Staff has not proposed for this area time limits yet. For downtown we'd suggested 90 days, there was a lot of conversation with council that that was too short, recognizing the cost for fabricating these signs. So that's one of the things that, you know, it would be -- when we do an ordinance, we would need to build time schedule. So the extent that the council is thinking, two months, four months, four years, hopefully not four years, that how we go about putting a limit, it is tended to be temporary.

>> Councilmember Herrera: Yeah, and I'm supportive of it. I guess the one concern I have is if something were to be put up that is in some way offensive, we really don't have control over the content of it, is that right?

>> Joe Horwedel: We have some limitations if it is patently offensive. But that -- it's not that if you don't like -- one company doesn't like the fact that their other competitor has put a sign up so I'll use foster city

where Oracle and other companies would battle each other, who could put the biggest sign in front of the other's headquarters, outing the I can't control that.

>> Councilmember Herrera: I guess something that would be more offensive in some other way to the public I would hope that would never happen but I just wonder how much control we have over content if there was an issue.

>> Generally speaking we don't regulate content. As the mayor alluded to for these types of signings, our proposal at this time is have them on site on premise not billboards. But to the extent they do relate to the premise on site, we wouldn't regulate the sign or what the message actually was.

>> Councilmember Herrera: And one last question. If -- and I know we're not looking at any other area except for North San José, Edenvale and the airport, what are the limits for this type of signage for, say, a mall with lots of surface space, because there aren't windows? What would be kind of the largest temporary banner that you could put in another area?

>> Joe Horwedel: What's the current code provisions? We can go through and pull up the current code sections here.

>> Councilmember Herrera: I just don't know if there's any nutrition here, I'm thinking Eastridge, we have lots of walls with nothing and they might want to --

>> Joe Horwedel: It is several hundred square feet, this is not to the scale we're talking about here.

>> Councilmember Herrera: Close to it, right. Thank you.

>> Joe Horwedel: I think it's probably 120 square feet, 120.

>> Councilmember Herrera: Thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. I just wanted to disclose for discussion that I received e-mails from clear channel, Michael Cole Bruno, I'm disclosing it, I believe Rick I have to disclose it once about various --

>> City Attorney Doyle: Generally about the sign ordinance, yes.

>> Councilmember Campos: Okay, thank you.

>> Mayor Reed: Any other discussion on this? We have a motion on the supergraphics to approve option 1, it was staff's option number 1. Further discussion on that? All in favor? Opposed? None opposed, that takes care of that one, that's approved. But we're not done.

>> Joe Horwedel: So Mr. Mayor, the next section that we're going into are really the minor amendments that staff has identified, first in downtown and then on a city wide basis. So the first of these is currently there are prohibitions about where the building signage can go on a building, how high up the building. And so this building is at Julian and 87. Staff is looking at the raising the height of the signage currently, it's between the second and third floor where it's allowed, we are recommending that it allowed to be 60 feet above the ground. We are recommending adjacent to freeways, it's allowed because the great differential of the freeways downtown are all elevated, it creates different viewing for signs. This is one of our proposals. We've got a couple that will roll together here.

>> Mayor Reed: We'll hold the motion into a break point.

>> Joe Horwedel: We are look at provisions related to temporary signage regulations that would better accommodate art and other temporary displays that we do a number of festivals, different types of programs in the downtown area and we want to make sure that signage regulations allow flexibility for the different types of events we're trying to bring into the downtown. Next, we want to look at the San Pedro square area, and whether a new sign subzone makes sense in that area. We're working on the urban market project, and as a part of that we're doing some very different retailing configurations we're trying to create a very active town square in that area and so we're looking at some signage that we think might help with the vibrancy of that area and somewhere where we've dealt with mixed use zones, this one we might come back to the council as a solution. Other parts of it, our sign regulations, we do think the current attached signage on buildings makes sense. The two and a half square feet per street frontage. That's larger than what's allowed in the balance of the city. We did some analysis looking at what signage in businesses downtown, there's two of them that are using anywhere from 50% to 30% of what's allowed. This is a bunch of really, really small print but it's also showing that they use a small part of the signage that's allowed. There was only one tenant space, they reached 100%, the pita pit, 100 square feet they used all of it, businesses downtown used in the low 20s and 30%. We have a tremendous amount of flexibility in our sign code in the downtown, we've been very aggressive in fixing it over the years, it's just a number of the businesses haven't taken advantage of it. We are looking at how we change fin signs and projected signs coming out of mixed use and the types of buildings we have

downtown what we're trying to do is create more creative signage and so we want to do more tweaks to the downtown sign code to give ourselves a little bit more flexibility of allowing signs to move up the face of the building more. And one of those, the flames sign is one of those examples that I think most people say sits a little bit too low on the building compared to the scale of the building. So one of the changes that we are recommending is to fix that. The other thing that we are proposing with that sign and we designed work with the restaurant, the ability to do this is to add a small amount of animation to it. To have the flame actually have a flicker we think it fits with where we're look at our sign code regulations, creating vibrancy, to add not so the whole thing looks like a traditional theater marquee but doing in downtown what we call a vertical roof sign, the crate and barrel sign in Santana Row is a good example of that where the sign is above the roof elevation but integrated with a number of the one and two story buildings we have in downtown that are of a historic nature that our goal is not to tear those down, that be able to do signage that allows signs to move up into the air a little bit we think gives ourselves more flexibility in how we move tenants into those and be able to do a little bit more interesting signage. And then we're also look at a minor change in our boundary of the downtown sign zone so it matches up with the downtown core area. Recently we went through and excluded, there's a small kind of little finger up at the top of the map here that is a residential area that we took out of the downtown core and so we're going to propose taking that out of the downtown sign zone since it's a purely residential project. And so those are the issues in the downtown that staff have identified so one, as council has any concerns with those we'd like to know and if there's some other things that we haven't talked about thus far in downtown that we should be thinking about, this would be an opportunity for that.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Just like to make a motion to approve all those recommendations from Joe.

>> Mayor Reed: Motion to approve I think there are eight different recommendations. Discussions, Councilmember Herrera.

>> Councilmember Herrera: Joe, I just had a question about, just to make sure that I talked about looking at Eastridge and want to make sure that's still a motion from the February 6th meeting as a follow-up item. I don't know if this is the right point or if you're going to go on do some other items.

>> Joe Horwedel: We are tracking that as part of the Stevens Creek sign code change where we were making some regulation changes looking with how we align with the City of Santa Clara. We're going to be bringing that back to the council in the next several weeks. We need to do some more legal research on the issues but one of the pieces is the specific referral that you had put forward, that we look at the Eastridge capitol expressway area.

>> Councilmember Herrera: Capitol expressway Beshoff motors area.

>> Mayor Reed: We have a motion to approve that set of recommendations. All in favor opposed, none opposed, those are approved. All right.

>> Joe Horwedel: Thank you. So the last section we have is related to outside of the downtown. So on a citywide basis or special areas. As we have gone back and relooked at the sign code, recognizing over the past five, eight years we have made a number of changes on an incremental basis and not all of those reconciled with each other. This next proposal is relating to what we call skyline signs and roof signs. So the two pictures you see here show the difference. Skyline signs essentially a sign mounted on the face of the building but up at the top of the wall on a building, in this case, 80 feet and taller. A roof sign is something that is above the parapet of the building. The knight-Ritter sign, crate and barrel sign is a sign above the roof of the building. Citywide we've had a number of signs that apply to these that didn't have a real overall strategy as we dealt with changes in different industrial areas and then citywide. So we are recommending that both skyline signs and roof signs be allowed for buildings that are taller than 80 feet. And that just skyline signs would be allowed for buildings 50 feet and taller. 20 feet tall a roof sign on it really starts looking strange. And in most of the pictures that came out from the 50s and 60s that was the genesis of modern sign regulations were dealing with really bad roof signs that businesses normally just kind of stuck them up on the roof weren't architectural celebrated into the buildings, it is hard to do roof signs on low strung buildings. It is upon it is really a challenge. Being able to go and allow skyline signs or roof signs on taller buildings recognizes that with height you do see them from different vantage points. That a building that is 100 feet tall you can start seeing not while you're standing in front of that sign You actually see it from five blocks, a half mile away the buildings above certain heights qualify for these signs. They are in addition to the signs they have down on the street level both mounted on the wall flush as well as the projecting signs, spin signs, those types of things. So we think this is an

important change to bring a little bit of rationality to our signage. The next issue is dealing with fin signs, what is going on at the ground level. As we have loosened our regulations on fin signs, we started getting more creative signage that's gone up with these. That traditionally they were very boxy so we slowly loosened where they are allowed to occur on the building, allowing them to be internally illuminated that we really thought of them as an extension of the architecture in the project. Next generation of that, one is to formally, allow lights inside the sign. Currently the sign has to be near the entrance of the building and as we go through and do more retail in mixed use buildings, the signage really -- you want to go through and put it in the best place that works architecturally, and what works from a successful retail standpoint why are looking at the overall sign size, and how that relates to the building civility. The scale of buildings are getting bigger and bigger as we're working with mixed use development, the scale of the building the flames looking at the scale of the parking garage and how the signs fit on that we're trying to make sure there is a good balance between those. A frame signs, currently they're only allowed in the downtown and several of our business districts. What we are recommending is that all business districts, as they exist today and as they get created in the future, would be allowed to have A frame signs. These occur in the public right-of-way in the sidewalk areas. We do have regulations about the maximum size, width, the need to maintain pedestrian benefit from this type of sign. Clarify, these are not allowed citywide. And -- clarify, these are not allowed citywide. they are not allowed by right everywhere in the city. We're also looking at citywide, how we deal with larger parcels. Typically theories larger commercial centers but sometimes job centers about how we allow signage to be integrated into architecture that they're doing out at the street. Sometimes this may be an entry monument that the way the sign regulations are written currently it discourages a lot of creativity in the design of that monument. It really informs them to design a basic box. And so we'd like to go through and have more flexibility in how we calculate the sign area versus what is the architecture. Mercado signage, as the retailing world has continued to evolve for smaller spaces and taking over existing industrial buildings or commercial buildings and chopping them into smaller spaces we have a number of almost incubator retail spaces that are getting created around the city and our sign code really don't reflect that type of business. We want to have more flexibility for multitenanted occupancies. We want to go through and have the ability to relocate historic signs that we have some provisions within the code today that allow us to do a little bit of that. We'd like more flexibility about how we do that. And then currently there's a prohibition on skyline and roof signs that are visible from a park creek and I think that dates back to when we first started loosening up our sign regulations for rooftop signs and skyline signs, that for some reason the thought was that if you could see it from a park it was a bad thing or if you could see it from the creek but if you could see it from the street then it was okay. So we are recommending that this provision be eliminated as we think it's an unnecessary restriction. So again, if these proposals make sense, we'd like concurrence from the council, if there's some that you would like us not to pursue we're interested in that. And if there are some other provisions as Councilmember Herrera noted the issue with capital at Eastridge would be one of those, are there other things we should be look at with the sign code that we would put on our list to work through.

>> Mayor Reed: If the recommendations you've made are approved, I'm curious as to how the sign would be handled for IBM or Tivo in north San José. Tivo has got a little tiny sign, IBM has got a much bigger sign for the buildings out there. What would be allowed if we approve these recommendations?

>> Joe Horwedel: I think the -- would things were going on, I think with the changes that we had proposed, that it would allow what we did with the IBM sign, and how those were oriented up there to be the standard. And that the Tivo could could and rebuild their sign or come in to replace its.

>> Mayor Reed: Okay. Because I know we had a lot of difficulty trying to figure out how to accommodate IBM. Staff was able do that but it took a lot of extra work on the staff's part to do it. The other question I had was I'm not quite sure yet the difference between between the attached sign and the skyline sign and the difference between 60 feet and 85 feet. What happens if you have a five story building at 75 feet, where two sign be allowed?

>> Joe Horwedel: So if you had a building that was 75 feet tall they could put a skyline sign. They could put a sign that was near the top of the building and they would also be able to have a sign then at the street level.

>> Mayor Reed: Thought skyline signs were available for greater than 85 feet tall, maybe I'm reading that wrong.

>> Joe Horwedel: For buildings 50 feet or taller only skyline signs would be allowed. So it's kind of they both work.

>> Mayor Reed: Okay. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I was just thinking, I wanted to mention that I went to the ICSC show I attended that the other week and was able to hear retail businesses pitch their ideas and every one of them talked about how important signage was. I had a question, you talked about sign zones a few slides back, would that apply to I'm thinking about Evergreen village square, District 8, that center and other centers will be looking to try to recruit retailers, we need maximum signage, that's definitely something they'll be looking for as to whether they will locate there.

>> Joe Horwedel: Right, we had created a number of special sign zones, originally we had downtown and the airport as the two special sign zones. We added a mixed use sign zone which applies to a large mixed use area so Santana Row was the model for that, it's kind of a scale, you can get a sense of scale for that. Then created one for the Stevens Creek corridor where we essentially took the rules of the City of Santa Clara and ours and merged them together, and those are the special sign zones we have today. We are looking at does it make sense to do something in San Pedro, or should we just leave that in the downtown sign zone and allow what we're going to do in all of downtown? We have not looked at doing special sign zones essentially in neighborhood shopping centers around the city thus far because we've had a hard time distinguishing what's different. When we did the sign zone from Santana Row it was creating -- it was a mixed use community. So essentially a mini downtown. It was the rationale and that is available to use citywide. So any property that is of that acreage, and has the mix of housing and retail, could take advantage of that today. We could go and rezone it to add that provision. From staff's standpoint I'd have a real concern of creating special sign zones kind of on a shotgun basis, is that it is extremely labor-intensive of creating these as we go through the general plan process and start doing plan -- village plans for the different villages and corridors that are coming out of general plan process I think signage pay be one of those things that gets custom tailored to those villages versus not being in a village, the same way we are going to be doing zoning that is custom tailored to those villages versus not being in those villages. That is from the staff standpoint of being a little more customized.

>> Councilmember Herrera: I'm certainly not trying to create a one off in something that doesn't fit. But evergreen village square is really unique, it is a small village, it is a small version, it is going to have some additional housing, I don't know if it's going to end up being mixed use, there is that potential maybe that will fit into some category but I think definitely when we talk about the village concept in terms of the general plan it already is a village. So the problem is if we don't find ways to help try to find tenants for that it might be a village that's not going to be around. So I'm just -- the sign code I'm kind of look at that as an opportunity to be able to offer something to tenants that might come in there.

>> Joe Horwedel: Okay.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: So Joe, I want to talk about the A frame signage and the proposal that you're asking for us to approve about allowing A frame signs in neighborhood business districts. So let me share with you my concern about moving forward with this particular proposal and how do we craft it so it doesn't hinder the ability for other business districts that have been successful in being able to remove temporary signage, so that they're removing some of the blight that is not a permanent fixture within that business district. So I know that we've had previous discussions regarding the temporary signage that borders my district as well as district 7, and my concern about moving forward with this particular policy, is that we haven't been able to address some of the temporary signs, and how we're going to monitor that. And then moving forward with this, while we continue to create more continuing to create clutter within a neighborhood business district is concerning me . So john if it's feasible to be able to do each business district separate and I know I heard you using the word customize villages, maybe we customize business districts. How many business districts do we have? Neighborhood business districts do we have in the city right now?

>> Joe Horwedel: I'm layering six and nine. My guess is it was probably eight or nine.

>> Councilmember Campos: Eight or nine?

>> Joe Horwedel: Yeah.

>> Councilmember Campos: For me to be able to say let's move forward and make this be a standard the other thing myself and Councilmember Nguyen brought forward is a concern. So your feedback on that.

>> Joe Horwedel: So the one point -- currently the sign code allows them in downtown Willow Glen and the Alameda neighborhood business districts. So one solution might be specifically for the council to say

yes or no from the individual business districts. From a operations standpoint we were trying to reduce having to come back in front of the council kind of for the work involved with that. But that is an option.

>> Councilmember Campos: So I guess I would like to make a motion to approve the recommendations from staff on this particular item, but to take the language that the Planning Commissioner just said, that maybe we approve the remaining neighborhood districts, business districts by district. So I'm hoping that I get a second, is that clear to --

>> Mayor Reed: City Attorney has a question.

>> City Attorney Doyle: Councilmember Campos, I think we can work with the concept but Joe speaking about operational issues are also legal issues. How do you distinguish one business district from another? And you're talk First Amendment issues so you have to be very careful on how we craft it.

>> Councilmember Campos: So then Joe can we bring this item back with a temporary signage? I think my whole concern is, that until we can figure out how we are monitoring the temporary signs, it's hard for me to support this. And can they come back together, then, on this particular item?

>> What you was thinking-d I don't know the particular issues in the neighborhood business district but my thought that I was discussing with staff is, if I knew what those issues were, chances are those types of issues would go along with that type of sign and that possibly when this type signage, when these regulations come back to the extent they are standards that they would all need to meet to alleviate some of the concerns that you're experiencing in district 5, I would imagine that all of the neighborhood business districts could benefit from standards that might alleviate some of those issues.

>> Joe Horwedel: And I was going to add that we do have performance standards within the sign regulations today such as they can't be illuminated, they can't be out during daylight hours, they can't leave them out 24-7, they can't chain them to city poles which does happen today, they have to be durable materials, rust resistant, have a neat and professional appearance. It is a little bit subjective but the basic intent is there. We regulate where they can go in relation to driveways, pedestrian, you know, wheelchair access points. So we have local criteria on it. I think the issue is, do we have enough within this to be able to say too many or they are creating a problem you know, visual blight or obstruction. So that's what we would come back with is, here's how we regulate or control them today. Are those tools adequate, should we put more rigorous tools with that? And temporary signs is one of those we said we were coming back with.

>> Councilmember Campos: Okay, then I can support that as long as that is coming back together.

>> Joe Horwedel: That would be a logical connection because they are --

>> Councilmember Campos: I could support that because I know I've heard Councilmember Nguyen express concern about this. I've expressed concern and this maybe our only opportunity to be able to encourage staff to look at that issue as a priority for our two neighboring business districts.

>> Joe Horwedel: Yes.

>> Councilmember Campos: So with that, I'll change my motion to move forward and staff to come back to the council.

>> Joe Horwedel: Thank you.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Is that a motion on all of the recommendations in this section?

>> Councilmember Campos: Yes, it is, mayor.

>> Mayor Reed: There is a second somewhere. We have a motion on the floor. City Manager had a comment.

>> City Manager Figone: I think Councilmember Campos's questions touched on what I was going to ask you Joe, and I guess in summary what you heard from the businesses who were concerned about this these A frames was a concern about degradation of the business area and so what you just recapped as areas that you would address you believe that addresses their concerns?

>> Joe Horwedel: I think it deals with most of them. The other part is, we are working on outreach documents to go out to our community about temporary signs and part of that would be A frames and where they're not allowed at all so it helps make it easier to enforce.

>> Mayor Reed: Vice Mayor Chirco.

>> Councilmember Chirco: I have a question. You know you talk about six or eight business districts but A frame signs are all over the city.

>> Joe Horwedel: Yes.

>> Councilmember Chirco: So house do you tell one business it's okay for you to have them but two blocks away that's not in the business district they can't have them?

>> Joe Horwedel: That is where the City Attorney was going about equal protection and that if we're allowing it in one circumstance that everybody in that same circumstance should have the same benefit. We did build in protection recognizing that Blossom Hill Road is very different than Lincoln Avenue, that A frames are intended to be focused on the pedestrians moving up and down the street as opposed to people driving up and down the street. And what you see out in the neighborhoods and I have a really bad picture, the people on TV can see, this is actually in district 7, not a neighborhood district, just in the landscape setback and there's probably eight A-frame signs in front of a multitenant building. This is illegal. It is -- no one has complained so we haven't done proactive enforcement on it. We're starting to go after some of these as we've gotten more clarity on where the council wants to go on signage. As we hold off a little bit on it kind of wanting to check the pulse. But now, we're getting a better sense of where the council wants to go and be more flexible and where the council wants to be more protecting the original intent of where we're trying to clearly blight that we are moving ahead with enforcement in these cases.

>> Councilmember Chirco: And I think maybe Councilmember Campos covered this but you will be coming back with clarity on this? Because I don't think there's any business districts in are District 9.

>> Joe Horwedel: Correct.

>> Councilmember Chirco: And how do I tell people in my district that, well, you know, 6 can have them or 8 can have them but you can't have them?

>> Joe Horwedel: Is that the business districts that are recognized today are in the jeopardy and that was one of the discussions we were having about in the connection of the Winchester business district and coming back with that is, that would be one of the things that theoretically would open up. But the question is that do streets like Winchester or Story Road, which our business district in a general plan sense are they general plan districts in a village sense versus Lincoln Avenue, 13th Street, the Alameda? That is one of our quirks how our code was set up. I think what Councilmember Campos was going, for us to be deliberate about why we're doing it in certain business districts or not I think gets to more of the equal protection concern.

>> Councilmember Chirco: I'm very concerned about that because a lot of these there's been a lot of money spent on very specific planning like we just saw with the Winchester. To me you get into an equity and parity issue, and so I'm very concerned about this, for some reason this one just seems to stand out that some areas seem to get it because there's been additional funds spent for planning and the necessary foundation and other areas where there's been no planning so no deliberative process.

>> Well and just so you know the challenge that we're grappling with is all the open house signs that you see on the weekends. We don't regulate the content and yet everywhere you go you'll see the little A frame highways throughout your neighborhoods and the area directing you to where the open houses are that weekend.

>> Councilmember Chirco: We've dealt with that and several years ago Real Estate signs and that but this is ongoing signage that appears everywhere.

>> Since we're, coming back with a clear rationale.

>> Councilmember Chirco: So this will come back?

>> Joe Horwedel: It needs to come back.

>> Councilmember Chirco: I'll probably have more to say about it, thank you.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. I just wanted to speak briefly about the temporary signage. Obviously, a lot of these temporary signs are seen in my council district and it's really creating a lot of blight. So I'm more interested in hearing you say when staff come back with it that we also provide a more stringent mechanism on how to enforce the usage of temporary signs. I know that we allowed businesses to have this temporary signage up for 30 days, but -- is that correct, 30 days or 60 days?

>> Joe Horwedel: No, in the business districts the -- I'm sorry, temporary signs as in banners, those do have a limitation, I think it's 30 days.

>> Councilmember Nguyen: All right, I'd like to see staff come back with my most underrecommendation and how to be more proactive in going out to the different communities especially in the neighborhoods to see that you know these signs are not there for more than 30 days. Because of what happened, when you leave these temporary signs up people are, you know, recognize that staff at the city's not really doing anything about it so therefore it's just increased for the day. Unfortunately when we're seeing a lot of these in low income neighborhoods and not just in low interest districts throughout the school district, that is something I'd like to see staff come back with. Thank you.

>> Joe Horwedel: Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: I just wanted to support what Councilmember Nguyen said and Councilmember Campos. District 8 also has the same issue. I adjoin council district 7, we have the same issues and explicit and stay there. Graffiti, on the business areas they hinder identification for the masses, there is a massive sign and they definitely add to blight. I'm very interested about what we can do to proactively deal with it,

>> Mayor Reed: In addition to the recommendations that the staff has made, whether or not your recommendations include any process improvements that will decrease the amount of staff time and the amount of effort that it goes to obtain a sign. You know when we first started on the sign ordinance, it wasn't as complicated -- didn't appear to be as complicated as it is. So I know that it's very difficult to have simple ways to do these because we've just seen dozens and dozens and dozens of variation. But will what you're doing help in the processing and are there recommendations at a you would make that would somehow streamline the process both for the staff and for the businesses?

>> Joe Horwedel: Probably the best recommendation would be to take our current code and throw it away and start fresh about structure. But it is a reality of kind of the finite time of Reneé and Carol's time of how much is major surgery versus tweaks. It is something that we're very cognizant of because most of the permits that we do where these are in the \$300 range. So if we're spending more than an hour and a half of entire staff time on the thing we're losing money. So we're just trying to manage it from that end to make sure that we have a code that's much clearer for people to understand what they can and can't do? And how we're able to research those answers. There are some provisions that we are proposing to add in such as the freeway programmable sign, that I think how we do those today administratively we need to relook at. Because the expectation was that those are done well, that well takes staff time to do that and how we're set up in our process really doesn't account for that. And then the large piece, large part of what we do such as the A frames require no approval from the city whatsoever. So we deal with it more from an enforcement side. Some cities do go through and deal with things like banners that you have to go and pull some sort of nominal value permit just so the city knows it has gone up, we didn't want to go down that path because we didn't want to take on the burdens of -- to the business as well as to us administratively around that but it is one of the chance that as we go through and look at signs of how do we fund the enforcement piece currently that is the General Funded activity and so it is -- we don't do a lot of it so some cities have dealt with enforcement through their sign fees. But you know, we've tried to keep ours really down low. Those are some of the policy questions as we come back, how do we balance speed to issue a permit, how to get a quality product up, versus a very simple product and then dealing with the the enforcement question. So these are some of the things that, when we come back with the code, we'd want to come back with some discussion and options around that.

>> Mayor Reed: Do you think that most of the signs can be done over the counter, or are you going to have to have a design review process?

>> Joe Horwedel: Most of the signs are done over the counter. We deal with those over at the permit center. We may take them in for a day or two just because staff is not available at that moment to deal with it, but the intent is we don't do design review on signs today. The majority of them don't have any review. It's basic code review that's going on.

>> Mayor Reed: I know that Joel and Laurel are here to get the glory but Reneé and Carol did the work and it is a lot of work to update this code and I agree with Joe we would be better at some level just to start from scratch because it would have made a more understandable ordinance but that would have been a lot more work because the amount of effort that has gone into this so far has been a lot and I appreciate Reneé and Carol staying engaged and keeping it going and keeping it from getting delayed although we keep adding to the work. I want to make sure we continue to move ahead and all thataed stuff is I think going to trail the way you've designed this processing so we can get some things done over which there is no disagreement and no complexity. I want to thank the staff. We're not done but we are close.

>> Joe Horwedel: We will come back as I mentioned on Stevens Creek and how that relates to the code issues that we're trying to deal with on a citywide basis, we also want to come back with here is the big list of all those proposed changes and how we're triaging them. I've gotten some comments from individual councilmembers about the order and whether certain ones should move up and down on that list. Carol and Reneé are chunking ahead in working on drafting code right now. But when we come back in a couple weeks that maybe one of the things for us to have some conversation around if there's

something really important for the council and we've got it at the bottom of the list I'd like to know about that sooner rather than later.

>> Mayor Reed: Any additional comments or questions? We have a motion on the floor to approve this section of recommendations with the conversation about the temporary signs noted. There's more work to be done. All in favor? Opposed, none opposed, those are approved. It's at the end of the line today on the sign ordinance? That takes us, then, to the open forum. Of course we have an evening meeting so nobody can go home. We'll do the open forum and then we'll adjourn for the evening meeting. Ross Signorino.

>> Ross Signorino: Mr. Mayor, members of the council, when you had the ceremonial items this afternoon I felt like getting up and speak but of course I wasn't able to but I'll mention it now. I want to mention about my cousin who died in the second world war, a young boy, in the battle of the bulge. He was in the third army. It was during the winter time. I know we got the notice in St. Louis to go over and see my aunt, whose son, and so we Website over to see him. The tears were going was quite a bit. It was a very sad moment. But you know, his name, his name probably won't be mentioned in the annals anyplace, where you can hear. But I do want to mention his name in an official government building. His name was Sam Laporto. My aunt put the gold star in her window, and then they receive the purple heart. But I thought I'd want to mention that to you since we do have some veterans on the council here and you can appreciate maybe those few words in his -- as a little memorial towards him. Thank you.

>> Mayor Reed: That concludes the open forum. That concludes this session. We'll adjourn until 7:00 p.m. City of San José evening session. March 23rd, 2010.

>> Mayor Reed: Good evening. I'd like to call this meeting back into session. This is the evening meeting for San José city council. Please be seated. If you need to talk, please take it outside. Thank you. This is a continuation of the afternoon meeting. We have only one item on the agenda tonight, and that's the mayor's March budget message. Before we get to that we do have a ceremonial item to come up. I'd like to invite Councilmember Nguyen and members of the San José elks to join me at the podium. Da today we're recognizing if San José elks in their service in keeping the city, streets and highways clean with the adopt a highway program.

>> Councilmember Nguyen: Thank you, Mayor Reed, good evening. I'm so delighted to share a few words about a wonderful organization called the San José elks. San José elks comprised of active members in our community for many years through their participation in the state's adopt a highway program. These wonderful volunteers have been extraordinary in helping to maintain highway 87 from capitol expressway to the Santa Teresa offramp at the Ohlone light rail station, and also highway 85 from Bascom Avenue to Camdem Avenue for over ten years. The civic engagement have also inspired countless members of our neighborhoods to come out and volunteer to remove graffiti and litter keeping our city safe and clean. Last week I had the pleasure to meet many members of the San José elks at the annual community service appreciation dinner. It was such a wonderful event. I would like to thank them for the dedication and commitment to helping keep our city clean and beautiful. They've also renewed their adopt a highway contract for another five years. At this time I'd like to ask Mayor Reed to present the commendation to Carlo Pedron who will be accepting the commendation on behalf of the San José elks. Please give them a round of applause. [applause]

>> Yes, thank you. First off thank you honorable Mayor Reed and also Madison. We have two fellow committee people here that helped me on the highway, help us, please. That's Ernie Villeia, and Ken Leong. Thanks Ken. They've been helping for this past year and we have a total now of about 38 to 40 individuals that have joined us periodically on cleaning the highway. So I thank you very much for this honor this evening and the commendation given to the San José elks lodge number 522. Thank you. [applause]

>> Mayor Reed: Our one item on the agenda tonight is the mayor's March budget message. This is the second hearing we've had on this message. We started last week, with testimony from the public. And what we'll do tonight is, before we get into the council discussion, debate and voting, we'll take up the public testimony for those who did not get a chance to speak last week. This is a chance for the people who want to come talk to us to talk about what they think should be the priorities in this next year. Because, well, next year's going to be tough. We're facing a budget shortfall of \$116 million. That is more than 15% of our General Fund revenues. That's a really big gap. But next year isn't the only year because if you look out further than that, we're looking at budget shortfalls over the next four years as well for a total structural deficit, \$222 million over that time period. This year, the largest portion of the increase in the gap, the structural gap, is \$53 million in retirement plan cost. That's the increase in the

City's payment into our two pension funds in order to meet the obligations that we have to our employees current and retired. That's \$9 million into the federated fund and \$43 million to \$44 million into the police and fire fund. Now, I have recommended that we try to close this \$116 million gap with concessions. I think we ought to at least cover half of this gap with concessions from our employees. That means, we need to get 10%. And we need to get ongoing concessions because of the problems that we face in future years. To the extent we don't get ongoing concessions, then the gap just gets worse for the following years. I've asked everybody in the city to consider taking a 10% reduction in pay and benefits, in a variety of combinations, really up to the bargaining units to help us figure out how to do that. I'm not asking people to do something that I haven't already done. I've given up over 20% in pay and benefits since I've been mayor. These concessions that I'm asking for are the key to saving services. Because if we lay people off, all the work that they do, and they do a lot of work, a lot of good work, will not be done because it is the people who work for the city who deliver the services. So to the extent we can get concessions we can save services that our residents care deeply about, libraries, parks, public safety and all the other things that the city does. It's also important to note in my budget message that I'm recommending that the manager to the extent possible divide up the recommendations she's going to have to make to cover the gap between the sworn and nonsworn. Because in meeting with the union leadership in the city, our city labor alliance, it is very clear that a bargaining unit does not want to make concessions that would be used to benefit another bargaining unit. They're looking out for the interests of their members. And if we divide it up then everybody can sort of see where the money is going to go which is important for anybody trying to make a decision. But every bargaining unit needs to participate, police and fire need to participate. We will not get the kinds of savings unless everybody is willing to give concessions. But if a bargaining unit wants to, we can save jobs that are related to that bargaining unit. If other bargaining units don't want to, well that will be a decision that they have to make. Since I've done my budget message we have two memos that have come out from councilmembers. I just want to explain my budget message and what I'm recommending as it relates to the recommendations from councilmembers Chu and Kalra. First Councilmember Chu has recommended we explore a sliding scale of cutbacks based on size of salary to avoid across the board employee pay reductions. That is certainly something we could consider. It could be done by bargaining unit and every bargain unit is going to be different. We can explore this. I think this is certainly something we have to be allowed to be discussed but we still need to meet that 10% across bargaining unit. I think it's important for us to be open to working with the individual bargaining units on this suggestion and how to disperse it among their membership if the unions are interested in doing that for their bargaining units. Councilmember Kalra's memo recommends that we seek 10% concessions in order to save the jobs and the services. He's recommending that we get 5% ongoing and that he we be more flexible in the second 5% so we can get additional savings with a more flexible approach. I think that's a reasonable suggestion. We still need to get to 10% but we do need to be flexible as to how we do it. To the extent we can get ongoing savings that's really important for the following years. To the extent we get one time savings then we're right back in the same boat next year but we need to get 10%. And if our bargaining units think it's something they're willing to do I think we have to be willing to consider the 5% ongoing and a 5% in one time or other savings. But our goal ought to be to the extent possible to protect services, and avoid reducing services by laying people off. So I'm suggesting a slight modification to my -- the written budget message to say that we seek 10% in concessions from cost savings with 5% ongoing and another 5% from concessions that could include one time personnel cost savings with flexibility to help save additional services. So I'm recommending that the message be modified with that language. One thing I'm not recommending is that we go back to square 1 with ABMEI. We already have a last best final offer, we're waiting to hear back from them. Whether or not their members will agree to it. So I am not recommending that we reboot and start over because we have been negotiating, they've been negotiating, we're well into the process. Councilmember Kalra also suggested a recommendation that we have a round table with our city labor alliance to discuss ideas, solutions, and I think that's a good idea. In fact the City Manager's already working on that. The first round table will be on Friday and everybody can bring their ideas to the table. But we can't allow those kinds of discussions to delay the negotiations with our bargaining units. City Manager can report back on Tuesday under our standing agenda item for City Manager report and all proposals will be posted online, that way everybody can see what's being proposed, what's being thought about. But I do want to talk a minute about the calendar and why it's important not to delay negotiations with our bargaining unit. I've got a couple of slides on the calendar. There's so many budget dates there's actually two slides on the calendar. You can see tonight, March 23rd, starting community

budget meetings tomorrow night. And there's some interesting deadlines in here. First if we're going to be able to include any negotiated deals with our bargaining units, we need to have those done by early April, so the energy can include them in her budget proposal. Well before May 3rd when the budget proposal needs to be published, we need to be talking about the specifics of what has to be done. And I'm urging the City Manager to move ahead quickly as soon as feasible to get some of the details out so that we're not waiting until May 3rd in order to find out about that. And I think the City Manager is prepared to move ahead because a lot of work has been done in anticipation of the May 3rd deadline. If we could go back to the previous slide, there is another important date that perhaps has not been talked about very much. April 19th to the 30th, layoff notices need to be sent to affected employees in order to meet the fiscal year requirement, which starts July 1st. There's a lot of work that has to be done in order for us to make the reductions that are necessary if we don't get concessions. And then on May 3rd, oops, I'm sorry, April 28th the City Manager's budget is going to the printer's. So you know she has to have her recommendations to the council, final well before that in order to get them sent to the printer. So we don't have a lot of sometime between now and then. On May 3rd the City Manager will deliver the proposed operating budget to the council and the public and then we have a series of study sessions which the council goes through, these are the traditional set of study sessions that we'll do along with several public hearings and then eventually as you can see we work our way into June, and an interesting date there is June 3rd. That's the deadline for labor negotiation results to be included in the mayor's June budget message. Because we have our sunshine rules, the council has to take action, in order to approve agreements, and so June 3rd is the last time to do something that can affect what happens on July 1st. So that's the schedule and that's why it's important that we not lose ground on this schedule, because one thing that we cannot do is what the state government does which is ignore July 1st. Our charter requires us to have a balanced budget and we will have to have a balanced budget and that fiscal year starts July 1st. At this time I'd like to take the public testimony, finish the public hearing that we had started last week and give people a chance who didn't speak last week to speak before we get into the debate and the discussion. I'm going to call a few names at a time. Please come on down towards the front so you're close to the microphone. And as you can see we have a lot of people here and practically everybody wants to speak based on the stack of cards I have so we're going to have to limit comments to one minute. That way everybody will get a chance to testify before we get into the debate among the councilmembers. So as I call your name please come on down. Michael Medland, Juan Rubelcava Luis mattos.

>> Good evening, mayor and council. My name is Michael Medland, I'm a security officer here at City Hall I've also lived in district 4 for almost 40 years. My initial thought was to share with you some of the challenges that security has faced daily since 2005. As I started compiling data for it it became clear that even a quick synopsis would take several hours to cover. With this said I would simply ask that you reconsider the budget office's recommendation to cut two of five security officers from our current staff. Any cuts to an already stretched staff would severely impact our ability to provide the safest facility possible for employees and guests. On a personal note I find it difficult to support recent requests for bargaining units to accept additional concessions. Not guaranteeing to save positions or lowering department levels to avoid the competition policy sends the wrong message and is an attempt to cloud concessions for political agenda. We owe it to our citizens to step away from the meeting and come to the table to discuss fair compromises that all of us can agree upon. Thank you.

>> Mayor Reed: Juan Rubelcava can, Luis mattos George palacios.

>> Good evening, I'm Juan Rubelcava. I'm a resident of district 3 i'm here today to ask you that you reconsider the 40% cut to our section's workforce. Hinders our ability to provide safety services to our customers. This cut could expose security if you accept the current proposal. Here are a few national examples where safety was compromised in government buildings. February 7th of 2008 in Kirkwood Missouri, at the city council meeting there were five people killed and two wounded by a lone gunman. Following that on April 30th of that year in the city of Gadsen, Alabama, the city hall there took immediate action to increase security officer staff levels after the Kirkwood incident. On March 3rd of this year in Carlton, Oregon, a mentally ill man walking to City Hall placed a bomb on the counter shutting down the entire facility since no security was there to assess the situation. It was all a home but enough to make a scare. At the time --

>> Mayor Reed: Sorry your time is up.

>> Thank you.

>> Mayor Reed: Luis Mattos, Jorge Antonio palacios. I think that's the same person maybe not.

>> Good evening, mayor and council. No city county or state has been able to avert the reality of economic and social pressurize mandating change. Yes there is a need for change we need to sternly address and ultimately resolve the financial factors driving the majorities of the multimillion dollar shortfall. We must work collaboratively with solutions. The majority of nonsworn employers willing to make extensive concessions to minimize layoffs in their respective labor groups. However these over a selected few bargaining units that are perceived to lack political clout. the city workforce we inherit the good or bad of successful failed forecasting. We need to accept responsibility for our decisions and our choices. We need to take respective ownership of our mismanaged retirements. We need to exemplify the city's value system thank you.

>> Mayor Reed: Jorge palacios, Mia palacios Dan McClure.

>> Hello mayor members of the city council. My name is George. I'm a familiar face here in City Hall. Behind me are my two precious kids George Anthony and Mia. Law enforcement I recently learned that this possibility is quickly fading. In May, excuse me, I could possibly be an unemployed single father with no medical benefits for myself or my children. How can I explain this to my kids? This is a consequence for which I have done nothing wrong. 50% cut, 50% cut to citywide security service delivery model compromises the safety of the building's residences guests and all of its assets. I urge you not to accept this detrimental proposal and ask that you ask for general services department and convention center to come up with another viable solution to diminish this deficit. Thank you.

>> Mayor Reed: Pull the microphone down, there you go.

>> Hi my name is George Anthony. I'm eight years old. My dad works here at security. Ash, you are our councilmember, we supported you so please support my dad, thank you. [applause]

>> Mayor Reed: This must be Mia palacios and Dan McClure and Wilma Hayashi.

>> My name is Mia, please let my dad work here. [applause]

>> Mayor Reed: Dan McClure, Wilma Ha-shi, Tina morale.

>> First of all, how am I supposed to follow that? That's just not fair. My name is Dan McClure, Healthy Neighborhood Venture Fund and cuts in that program. This fiscal year our organization was able to serve 375 clients mostly three and four-year-olds with our early childhood movement program where we teach kids the value of nutrition through movement kinesthetically. Dramatic impact on the crime of the city as well as the obesity epidemic facing these kids. I strongly recommend that you do not touch that HNVF funding thank you very much.

>> Mayor Reed: Wilma hashi Tina Morrow and Bonnie Mace.

>> My name is Wilma hashi and I'm representing myself and the rest of the citizens of San José who like to use the libraries. The media has constantly reported safe haven for children and a place for adults to go and meet others, both for children and adults. The city may save money from closing the libraries but the cost for having the libraries closed may be higher library and community centers are closed? Great cities need good libraries. I would like San José to keep the great libraries they have and I'm glad to see that you're taking more time to consult with the employees as to how they can help you meet this present crisis rather than just dictating to them what has to be done. Thank you.

>> Mayor Reed: Tina Morrow, Bonnie Mace Helen Chapman.

>> Good evening my name is Tina Morrow and I'm chair of the save our neighborhoods community. I'm here in community with other district leaders. The position is simple we believe that neighborhood services are part of public safety. We engage in proactive community solutions and we want to see these neighborhood services saved. There's a symbiotic relationship between neighborhood services and city jobs and revenue streams and we need to protect city jobs by protecting neighborhood services. Here are a few facts. Oops, back, back. Okay. A few facts about services that have been provided to us. They're very impressive. As far as revenue streams we encourage you to consider all viable income streams, big ones, small ones and this could include, it may include accessing some money currently going to the HNVF fund. Because perhaps now it's the neighborhoods who are the charities. Thank you.

>> Mayor Reed: Bonnie Mace. Helen Chapman Carey Hamilton.

>> I'm Bonnie Mace and along with the others representing the leadership group along with Tina Carey and Helen we want to goal here is to save the jobs okay and to save the services. As we've seen in the Mayor's Budget Message the community's first preferred approach is to reduce employee compensation but that is in order to save jobs that is always the goal the 21% for the first priority is to reduce services so as you can see the neighborhood and community's voice is loud and clear we want to preserve services we want to preserve jobs and in termination of our priorities we're very interested in core services namely keeping parks open keeping libraries open community centers pools, this is all based on polling of

residences and lastly neighborhood services for public safety also based on polling, investigating violent crimes and assault, investigating sexual assault crimes investigating please remember increase revenue streams save jobs and lastly save our services thank you.

>> Mayor Reed: Helen Chapman Carey Hamilton and then Charles Rawlings.

>> Hey it worked good evening, Mayor Reed, and councilmembers, direct leaders tonight I'm going to talk to you about neighborhood pride many of you have probably heard about the Alameda visioning process, this is the process where the community members wrote the grant we selected a consultant and we're holding the meetings. They are very well attended at a significant cost savings to the city. We look collaboration. Talk about collaboration. We've taken back the median strips in the area. When the Department of Transportation was going to tear out the trees, we Cahill Park we are working with the staff we are working with the city employees. I believe the more eyes on the street the safer it is. We should be turning over every stone especially in the nonsalary portion of the budget for savings to the neighborhoods. Thank you Councilmember Kalra for your memo.

>> Mayor Reed: Carey Hamilton followed by Charles Rawlings and Janet Gonan.

>> Carey Hamilton with SEIGE and fellow neighborhood leaders I would like to speak a little bit more on collaboration with neighborhoods and community groups this can help to provide burden shift from department to department such as if you're forced to reduce street lights for instance neighborhood groups can educate people on how to add lighting and motion detectors and good locks within their community to help prevent added crime. Collaboration with nonprofits that provide important services in our community help burden shift costs within our community and help prepare students as well and with departments such as planning and code enforcement to help with projects and to also help keep our neighborhoods safe. Continuing to look for additional revenue streams I think it's something that everyone wants to do and it's not a short term solution but we know that there are a few things coming up on council that may help with the future. When people are taxed for services they like to see those services delivered, and when they put in sweat equity they do as well. We know these are very uncertain times and people like certainty.

>> Mayor Reed: Sorry your time is up.

>> But people like certainty and we understand the position you're in.

>> Mayor Reed: (saying names).

>> Good evening Mayor Reed and members of city council. I'm Reverend Charles Rawlings. I'm a transplant from the East Coast. I'm happy to begin by saying that I support councilmembers Kalra's wonderful call for a community process but we in the council want to look at the wider context in which this crisis is developing. And we think it grows out of a growing pressure from negotiabilization to exert downward pressure on wages and benefits and compensation packages across the country. And the council is going to be creating work groups to work on those questions. And I want to cite just two examples. There's a graph that's been prepared by Ed Wolf, professor at New York University that shows the trend line of growing educational advancement that looks like this on a chart, over the last 35 years, since 1975, but shows a flat line for earnings adjusted for inflation over that same period.

>> Mayor Reed: Sorry your time is up.

>> That didn't take long did it?

>> Mayor Reed: Only one minute.

>> Thank you.

>> Mayor Reed: Janettes Goggin Sandra Velasco Scott Paul Higgins.

>> Hi my name is Jana Gannam and I staff Breath California easy program which provides services in all ten council districts. One of our -- our 1 HNVF funded staff with the help of over 500 volunteers serves over 8600 individuals per year with programs such as lung health screenings, including spirometry, educational presentation volunteer and civic engagement and individual and information and referral assistance. Please do not cut the HNVF funds to nonprofits. Thank you.

>> Mayor Reed: Sandra Velasco Scott Paul Higgins and Melissa Magalanes.

>> Good evening. My name is Sandra Velasco Scott and I'm youth provide services to prisoners and their families and their children. Fortunately or unfortunately, our youth program at friends outside is funded by both HNVF and B.E.S.T. We are located in the district 1 area near the Williamsberg Winchester gang hot spot. We are three employees serving 80 children per year. If our funding was reduced by 35% we would have to lay off one of our employees and cut back on our services because we would not know what kind of quality service we would be able to provide. But I believe that most of the agencies funded by the city that serve our San José youth from B.E.S.T. and HNVF include this high risk population and without the

funding for these high risk kids a population that is growing every year, we will end up with more of our San José youth not graduating from high school, forced to join gangs and following in the footsteps of the only role models they have.

>> Mayor Reed: Sorry your time is up.

>> Thank you.

>> Mayor Reed: Paul Higgins, Melissa Magalanes Tony Nguyen.

>> Already been impacted by past budget deficits. Your responsibility to do what's right for the residents of our city and while the decision are difficult it is you who chose this path of elected office. While I understand that those decisions you must make will not be popular with seasonal groups your courage is to buck the status quo and do what's right and much needed. We can all agree on one thing, San José is a great place to live work and raise a family. To avoid massive layoffs that will add to the sweltering unemployment and leave us with less people to do the job that helped keep our city safe and prosperous. You face some tough decisions in the months to come and I understand that you can't create the necessary change alone. That's why I also ask union leaders to come to the negotiating table with egos set aside and share the responsibility to do what's necessary to ensure that our city is at the forefront of liveability and prosperity. Thank you.

>> Mayor Reed: Melissa Magalanes, Tony Nguyen, Letitia Almonte.

>> Good evening, my name is Melissa Magalanes, and I live on the northside of San José of D 3. I'm a board member of the 13th street NAC and a volunteer of the friends of Joyce Ellington library. I understand the obstacles the city has to go through to balance the budget but the severe cutbacks seem like overkill. Our community cannot survive much less thrive on three days a week. Joyce Ellington library we have such high hopes of what our library can do because our library is only two years old. My daughter also goes to the school across the street and the proximity of the library to the -- of the school was a major factor in choosing that location. We have collected a small stack of comment cards from concerned citizens who love their library. Please take their comments into consideration before making such a decision and please keep our library doors open. On a side note since Ryland pool has been open --

>> Mayor Reed: Your time is up get your cards to the clerk so they can get into the record. Tony Nguyen, Letitia Almonte and Karen Thompson.

>> Hi name is Tony Nguyen this is Dakota. This isn't a prop. I can't find babysitting Tuesday night at 7:00. I'm here to ask you to fully fund the libraries. Looking at the budget it looks like not only are we looking at library cuts for this year but also if we're down to three days then next year it will be another three days and the year after that and the year after that for the next four years. This little girl is four years old, in five years she'll be nine and in teens reach program and any of the volunteers. From what I hear it cost \$4 million to fill the library gap so all the libraries get funded. Please find a way of funding of the libraries. Thank you. [applause]

>> Mayor Reed: Letitia almonte, Karen Thompson, Frank carabahal.

>> My name is Letitia almonte, from are funded through B.E.S.T, 300 clients are served in central western and southern divisions. This programming leverages 75,000 in additional funds through private foundation. Budget cuts to our funding will greatly impact our ability to continue services in servicing those families. Thank you.

>> Mayor Reed: Karen Thompson, Frank carbahal David Brody.

>> Hi my name is Karen Thompson. I live in the Santa Teresa district, I live actually a few blocks from the library. That library has been so important to my family my children in the past 20 years when it closed a few years ago for renovation it was a huge loss to my family and to my neighbors. It opened again a few weeks ago and the joy was palpable. Some of you were there and you saw how happy we're were to have our library back and now we might lose some of those days, I can't tell you how much that hurts us. Cutting back on the libraries is going to hurt our children it's going to hurt our literacy programs, it's going to hurt our teams who use that library every day to do their school projects. Please please find a way to balance the budget.

>> Mayor Reed: (saying names).

>> A minute I'll be really fast i'm actually from -- I live in Santa Clara but I am here because I grew up in East San José. And I remember living in the bottom of the well look up. My safe haven was the library. And my nieces and nephews all live in East San José. And I know five, ten years from now, San José is claimed as a safe city. But just like Philadelphia, the fifth largest city in the country there is a 50% dropout rate. So if we don't do something about it now, five to ten years from now, you will see an influx of

gangs. I'm going to read a testimonial real quick from a woman that -- a young lady that I did a presentation for and I'm an international author of 14 countries throughout Latin America, published author throughout the U.S. and I have testimonials from cabinet members that Bill Clinton, that worked for Bill Clinton and George Bush but this is the most powerful endorsement. I'm sorry this is going to take 30 seconds. Thank you for being here.

>> Mayor Reed: Your time is up. Give it to us in writing. You've got the writing, give it to United States, we have a lot of people who want to speak. David Brody Tiffany Melendez and David Cornwall.

>> My name is David Brody of the Japantown neighborhood association. I'm the father of two girls, 2 and 4 and me and my wife are active members of the libraries story time every Sunday away was only matched by our palpable disappointment when we had to tell her that the library was closed. While I commend this work of city staff and council to date I'm here to ask you to do more. The potential cuts to neighborhood services are simply devastating. There's a tipping point when cuts in city services degrade the livability of a city so much the business and working people simply leave. And the ones that leave first are the ones the city simply can't afford to lose. How does the city say we are open for business, when we're shutting off the lights? If you want to ensure that the young families leave the city drain the pools, and shut the libraries. If you want crime to go up and opportunities to go down, shut down our community centers. Cuts to neighborhood services of this magnitude are a direct assault on the future vitality of San José. I simply ask you to do more. Thank you.

>> Mayor Reed: Tiffany Melendez, William Jerry or Gary, I can't read the handwriting very well and Mary Cornwall.

>> Hi, my name is Tiffany Melendez and this is my daughter Sophia. I work for before the living wage my life was really hard and tough.

>> And.

>> And in the future I urge you not to lower the living wage. If that does happen, it will change our lives drastically. I will be forced to move out of my house, and I won't be able to pay and keep a lot of things we have now. Say bye, say thank you.

>> Bye.

>> Thank you.

>> Thank you.

>> Mayor Reed: William Jerry or Gary, Mary Cornwall and Yolanda Cruz.

>> Good evening, my name is William Gary, I'm the one and only vacant building inspector for the entire City of San José. Here are some pictures for you of case I've completed. A 35% reduction in the code enforcement staff is going to drastically impact the services that code enforcement offers to the City of San José and its residents. City of San José is one of the safest cities for one reason alone. Police fire and code enforcement. One end will not work without the other. Fire cannot do the job of code enforcement simply asking that the council look at the before and after pictures of what I have here today before they choose on cutting code enforcement. Thank you.

>> Mayor Reed: Mary Cornwall, Yolanda Cruz, Reverend Keiken.

>> I'm Mary Cornwall CEO board member. The cause is the recession. I don't feel the strategies to meet this shortfall should fall on the backs of the majority of employees who are on modest wages and benefits for MEF and CEO members. Balance the budget narrowed from the one-third 5% employee concession stretched from ten to even 15%. While this was going on the city as a whole continued to spend their budget allotments to near zero. Maybe there was a sense of allotment with a little desperation in employee cost savings ideas that were brought forward. Perhaps in the same bucket is the MEF and CEO unions asked last year, to look beyond their personal needs to make voluntary concessions to save jobs of their fellow employees. I want to applaud the councilmembers Ash Kalra and Kansen Chu for their ideas on the budget that reflect our core values, integrity, respect and innovation rather than preying on the.

>> Mayor Reed: Your time is up. Yolanda Cruz (saying names).

>> My name is Yolanda Cruz, the president of AFSME MEF, the largest bargaining unit in the city of San José. Clerical workers technical and professional workers but most of all dedicated and committed to the services that we provide to the citizens of San José. The choices that must be made by everyone this year will be very challenging and difficult I know however for the city to take a cookie cutter approach to bargaining with our representative employee groups is not only disappointing but it is futile. We are not cookie cutters and do not deserve to be treated as such. Last year my bargaining unit made concessions in order to help balance the budget and help save valuable services to our city. The message the city has

sent to my members this past year, both from the dais and from senior management actions and decisions to have too often been very disappointing. Unfortunately it is only served as a catalyst for creating an extremely untrusting environment where my members are left questioning the reasons behind their seek viable solutions go unnoticed or worse yet unappreciated?

>> Mayor Reed: I'm sorry your time is up.

>> Thank you.

>> Mayor Reed: Reverend Keiken Stan Taylor and then Duane Green.

>> Hi, I'm Reverend Rebecca Keiken I'm the director of the interfaith justice the common good is the sacred value by which many people of faith judge and view a budget. Of course there's a practical implementation of these visions. So first of all we would request that you follow councilmembers Kalra's memo which provides a process that is collaborative and therefore creative for the common good to be attained. Second, we would ask that you practice as well the -- to refocus on the \$240 million currently exempted from the mayor's mandated cuts. If even 20% of this \$24 million, it would be possible to save jobs and services that could preserve essential services.

>> Mayor Reed: Sorry your time is up.

>> Thank you.

>> Mayor Reed: (saying names).

>> Good evening mayor and council my name is Stan Taylor I'm a concerned citizen and I come here also as a member of St. Julie Billy parish budget and to that I was delighted to hear your comments mayor and being open to my councilmember Ash Kalra's memorandum today and I'm here to say I hope that that memorandum is incorporated in your budget memorandum. Because I think that is a proper way to solve the problem. Thank you.

>> Mayor Reed: Duane Green, Dave Gonzales, Jane hills.

>> Good evening mayor, city council members, my name is Duane Green. I work for aviation safeguards. The San José international airport. Almost a year ago, we were awarded the living wage. We were the last airport to receive it and we greatly appreciate you guys doing that for us. I'm here tonight just in case you are thinking about reconsidering and cutting our living wage, please, take into consideration the things that will -- can happen to some of us. Actually, myself. I finally have my own apartment now, and I am -- I feel more alert and everything with my job, so on behalf of my co-workers, and myself if you reconsider we want you to drop a reconsideration of cutting the living wage. Thank you very much.

>> Mayor Reed: Dave Gonzales, Jane hills, America Aguirre.

>> Good evening mayor city council members. I am Dave Gonzales, executive director of friends outside in Santa Clara County. We have been serving the families especially the children of offenders since 1955. We are the only agency in this county that exclusively serves these clients. Our loss of Healthy Neighborhood Venture Fund, as well as my colleague earlier said, will result in the loss of one staff person in a program that only has three staff. It will reduce the number of children that we serve. Moreover, it will likely start a domino effect of losing other funds because we use Healthy Neighborhood Venture Funding as matching funds for other grants from foundations, other government agencies. I think this is true, of many of the nonprofit that Healthy Neighborhood Venture Fund serves. So I would ask this council to be particularly creative to maintain this very important funding base for our community based organizations. Thank you.

>> Mayor Reed: Jane hills, America Aguirre, Patrick Sarconi.

>> Good evening Mayor Reed and city council members. My name is Jane hills from Catholic charities of Santa Clara County. And I'm here to urge you tonight to retain HNVF funding at its current level. HNVF currently funds three part time chaff to fund Catholic charities in correlate moves program in districts 7 and 3, with physical fitness activities promoting healthy lifestyles. Without HNVF funding these students would have no physical education or recreational activities whatsoever. HNVF leverages more than \$170,000 in after school funding and if our funds are cut Catholic charities can only serve 50% of our students meaning that over a thousand students will go without recreational activities, seriously impacting their physical health. I urge you tonight to retain essential HNVF funding for the sake of our children's health. Thank you.

>> Mayor Reed: America Aguirre, Patrick Sarconi Miami Al Pritchard.

>> Good evening my name is America Aguirre of Catholic charities of Santa Clara County. In five high schools, two middle schools, one K-8 school in districts 5, 7, 8 and 9. And we partner with the city to operate the Washington youth center in District 3. We have served over 800 youth and families this

year. If our funding is reduced we will have to drastically reduce our program. We will not be able to offer programs to our add-risk youth, gang impacted youth who desperately need our services. We have programs everything ranging from mixed martial arts, midnight basketball, food style and ballet folklorico. I urge you to keep our funding going. Thank you.

>> Mayor Reed: Patrick Sarconi Michael Prichard, (saying names).

>> My name is Patrick Sarconi, I live in the Ryland Mews neighborhood. I know that you folks are faced with incredibly painful decisions and there are simply going to be no easy answers. But I just want to say as you wrestle with these decisions to try to save the critical aspects of the city services I just want to remind you that just as United way Silicon Valley partners with local agencies to build a strong and healthy community many of the same nonprofit organizations that you have heard from and will continue to hear from this evening their supported by the Healthy Neighborhood Venture Fund they are your partners in making sure that the city is providing a continuum of care, to many of the most vulnerable residents of our city. And so in close, I know that you guys will do what's best for the community. So thanks.

>> Mayor Reed: Michael Pritchard, Kathleen Krenek, Colleen Hudgin.

>> Good evening, mayor and city council members. My name is Michael Pritchard, executive director to pathway society. Districts 2, 3, 4, 6, 8 and 9. Five employees are funded through this program and 715 clients are served. This program leverages 11,600 in additional funds through SSA and if the family wellness funds were reduced pathway would have to close the entire program. This is an incredibly extremely cost effective program. In addition San José B.E.S.T. funds the pathway substance abuse treatment program in districts 5, 7 and 8, located in three high schools and one middle school. Seven employees are funded through this program an 1641 clients are served. This program leverages \$72,500 in additional funds through United way and other funding sources and if the substance treatment program funds were reduced pathway would either have to close the entire program or limit it to one or two schools. Thank you for allowing me to speak tonight and good lung in this message.

>> Mayor Reed: Katz lien Krenek, Colleen Hudgin and Janine Aguirre.

>> Good evening, Mayor Reed my heart goes out to you. I have been providing services for frail stand before you and ask you what we are doing here. I am receiving funding from both CDBG and HNVF and ask you to consider that we do have two centers from San José but we have five centers throughout the county and San José residents can go to any of those centers. What happens is these are seniors that are at the end stage of their life. They were doctors lawyers, some of them were politicians rocket scientists and they deserve to have support and dignity at that time end of their life. So from Monday through Friday from 9 to 3 we welcome them into our centers providing loving caring nurturing just welcoming arms of support not only to the participants but to their families. We ask that when you really consider cutting don't cut services to frail at risk seniors because they are the ones who support the center.

>> Mayor Reed: Your time is up.

>> I do understand that may I --

>> Mayor Reed: Hand those to the clerk. (saying names).

>> Honorable mayor city council my name is Ramin Nadirre from Indian health center of Santa Clara Valley. We get funded by HNVF San José native youth program. We provide a lot of services to native youth teens, 13 through 18. We're the only agency that provides such programming. Violence prevention, tobacco prevention, fitness, case management referrals, cultural programming. We are the only agency that has cultural capacity for American Indians which have been affected by a lot of intergenerational trauma. we have secured some funding from independent Indian health center and we have applied for the SSIG grant this summer. If the funding is cut native youth will not receive these services --

>> Mayor Reed: Sorry your time is up.

>> Thank you.

>> Mayor Reed: Liz Hunt Veronica Dan McClure.

>> Thank you mayor and city council, I'm Liz Hunt the CEO of Indian health center. I urge you to maintain the funding for HNVF city residents. We have two HNVF programs and we serve patients from all the districts of the city. One is elders wellness program which teaches people how to manage illnesses that they have and the other is a diabetes prevention program which teaches people how to prevent getting diabetes. Both of these program are award winning and have gotten awards from the American diabetes association and the centers for disease control. We receive \$90,000 from HNVF and have been able to leverage \$400,000 from county private foundations and private sores. We serve 175 clients with 8

staff. Most of the people who come and are in these programs do not have health insurance and this is one of the few places where they can get information. And the reality is without programs like this --

>> Mayor Reed: Sorry your time is up.

>> Thank you.

>> Mayor Reed: Veronica goal, Dan McClure, Anita Espinoza.

>> I'm here to speak on behalf of the HNVF funds we currently receive HNVF funds for our family empowerment program which teaches parents to become involved and engaged in their children's learning experiences and we work in partnership with the Alum Rock school district and already our read family literacy program, enter school ready to read. we serve low income families and parents of young children in council district 5 and our HNVF programs serve about 450 residents of the District 5. Our program leverages about \$70,000 from private foundations and individual donations and we believe obviously that our programs are important but we are here to speak on behalf of all of the nonprofit organizations. As we believe that cutting funds --

>> Mayor Reed: Sorry your time is up.

>> -- will impact all of the other organizations.

>> Mayor Reed: Dan McClure, Raymondo Espinoza, and Sandra Velasco Scott who already spoke I think.

>> Good evening mayor and councilmembers. My name is Raymondo Espinoza. I'm with the Gardner Family Health Network and Gardner Family Care Corporation, here trying to -- I know it is a very difficult situation for all of you. It seems like I'm going to more and more of these every day including the county the state and the feds, although the feds are a little better, everybody is reducing, we do obtain Healthy Neighborhood Venture Fund that support or program for seniors in the downtown area. We will see under the contract, we're providing services to about 5,000 seniors over two years. The reduction could definitely impact it as we're also seeing reductions in other areas from other programs and other grants. And so we would just seek your support to try maintain as much as you can. I know it's a difficult situation. Thank you.

>> Mayor Reed: Christa Gannonee Viet Ybarra, Berka Malese.

>> Running down the stairs count as my workout for tonight? That would be great?

>> Mayor Reed: Not really enough.

>> Thank you. I'm Christy Gannon, at FLY. To our law and our middle school and high school districts that are in all council districts across the city. These programs fund about ten employees and reach about a thousand middle school kids or juvenile skids who are at great risk we leverage over \$800,000 outside dollars to make these programs happen. We know at fly when we don't intervene that many of these kids will continue down a very dangerous path that dead ends in costly incarceration where we're spending over \$283 a night to lock up just one kid. And that's over \$100,000 a year for one kid. And we know from the research that 50 to 80% will be right back in the system. I hope that you will continue to do everything you can to preserve cost effective nonprofit services that keeps our cities safe, our kids alive our kids out of jail and on track. Thank you.

>> Mayor Reed: Your time is up. Yvette Ybarra, Berku Malese, Amy Antonian.

>> Good evening ladies and gentlemen my name is Yvette Ybarra, we have the deaf families with children contract with HNVF. We are helping with the City of San José to map to be mapped for services for the deaf and hard of hearing in California and possibly of all states as well because we are the first ones to provide unique and exclusively services for deaf and hard of hearing individuals and their families. We have 90 staff in all, part time or volunteers. Furthermore all are bilingual, American Sign Language English, English Spanish or trilingual. Our first year \$120,000 contract services consisted of 75 consumers and growing. If we were faced with cuts we would need to discontinue one of the three programs and reevaluate offering trilingual services. Help to decrease the number of deaf and hard of hearing individuals living on Social Security. After all, 10% of our population is deaf and hard of hearing. Thank you.

>> Mayor Reed: Berke Malese Amy Antonian, Amy Nguyen.

>> My name is Berku Malese O&M through HNVF we have two programs first is senior services and second after school program. And we serve citywide, and all districts. We have two employees, are funded by HNVF, and we serve 100 unduplicated clients. And this program moves \$70,378 from CDBG and other sources and if this program reduced, Ethiopian community services would close the agency. So please, consider not to cut HNVF. Thank you.

>> Mayor Reed: Amy andonian, Dung Nguyen, Jud Whittier.

>> Our day break programs in San José provided over 2100 hours of respite services 276 dependent seniors and their family caregivers, the majority of whom are low income and at home, and out of expensive nursing homes. Of our HNVF funding is cut by 35% we would be forced to shut down one of our day break centers eliminating services and displacing four dedicated long term employees. HNVF funds are a critical life line for most vulnerable members of our community including the aged and unfirm. They've been through enough. Please don't try balance the budget on their back. Thank you.

>> Mayor Reed: Tongue Nguyen, Judy Whittier Jeanette.

>> Good evening, my name is dung Nguyen. For two years I have been helping seniors learn English and achieve U.S. citizenship. Located in Downtown San José at corner of fifth and San Fernando streets behind the City Hall has been a trusted senior resource since 1964. HNVF funds support six staff, to assist more than 1250 seniors each year. In one location, provides senior lunch, weekly food distribution, health clinic, education awareness activities and a place for seniors to self sufficiency. Thank you very much.

>> Mayor Reed: Judy Whittier, Patricia Jipiloni.

>> Good evening, I'm Judy Whittier, community services director of Bill councilmember Liccardo's district. You are faced with some extremely difficult choices in the coming days and weeks and I ask you to consider Bill Wilson center is one of the agencies that's funded through B.E.S.T. and I ask you to consider the works work that we're doing with kids to keep them out of trouble. We're working with kids who are in gangs or at risk of being in gangs. We're providing shelter services for them for kids who are at risk to get them away from the gangs for a while and hopefully they can make different decisions providing very intensive decisions for the kids who are in the streets to get them off the streets and into safety. The dollars you spend on B.E.S.T. provide a long range saving for our community and for our society as a whole and especially for these kids. That they have so much potential and they need somebody to care about them and these funds just make all the difference in the world.

>> Mayor Reed: Sorry your time is up.

>> Thank you very much.

>> Mayor Reed: Junette, Patricia Jipiloni, Jumel Carter, Michelle Schroeder.

>> Good evening mayor and city council members. My name is Patricia chapeloni and I'm executive director of Alum Rock counseling center. This year, Alum Rock counseling center, for the last 15 years we have provided one to one mentoring life skills and case management services for junior high and high school students that are at risk for academic failure and dropping out of school. We have done this partly with the legendary support of funding from HNVF. Without funding from HNVF not only will 30 fewer students not have these services but without this core local funding we will not be able to access potential federal funding in the amount of \$500,000 for mentoring services over the next three years. Our goal is to provide services to save jobs and be able to leverage dollars both local and federal to maintain these valuable services, thank you.

>> Mayor Reed: Michelle Schroeder, Ann M.

>> Good evening mayor members of the city council my name is Damon Carter and I am the program manager for the hip hop 360 after school program with services for over 365 youth annually and we receive a great deal of our funding from HNVF. Hip hop program like many of the programs in HNVF realize we need to tighten our belt and do more with less in these tough times. But a 30% cut would hinder even our basic service. Like many in this room I'm a parent and sometimes parents have to make sacrifices for the good of the children. We as a city need to find a way to make the sacrifices so that we don't close the budget gap by snatching away services from our youth. Thank you.

>> Mayor Reed: Michelle Schroeder and M. Sue Williams.

>> Good evening I'm Michelle Schroeder from Sala, senior adults legal assistance. And to San José seniors and we thank you. We provide these services at senior centers in each of the ten San José city council districts. Seven of Sala's eight employees are partially funded by HNVF and we serve more than 200 San José seniors through our HNVF project. Our HNVF program leverages almost \$30,000 in matching dollars to support our services. If our HNVF funding is reduced by 35% our Services at San José senior centers will be reduced by at least 35% depending upon the amount of matching funding also lost. Thank you for allowing me to speak this evening.

>> Mayor Reed: Ann M, Sue Williams, Socorro McCord.

>> Good evening, my name is Ann M, I'm the director of community programs and advocacy at Asian Americans for community involvement. Currently HNVF funds AACI senior wellness and youth development programs, and we are very fortunate to have this funding. Between the two programs that

we serve clients in nearly every council district in San José. With proposed cuts we would have ten part time and full time staff affected, in addition, we would have to reduce our services by roughly 30 to 35%. You'll hear much more I think from HNVF service providers tonight but I just want to say that with these proposed cuts, of seniors who are low income would have less access to basic necessities such as food and the youth we serve in our programs would be more at risk for being involved in gang activity so we can you to preserve these funds, thank you.

>> Mayor Reed: Sue Williams, Socorro McCord Bob Leninger.

>> My name is Sue Williams I live in district 1 I have served on the library commission and the project diversity screening committee. I became a San José library advocate about 27 years ago when similar threats faced the libraries. I did informational picketing with my two-year-old outside the district 1 libraries. Caused a lot of attention. My city council member then was Lou Ryden and she got the message of how important libraries were to her constituents. Mr. Scanty hope you've also gotten that message. West valley library is an incredibly busy and vital center of our community. It provides essential services to everybody in district 1, especially kids students job seekers, people without resources. As you make your decisions please consider the well-being of all of your constituents, thank you.

>> Mayor Reed: Socorro McCord, Bob Leninger Carina laurel.

>> Good evening, my name is Socorro McCord. I'm a member of the St. Martin of Tours justice organization. Leaders can reveal their hope strength and courage by doing what's right and not just what is convenient. I was glad to hear you say that you will incorporate Councilmember Kalra's collaborative process. Thank you.

>> Mayor Reed: Bob Leninger, Corina Laurel, Calvin mehan.

>> I dropped this last time I came got a habit here. I'll just take a minute of jury time today, actually wanted to speak on one comment here in retiree association but I had something else I wanted to say as well. Page 21 section G on cost containment strategies. We support containing things, plan utilization and the cost containment there by, continue discussions, this one was directing the manager to pursue these strategies. We thought that was a little bit given the impacts these things can have unintended consequences for lower income people and somehow these things can sometimes back fire in terms of true cost containment in the long run we think discussions would be good thing instead of the language that you have here. And apart from my role here I would like to think that all these people from these groups coming in here with all these important projects which I know you all support, wouldn't it be nice in the next recession when we work our way through this one wouldn't it be nice to have a general plan and development policy and housing that moves along with an aggressive tax based building program so we can do --

>> Mayor Reed: Sorry your time is up.

>> And these people don't have to be told no in the next recession.

>> Mayor Reed: (saying names).

>> Good evening Mayor Reed and city council members my name is Corina Laurel second year student in California community partners for youth, cuts were to happen many of our youth from Districts 3, 5, 7, 8 would not have an after school program or mentoring program to go to. And has encouraged me to pursue my education please reconsider your budget cuts, on CCPY and thank you for your time .

>> Mayor Reed: Calvin mehan, Sandy Zorowitz, Randy hillman.

>> I represent the food service workers at the San José international airport. Airport workers especially the concession workers and retail workers work hard every day but often find themselves working from paycheck to paycheck. I'm here with a message from them that create viability budget strategy. We really need a different approach the living wage really needs to be protect and we want the city to work together with the bargaining units in a collaborative process to figure out a fair way to share costs. The approach we would really like to see would look at the nonsalary expenses in order to protect the jobs and services that make the city what we love. Thank you very much.

>> Mayor Reed: Sandi Zarnowitz, Randy kinman, beach pace. Go ahead Randy. You're closest.

>> Thank you. I just wanted you to see that I've been a library card holder for 51 years, two months and four days. [ Laughter ]

>> Proudly. [applause]

>> My neighborhood has zero access to any city services. No parks, libraries, community centers or playgrounds. For ten years we've cleaned graffiti picked up litter and paid the same taxes as those those who have access. We've been told for years that when Bascom came online we would be equal with existing facilities. Now we're told no community center no library. At the mayor's neighborhood budgetary

summit a resident told me to give up on Bascom Seven Trees and other new sites because we've done without for generations, we're primarily immigrants and renters and he said no politician would support us when services were being cut elsewhere, no Councilwoman would support us when her library hours were being reduced. Fair is in the factor keep paying and not getting. I told them I had more faith with you, you would do what's right no matter how hard, we would receive a piece of the pie, proof me right prove him wrong.

>> Mayor Reed: Sally Zarnowitz (saying names).

>> I think it's important to employer and that it has been affect by the market as have private 401(k)s and that said Federated employees do own a smaller percent of the liability gap and I do think it's important to have that conversation. That they have smaller pensions and they retire later, pay longer into the system. But that said also, you know I really urge you to work with us to close our part of the gap. Secondly city services I as many people here are concerned about this city's ability to provide basic services and I think for instance in Planning, Building, and Code Enforcement the ability to review buildings so that they're safe in the event of an earthquake is very important and you need very educated people in order to do that and experienced workers. I commend you on having flexibility on the revolving door policy, and look at that. Looking into more flexible solutions such as reduced work weeks and furloughs in order to retain people in these times. Thank you.

>> Mayor Reed: Sorry your time is up. Beach pace, Joe Anna Molina Ben field.

>> Thank you mayor and council, thank for hearing us all tonight. I'm beach pace, I'm here on behalf of HNVF I ask you to maintain the funding. I know you have some hard choices and I want you to focus on the programs that have the best for the price and leverage dollars. City year providing tutoring elementary, tutoring mentoring parent engagement and after school programming. It's in line with San José 2020 and we leverage private and federal dollars upwards of \$300,000. Thank you for your support in the past and I ask you to continue in the future.

>> Mayor Reed: Joanna Molina, Ben field, Paula Alvarado,.

>> Because of this program I was able to change my life and start attending college. Without CCPY I probably would have ended up in jail or dead. Cutting funding a lot of kids like me won't be giving the support to change. I am the proof that this program works. So you're looking at it. (laughing).

>> Mayor Reed: Ben fields, Paul Alvarado, Luke Ratney.

>> Mr. Mayor, members of the council, my name is Ben field, I work for the South Bay labor council. One that is missing is the idea that city employees should be asked to collaborate in resolving the city's budget problems. It seems clear that it would benefit the city to treat its employees as partners rather than adversaries, but that has non-not been the practice. The relationship between the administration and several of its unions of the city's unions has already become strained unfortunately the mayor's original proposal cut the wages or would cut the wages and benefits of city employees 10% and I think that would send the city further in the wrong direction. It simply is not an approach that will work, and its failure would likely result in larger cuts to essential city services. I believe as the mayor has recognized tonight, that the cut that he originally proposed is not the right direction for the city, and instead, the city should adopt the policy direction proposed by Councilmember Kalra, thank you.

>> Mayor Reed: Paul Alvarado, Debra ratney, Mark Simon.

>> Hello, I take my hat off to you again I know this is hard decisions to make. The kids as far as I'm concerned are the most important part because they are the ones that are going to lead to our future. Those are the ones I support the most. Hearing all these different people with all these different things I mean it proves the city supports a lot of worthy organizations. I know it's difficult for you. I thought in the past you had asked everybody to give up 10%, and I don't think they went along with it. As a matter of fact two groups from what I understand are pretty famous for that. So it's -- those two groups have to turn up with something. Other people in the hierarchy ha have to put up with something. You yourself did your cut. So you yourselves are trying to do what you need to do. It's just really tough where you are.

>> Mayor Reed: Sorry your time is up.

>> Thank you.

>> Mayor Reed: Luke Vratney, Debra Simon, Barbara de hash.

>> Good evening, my name is Luke Vratney, I'm a business agent for the carpenters. Almost 30% unemployment in my own life we've had family members that have lost their homes and we've done what we can, almost our financial demise to help them. And I'd do it again because it's my family. I think you guys have an opportunity here to keep the prevailing wage and I don't think taking from the prevailing wage away from people serves anyone. Thank you.

>> Mayor Reed: Debra sigh Monday Barbara dehash Don Gagliardi.

>> Mayor Reed, council, these are tough times and you have tough decisions to make and not one of us on this side envies you now. We ask you to continue to seek concessions from the union's 5% wages and benefits and that the unions and the city agree to negotiate other reductions and/or increases after the release of the excess balance fund in October. We ask that the City Manager work with the unions to identify one-time strategy revenue changes, and operations and other strategies, they amount to -- that amount to another 5% of the savings. And we ask that you scrutinize the quarter of a billion dollars in the nonsalary portion of the budget for savings. Thank you. We'll keep you in our thoughts and prayers, we will.

>> Mayor Reed: Barbara de hash. Don Gagliardi. Paula Martinez.

>> Good evening, ladies and gentlemen. I represent respite and research for Alzheimer's disease. We have two programs the Alzheimer's activities center and the Rose Helena childcare center. We are in district 6 and we serve our client base for the childcare are ages 2 to 5 and we provide a childcare programs with kindergarten and the seniors and they're specifically diagnosed with Alzheimer's disease and related memory impairment, anywhere from nonsenior to senior population and we have been in business for 20 years and we have been funded by HNVF for many, many years and we appreciate the funding by the City of San José and we ask that it remain intact, thank you.

>> Mayor Reed: Don Gagliardi, Paula Martinez. Donna Lydon.

>> Good evening, mayor and councilmembers, I'm Don Gagliardi, I'm a neighborhood activist, in the north side of San José. I join other neighborhood leaders to ask San José to preserve to the greatest extent possible neighborhood services. I'd also like to make a particular plea as a member of the rotary club of San José to do everything in your power to try keep open the rotary Ryland pool. This was a pool that was built with private funds recently reopened with some assistance from the rotary club and I think it would send the wrong message to potential private partners to shut it down at this time. So I hope you'll do everything to keep it open for children in this community. Thank you.

>> Mayor Reed: Paula Martinez, Donna Lydon and Jonathan Miller.

>> Good evening mayor council and City Manager I'm a MEF member and a 20 year city employee and I'm here to implore my fellow union brother and sisters who are sworn fire and police to accept the concessions that we have been asked to make and that we have been making for the past year. Last year MEF members gave up 1.5 on raises, fire, police did not. Last year MEF members approved to freeze our 5% step increases fire and police have not. All unions should give up the same major concessions. We are all in this together. We all have similar needs and wants. No union should feel they are above the rest and untouch annal. Did you know the City of San Carlos just approved to increase police and fire out. To all the unions, please stand together and do the right thing, stand in solidarity, no ash duration, thank you [cheering and applause]

>> Mayor Reed: Donna Lydon Jonathan Miller, Dee Urvista.

>> Good evening mayor and councilmembers, my name is Donna Lydon. Respectfully I'd like to remind you of the city charter and the responsibility to provide these city services to all San José residents equally and to ensure that public property remains accessible to the public. I realize we're in a fiscal crisis. But education, literacy, and community centers are still crucial to our present and our future. Thank you. [applause]

>> Mayor Reed: Jonathan Miller, Dee Urista Isaiah Torrez.

>> Good evening, mayor and councilmembers, my name is Jonathan Miller, I'm enjoys Ryland pool and it's hard for me to imagine a summer without that pool open. I really have a hard time imagining that. So hope you'll do everything you can as Don Gagliardi said to keep that pool open. I'm proud to stand with other neighborhood leaders and asking the council to do everything they can in their power to preserve neighborhood services. I know balancing this budget is difficult and the recession is exacerbated this problem but one thing no one has said tonight is that this has been going on for many years now and we have to stop the hemorrhaging somehow. So the parks and communities centers and libraries must stay open. You heard having the services makes this city great. I certainly believe that it's a nice place to live and we have to keep the services. So I don't envy the position you're in. I ask you again to do everything you can to preserve these vital services that are used by many residents in my neighborhood and neighborhoods throughout the city. Thank you.

>> Mayor Reed: Dee Urista Isaiah Torrez Carolyn Martin.

>> Good evening, mayor and councilmembers. My name is DeeUrista I ask to help support our neighborhood services because we're finding out that you're going to close our community center it's a

vital part of our community for our seniors and our youth. And please, we need these services to keep our seniors coming back. They need the senior nutrition program. Our youth needs a safe community center that they can come there and not be attacked by gang members or be introduced into gangs. And we have done a lot of really good positive things for our community center, including redoing Biebrach swimming pool which we also need for our community. And that's all I ask, please, to keep our community center going for our community.

>> Mayor Reed: Your time is up.

>> Thank you.

>> Mayor Reed: Isaiah Torrez and Jessica Vites, Caroline Martin.

>> Hi, my name is Isaiah.

>> I'm Jessica. We're part of the San José native youth group also part of the Indian health center of Santa Clara Valley.

>> I'm a member of the Cheyenne river Sioux tribe.

>> And I'm part of the West Ohlone tribe.

>> It teaches us house our tradition.

>> It's teaches us to live a health life. The Indian health center provides us with a ride to and from the program so there is no excuse not to be there. We will never miss out on many opportunities that this program offers us .

>> Thank you.

>> Thanks.

>> Mayor Reed: Caroline Martin, John Max Reger and Gary Roberts.

>> Hi I'm Caroline Martin I'm a district 9 resident, libraries have consistently been a top rated service for the City of San José year after year through your surveys, past cuts through the years removed book mobiles, yes I remember that time. Outreach services to preschools and seniors staff training and reduced hours by a day and a half and if you remember a lot of times they were open until 9:00 and now they're closed at 8:00. Reserve money last year kept library hours at five and a half, thank you mayor and I've read a lot of articles in the paper lately, I'm sure you have too about summer reading program as one of the few services for kids that are still free, programs for teens after school, and volunteer programs who help with literacy in our area. I know it's tough I know you have a really tough job here but if you would please consider libraries as a core service, that serve everyone in San José, thank you.

>> Mayor Reed: John Max Reger, followed by Gary Roberts and Eric Peterson.

>> Good evening, my name is John Max Reger, I'm an inspector with the City of San José, been with the city ten years, I live in the city of Manteca, also a shop steward and was a negotiator last year for our union. I would like to remind the council that initially your proposal was a third in cost savings, a third in revenue generation, and a third in employee cutbacks. And now we seem to be focused on the employee cutbacks almost solely. So I'd urge you again to look at revenue generation and the ways to optimize processes in the city and see if there's other funds and maybe used differently. I would remind that you employees including myself have taken a 4% hit on the Blue Shield increase back in August 2009 when those were doubled. Choose wisely. Please take a long term solution. Don't make this a short term thing that will have dire consequences. Also look at your enterprise funds.

>> Mayor Reed: Time is up.

>> Thank you.

>> Mayor Reed: Gary Roberts, Eric Peterson, that's the last card so last chance to get your cards in folks.

>> Hi I'm Gary Roberts, I'm here work with OE 3 I'm a little bit confused because when I read the newspapers you say that all city workers should take 10% and I read that the City Manager say all union members should ask 10% and unit 99 has been asked to take 4.5%. What is easy to me give you what you want is to see thaw that my leaders take 10% you guys. When I see that written in the paper and know that that is true and know you can't give yourself a pay raise after that that would make me fall in line and take a 10% thank you very much.

>> Mayor Reed: Eric Peterson.

>> Hello. I'm coming at the end of the budget hearing but I'm trying to speak on the open forum. So under the budget I'd like to say, thank you for your thankless job of setting the budget priorities. If I'm not premature I'd like to go to the open forum to make the comment or --

>> Mayor Reed: If you want to talk about the budget now is the time.

>> That's what I did.

>> Mayor Reed: Then you're done. You can come back for open forum later for the other topic. That concludes the public testimony I think but I see a couple of cards coming down so last chance to get the cards in. People who have not already spoken. You spoke last week, that was your turn.

>> Hi, my name is Todd walltrip, I'm a City of San José employee for approximately 13 years MEF member. I worked in code enforcement in district 3 for approximately 11 years. The thing I wanted to bring out the first thing I heard the mayor say before our discussion was ongoing concessions next year. What does that mean? Another 10%, 15%, 20%? Currently code enforcement has approximately 55 inspectors and that's about five and a half per district. At this point code enforcement does not even know what our proposed cuts are because that has not been told to us unlike the security officers we don't know -- we're assuming it's anywhere between three and 12 code inspectors that are going to be laid off. I just want to advise the council and the mayor that code enforcement gets referrals from all city departments. We're handling complaints from police, fire, Public Works, ESD, everybody. And I wanted to basically say that you know I believe that all unions should be treated equally and I know the council is tied based on arbitration for city and fire but if you're going to be laying off allity employees it needs to be done equitable. Police and fire not going to give you your 10% which obviously they're not then you need to you know come to the table and say okay you know we're going to have to bite the bullet on that and gives everybody notice.

>> Mayor Reed: Time is up. I believe that concludes the public testimony. No more cards, no more cards. That does conclude the public testimony on this matter and I'll come back to council discussion and some action. Vice Mayor Chirco.

>> Councilmember Chirco: It's been a long evening of lots of heart rendering testimony. But I would like to put a motion on the table so that -- to help with the discussion. And if I can -- if I get a second to my motion then I would like to speak to the motion. So I'd like to move to approve the Mayor's Budget Message with an amendment, that we seek 10% in personnel cost savings with a minimum of 5% ongoing and another 5% from concessions that would include one time personnel cost savings to help save additional services. Thank you Councilmember Kalra, and Councilmember Chu. The City Manager is further directed to meet with representatives from the city bargaining units to solicit ideas on how to meet the additional 5% reduction and make a good faith effort to pursue and review all proposals from the bargaining units. If I could have a second --

>> Second.

>> Mayor Reed: Okay we do have a second so we have a motion on the floor. Vice Mayor Chirco, you wanted to speak to the motion.

>> Councilmember Chirco: I did. And I just wanted to thank Councilmember Kalra and Councilmember Chu for their thoughtful suggestions and hopefully the motion incorporated and especially to Councilmember Chu, I would like to submit that to the organizations, that if that is something that they would like to do, that I would really support you in that memo. So thank you for your memo. What I want to say to the audience is, everyone up on the dais tonight has a very heavy heart. Because we know whatever we do, there's a human cost to it. I've heard many stories over the past few months from people whose lives are touched by our budget crisis. But worse than that, it's touched by the local, state, and national economy. And what has even become a global economy. I don't think we can expect any magic solutions. But I think we can lead a fair and open budget process that does justice to both our citizens and our employees. And what I would like to say for Judy Chirco, councilmember, district 9 that I would take a 10% cut because I think that it is by example, not by edict that we lead. I know this isn't an easy vote. But I would like to ask my fellow councilmembers to support this. Thank you.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. I'm going to offer a substitute motion and hopefully I get a second and either way I'd like to make comments. My motion would be to accept the mayor's original budget message, allowing bargaining units to implement a sliding scale or any other variable pay cuts if they feel it works for them, within their unit, as long as the bargaining unit achieves a total reduction, a reduction of total employee compensation of 10%, period. Was there a second?

>> Mayor Reed: There was a second from Councilmember Liccardo. Vice Mayor.

>> Councilmember Chirco: Yes, Councilmember Constant, I am sorry if I -- that was what I thought I had said. I apologize if --

>> Councilmember Constant: Oh, you did but you incorporated Councilmember Kalra's memo which I'm not in mine.

>> Councilmember Chirco: Well, my concern with Councilmember Kalra's is that the second one -- the second part, that that puts the burden on a restricted calendar. But I would ask that -- I'm sorry, I would ask the City Manager if she could bring back a verbal to the council. I believe that was something she had indicated was possible.

>> Councilmember Constant: If I could interrupt, my substitute motion does not entertain the idea of 5% ongoing or 5% and other reductions. It's the mayor's original budget message of a 10% total compensation reduction of all employees across all bargaining units even who are not represented. And I'll explain why.

>> Mayor Reed: Okay on that substitute motion do you want to speak to the motion?

>> Councilmember Constant: I did get a second, I wasn't -- okay. I feel that we should avoid any one time solutions or one-time service reductions like furloughs, to reach the 10% target. All this does is kick the can down the road one more year. I've been on this council three years and we kicked the can all the time when it comes to budget situations. I don't think we have resolved one budget with ongoing solutions in the time I've been here. We will never fix the structural deficit if we -- sorry -- if we do not address our major cost drivers which unfortunately are employee costs. We're a service organization. We don't have a product. We deliver services. And in order to deliver services you need to employ employees. And employees then become your largest cost driver. The Mayor's Budget Message asks for a 50-50 sharing of the pain between employees and residents. That's more than fair, given that nearly all previous solutions to this ongoing deficit that has stretched now for eight years have been borne by the residents via service cuts. And those service cuts have compounded the cuts that those residents in our city are already suffering from losing their jobs, and having their paychecks reduced, not 5%, not 10%, many people have had their pays reduced 30, 40, 50% or more, or quite frankly, have lost their job. Our residents are out there, and they're screaming. They're screaming for an SOS. And that stands for save our services. Services have been cut citywide repeatedly. We've heard from employees that don't want to be laid off. And we've heard from residents who don't want their services reduced any further. Both sides of the equation want the same thing. They want employees employed, providing services to the residents. Which is again our number one and really only mission in local government. The Mayor's Budget Message of 10% reduction, strikes the most efficient balance that we can do to both of those. I would rather have 100% of our employees working and delivering services to our residents at 90, 85 or even 80% of their salary, rather than having 70% of the employees working at 100% of their salary. Because that means 30% of our employees will have a 100% reduction in their salary. That means we will have hundreds of city employees that are no longer employed. That means we will have libraries that have already been reduced in hours year after year, reduced more. We will be taking police officers off the streets, dispatchers off the telephones, parks people out of the parks, you name the service from A to Z, every single person will lose. We know that we have \$222 million in deficits in front of us. We've already resolved somewhere around \$460 million in deficits. If we don't correct as much of the deficit as we can, and we save \$5 million in one-time cuts, that means we will put \$32 million of additional deficit into next year's budget. And we already know that that number is large. We know that number is large, even though we don't know what our property taxes will be, what our sales tax will be. None of the major sources of our income have started to turn around, in fact they are continued to decline. Sales taxes quite frankly are going to be lower and we're going to have more difficulties. A year ago, when we were dealing with the budget we started off with a deficit that was \$22 million. And by the time we vote it had grown to \$84 million and that was before the state took more of our money and caused us to make more service cuts and more adjustments into our budget. When we started this, we had no idea that our budget would be up in the \$116 million range as it is today. I very pessimistically made a prediction months ago that our deficit would rise to \$134 million by the time we take the final vote. I hope I'm not right but I fear that I will be. I do not think it is fiscally responsible or prudent for us to continue to look at one-time solutions. They're accounting tricks. All it does is make the problem bigger next year and the following year and the following year. And we don't have one projection that does not have red ink dripping from it. We need to re-set our expenses, and unfortunately, those are expenses that stem mostly from employee costs. It is not our employees' fault. It is health care cost, it's pension cost it's all these things that are there plus the promises that we've made. But it doesn't mean that our employees don't deserve it. I would love that we don't have this deficit. I pray that if I get reelected there will be at least one year out of eight where I'll be able to say there's some black ink. But I don't think we're going to get there if we don't take actions to really address the problem. We really need to do this. We owe this to our employees. We owe this to our residents. We know that those pension costs, we've only realized 20% of

the pension losses. 20%. Our share of pension contributions are going to go somewhere in the 70% of it's going to cost us \$2 for every dollar we pay out, shortly. These numbers are just going to get bigger and bigger. We have to take proactive steps. We have to say, to our employees, we're sorry, we know you deserve it. But we have to take these actions to protect your jobs and to protect the residents of San José. And to protect the services that all of us signed us to provide, whether we signed up as employees or we signed up as councilmembers, that's what we pledged to do, is to provide services to our residents. So I beg my colleagues to please, consider supporting the mayor's original budget message. It's not going to be a cure-all to fix everything but it's sure going to take us a step closer than the original motion that's on the floor. Please, I implore you to support this.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Mayor, I did want to talk about something that we could do. It does fly -- it does work within the confines of the proposal made by Councilmember Chirco. So I could wait, or do it now, whichever you think would work better.

>> Mayor Reed: Let's try to focus on the substitute motion that's on the floor.

>> Councilmember Pyle: That's a good idea, okay.

>> Mayor Reed: Councilmember Liccardo. Oh. Sorry. Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. First of all I wanted to thank everyone who came and spoke tonight. It's really important that we continue to hear from you as we continue our budget discussions. I also wanted to thank Mayor Reed for all his ideas on how the city can bridge this \$160 million budget deficit. It is very apparent this is not going to be an easy task and I'm glad that the mayor agrees with the suggestions that are suggested by both Councilmember Kalra and Chu. These are difficult times. We have a difficult budget to balance and it's going to be difficult to get to the finish line but I think if we continue to work collaboratively with the bargaining units we will get to the finish line with mutual agreement. As a city and as a council we should seek to establish collaborative effort by city records instead of demanding that they take the recommended cuts when the circumstances surrounding their contracts dictate otherwise. My understanding is that one quarter or 25% of the city's labor unions have open contracts and this portion of city workers can't be expected to by the way the full wait of sacrifices in order to balance the city budget. The remaining three quarter or 75% of the city employees are currently either protected by arbitration or an existing contract, so I think that it would be in bad faith if we impose this cut back on them. Also, previous council direction has already asked some unions with open contracts to negotiate 5% salary cut which I believe is being worked out by different labor unions. We need to find creative collaborative solutions and propose a viable plan to save essential services and the jobs of the workers who provide them and that's why I wanted to thank councilmembers Kalra and Chu for their memos and I really wanted to thank the mayor for his flexibility in recognition of these proposals. Our ultimate goal is to get to this 10% result, not by so I won't be supporting the substitute motion.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor, nature calls, I appreciate your patience. I want to commend the members of the public who came to speak this evening because we really saw, I think the level of discourse was really elevated in the conversation today. Obviously these are horribly difficult times and we've been through several of these budget processes and after nine years of budget negotiations, I've been here, this will be my fourth. Typically evolves into the blame game. People who were passionate about the services they were receiving and for good reason because we have some of the most dedicated most able employees in the country. But when I talk about the blame game it often becomes the area where the media points the finger at union or employees saying oh they're greedy because they're not giving up money or unions point the finger at the City Manager or Alex Gurza or somebody and say well, they're being rigid and inflexible, and usually that's not a productive conversation we know that we also know that it's not generally that accurate or fair. Certainly our employees fairly bargain, they get the benefit of the bargain, they work incredibly hard, they serve us well, they serve the entire community well. And they deserve to have commitments kept. And at the same time, our City Manager and her team are very much constrained by the revenues they've got in any given year and frankly by council directs. But I think the worst thing about the blame game is that it really takes the heat off the people who are responsible for where we are today, which is frankly the elected officials. We are more responsible than any other party. And I'm not saying it's the fault of any member here on the dais. These are decisions frankly short sighted decisions have been made in the city for many, many years but whether it's our fault or not, it is our responsibility. And by saying it's our fault I guess what I'm saying is, is that for many years we've had councils who have approved policies that are not sustainable,

that essentially make promises that the taxpayers cannot afford to keep. And so we are now in a situation in which we're asked again to make the decision between making ongoing cuts that will provide long term savings or to make some combination of long term cuts and short term one year cuts that will provide one year benefits which of course will mean we'll have to make the same cuts or worse, as I think we all know the cuts will be worse again next year. So I want to urge us to reverse the course of maybe our earlier decision making over the past however many years and actually choose to take the long view. It seems to me that we know for certain that no matter how good a year we have next year, no matter how quickly we recover from this recession, in the next four or five years, our costs are going to continue to rise faster than our revenues. There is virtually no scenario that any economist can present that has us pulling out of this with revenues rising faster than costs. And all that is driven overwhelmingly by our unfunded obligations to the tune of about \$2.3 billion in unfunded obligation on pensions and retiree health care. And again let me repeat, it ain't the employees' fault. They're not the ones who made the promises. It came from elected officials. Let's be clear where the blame lies. I'll also be clear a couple of speakers alluded to, there are lots of employees and lots of retire East in this city who have a very small share of that obligation. I think we all know that police and fire have a very large share of that obligation. So what we know about that, unfunded obligation, that \$2.3 billion is that it is driving our cost at an exceedingly high rate. Our pension costs will triple between this year and fiscal year 2014 and they will stay at that level for a very long time. We are going to see in one year between this year and next our aggregate contributions from our taxpayers here in this city for retiree benefits, pensions and retiree health care go up from \$133 million to \$200 million. That means this year, in the year coming up we're going to spend almost one out of every five General Fund dollars on retirement fund benefits. In 2013 we'll spend about one out of every four General Fund dollars on retirement benefits. Not on salaries, not on services, on retirement benefits. So we see that this incredibly dominant cost is driving us from an organization that provides great services to our residents to an organization that primarily is providing retirement services. And the challenge here is that it's hurting everybody. It's crowding out the salaries that our employees can make. It's crowding out our ability to keep and retain employees because we're forced to lay them off. And worst of all, it's crowding our ability to provide basic services, public safety. Basic services, community centers, parks, libraries, to our residents. And really, as I see it, this whole thing comes down to mutually assured destruction. It's benefiting nobody under the current structure. We've got retirement benefits, we all know we cannot possibly sustain. As a result, we have to make some long term decisions about costs. And those are incredibly hard to make. I know that there are accusations out there that our City Manager and her team is being too inflexible that she's employing cookie cutter suggestions to demanding ongoing cost savings and reductions I want to say at the outset I very much appreciate Councilmember Kalra's memo. I think flexible approaches should be considered. We should consider every creative option as we possibly can and be as open minded as possible. But don't, don't let the word flexible be a cover or a code word for one time savings. One time savings like furloughs, that simply deny our residents services, and put us back in a worse position the following year. We would be repeating the same mistake that councils have been making in this city year after year after year of deciding that they'll take the short term over the long term. I think Councilmember Constant put it very well. Let's set ourselves on a different course and let's take the tough decision this year. [applause]

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I too wanted to thank all those people that are here tonight, thank the mayor for accepting my 15 sliding scale pay cut. I have a question for the staff. We're talking about 10% cut, 15% cut. If 75% of our employees are actually have that protected, the 10% cut for the 25% of our employees, how much saving would that actually yield? Alex? Thank you.

>> Mayor Reed: Let me respond to that first is what I'm proposing is that we try to do it in a way that if a bargaining unit makes concessions that we use those concessions to buy back the jobs basically of that bargaining unit. We can't be quite that precise, but if only one bargaining unit were to do concessions their jobs we can save that would affect that bargaining unit. That way every bargaining unit can look at the bad stuff that we're going to have to do and decide whether or not they want to give concessions. If police and fire are not willing to give concessions, then it shouldn't affect the ability of the federated unions to do things to save their jobs. And Alex may have a more precise answer than that but that's what I'm proposing is we set it up that way.

>> Alex Gurza: Good evening Mayor members of the city council, Alex Gurza director of employee relations. I apologize for the small numbers but there are very many numbers on the slide. Councilmember Chu it answers your questions. What this slide shows is how much savings would

be achieved if we had a 5% O.J. going reduction in total compensation compared to a 10% and it's separate by general Fund and total funds. Down at the bottom under the grand total of the General Fund you'll see 39.15 million would be saved by a 5% reduction in compensation. 10% is clearly double that which would be approximately 63.9 million if all employees, represented and nonrepresented, management, nonmanagement, public safety, nonpublic safety, participated in that. We've also however separated out to show how much of that for example in the top two lines would be Public Safety. So for example a 10% cut for Public Safety would be, and what I mean Public Safety I mean the Public Safety unions, police and fire would be \$38.23 million in the General Fund of that 10%. So of the 63 million, 38 would come from police and fire, given again, that their size of their payroll. The following two bargaining units are the ones that have closed contracts that we referred to before which is our AFSCME groups and then the balance whose contracts are open either expired, or open between now and June. So I hope that answers your question. Be happy to --

>> Councilmember Chu: Thank you very much. I hope those people that are watching the TV at home has a better picture than what we have here on the small font.

>> Alex Gurza: Yes, I know, I apologize for that. This slide and we have a tremendous amount posted on the Internet, this slide is included on the Internet and available.

>> Councilmember Chu: This is good information, thank you very much for putting it on the screen. To answer the mayor's question you know is it possible because I know a lot of the bargaining unit they have functions across the different, that they have members in different functions. Is it possible to say unit 99 agree with the 10% cut, and the money will actually stay in unit 99?

>> Alex Gurza: Well again, I think as the mayor indicated in the budget message is to try to, we could try to do it between sworn and nonsworn. It's a little bit difficult with some of the nonsworn unions because some of them may be very small. What we could do as the mayor said is say if the nonsworn units came together and achieved savings the primary purpose of that were to be to save nonsworn jobs and vice versa, if sworn units came together to provide concessions that would be used for sworn. That comes, if they come up and gave savings they would prefer to have it be saved for nonsworn jobs. So it's really nonsworn, sworn might be easier because we have a lot of services that are delivered by employees that cross bargaining units.

>> Councilmember Chu: Okay, thank you very much and also during my community office hour I have received more than 400 cards from the Berryessa, friends of Berryessa libraries. So I have some notes that I'd like to refer to, or read to see if it can be incorporated in the motion. On page 10 we're talking about neighborhood priority for reduction. And I would like to extend the recommendation of the community priority to include libraries. The Mayor's Budget Message includes sports, recreation programs, as well as community centers, but library also plays a very important role in our neighborhoods. Even the increase in unemployment rate, and the proximity of our neighborhood schools and libraries serve as a hub for our community and we should try to keep as many hours as we can, especially as attendance has increased at many branches. So this, on page 10, and also I have comments on page 18 regarding to cross guards. Again residents have expressed many times that crossing guards are important. This is a strong community interest in preserving crossing guards at a most critical intersection of our schools. I know it's unrealistic to have crossing guards at every corner but we need to minimize the impact to our school to ensure the safety of our students. And on page 22, regarding to the city and agency travel, while this is directed to the City Manager, the city appointee and the executive directors, I think this recommendation should also be extended to the full council. Also, on page 22, they're talking about the, I think, 5J, the investment strategy. I just wanted to state that I will not support a suspension of the competition policy, living wage or prevailing wage. We have adopted those policy after long debate some and I don't think at any time we should back down from that. Thank you very much.

>> Mayor Reed: One question for Alex. The information that's posted on the Internet, that's.

>> Alex Gurza: Mr. Mayor, on the City Manager's Website from that you click on information and then all of the information is there .

>> Mayor Reed: Okay, Councilmember Kalra.

>> Councilmember Kalra: Thank you mayor and mayor I want to thank you for starting the meeting off before public comment by acknowledging both Councilmember Chu as well as my memorandum recognizing, first of all, and thanking Councilmember Chu, that there may be options to make the pain more even, and that's something that we should internally look at as well as in talking with our bargaining units. And as well in recognizing the importance of achieving the cost savings but working collaboratively

and having some flexibility in order to do that. I have some further comments but I have some questions first. One is, remember clearly a lot of people came out today, and there were a very wide range. I completely agree with Councilmember Liccardo, I think the comments were very thoughtful, not combative or angry but rather just really passionate, but insightful as well. And to Judy who spoke last week, I want you to know the City Clerk did get me all those cards, they're my office, I haven't read them yet, I would like to know if the other councilmembers would want to read them and return them to the City Clerk's office.

In regards to the HNVF funds just in terms of numbers the indicates that the City Manager should maintain the numbers for the city health initiative. So what are the numbers or percentage of the funding that goes towards children's health initiative at least in the most recent years even if it's a ballpark number?

>> Mayor Reed: It's about \$2.1 million for the children's health initiative.

>> Councilmember Kalra: And then what would the remainder be approximately?

>> Mayor Reed: Something less than \$2 million that go to homework centers in our school districts and about \$3.5 million for the competitive grants, between 3.5 and 4 million for the CBOs and Albert will correct plea.

>> Albert Balagso: That's correct. There is about another mixture of the remaining dollars that goes into seniors, senior centers, after school, and the remainder is going into the administration of the grant itself.

>> Councilmember Kalra: Now the money you indicated goes to the health trust to support the children's health initiative, what's the condition of that trust?

>> Albert Balagso: It's healthy. It has been serving -- no pun intended.

>> Mayor Reed: That's good.

>> Albert Balagso: It has been providing outreach and -- for individuals who have not been accessing health care services are available to them. And so they've been connecting people with health care.

>> Councilmember Kalra: And the reason why I asked about that, certainly, you know, I think that the message in the mayor's comments here, in his message regarding the reduction, you know, it's very hard to ask our city departments and ask our city employees to take some drastic cuts and to not also see some cuts in the funding that we provide to nonprofit community. There was a mention earlier from one of our city employees that San José is one of the safest cities because police fire and code enforcement and I think it's much more than that. And I think a number of nonprofits are really a major reason why we are a safe city because of the services they provide and that's in addition to what the community members had mentioned regarding libraries and community centers means it's an overall package, there are some cities that have way more police officers that we do. Doesn't necessarily mean that by that alone that they are safer. It's a combination. And so with -- I want to see a way if we can try to limit the impacts on some of the nonprofits to the HNVF funding because it will have an impact as a couple of speakers mentioned on our overall costs going forward. Understanding and maybe just having options available in regards to how we approach that, and one of the things that -- one of the reasons why I focused on the children's health initiative side is you know today was an historic day with the president signing the health care bill. And immediately, small employers are going to have 100 people or less up to 35% tax credit on health care costs. This year, children with previous conditions will be able to get health insurance. Children will be able to stay on their parents insurance. , what kind of impacts will that have, because of those Brahms programs being implemented and those programs being marketed federally at the county level will that somehow reduce the amount of cost we'll have to spend on the children's health initiative in order to make sure all children are covered? So that may not be something we can determine in terms of hard costs right now but if there's any way that we can save money from that and transfer it over to some of the nonprofits that are doing the work I just want to see if there are different ways that we can really look at those funds, you know, given what happened today in Washington, D.C. to see if there's a way that we can preserve some of the funding for some of the nonprofits as much as humanly possible. And so in regards to the current motion on the table, you know, I don't think -- and I don't think anyone here disagrees with much of the statements made in terms of the economic situation we're in and that, you know, we also have difficult decisions to make this year next year and years to come as many other municipalities do. The problem with going with a 10% across the board and not choosing to work collaboratively with our employees is that it's going to end up in my estimation with a more severe cut to services than we could ever anticipate. Only 30% or less approximately a quarter to 30% of our employees are under -- are in an open contract. The rest are either subject to arbitration or they're in a closed contract. By going forward and saying 10% really the only portion that we could -- that we could

impose on if it got to that point would be only -- would only I think get about \$15 million of cost savings. Now, realistically speaking if we chose -- if we go forward and just say, well, 10% and that's the likelihood of the unions having closed contracts of coming forward and opening them is next to impossible and we're not going to get 10% from an arbitrator's ruling. My understanding we have very rarely if never asked for cuts and cuts of this nature is not going to happen. We have to provide services in fiscal year 2010 and 2011. How are we going to best provide services to our community, how are we going to best keep our libraries open, and keep our communities safe, keep the pools open, do as much as we possibly can under these current circumstances? Well, it's to try get to that 10% it's to try our best to get to that 10%. The 5% would dictate that we gave a few months ago that we are going to try to get 5% ongoing savings and approach our bargaining units to get that 5% I believe we should continue with that and that's what my memo indicates. But we're not going to get 10% and I think that that's whether -- no matter how stubborn we are about it or no matter how many times we say it's not going to happen because we don't have control with those contracts. We are basically playing chicken with our employees, putting the ball in their court, instead of playing chicken we're driving our car over the cliff and when we hit the impact there are going to be hundreds of layoffs and there are going to be libraries that close down and I think that the way that we can get through this is by continuing to work with our employees as partners, continue to work with our community members as partners and not just push a 10% mandate thinking we're going to get and then thinking oh well at the end of the day we'll just have to lay you off if you don't do it and if the employees don't do it then what? Then we're the ones that have our neighborhoods are going to deteriorate because of the lack of services. We can get to that 10%, we can get as close as possible, we can get as much of an ongoing savings that the mayor said and even in my memo, I would like to have ongoing savings but it's not going to realistically happen. We realize we're all going to be back here again, but getting 5% in ongoing savings is a tremendous accomplishment. We are still going to have to work next year. I know that we can't -- I certainly can't support the current motion because I don't think practically and pragmatically it can achieve the underlying goal of saving services. I don't think that will achieve that. Allowing our City Manager and our bargaining team to talk with our employees, and find a way to really get all of us working together, to save our services for 2010-2011 and get at least, at least half of those savings in ongoing, is a way that we can ensure in the coming years that they'll continue to come back and work with us again because we can't do it alone. None of us can. And that includes the neighbors that are out there, the community members and the employees and includes us as well. To think we can just do it alone and go forward because of the economic situation we're in we're going to make the situation worse and we'll certainly impact our neighbors much more severely if we work with our community and work with our employers.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. First I want to thank you for the budget document. It's a pretty long document pretty clear, uses arithmetic, I think that's important that the council guide the City Manager so whether it's five or ten at the end of the day that doesn't solve the problem we're still going to have a fair amount of misery this year and we'll continue to have a fair A misery continuing in the future probably by the whole time I'm up here. With that said I really appreciate we're finally including the Hayes Mansion. This thing has been an albatross across the city's neck draining \$5.9 million this year, equivalent of the entire code enforcement and the graffiti abatement plus a little bit more. We need to get a move on some of those things that takes longer. I'm happy that's in there. Doing something different one of our three golf coerce that's also a drain on the General Fund so it's time to really allow some of those things to happen. I want to thank Councilmember Constant, I know you have allergies so you have a sore throat tonight but you laid it out well that we have a decision to make and we can either kick the can and do some kind of accounting. You go and talk to your constituents and try explain the city budget and all the funds we do. I know we try to think we're very pure, we're not the if I recall government or the state, we have to balance our books. We do some gimmicks, okay and we've had gimmicks historically in the past and unfortunately you just have less and less when you're stuck on the edge of the cliff so here we are. Councilmember Liccardo, excellent points. You brought up very well the severe tragedies we're in, you brought up the pensions which have grown from the \$130 million this year, the 200, sorry 130 last year to the 200 range and next year it will be in the 240 to 250 range. How is it we're going to have a budget when our pensions are equivalent to our empire police budget next year? Pretty difficult. So I have a hard time understanding the disconnect we have residents have employees have when we have such a massive deficit. You know we come up with this or that but at the end of the day we're not going to get anywhere close to reducing this budget deficit unless we take some

serious measures and either that's going to be massive layoffs and exiting of services that the city will no longer provide, or it's concessions. It's really at the end we have to come up with something so we're going to get there. And I know we've had dialogue, we continue to have dialogue we could have more dialogue we could have collaborative sessions we could do all sorts of mediation and have an aspirational speaker come in and try to get everybody together but at the end it's not going to get together until at the end. We're getting there we're almost there but we're going to have to do something. We've talked about the you know the issues of the longer term, we will deal with this budget deficit, but if we don't deal with the pensions we're just kidding ourselves and kicking it to your next person who's going to replace us. We've got to get on the mark on second tier pensions. You explain it to the residents, what's your 200% here and I guarantee the rate of return? What? It's a starting look and it's been great it's been a massive benefit people have had great quality of life because of it but at the end if you can't afford it I can't afford it and if you the residents aren't willing to jack up your sales tax your utility tax your parcel taxes then again, there's the disconnect. So I really appreciate people advocating for the libraries tonight. That's awesome! They're actually in our charter section 807 it says what I'm obligated to provide you but if you don't come and tell me what else I should cut, or what I should do, then you just sort of leave me like hey, help me out. And I don't mind, but what I really think we have to be honest with, is that what is my core? I would certainly consider a library a core service. And I certainly appreciate every effort an employee does in the city. But in my element a library is more important than other things. If I outsource janitorial and save \$1 million that means I keep every branch library in this city a day of the week. What's the tradeoff? Do you care who cleans my City Hall? Or would you rather have libraries open citywide, that benefit every resident, every neighborhood? Those are the choices, and until we're ready to really touch those tabu topics, we're really telling the residents, sorry, I'm closing your library, sorry, I'm taking away your aquatics program this year. And at the end I don't mean to be heartless. At the end again I implore and love to employ everyone here as much as I could and pay them as much as we could afford but the fact is we can't and now we have to make those choices. So when it comes to the nonprofit community, advocating for HNVF funds, again, or I'll say this, your services are valuable. You are great people. You are going to be -- you're saints, you're going to heaven, you do great things. But let's look at the history of the HNVF fund. In the year 2000 when we were flushed with cash we had so much money we said hey let's be creative and give it to charities and nonprofits. And you know what? Now I don't have any money. And so I extended myself to provide services I historically never did, I extended outside of my charter, and now, I'm taking away from core services. And so albeit as great as your organization is, you're not as important as a line, a code enforcement officers, a crossing guard, a police officer, a planner because that's my charter. And their tear-jerking story, each of these nonprofits are outstanding but in the end I'm not responsible for those things. We talked -- we're talking about federal health care legislation for the last nine months. That's who should be insuring the children. That should be a federal program that covers them. Not me, laying off librarians, code enforcement, Public Works, all the things that you want when you flush that toilet, when you pick up the phone for 911. Those are the priorities. So again, your great organizations, Mayor Reed, thank you for having the courage to minimally at least say let's give it the same cut we're cutting the other departments because year after year we've cut these departments X amount X amount X amount and we haven't cut those. In reality that \$11 million total would add a lot of value to cutting the budget hole and retaining jobs. And again that's where things are going to have to happen. Councilmember Liccardo we talked about you mentioned you know people pointing fingers, people being you know union management, council, et cetera. Again these things happen because we perform these organizations in a dark closet. They're done in private. You don't have a clue what's going on in fact I don't have a clue we've talked about this at the council dais. Any collaborative process that is flexible should be something that the public can see. They should be able to judge what the offer is and I'm glad to hear that we're going to be posting this on the Internet but it's also good to see you know how it's presented. If it's a candid and sincere proposal that can save this city money offered by a bargaining unit then let's take a look at it, let's be fair with it. But when it's done in this manner that is really a waste of productive time of going back and forth it becomes silly so I really hope we get there some day. We're not going to get there for this budget but I hope we really get there. I think that about covers it. I just made some notes here. But I will be supporting the motion, the substitute motion because I think it's where we have to go. I don't fault any of my other colleagues that would not support the motion. I understand you may have strong convictions, in another way. But I don't think those convictions match mine. I think we just really got to get to the point on this budget and figure it out. And you know, pray and aspire that the economy stays stable. But even if we know that, what we still know as mentioned by councilmembers

Liccardo and constant, and the Mayor's Budget Message that the pension obligation will continue to grow and be the cookie monster of this budget taking away from residents, I hope we're all on the same page and we can agree to disagree, and I appreciate.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, I almost fell asleep over here, sorry. Yeah, there you go. I think we should call for the substitute motion first because then I can direct my thoughts more directly to which ever wins.

>> Mayor Reed: I will do that and I think we still have a couple who wants to speak to the substitute motion. Councilmember Campos.

>> Councilmember Campos: Mayor I can speak to the other motion so I'll wait for Councilmember Pyle to make her comments.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: I just wanted to thank particularly Councilmember Liccardo and Oliverio for their comments because we can keep saying we're not going to be able to get these cuts, and we won't be able to get them. Or we can go out there and try to get them. We can say that our hands are tied because we have closed contracts or we can reach out to our employees and say, we know your contract's closed. But you have a chance to save the jobs for your members. And this is what it takes. And I still think that most of the employees would rather take a cut in pay to make sure that all of their brothers and sisters in their union get to keep their job and get to keep delivering the services because that's what our employees want to do. We can say that we'll never get an arbitration award to reduce salaries. Councilmember Kalra said, you know, we've never asked for cuts before. Well, that will tell you how bad things are because we need to ask for the cuts. If we don't ask for cuts across the board of 10% I can guarantee you that no arbitrator will give us 10% in the two unions that have binding arbitration because why should they if we're not willing to hold the rest of the organization and get the 10% across the board. It needs to be a 10% cut. Our number one top responsibility is to our residents and to provide services to those residents. We have to get out of this stated denial that things are just going to get better. We have to say if we want to make change we have to take responsibility. Councilmember Liccardo said it correctly. It's the elected leaders' fault. It's not employee's fault, it's not the resident's fault. We have a chance to fix that. We have a chance to take at least one step in the direction. I don't want to ask for 5% this year and 5% next year and 5% the next year for every year we see red ink on these projections. I think we need to take corrections that are going to take significant movement and put us on solid footing for moving forward. We need to take responsibility as elected officials and do what is right for our residents in our city.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I couldn't agree with you more Pete that we all need to take responsibility. I think there's a lot of agreement here I hear 10%, I'm hearing it from everyone, it's just how do we get there, to that 10%. I want to thank the community for coming forward, I couldn't say it better than you elevated the discussion. To sit up here and listen to the clarity and positive attitude that came from the community, it does help as we're up here making these decisions. If we could solve this problem with one number, I think the number would have to be something like 20% to avoid all layoffs. So even achieving 10% is not going to relieve us of the necessity to make other cuts and to cut services and to do other things. So this 10% isn't even a magical number here but I think I've heard tonight agreement on that number. And that 5% of it would come from concessions that have already been discussed and the other 5% coming from either ongoing or one time solutions or other creative things that haven't even been brought up yet. I'm very interested in the opportunity to have at least another discussion with all of the bargaining units before we would just assume that we're going to go down the path of arbitration with some of them. So I thank councilman Kalra for bringing up his memo and also Councilmember Chu and I will not be supporting the substitute motion because I think that the other motion that's on the table and I will -- I have some other things to say about that. I think we still have an opportunity to do some things in a more collaborative fashion. I think we need to give it that opportunity with some other parameters. But I'm not ready to close the door on that.

>> Mayor Reed: All right, I don't want it to be my fault that we don't get out of here by 10:00. I think we need to vote on the substitute motion and then we'll come back, I know some other people want to speak on the underlying motion if the substitute motion. On the motion made by Councilmember Constant, all in favor? I have one two three ayes, four hands, three ayes, that motion fails on a 3-8 vote taking us back to

the first motion. The underlying motion made by Vice Mayor Chirco. Discussion on that motion, I know that Councilmember Pyle wanted to speak to it. Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. When we consider the 5% that would be coming from individuals, it occurred to me when I received the individual letter, that all of us received telling us what our contributions have been in the last year, that if the majority of the problem has to do with retirement, maybe that's a good place to start. And let me say that I've come up with that idea for a couple of reasons. If, for example, 5% of every individual moneys went towards their -- went to the retirement fund, number one, that money would then not be taxable. That would increase what -- well, that would make more of a savings for the individual. Number two, it would be addressing the heart of the issue. It would be more of an ongoing problem solving technique and it would also begin to help a little more clearly with the sliding scale problem. It's for those predominant reasons, and I just had them in front of me, that I would ask for staff to come back with some information in reference to that and/or objections and or kudos whatever it would be for that idea. In other words, it's an option. Rather than decreasing your salary, right off the top, perhaps it would be better to contribute directly to the retirement fund, and then your salary would not be decreased if, for example, someone wanted to look for another job. Their salary would be at that level and they wouldn't be sacrificing their ability to leverage. And it also would decrease the number of taxes an individual would be paying. So I'm hoping that that's something that would be looked into.

>> Alex Gurza: Councilmember Pyle yes it is possible. So for example depending on the council's direction this evening if it's 5 ongoing with 5 somewhere else the other part could be increasing the employee's share into the retirement system. Employees do right now contribute for what's called the normal cost but the city pays for pension cost the entire unfunded liability. So that is possible for us to consider that part of a package and so we can certainly discuss that during negotiations with our bargaining units.

>> Councilmember Pyle: Okay thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you mayor it's been a good discussion I've sat here and listened to both sides of the argument but I truly believe that what we owes our residents is to create strategies that will generate more revenues to pay for critical services and also, we owe them the opportunity to evaluate how those services are provided and delivered. And I think the other thing that up 'til today the discussion has been about how the deficit projects and continue to increase. And the motion that is currently on the floor gives us an opportunity to be able to go back to our number one priority, and that's to create strategies that will generate more revenue to pay or our critical services. And our critical services have been reiterated over and over not by myself but by I think more than 50 people that came up today, public safety, libraries, parks, and making sure that we have the critical services that are essential for the quality of life, the people in San José deserve. So I am encouraged by the fact that the Vice Mayor othat's has included Councilmember Kalra and Chu's memo in the motion because I think with that direction, it will set the tone for a debate where we can get to the end result, and that is, making sure that we are continuing to provide the critical services that the people of San José deserve.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I'm going to be supporting the motion and as I state I think it's very important that we have another opportunity. This gives us that opportunity to have the City Manager meet with the bargaining units. I do think and I would ask that we set a deadline on that, that we have a time frame. I'm mindful that, we saw that whole deadline list and schedule there, that these decisions have to be made in a short amount of time. So I would like to add some sort of time certain date that we're meeting. I wasn't sure if that was in there or not.

>> Mayor Reed: The first meeting is scheduled for Friday.

>> Councilmember Herrera: Okay, great.

>> Mayor Reed: So I expect we get a report back from the manager during Tuesday's meeting during the manager's report back.

>> Councilmember Herrera: Councilmember Pyle's bringing up the idea about the retirement, I sit on the retirement board, that is something we should consider, because that's pretax money and that means a savings to employees when we look at that contribution. That could be ongoing not just one time but ongoing savings and I guess the other thing I want to say is that my goal is to preserve the services and that means preserving jobs and I think that's already been said up here but it can't be said enough. Our product is our employees. It is what we do so to the extent we can create something that everyone can

buy into that we can work with our bargaining units and we can come up with a plan that preserves the jobs and the services, that's the best that we can do.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I agree with Councilmember Constant, we do need to take responsibility for our residents and that is -- that is the intention of the memo I put forward as well, and that's why I appreciate the Vice Mayor and the mayor agreeing with the principles in that memo. That when you say councilmember you said we need to reach out, we should reach out to our employees and ask them to give the 10% to save their jobs, their friends jobs, whether we -- and it's been stated by a couple of folks, whether we get 5% and 10% ongoing 10% cuts no matter how we're going to get them there's still going to be layoffs. We're much more likely to get them to step forward and try to save services and work with us and save their co-workers jobs if we reach out our hand and not push them away with our hand. By saying 10%, we're pushing them away and we're much less likely to get some of those closed contracts to come forward. We should consider everything, I think Councilmember Pyle in her comments I think Councilmember Herrera also referred to some strategies that can be looked at. The point of my memo is that we have to look at everything and allow everything to be discussed and everything on the table. And I'm confident in doing that the City Manager and her team will be able to find solutions and find answers that right now we don't have and they'll do it in a way that's collaborative with our bargaining units such that if we're able to chief significant class savings, we're much more likely to get them to continue to work with us and work with us as we go forward. And that's -- it's not as I said before, I don't think anyone up here is being irresponsible and I think everyone up here wants to save the services. I think that from a pragmatic viewpoint, and where we are in reality, it's knot going to be done without, without allowing for collaboration and at the end of the day, when there's the prospect of layoffs we want to make sure that our bargaining units feel comfortable coming forward knowing that we kept them at the table as part of the process going forward. And so I have a question to the vice mayor since you proposed the motion. And in my -- I have a couple of recommendations that are listed and I just want to make sure that your motion incorporates the sense of what I was trying to propose which is, as was stated by the mayor in his intro as well as you and you put forward the memo, that our goal is to work with the bargaining units to achieve 10% in cost savings. And that 5% is the continual -- the continued statement we made a few months ago, 5% ongoing savings and the other 5% to allow for flexibility. It could be one time, it could be more ongoing savings, there could be other strategies as well. And so I'm just hoping that that's the same sense that you got from the memo.

>> Councilmember Chirco: Yes, it is. On the second part of your memo, I suggested a verbal report from the City Manager just based open the calendar that the mayor put up. I thought that would probably be easier for the time restrictions.

>> Councilmember Kalra: Yeah, and, you know, given the second portion of it, and in the second portion of it, the point to that is that we can just be kept in the loop of the of of some strategies put forward right out of the gate if the City Manager knows it won't be feasible going forward, I just want to know what was proposed, it can be a one line item, this was proposed, it won't work for this reason, we already know it because of A, B and C. Another item that could be more fully vetted, I think we're going to be hearing a lot of reports from the City Manager in the next couple of weeks and months. I agree it doesn't have to be tremendously formal where we're using a amount of staff time to prepare these reports. I think going forward it would be good to have in writing some of the more promising proposals fully vetted so we can at least have an opportunity to know what the options are.

>> Councilmember Chirco: Well, there is a standing item on the agenda which is the City Manager's report. Rather than the reports that are really viable, the strategies, I think the City Manager would refer them to Alex. So just kinds of in the verbal report so that they don't get tied up with council with all the sunshine requirements and the timing just to expedite it based on the very limited calendar that was put up. So I would like to have Deb be able to report it out to us and then anything that really has some substance to it, then she can pass it on to the staff so they can begin working on it as part of the agreement.

>> Councilmember Kalra: And I agree with that. I think the point is that the discussions that are occurring with the bargaining groups, that we have an opportunity to at least hear what's being proposed and that the ones that seem to be most promising that they can be more fully vetted in a more formal manner. But as it states in the first section, that you know, organizing the meetings one of which as the mayor alluded to is already planned for Friday, that allowing those discussions, anything that comes out of those discussions at least we're kept in the loop on so we know what's happening.

>> Councilmember Chirco: As the mayor alluded to the first report would be next Tuesday.

>> Councilmember Kalra: I really want to thank you Vice Mayor and also wanted to thank other council colleagues including Councilmember Herrera, seeing that we have a time that's very narrow and mayor I really want to thank you for considering and giving those positive comments around acknowledging the importance of us working with the employees and with the community and determining what our priorities are and how we can best try to save our services, best save our services for our neighborhoods. Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Yeah, I think everybody up here is trying to do their best in very, very difficult circumstances. So without blaming or anything, I think that by saying that we want a collaborative approach we need to be very clear going forward. That collaborative approach also incorporates a very forthright approach. And so when we tell our employees we want you to make concessions, so everybody can get through this very difficult time, if we're only expecting one-time savings then they're going to be back here next year and they're going to be saying, we gave up and now you're still laying us off and you're still asking for concessions and you haven't resolved the problem. And neighborhood leaders are going to be coming back to us saying wait a minute, you guys cut our services last year and you cut them again this year because these are only one time savings and we're going to cut libraries and parks and pools and everything else again. Obviously we can see where the vote's going but I hope as we entertain these various options where this optional 5% is that we very much keep clear in our minds that one time savings is going to lead to a less than collaborative outcome in future years. I'm mindful of the folks who came down here and said we gave up last year and why isn't the council taking cuts? In fact, I know memories are short, but everybody on the council, in fact everybody in management took actual pay cuts last year when we were asking simply for employees to give up pay increases. One bargaining unit gave up actual cuts and I'm glad of that. But for the most part the cuts were pretty substantial at the top and folks are coming back saying, gee we gave up our pay increases last year why are you asking us for cuts now? We really need to be mindful of the fact that when we're asking for concessions you don't get a lot of bites at the Apple, being forthright early on pays a lot of dividends. Trying find the easier one time savings will have us back in the same hole.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: I just want to say, echo sentiments that have already been said. Without so many of you in that audience who provide services to our children, to our seniors, to pool who are in need this city would be much more impoverished than it is already. I want to thank you tremendously. I also want you to remember that a lot of this has been brought about because the state hasn't even put their budget together. They don't even have a proposal. So it certainly doesn't hurt, I know that the City Attorney is going to kill me if I say much more here. But -- well maybe not kill me but be unhappy. Keep that in mind, please keep an eye on Sacramento and what's happening with that budget as well. And I want to tell you that HNVF won over libraries. I know they're going to be surprised. Thank you.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Never mind. My throat hurts too much to talk but you guys know what I think.

>> Mayor Reed: I think we'll figure it out. Councilmember Chu.

>> Councilmember Chu: Thank you mayor I just wanted to go back to my previous statement I'd like the ask the maker of the motion to add library services into the neighborhood priority on page 10 because I don't see library mentioned anywhere. I wanted to see if Vice Mayor can add library services as a neighborhood priority.

>> Councilmember Chirco: I'd just like to check with the mayor on his budget memo.

>> Mayor Reed: That's just an oversight because the way we did the polling, this is reflected of some of the polling and libraries we know from lots of other sores are important neighborhood priorities. So it's really just an oversight ever not listing them in there because we're working off of this year's poll not the previous year's poll.

>> Councilmember Chirco: So they're included so we can put the language in the Mayor's Budget Message with libraries under neighborhood services.

>> Mayor Reed: And Councilmember Pyle had the second I think. So that's okay, we'll add libraries in there in that section. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor and I just wanted to thank you mayor for your budget message and for being collaborative and taking the first step this evening in accepting some of the ideas

that came from Councilmember Kalra and Chu. I think that's really gone a long way to make this discussion move forward and last, I just want to appeal to everyone out there who's from a bargaining unit, to really step up and help us with this to really come forward with these ideas, that's sworn, nonsworn, everybody. I know we can do it. This city can do it. I believe in all of you so please come forward and really work with us because we need to make this happen.

>> Mayor Reed: Vice Mayor Chirco.

>> Councilmember Chirco: Thank you. And Councilmember Herrera, well said. And also, to agree with Sam, Pete, and Pierluigi, that this is harsh times. But it's not going to be over in a year. And we need to be in partnership with each other. It's not about us demanding or the neighborhoods demanding or the employees demanding. It is really what we can create, collaboratively that will pull us through this. And as rose said, we have the capacity. We need to just all come to the table, put our special interests aside and look for solutions that make a difference for all of us. And I think if we begin with cooperation and collaboration, we will be the richer for it and our community will be the stronger. And I will look forward to the continuing journey, because it is well worth the travel. Thank you.

>> Mayor Reed: Thank you. I think I'm going to take the last word here. This is the end of a -- of just the beginning because we have a lot of work ahead of us but we did start more than four months ago with a community process community based budgeting process that we've adopted since I've been the mayor. We've had many, many community meetings, we've had a lot of collaboration, a lot of meetings with our bargaining units, the mayor's been in constant discussion with our unions, we've had a neighborhood priority setting session. We've been in this process for many months but now we're up against the deadline of July 1st and it's getting closer every day. The problems we are facing each year began if you look at the history of the budget back in the '90s. In the middle of the '90s when the city and the country came out of the recession of the early '90s and we had what you will all remember fondly as the Internet boom, in the late '90s pay and benefits for city workers began to go up dramatically. We were giving very large pay raises, and the state of California thought that everybody was rich, and we could afford to substantially improve the pension benefits for employees without having to pay for it because the stock market was going to keep going up forever. And so the state of California, led by PERS, dramatically affected the cost of pensions, the City of San José had to follow we had an arbitration award in 1996 that increased the pension benefits, an arbitration award in 2007 that increased the pension benefits and we got on this track in the late '90s of substantially increasing pay and benefits. Then came the Internet bust, I'm sure you remember that as well. So what we've been doing the last eight to nine years now is coping with the fact that our expenses continue to go up faster than our revenues. There was a type period where we could cope with it through attrition. We shrank by attrition. Our full time equivalent count is down from 7400 to 6600 people over the last eight years since the boom went bust. But now we are in a period where we can no longer cope with this problem through attrition. We do not have enough empty spots to take the brunt of the cuts we're going to have to make. Over the last nine years pay and benefits for our city employees has gone up. The average cost has gone up 65% in nine years. And I'm now asking our employees to give a little bit after that back. Hundreds of jocks and hundreds of jobs of people performing services. They're delivering the services and the people need the services. I'm asking for a 10% reduction. It's clear the council supports the 10% reduction. We have a difference of opinion exactly thousand get there but clearly everybody understands the difficulties we're in and what we have to do to get out of it includes a reduction in the average cost per employee. With that I think we concluded the council debate. I'm sure the audience does as well. The motion is with the modifications read into the record by Vice Mayor Chirco, hours ago, pain it wasn't that long ago. A while ago. On the motion, all in favor, opposed, one opposed, two opposed, three opposed, constant, Oliverio, and Liccardo opposed, so that passes on an 8-3 vote. That concludes the discussion of the Mayor's March Budget Message as the City Manager now has a huge amount of work to do and she and the staff will be working -- I hope you're not going to do that work tonight. It's awful late, time to go home City Manager. I have no cards for open forum, we are adjourned. I'm sorry, I got one card for open forum. Gentleman who spoke earlier, come on, I forgot. Eric Peterson.

>> I have two minutes you'll be out by 10:00. I'm Eric Peterson, 512 Dicks Way. Thank you for letting me speak, mayor and council. I want to call to your attention the access to the services. The disability door, you have could not access the council, same problem at your libraries. I tried to address this issue, mutually advantageous, and it's turned adversarial. Apparently the only thing that gets a person's attention is money, so I'm holding back from filing ADA compliance which is a \$2500 a day fine. I'm appealing to you, as a council, to get some direction to get this mitigated. The second piece of this

assentation policy of the library that allows the administration there to be the judge, jury and executioner and they can arbitrarily and capriciously take away your rights to those community services. I.e. there's going to be a brainstorming forum and we're precluded from that. I've tried to go up the chain of command. But when I asked to address the library commission, that's when it turned adversarial and I was not allowed into the library. There should be accountability and consequences. The last piece is, I'd request that you review your I.D. badge policy for your employees so that it will be clearly visible so I can associate the person's name and face so there won't be any misrepresentation. I'd hope this would be -- move away from a don't ask, don't tell approach, to something of understanding each person's perspective. Thank you for your time.

>> Mayor Reed: Thank you, Mr. Peterson. I'm going to have our general services manager talk to you about those places where we may have some ADA compliance issues so we can deal with them as necessary so just hang here for just a second, Mr. Peterson. All right that concludes the open forum, now we're adjourned.