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>> Councilmember Pyle: Thank you for coming to the neighborhood services committee. We are about to begin. And we'll keep you all -- get you out of here at a good time. The first five items in reference to B-1 have been deferred. They are seven in total, right? I'm not looking at the second page. But reason being that our staff is really overpressed and there just hasn't been enough time to stay on top of all of that so that will be coming back. We will have a robust June meeting or May rather.

>> Councilmember Constant: Motion to approve. And I may call in sick next month.

>> Councilmember Pyle: All in favor, aye. We're going to move on now to the strong -- sorry to the consent calendar, there is no consent calendar. So we will skip that one and let's move on to D-1, reports to the committee, the first one being the in-lieu fee adjustment. For that we have Matt cano ready to go.

>> Matt Cano: Thank you very much. Matt Cano division manager Parks, Recreation, and Neighborhood Services. I have a brief summary Thai that I'm sorry wasn't included in your packet but it is summarizing the summary that was included in your packet. This is the annual report that we bring to the parks and recognize commissioner, neighborhood services and education committee and the city council to address the fees the -- these are the in-lieu fees that developers pay for park land dedication as opposed to dedicating park land. When the developer comes in for a new housing development we always would prefer they dedicate land so we can have parks for the new residents, but oftentimes that can't happen for various reasons and so we have a fee schedule in lieu of landed the case. And we update that annually because on the latest land values from the prior year. This is in January 2007, is when we really first started doing this annual update, and we've updated them every year since. In quick summary six of the areas have gone -- and I actually have, I apologize for not passing this out before. This is a summary by MLS area of the land values since 2004, for each area in the city. Between the 2009 study, which our previous fees are based upon and the 2010 study which we're recommending the fees be based on today, six areas have gone down in area, six areas remain unchanged and two areas have gone slightly up in value. Those two areas that have gone slightly up in value are Willow Glen area which went from 35 to \$40 per square foot and South San José which went from 20 to \$25 per square foot. In your report we have a fee schedule based on the new proposed land values as the attachment and we're

planning on proceeding forward to council in may for final adoption of these fee schedules assuming your recommendation is to do that and then these fees will go into effect August 1st. Our goal is to have the fees go into effect August 1st or that first Monday in August of every year from now on so the developers really have that time schedule and they have a certainty there. And with that I'd be happy to take any questions you have on this report.

>> Councilmember Pyle: Questions? Pete.

>> Councilmember Constant: I'll always comment, I always claimed about the land values in District 1 being out of whack. I don't know if I'm happy or sad that the land values are now back in sync with everybody else. I'll make a motion.

>> Councilmember Pyle: All in favor, aye, that is approved unanimously and thank you for the presentation. Appreciate that. Moving on now to the PRNS annual report, and with us today --

>> Norberto Dueñas: Is Jay Castellano and Tracy.

>> Councilmember Pyle: Hi Jay and Tracy, good to see you.

>> Madam Chair, members of the commission, we're here today to present the PRNS annual report which is pursuant to city council policy 1-21 PRNS fees revenue and pricing policies. Tracy today, you've got the packet, the report in your packet and today Tracy will reaffirm the policy framework that led to this document and then very quickly highlight some of the bullet points contents in the document and talk to you about where we're going to be going with our continued efforts to improve PRNS cost recovery rates.

>> Good afternoon, thank you for the opportunity to share in your report today. Despite the ten years of budget cuts, PRNS has been able to keep open our community centers and the various programs we have for the most part. But as a result of the budget situation, PRNS decided or embarked on this pricing and revenue strategy

policy in line with the Greenprint approach to creating revenue. So in June 2009, city council approved a pricing and revenue policy known as council policy 1-21. And as one of the commitments of that policy to present an annual report for the department and our progress. So that's what we're here for today. The pricing and revenue strategy the value of that is to identify strategies to generate more revenue, outside revenue, and prior to the policy also it's allowing us to be more responsive to pricing changes. So in the past, most of our fees were in the fees and charges document which was updated I believe once a year annually. Or if we wanted a pricing change we would actually have to put it through council agenda, go to council, get approval, and change our pricing. Prices include things like rental fees, some of our activities out at the community centers and parks. So this is allowing us to ask the City Manager for approval on a quarterly basis for changes and then also to implement pilot programs to see if they work six-month pilot programs. And it's kind of nice because if you have like a 24 hour fitness center down the street from us, they in an instant can change their fees to \$9 a month or whatever it is. So we have the opportunity now to be competitive with them to say just for a temporary time we want to lower our prices have a special and this is allowing us to do that. So the pricing and revenue strategy guidelines, guiding principles include identifying the level of benefit for all of our programs. So public, private and merit. Public is examples are parks and trails where people can come in, enjoy our beautiful parks and clean facilities, merit, are things like swim lessons and after school recreation programs for our youth and then the private benefits are facility rentals, people that use our community centers for weddings or birthday parties and for some of our leisure classes. Another guiding principle is to calculate the cost of service for each program so we're really taking a look at all of our programs and seeing where we can be most efficient in our expenses and our revenues coming in. We also want to ensure affordable access to our customers so we do have scholarship programs which we'll be talking about. We also want to identify creative revenue strategies and engage the community input. So we do have information on our Website and then we do hold community meetings for some of our coliseum pricing changes. So some of our highlights for our 2010 annual report is parks and recreation, one of the things that we do is to provide positive opportunities for people. So the first thing is, we opened happy hollow in March 2009. It was a \$72 million renovation. We have about 8,000 people visiting and happy hollow raise their revenue, they raised \$2.4 million in revenue last year exceeding their revenue target by \$500,000 and also with the revenue at happy hollow they have been able to open up a greener facility. We've got Denny the dragon that converted from the old gas where kids were inhaling the fumes to the battery operated one now and

we have facilities there and actually they're LEED certified and recognize they're green facilities which is really nice. Another positive opportunity we have is we've an opportunity through the bond project to open some community centers. We have found working with the police department we have found that crime stats have gone down. So for example in the Roosevelt neighborhood, auto burglaries have reduced by 60%. In the Seven Trees area narcotics was reduced by 80% and in the Mayfair area vandalism was reduced by 36%. So we've seen a positive impact when we open facilities just from our visibility, our programs, of people coming to participate in them. Then along with that we have a very strong volunteer program as you know. We've got many facets that people can come and volunteer. We've got our parks, we've got RSVP which is our senior program and many of our community centers have people coming in and parks coming in to help us out so we can't do without our volunteers definitely. And we're also proud of promoting healthy lifestyles. So one of the -- we've got 180 neighborhood parks, open space, beautiful playgrounds and facilities. We did open two new facilities last year which was Seven Trees community center and the Edenvale youth center. We also have award-winning programs so we do have the America's best rose garden, and then we -- our trails are award-winning and our mayor's gang prevention task force is a national model where people want to emulate and get cutting-edge strategies on how we deal with our gang problems. And then one of our program wins that we're proud of is the game on team challenge at Almaden community center. One of our programmers works with teens. They do a video simulation or games in the daytime and then they go play that. So for instance they may play paint ball on the video game and then go out in the afternoon and really play paint ball. So you've got that combination of the kind of the physical inside and the outdoor. And that was recognized last year by CPRS. Another healthy lifestyle park is the Lake Cunningham regional skate park. And it draws people from all over the place. They did hold an international competition there, and it continues to be a very popular place for skateboarders and for spectator as well. So one of the primary importance of the pricing and revenue strategy is our financial sustainability. As we all know through the city it's very important. One of the goals for parks and rec is to become cost recovery, to obtain a 40% cost recovery rate by the year 2014. Last year in 2010 we were at 31.5% which was up from the year before as you can see at 30.9%. As far as our revenue targets, so parks and recreation has continued to increase our revenues. Our target, so in fiscal year '09-10, our modified target was \$10.2 million. The department generated \$11 million last year. This year we're on par to be -- to generate \$13 million. We just actually got our revenue targets raised for this fiscal year. A large part of that was due to happy hollow, they did a really great job

in opening and getting people from all over the place. But all of our other programs actually have been holding steady or increasing which is pretty incredible in these times of economic hardship. One of the also important things for us is ensuring affordable access to everybody. So although we price towards the 80% of the population that can pay full price we realize that there are people who have a hard time regardless if you're low income or not to offer -- or to pay for services for us. So we do offer quite a bit of scholarships. We offered our youth city scholarship back in December of 2009. We give \$100 for qualified youth to enjoy any program across the city. Summer camps or leisure classes. But in addition to that we've had other grants or scholarship available to youth. We've had the safe summer initiative which help with summer camps. Last year we had a nutrition program for summer camps where meals were provided along with the recreational opportunities. Happy hollow does have a scholarship program, the Jim Ward, Prusch and then the after school recreation type scholarship. So we had many different buckets that we can pull from for scholarships to ensure that people get scholarships. So looking forward to 2011, we are continuing down the road of our 40% cost recovery plan and trying to achieve that by 2014. We'll be doing that by -- we've got about 500 line items of fees that we look at and we try to update or we see where we can maximize revenues for that. We will be looking at expenses to be sure that we're being efficient and prudent with our compensates. We also have what we call matrix teams we form to support the 40% cost recovery plan. So one of them's the scholarship, they will be working on getting seniors and people with disabilities more services or opportunities for scholarships this year. We have a created revenue team which looks at outside funding grants foundation things, a pricing that across our department because we're so large, the parks and the recreation part of it we look at all our pricing to see if we're in market rate and make sure we compete with those 24 hour Nautilus fitness centers kind of thing, and then we do have our cost of service matrix team which looks at our individual programs, and again, as I mentioned, to make sure that the cost of service rates are within reach and that we're looking at our expenditures and our revenues. As far as creative revenue, we are looking at obviously outside funding but we have had also initial meetings to collaborate with all the focuses. We have the Guadalupe river foundation and we have the happy hollow and we have our parks foundation. We want to make sure we are working collaboratively, and that we are not stepping on each others' toes, and if we can, that we would go together in any effort moving forward to get outside funding. Last year in our grants we received \$1.2 million in grants so we look forward to continuing to get numerous grants as we move forward. And partnering with the community is also important. Highlighted in the annual report there were two

major initiatives last year that we partnered with the community. One was the reuse program. We had 42 sites last year. We started with 20. We added 22 last year, and they actually offer within the 42 sites 750 hours of service a week to our community. So that was an alternative method of closing facilities and keeping them dark. The other initiative we had last year as you're aware is the aquatics program. Because we were only able to open up two pools, Camden and Mayfair we were able to open two pools through other agencies to offer combination swim and rec swim. That will continue again this year. For future we are also talking with a large corporation to identify partnership opportunities to build some of our trails. So they actually have a campus, one in the South and one in the north, and they want to connect them so their employees can bike to work or be more active. So we're in communication and discussions with them, initial discussions with them so we hope to find more of those partnership opportunities in the future. And then as far as celebration, we've got a couple of exciting things coming up this year. Happy hollow will be celebrating their 50th anniversary. They had a kickoff event on Saturday. And what they are doing is they are actually doing a year long celebration so they will be having ongoing programs and events throughout the year. One of the things that they started on Saturday is they are starting a time capsule so people can donate things, and then they will bury it, and in 20 years they will open it up for a new generation of residents. And the other exciting thing coming on line for this year is family camp is back. Last year we did have to shut it down but this year we started registration in May and on the first day of registration they were up to 50% capacity. So right now they are excited about processing their mail-in and their fax-in registrations and it looks like a very promising season for them. So with that, I am -- thank you for your time and I can answer any questions.

>> Councilmember Pyle: Questions?

>> Councilmember Constant: Comments and questions. Thank you. First of all, I wanted to thank PRNS for all the work they did with the senior nutrition task force. There was a lot of hours devoted to that project and I was thankful for their participation and really thankful for the results. We still have to hold our breath for a couple of months but I'm very optimistic on that program. Second, I was intrigued by the statistics that you gave us that you captured around the new community centers as they relate to crime. Is that something that you have or could put out an information memo on so that it is more widely publicized? I think it's going to be important as we get to our

budget discussions begin the very hard choices that we have to make and oftentimes it's very hard to describe to the average public member who lives out there somewhere in our city, the connection between these seemingly unconnected things that we do in our city. So if that's something that could be done I think it would be very fruitful for the budget discussions.

>> We'd be happy to coordinate with the manager's office to get that out.

>> Councilmember Constant: Great. Third, on family camp, where are we -- we had talked about when we had all the major discussions, on family camp about the business plan process, and all that. I don't remember seeing that. Has that been done or is that coming?

>> Thank you, again, Matt cano, division manager, Parks, Recreation, and Neighborhood Services. We are starting -- we're working on a master plan that we've completed a draft of and working with the forest service on that and we are in the middle of a business plan right now as well, and we are planning on coming back to council with that in either -- hopefully August or September so we can have council make a decision regarding our long term investment with the camp prior to renewing our 20 year lease.

>> Councilmember Constant: Thanks, I wanted to get an update on that, I was always thinking about things we have done in the past that we haven't completely completed yet. The other question I had is, we got a great picture of all the things that have happened, all the good things that are happening and all that. One of the things I've expressed time and time again is about our deferred infrastructure maintenance. And I know when we talked, probably about a year ago, one of the questions I had was, what was the status of our underground infrastructure needs. And at that time, I believe if I'm recalling right that there was an estimate that it would take three to \$5 million to complete that type of study. I'm -- I know it hasn't been done but I'm just wondering what's our thought process for a range of time when we're going to be able to take a look at that needed infrastructure?

>> That's a good question. We have, as part of the proposed 11-12 capital budget, we have proposed a project for \$440,000. We have taken \$40,000 out of each council district's C&C as well as the citywide construction and

conveyance tax, and we're starting to work with Public Works so we can scope out a project to be completed this coming fiscal year that will give us a very good inventory number of our underground as well as our above ground infrastructure backlog needs so by next spring budget cycle we should have a really solid number.

>> Councilmember Constant: Great. It's one of those things I want to keep -- we have all these big, immediate challenges, but I want to keep conscious the fact that we have these longer-term challenges and we know they're big, and it's just nice to be able to have that information. So thanks, I'll look forward as we get to that. I know it will be a tough project and probably a tough reality check for us when we get the results but I think it's much needed. Thank you very much.

>> Councilmember Pyle: Don?

>> Councilmember Rocha: Did you want to take comments from the audience first?

>> Councilmember Pyle: Does he know something I don't? [Laughter]

>> Councilmember Rocha: Can I get your -- I know that the move from the citywide programming, citywide sports programming to more community center program is not recent, so it probably wouldn't be included in this but can you talk about how that's been going?

>> Our community centers it used to be offered centrally through our adult sports section, and with the elimination, our community centers have picked up the leagues. And for the most part I'm hearing that all the leagues are going. One of them had to be cancelled in the Mayfair area, the basketball league, but for the majority of them services are continuing with the adult leagues.

>> Councilmember Rocha: So you're finding that the programming at the community center level has been efficient but to continue with that model I guess is the question. Okay. I went to the senior councilman I don't know luncheon and I understand that's the last year we're going to be the partner in that and they're looking for

alternative funding. Are we included in that search to try and find other sponsors or have we now just stepped back completely and left that really up to them?

>> I'm sorry we don't know the status of that one with the staff here but we can get back to you on that.

>> Councilmember Rocha: That's fine. I'm going to ask a general question and maybe Norberto, sorry to put you in the position since you're just acting. But the overall purpose of this annual report, where does it go and what are we doing with it?

>> Norberto Dueñas: Any understand is it was a result of council direction, it was a council policy to be able to bring to the committee and to the council activities in the Parks, Recreation, and Neighborhood Services department. In terms of where it goes, I mean it's more of a status report. However, our hope is that it generates the type of questions and comments and follow-ups that the committee or the council would like to have as it relates to the report itself. As an example, the request from Councilmember Constant on the infrastructure analysis, and ensuring that items that have been out there for follow-up continue to be tracked. But this basically is not cross-referenced on the council agenda. It is? It is not. It is not. So it was really part of a council request to do the annual report.

>> Councilmember Rocha: Reading through it, it's very 40,000 foot level, and I'm not suggesting I want to be at one foot level. But it seems somewhere in the middle, because honestly, it's a really great report and I'm not sure the value of staff's time and I really appreciate this work but if we just -- they put a lot of time and energy into this and just say thanks, acceptance I'm not sure the value that we're getting out of this at the end of the day for all the time and staff work in this. And again, that's -- you're acting and this probably would be a better question for Albert in terms of his experience over the years but if we're not getting anything out of this over the years should we ask staff to put time and effort into this.

>> Norberto Dueñas: That's a good question. Jay, how long have we been doing this report?

>> This is the second year. Certainly a primary driver for the report is knowing that we are delegating authority to the city manager for the price increases and we wanted a forum to inform the council where price increases are happening and how that's contributing to our overall cost recovery rate and obviously we built in -- used this opportunity to build in some highlights of what we've done with programs, too. I think the primary driver really was to keep the council informed on what the price increases have been doing with revenue and in terms of how it hits the actual users.

>> Councilmember Rocha: Outside of the fees and charges report, that is specifically PRNS, this is also another --

>> That's correct, I'm sorry, I could have done a better job there.

>> Councilmember Rocha: No, no, that's okay. I was trying to understand more.

>> The fees and charges document that form council policy 21, fees and charges document include about 66 pages of parks and recreation fees. Through the policy the council delegated authority to the city manager so that we couldn't do more immediate price changes. So in lieu of the 66 pages in the fees and charges document, we've been delegated authority in reporting back at a higher level through the annual report.

>> Councilmember Rocha: Okay, thank you. I guess I was going to reiterate fantastic, it's a very 40 thousand square foot. I'm sure you don't want council micromanaging the direction of the programs and the staff even at the community centers and all that and I don't want to do that either. But my thought is you know, just you're putting time in it and really for me I'm just reading the highlights of your work, saying thanks, acceptance. If that's the intent of the council so be it. I'm not completely sure, I plate agree it's a use of staff time.

>> Norberto Dueñas: Thank you, councilmember. What we can do is go back and look at the intent of the policy and be sure that the reports that we're providing are consistent with that intent.

>> Councilmember Rocha: Thank you, thanks for your work, I'm sorry.

>> Councilmember Pyle: I would offer somewhat of a suggestion, take it or leave it. It would not impose more work because you could work with another department. This is a good report, you've been doing a lot of work. Hence we don't have a large audience because there weren't people out there upset with what's happening to their parks, et cetera. Would I like to suggest that number 1 the major highlights of the report in reference to did you know that kind of information could go to every single one of our county's cities and/or beyond. There is a magazine called Via which is put out by the AAA I believe, yes, it is. They're constantly featuring this kind of thing in there. And so what would that lead to? Well, that would lead to more tourism which would bring in more money. So I would suggest that we use this, as a way to bring some money into the coffers which you could use to expand programs. You know who would -- he's going to hate me but Stephen Brewster does this all the time. So working with OED to get this out would maybe make more sense. The worst he could say is no and I'll go talk to him. Any other help we can get would be much appreciated. So we have a first to accept the report. May I have a second please?

>> Second.

>> Councilmember Pyle: All those in favor? Aye. Thank you very much, it is unanimously accepted and it's a wonderful, wonderful report something you could be very proud of. So let's make some bucks with it. Okay, at that, we are nearing the end. It is time for open forum. Are there any people in the audience wishing to speak about this report? Okay, there are no people, so we are adjourned.

>> Norberto Dueñas: Madam Chair, before we adjourn --

>> Councilmember Pyle: Spoilsport!

>> Norberto Dueñas: Sorry. Our next meeting of the NSE committee is on Thursday, May 12th and unfortunately there is a conflict on that schedule. There is a study session, a budget study session during the same block of

time. So we will be working with your offices to find a different date, do the best we can to find a different date, time and maybe even a place, to hold the meeting in May. But we found out about that conflict last month. So we'll do whatever we can to try to find a date that works for all of you.

>> Councilmember Pyle: May will be pretty busy won't it?

>> Norberto Dueñas: It will be difficult but we'll do our best.

>> Councilmember Pyle: All right, thank you all for being here, we did that in a half-hour.