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>> Mayor Reed: This is Rules and Open Government Committee meeting for March 2nd, 2011. Any changes to the agenda order? None, all right. First item would be to review the March 8th agenda. Anything on page 1? 9:00 start for the morning session, we think --

>> City Attorney Doyle: That probably makes sense given the Patel sessions.

>> Mayor Reed: There will be some labor issues to discuss then. 9:00 start, then. Anything else on -- I think there was a request for adjournment -- we have district 9 requested adjourn in the name of S.L. Sinceri. Anything else on page 2 or 3? Page 4 or 5? Item 3.2, labor negotiations update, we have a 9:00 a.m. start.

>> Mr. Mayor, could we come back to 3.4, to consider a time certain or --

>> Mayor Reed: The elections commission interviews, yes, we should think about that.

>> Could we have any?

>> Dennis Hawkins: We have six although I was just advised that one of the applicants will not be present so we'll have five interviews.

>> Mayor Reed: Anything else on page 4 or 5. Page 6 or 7? Item 8.1 is the amended to the urban area security initiative memorandum of understanding. We take that up in closed session, probably as well?

>> City Attorney Doyle: Yes. That's included on the closed session agenda or will be.

>> Mayor Reed: All right. I have some requests for additions, Councilmember Constant's requested travel to Washington, D.C. Councilmember Kalra's travel to Washington, D.C. Any others.

>> Councilmember Constant: Mr. Mayor, if I could just jump in on two things. On mine, it's an extension of travel, not new travel. I don't know if that really makes any difference, but my memo is a little more clear, since I'll already be in Washington. So it's just extending my current trip by one day so I can participate in the leadership group trip. And then the second one just a typo, it lists me a second time when that should be Councilmember Kalra.

>> Mayor Reed: Okay. Just in the agenda recommendation section should be Councilmember Kalra. And then so we correct the first one, item A, so additional days of travel --

>> Councilmember Constant: I think it just says approval of extension of travel.

>> Mayor Reed: Extension of travel to allow participation in the leadership group. Any other additions? We'll have some other items are often the joint city-agency agenda, we'll get to those as part of the agency agenda. All right, back to item 3.4, the elections commission interviews, in a time to do that. What else do we have? We don't have a lot on here.

>> Not that much.

>> Dennis Hawkins: Mr. Mayor, last week at the committee we discussed possibly having the election committee interviews after the city side, after the Redevelopment Agency so it would be heard last, that would give the council the most flexibility.

>> Mayor Reed: Last is good. Can we tell them not to show up before 2:30? 3:00? We're going to have some, I think, at least a half an hour redevelopment discussion. We'll say not before 2:30. We don't want to sit there and wait.

>> Dennis Hawkins: And just to note that the appointments require two-thirds vote by the council for the appointments.

>> Mayor Reed: Which is eight votes and if we don't get eight votes then we could leave a vacancy, until we go out again. We've done that in the past I think. Any other additions or corrections?

>> Councilmember Constant: Motion to approve as amended.

>> Second.

>> Mayor Reed: Motion is to approve as amended. Before we do that I want to think about the elections commission again. 2:30 might be a little bit early. We could tell half of them not before 2:30 and half of them not before 3:00. Spread it out a bit, if you think. We're trying to entice them into joining this commission. We have to be nice to them for at least a little while. Does that work as far as how your clerk schedules them? We don't want them all in the chambers at the same time anyway.

>> Dennis Hawkins: Right, we'll sequester them and send them forward as they're called.

>> Mayor Reed: All in favor, opposed, none opposed, that's approved. Council agenda for March 15th. Anything on page 1? Page 2 or 3? Page 4 or 5. I'd like to talk on 9.1 which is the mayor's March budget message. We had originally planned to have it only in the evening. I think, looking at the length of this agenda, we could start it in the afternoon, take whatever testimony if anybody is there in the afternoon, and then take it up again in the evening at 7:00, to take some additional testimony. I have to leave the meeting at 8:00 to go to Washington on a red eye. Got to do it. Does anybody have a problem with opening up the discussion in the afternoon, whenever we get to it, this agenda, it might be as early as 3:00.

>> Actually, mayor, on item 7.1 the Green Vision we are going to be deleting that item and bringing it back on March 22nd.

>> Mayor Reed: So we could easily get to this early in the afternoon. All we have is the consent calendar items. Ceremonials. The labor negotiations update will be in the morning. Couple of things, and then the budget

message. So it could be midafternoon, pretty easily, and then might as well take the time instead of putting it all into the evening, take some of it in the afternoon. But we would -- we have an evening meeting with already a light agenda. So if we took up the budget message right at 7:00, we'd have at least another hour before I have to leave the meeting. I'd kind of like to be there for the public testimony. So we'll start it in the afternoon and then take it up at 7:00 p.m.

>> Councilmember Constant: Just to be clear, this is just going to be receiving input, there is not any vote, right?

>> Mayor Reed: Right, this is not action. The date for action I believe is the 22nd.

>> We'll just ensure that if there is public noticing for it, that we'll get that on there, we'll start in the afternoon.

>> Councilmember Constant: Is this just the public hearing where the public speaks or does the council have discussion as well? I think it's just the hearing right?

>> Mayor Reed: Well, the council could have a discussion, not take action, not about giving direction or action.

>> Councilmember Constant: I will be gone and I think a couple others will be gone that day as well.

>> Mayor Reed: Will we have a quorum?

>> Councilmember Constant: So it will be shorter. I won't be there, Mr. Kalra will be gone. With me and Ash gone that saves an hour.

>> But.

>> Dennis Hawkins: She changed it, she will plan on being there.

>> Mayor Reed: I have to leave at 8:00 so we hopefully will be done by 8:00. We also have the financing authority agenda item and that is authorization of bond financing for the convention center project. I think that will take some time to explain.

>> We actually wanted that we can discuss it next week to be heard after the consent calendar. There will be outside people coming.

>> Mayor Reed: There is work to get to the budget message but clearly it will be in the midafternoon. We can take as much testimony as we can get and come back in the evening for others. Other additions or changes to the agenda? Did I get all the way through it, requests? I think so.

>> Councilmember Constant: Motion to approve as amended.

>> Second.

>> Mayor Reed: Motion is to approve as amended. All in favor? Opposed? None opposed, that's approved. Redevelopment Agency agenda page 1, 9:00 a.m. start. Page 2, or 3, and then some requests for additions, 7.1 would be a resolution authorization the executive director to negotiate and execute an amendment to the ground lease agreement with Camera 12.

>> Mr. Mayor, members of the committee. If I could insert, on 7.1 we are asking for negotiate and execute authority which is different than you see on the current agenda. If the item is actually signed when we get to the meeting it won't be negotiate and execute. We'll ask that the council and board approve the item at that point.

>> Mayor Reed: Okay. And then, another category in the 3 series, approval to amend time limitations, extend the effectiveness of redevelopment plans and the last day to repay indebtedness for those plans in accordance with AB 36 which was the bill in which the state took \$75 million of our money, right? This is the little bit we get --

>> This is what we get in return.

>> Mayor Reed: To soothe the pain?

>> Councilmember Constant: Expensive year.

>> Mayor Reed: Yes, one year extension. But it was previously authorized by the legislature. So add that. And then actions related to San José Diridon development authority joint powers agreement to basically authorize the creation and execution of documents to create it. And then actions related to transfer and acceptance of public facilities for resolutions and related documents to authorize the manager to negotiate and execute on behalf of the city, cooperation agreement with the agency, authorize executive director to negotiate and execute on behalf of the agency, cooperation agreement with the city and to transfer various to the city various agency owned properties. And then the addition of a meeting of the San José Diridon development authority, to be heard after it's created, swearing in of officers, comments, and a consent calendar of resolution adoption and bylaws and things like that. We'll need a sunshine waiver on these, because it's Tuesday.

>> City Attorney Doyle: Yes, Mayor. We expect to have a memo and the documents, the legal documents ready tomorrow afternoon, that's the plan, but no later than Friday at noon. With apologies for the late notice on this. It's time sensitive given developments in Sacramento and so we need to act by the 8th.

>> Mr. Mayor if I may also we'll need sunshine waivers for the memoranda for 3.2 the financial progress report and 7.1. Both of those have been distributed, but they were not distributed last Friday with the ten day rule. The resolution for 7.1, the agreement was posted by within the sunshine requirement but not the two memoranda so we would add those to the sunshine waivers for these brand-new items.

>> Councilmember Constant: So with that I would make a motion to approve with the included sunshine waivers for those items and the adds and amendments.

>> Second.

>> Mayor Reed: Motion is to approve. All in favor. Opposed, one question before we vote.

>> Councilmember Oliverio: Mayor Reed, is it based on the actions happening at Sacramento, sit -- should we agendize anything else that would provide us ability to have conversation or take action?

>> City Attorney Doyle: I think at this point we are -- this is what we're prepared to recommend. And with the idea that we're watching Sacramento very closely but I think this gives us the broad authority that -- and also in connection with what was given to the executive director in January by the council or by the board.

>> Councilmember Oliverio: So if something happens tomorrow or this afternoon that's outside of the Rules committee does this -- how would the process go about getting something else on the agenda?

>> City Attorney Doyle: We would have to deal with the mayor's office in terms of any last-minute additions. The Brown Act is restrictive, it's not just your own sunshine. It really comes down to if there is activity that takes place within 72 hours of the meeting and it's within anticipated and there's a need to take immediate action, the council can -- with two-thirds vote can make a finding that there's a need to take action. We're monitoring that. If it happens we'll bring something forward but I think this is really what we only anticipate bringing forward at this point.

>> Councilmember Oliverio: Okay.

>> Mayor Reed: The other sequence of events is something could happen tomorrow and Friday we would want to put something on the agenda and that would -- if it's done Friday would just require sunshine waiver at the meeting.

>> City Attorney Doyle: At the meeting, a council appointee we could add that to the agenda and with the understanding that the county would have to at the beginning of the meeting agree to put it on with the necessary waivers.

>> Mayor Reed: So we're not precluded from taking action if further things happen in Sacramento. Seems to be an ongoing story. The motion is to approve. All in favor, opposed, none opposed, that's approved. March 15th agenda we have nothing at this time, as I understand it?

>> That's correct, nothing at this time.

>> Mayor Reed: Upcoming study session agendas, we've already looked at tomorrow's agenda, so we don't have to consider that. Legislative update. From State of California, Betsy.

>> Betsy Shotwell: Thank you mayor, Betsy Shotwell, Director of Intergovernmental Relations. To the committee and mayor, the ongoing story is exactly that. The joint budget conference committee was formed last Wednesday. They have been in meetings going over the proposals that you're very familiar with with regards to redevelopment enterprise zone and the realignment. In this format the Department of Finance speaks and present and the Legislative Analyst's office presents and back and forthwith questions. They're not meeting, they didn't meet yesterday and they aren't scheduled yet to meet, it's at the call of the chair today or whether it's tomorrow or not. Roxann our lobbyist in Sacramento, Roxann Miller is meeting with the members of the committee, their staff, budget staff, it's been quite intense as you can imagine with the governor's deadline of March 10th stated. I did go to -- senator Corbett had a budget meeting this morning with the treasurer, Lockyer, and she did and he did too indicate they're looking for some kind of action this week or the following week, within two weeks expect something. I of course defer to Harry if he has any news that he wishes to share. I know when Roxann is hearing things or proposals, I know she's been talking to the city staff agency staff and Leslye and the housing department as well to make sure we're all aware and communicating what is in play. So -- be happy to answer any questions.

>> Mayor Reed: I have a question about the dates that are driving this. The governor's set March 10th has said he wants to have everything signed sealed and delivered, et cetera in order to meet a June 7th election date get all the printing publication and all that stuff. Is there magic to the June 7th date? Why not June 14th or June 21st?

>> Betsy Shotwell: Well, similar to the time when the special election was called in May a few years ago. You raise a very good point. A lot of it is cost-driven and if there are elections going on elsewhere in the state, there might be cost savings picking that date. I don't know the rest of the state election schedule own our own.

>> Mayor Reed: The legislature could decide we need more time in order to do this, let's take another week and bump the date a week or haven't they also in the past changed the rules about how much time you have to give to the registrars to do it?

>> Yes they have and met with hue and cry from those who carry out that activity.

>> Mayor Reed: Didn't stop them.

>> Betsy Shotwell: That's correct.

>> Mayor Reed: The June seventh date is not cast in stone. I'm sure Roxann and Betsy will have plenty to do.

>> Councilmember Constant: June 8th we'll let you know what happens.

>> Mayor Reed: Harry you have anything to add?

>> Harry Mavrogenes: Just that we continue to monitor. Roxann is doing wonderful job keeping us informed. There is a bill that AFSCME has proposed, they represent redevelopment employees around the state, and this one proposes taking the housing fund up to 30% and use the unencumbered portions of housing as well as the additional 10% this year to plug the \$1.7 billion hole in the budget and then to keep the housing at 30%

after that. I don't know how far along that's gotten, but that's been proposed. There are some other pieces of legislation, housing advocates have put out to present to preserve the affordable housing components although one has been dropped. And we really haven't heard anything else. The encouraging thing last week that happened is that a lot of questions were asked at that committee. And they didn't take the finance department's answers just as fact. They questioned those numbers. There were a number of them that sited that they knew the benefits of redevelopment whereas the state offices have said there weren't. So there seems to be a lot of questions on the part of legislature, and no final decisions being made. So that's encouraging. And we'll just monitor it day by day.

>> Mayor Reed: Who was it last week, in Sacramento, I think the legislative council's office that said what the governor's proposing is legally problematic was the term of art.

>> Betsy Shotwell: I was watching the hearing when he was saying that.

>> Mayor Reed: Rick, that's a term lawyers use when they don't want to say too directly that it's got problems with the --

>> City Attorney Doyle: When a leg counsel or any attorney make a public comment that it's likely problematic that's going pretty far, that there are real problems.

>> Mayor Reed: Well we know that because I've read the constitution. And prop 22 amended the constitution just recently as last fall and what they're trying to do is clearly a violation of that. I see that certainly as legally problematic. It is the state legislature and the governor and they get to make the rules and they get to change the rules sometimes. Anything on Sacramento? Nothing on a federal update?

>> Betsy Shotwell: No they're going to be continuing the resolution to keep the federal government in business past Friday, that was the deadline, for another two weeks as they continue to negotiate both houses on what the budget cuts might look like.

>> Mayor Reed: I did have a questions about that, the continuing resolution is only good for a couple of weeks, even if it's only good for a couple of weeks, once it expires, it's replaced by whatever the final action is. What we are tracking are the requirements opportunity safer grant and whether or not the continuing resolution might change some of the criteria for that grant that would help us be able to accept it. But seems to me that even if it's in the continuing resolution some way that that's only good for a couple of weeks at best or a couple of months depending upon how long they do it.

>> Betsy Shotwell: Right, it's very complicated. Definitely.

>> Mayor Reed: Good but I do know that our Washington lobbyists are watching.

>> Betsy Shotwell: Yes.

>> Mayor Reed: That on our behalf.

>> Betsy Shotwell: Yes and our local delegation is aware.

>> Mayor Reed: Yes, I have communicated with congresswoman Lofgren several times about the maintenance of effort requirement that would affect our ability to take the SAFER grand and be able to comply with it. I think that's enough on the legislative update. We'll turn to the public record. Anything the public record committee would like to pull for discussion?

>> Councilmember Constant: Move to note and file.

>> Second.

>> Mayor Reed: Motion is to note and file. I have no cards from the public. Mr. Wall must be it today, sorry to hear that. Motion is to approve.

>> Councilmember Constant: If you are watching at home David go ahead and say your two minutes now.

>> Mayor Reed: Motion to approve. Note and file. All in favor uh, opposed, none opposed, that's approved. I think that's all of the business except for the open forum. I have no cards under open forum so we're done and we're adjourned.