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>> Pete Constant: Good afternoon. We're going to get started with the Public Safety, Finance and Strategic Support meeting of December 15th, 2011. First we're all almost here, I'm sure Pierluigi will be joining us shortly. First item is review of the work plan. We have one two three items that are being dropped. As well as the Redevelopment Agency's monthly report was inadvertently not noticed and that is something that we should be having monthly. And the reason that occurred is, in a previous meeting it was the recommendation of this committee that we move that to quarterly reporting. But after review with the director of the agency, and the agency counsel, it was determined that it should be -- should remain on a monthly reporting. It just didn't make it onto this agenda. So in the future we'll be seeing that pack on our agenda on a regular monthly basis. Alex, anything else on the work plan?

>> No, that's all, thank you.

>> Pete Constant: Can we go ahead and get a -- these are already dropped so we don't have to do anything there. Consent calendar, we'll have a little bit of discussion with Jennifer before we take action on it.

>> Jennifer Maguire: Thank you very much. Jennifer Maguire, budget director. Although the bimonthly financial report for September-October is on the consent calendar, I wanted to pull it off because I just late last night got our sales tax results, and I wanted to share them with you for our first quarter of this fiscal year, which was the July through September 2011 economic activity period. We had budgeted a 2% growth for that period. And we just received notification that we are having growth of about 8.4%. So welcome to good news. And I like to report good news when I have it, which has not been that often lately. But we have no detail on the economic performance by sector, which we should get by the next time at least we report through our mid year budget review about how each sector performed. And if there are any large one time adjustments. This does compare to a previous quarter in the prior year that had growth of 11.69%. However that quarter did have a large one time adjustment in it which overinflated that number and our real econometric growth to compare it to was 4.9%. So this will bring about \$2 million more to the General Fund in the current fiscal year. We will have to get more detail to determine what it does to our forecast for 12-13 before we can count it on an ongoing basis, I wanted to give you some sense of some surrounding jurisdictions on how they performed. Santa Clara increased

15.7%. Sunnyvale was up 6.6%, Cupertino was down 4.2%, so they actually lost some receipts in that regard. Also, Mountain View was down 8.3%. So you've got ups and downs in some extreme ways. Campbell was up 15.2%. Los Altos was up 4.7. Santa Clara County as a whole was up 7.4, so we outperformed Santa Clara County. Northern California was up 9.4% and Southern California was up 9. So just to give you a feel for the numbers. But there was some large drops for some jurisdictions, we're glad we were on the up side and at least have \$2 million more in the current fiscal year.

>> Pete Constant: Very good. We're glad to pull something off consent when there's some good news. Anything from the committee?

>> Councilmember Nguyen: Motion to accept.

>> Pete Constant: Anyone from the public would like to comment? Mr. Wall.

>> I don't know if this is the particular area of finance that has the information. At what point do Redevelopment Agency projects lose their tax increments that have to be then relying on the General Fund? With the fourth street garage being used as the example does finance, do you report on that? As far as what is projected for Redevelopment Agency projects that can't meet their debt service? Or do the Redevelopment Agency people say that? Thank you.

>> Pete Constant: Okay, I'm sure we'll talk about that in the budget sessions as they come up for this next year, so we have a motion and second. All in favor, none opposed. We will move on to item D-one. We have a request to continue this item or defer this item to the January meeting which by the way has been adjusted by one week, for those of you who have been used to having it on the third, it will be one week later in January. Motion to defer.

>> Councilmember Nguyen: Motion to defer.

>> Pete Constant: I have a motion and second. That item is deferred. Item D 2 which is our monthly report on Public Safety communications initiatives and we have Michelle with us today.

>> Good afternoon, Mr. Chair and members of the committee, there's not too much to report, since we had a discussion of this at the city council on Tuesday. However, today, is a critical deadline with respect to the bay web projects. There are a number of documents that are supposed to be getting finalized with the -- with respect to service levels, operation and maintenance and so forth and we are expecting the BayRICS authority board to get a report from the technical advisory committee about these critical performance issues like the service level agreements. Hopefully, by the end of the day tomorrow. I can report that some of the jurisdictions have completed the site approval process and some have opted out. And then there's a group that are still to be done. And we are kind of waiting to see how that all plays out before the January 19th meeting of the BayRICS authority.

>> Pete Constant: Thank you. And just from SVRIA, the Silicon Valley, interoperability authority board and the working gripe will have a joint meeting February 1st, 8:00 or 8:30 a.m. to 12 or 12:30 in the afternoon to just further the cohesiveness of the two groups and discuss the priority issues that are facing the subregional board I guess you'd call it in relation to the bigger regional board. Any questions for Michelle?

>> Councilmember Oliverio: Councilmember Constant on that February 1st meeting is that going to be in the wing? That's a pretty large grouping we'll be bringing together in City Hall, isn't it?

>> Pete Constant: I don't remember where it is but I'll let you know. All right with that --

>> Councilmember Nguyen: Motion to accept the report.

>> Pete Constant: Thank you, motion and second. All in favor? Passes, thanks Michelle. We will move on now to item 3 which is the quarterly status report on CPLE, Consortium for Police Leadership in Equity. Welcome chief.

>> Mr. Chair. I think we would like to have a sunshine waiver for this item because the report was delivered past the deadline.

>> Pete Constant: Okay. So --

>> Councilmember Nguyen: Motion.

>> Pete Constant: We'll take a motion now.

>> Councilmember Nguyen: Motion for sunshine waiver.

>> Pete Constant: Okay, second, Pierluigi. Second on sunshine waiver would you like to do that?

>> Councilmember Oliverio: That's fine.

>> Pete Constant: All in favor, okay we have a sunshine waiver. All right chief it's all yours.

>> Thank you, Mr. Chairman, members of the committee, quarterly report for the Consortium for Police Leadership in Equity just to remind everybody what this is about. The opportunity for some of the best academic minds in this country to look at police practices particularly with respect to equity and the way we do business. We have complete confidence in this group and as evidenced by the report you have before you hopefully you have a chance given the sunshine issue there that you have had a chance to read it that we're not afraid to expose our data to those who know how to analyze it properly, and for them to come up with findings and issues that will help us better police this city in a more fair and equitable manner. And with that, I'm going to turn over to you to give a little bit of your findings.

>> Hi, good afternoon, thank you for having us here. As you recall the last time Dr. Gough was here he reported the CPLE's findings in the use of force in the San José police department. Today I'm going to be telling you a little

bit about our analyses on officer initiated stops. Again this is linking psychological variables to officers in disparate use of -- I'm sorry disparities in the rates of who is stopped. We are still in the process of analyzing and interpreting the data but so far what we can report is that across all offense levels what we have found is that prejudice does not predict disparities in stops. However, when examining this data under a more fine grained analysis what we have found is that prejudice attitudes do predict who is stopped for low level offenses. So for example, if an officer holds prejudice attitudes towards Latinos they are more likely to stop a Latino for a low level offense such as marijuana possession or a drunk in public offense. Now something that we found that was quite unexpected in our findings is that for officers who hold color blind attitudes that turns out to be a stronger predictor in disparities on who was stopped. So what that means is color blind attitudes such as believing everybody regardless of their race have the same experiences and so those attitudes turn out to be a better predictor on who is stopped. Now we still are working on interpreting the data and we are going to be conducting geospatial analysis in order to confirm our findings, and that will really tell us you know if an environment that an officer is in does that also affect the stops. We will also be examining calls for service as opposed to just officer-initiated stops. Once our analyses are complete we will be putting together a best practices model as well as suggestions for the SJ PD and we are happy to offer our services in a training that can target this as well if that is something that is requested so those are our findings so far.

>> Mr. Chairman, having read through this several times, it's sometimes hard for me to completely understand each piece of it, what it really means. But having had a couple of conversations with Dr. Gough on the phone about this some of the surprising findings about color blind, we want our people to be color blind on all their decisions with respect to enforcements and stops and sometimes he says that's not a good thing which sounds so counterintuitive for me but at the same time he has a really good explanation for it which I wish I could repeat it for you but I can't. But what he has promised for us is a training model and suggestions on how we focus our training efforts to make sure that even though we may not have a major problem in a particular area, how we can refine the training to make sure that our stops are most appropriate and in the most fair and unbiased manner possible. I'm open to any questions people have to the extent I can answer them. Or CPLE they will be happy to do so as well.

>> Pete Constant: Thank you chief. Questions for my colleagues? Madison.

>> Councilmember Nguyen: Thank you. Thank you, appreciate the report. Just a quick question. We've been at this for I think a little bit over a year now. When do you anticipate to conclude this study and provide the best practice model and suggestions and recommendations and all that good stuff?

>> That's a very good question. As you know this takes a very long time, encoding the data and it just takes a lot of man hours. I cannot give you an answer of when we would want to have this finished, sooner rather than later but we're working as fast as we can.

>> Councilmember Nguyen: Did you anticipate a time frame when you started this when we invited you to do this study?

>> I'm sorry, I don't know the answer to that.

>> Councilmember Nguyen: Okay, all right, thank you.

>> I might give it a shot because I'm as interested as anybody else in making sure we get this information as fast as possible. In talking to Dr. Gough, they were waiting for data last year, now they are coding it, I would hope to have something middle or end of next year, whether that's realistic or not he doesn't know either. We would like to have it again certainly within the next calendar year to make sure any changes we have to make, it doesn't happen overnight. This is sort of a gradual evolution in training and experience, but I would anticipate probably in quarter 3 of next year.

>> Pete Constant: Thank you. Any other questions from the committee? Anyone here from the public that would like to speak on this?

>> Councilmember Nguyen: Motion to approve.

>> Pete Constant: We have a motion to accept the report. Second?

>> Councilmember Oliverio: Second.

>> Pete Constant: All in favor, none opposed I guess, thank you chief. Lieutenant Monahan don't talk so much next time. All right, we'll move on to item D-4, quarterly report on retirement plans' investments.

>> There is no presentation on this item so it's in your packet for your review.

>> Pete Constant: Anyone from the committee have any questions on this?

>> Councilmember Nguyen: Motion to accept the report.

>> Pete Constant: We have a motion to accept and second. Anyone from the public like to speak on this item, with that all in favor? Any opposed that carries, we'll move directly on to item D-5, report on workers compensation program reform. Alex. Yes I'd like to request a sunshine waiver on this report please.

>> Councilmember Nguyen: Move for sunshine waiver.

>> Councilmember Oliverio: Second.

>> Pete Constant: Motion and second, all in favor, any opposed, that carries, thank you.

>> Alex Gurza: Good afternoon. Actually I'm going to be kicking on the presentation, you have our report on workers comp reform. I do have some staff here, in case there are questions. So like to start if I can hit the next slide, please. As background on March 8th of 2011 the city council directed the administration to develop a comprehensive program to address the total cost of the workers compensation program. And then in the mayor's

June budget message approved by the council, the administration was directed to accelerate changes including review of potentially contracting out services specifically workers comp administration. As we look at workers comp, we are looking at it broader than simply the workers comp claims administration. And looking it as part of our health and safety program. Ideally the program focuses on really preventing injuries and accidents in the first place so that they don't actually -- it turn into work related injuries where a claim is filed. But the goal, once a claim is filed and once an employee is injured in the line of duty is to assist employees in receiving the appropriate and timely medical care so they can get back to work as quickly as possible. We also are looking at it in a very comprehensive way. All the way from injury prevention through the work related disability retirement process and all the steps in between. The next slide shows the cost of our workers compensation, clearly, the costs are high. If you can look at this five-year comparison, from a citywide perspective in 06-07 it cost the city over \$15 million and in ten-11 \$19 million. So there's clearly a significant expenditure in workers compensation and we are clearly focused on efforts to try to contain those costs. So on the next slide, we are -- listed all of the items that are in our memo, and the memo lists 13 different areas for potential review and reform. Starting with number 1 reemphasizing safety and injury prevention as a priority. That is at the department level at the front eight line super-level not that we don't do it now but simply reemphasizing the importance of safety and preventing injuries from occurring in the first place. We're also going to explore department accountability for workers comp costs. Now we can't completely make them accountable because they don't control all the cost but certainly engage departments in the importance in doing their part in safety and injury prevention. The cost of workers compensation, 70% of those costs are in two departments and that's in Police and Fire. There are other departments that have a lot of claims. Understandably those that have jobs where injuries may be more common, Department of Transportation, environmental services, like the water pollution control plant. Number 3 one of the things that we want to explore is having our city physician who is here our medical director, Dr. Das do at least a little bit of evaluation or triage, that doesn't mean expel thing every person but the paperwork and identifying those that need to be looked at as a priority. We as a large employer we have the benefit of having a city physician on staff. And so we're going to explore different ways to utilize his expertise. Number 4 is injury investigations. Again, as we pointed out in the memo, most claims are very legitimate claims but there are those that do need to be investigated. So doing what we can to enhance those where it is appropriate. The next is a concept of a medical provider network, and that is developing a list of physicians that could see employees who are injured. Another

thing we would like to explore. Improving the return to work program, Allison Suggs is the manager for our return to work program and is going to coordinate between workers comp and helping employees to get back to work maybe if it's not in their own job a temporary job that they could perform. Moving on to the next slide, another area we would like to explore is fitness requirements for sworn members of the police and fire department. Local 230 is in a pilot program that is starting to focus on fitness and wellness and so we would like to expand those programs and work with the police and fire departments on that. Number 8 is what we've called the alternative service delivery model and as we said in the memo we'd like to look at what possibilities there are in the marketplace and not only focusing on workers comp claims administration but on other areas that are currently outsourced already. But seeing what is out there in the market, to test what may be possible. The workers compensation focus group again is an idea of having a group of the key departments and people meet regularly which is sort of similar to number 10 to really review cases and what we made be able to do to again, to contain cost and get employees back to work. The couple of other areas here are other areas that do drive part of our costs in workers compensation and that is the disability supplement for those who don't know, we provide leave payments beyond the state mandated workers compensation and so we in our negotiations have been reducing moving towards eliminating that extra benefit. It doesn't mean that employees still would not receive medical treatment and the state mandated amount for workers compensation. I do want to note however that Police and Fire were preempted by labor code 4850 that provides police officers and firefighters that are injured in the line of duty up to one year of full pay, 100% of pay while they're out, so this item does not affect Police and Fire. Workers comp offset very briefly is when somebody is retired, currently in our Police and Fire plan, a person who receives a disability retirement can also receive workers compensation benefits for the same injury. There is no offset for that. In our Federated retirement system an offset exists. So we are working in negotiations to implement a similar workers comp offset in our Police and Fire plan. And lastly is looking at our disability retirements. As the City Auditor noted in her audit on the subject we have a very, very high rate of service connected disability retirements. And as part of the City's efforts is to change that process, and it actually changes to that process is contained in the ballot measure that may be going to the voters in June. So that is a very quick overview of our workers compensation efforts, and the next steps is to continue more in depth exploring and considering all the items that are mentioned in the memo, to develop an RFP as I mentioned on alternative service delivery model

and to provide monthly progress reports to this committee on our efforts. So with that, we'll be happy to answer any questions you may have.

>> Pete Constant: Thank you, Alex. I have a couple. If you go back to slide number 4, it's the one that has the chart of the costs. That one there. Now, the blue section is kind of the hard costs of workmen's comp. Do we have an idea of how much of that escalating cost is driven by administrative cost versus the quantity and severity of injuries versus actual health care, the rising cost of health care in general?

>> Alex Gurza: I don't know if we know the answer to that question. Dave, do you know the answer to that? Certainly, if you don't we can get back to that.

>> Good afternoon, Dave Wong, division manager of health and safety. Those numbers do not include any cost related to the administration of claim. There is an inflation factor there that kind of varies and it's kind of hard to put an exact number on it but sometimes it is 5 to 10%, that's what we kind of account for in our annual estimate, intended for our five year estimate. We sometimes model that with the health care inflationary rate which kind of goes hand and hand. But the inflationary rates are legislated by state law in terminates of how much we pay the employee to be off work, the fee schedule for medical treatment also legislative requirements that get changed from time to time, in dint of certain cats.

>> Pete Constant: Okay, I just think as we go forward those are areas that we should be looking to make sure that we're focusing efforts on the areas that have the most steep escalation. My second question is: In the recommendation 8, I guess it is on page 8, number 8, where we have the RFP with the responders could look at one of the four bill review, utilization review claims administration or medical case management. I really think that we should also have a look at the legal representation services. We know that we have the City Attorney representing doing the legal work on these cases. And every year when we have budget cuts we know that city attorney's office is struggling how to deal with their reductions. Talked about reducing the legal support for workmen's comp and those are some areas where I think we might have conflict. I would assume that since this is coming out of the City Manager's office that is not included because that's not under the City Manager's

purview. But I think this committee should consider in our recommendation whether we should add that in as part of the overall look at workmen's comp. I would love to hear from my colleagues but I have two other points before I let you guys talk. Number 3 on my list is I appreciate the holistic look looking at the entire system from preventing injuries to getting people back to work. But when we look at that whole continuum, there is a lot of that that's very important that we need to focus on but there are other areas that are important. But also very time sensitive or urgent. And I know everyone here has heard me talk at length about getting employees the treatment that they need so they can get to work, avoid permanent disabilities, avoid the possibility of disability retirement. So again, my own personal opinion is, we should focus our most intense efforts on those areas where we have both important issues and urgency issues and I think the urgency in getting timely claims administration and people repaired and back to work, I think, would be something that should be heavily emphasized on the front end of this reform proposal. And then finally, my last comment is, on the last comment that you have in the memorandum, the disability retirements. I think we also need to look at -- I know we're looking at the disability definition. And that's something that we've had discussion on, council memos on, the council's taken action in context of the ballot measure to reform our pensions. But I know that over the years, how we have approached it as an organization, has changed. The burden of proof or the burden -- yeah, the burden of proof really is upon the applicant to prove that there's a disability but oftentimes we see in the retirement board meetings, it's not really necessarily how those meetings are conducted. So I think that we should also have some focus on having the city represented at the disability hearings, to ensure that when the disability hearings are being heard by either of our retirement boards, that we do establish that burden. Because as Dr. Das knows he sits through many of those meetings with me, a lot of times it is just the staff reading the reports into the record, Dr. Das it giving some opinions and then board action being taken, versus having the applicants and their attorneys really bring to light why, why that burden is met, where it is, and oftentimes it goes completely unchallenged by the city. And I think that would help us rein in some of the secondary obligations of our workmen's comp program, that is, the disability retirements we are forcing people to do. Those are my points. I yield to the Vice Mayor.

>> Councilmember Nguyen: Thank you. I agree with the chairman's suggestions that we should include the legal representation services as part of the alternate service delivery model. As part of this report.

>> Pete Constant: Do we have a second? Any comments from any of my other colleagues here, Kansen.

>> Councilmember Chu: Thank you, Pete. Just to help me understand the blue chart and the red chart, how do you separate the department cost versus the citywide cost?

>> Can you hear me okay? The blue or purple section is the cost that we basically pay out of the claim through the General Fund and the special funds. And it is paid out of FMS. Those include your medical cost for all treatment, they include your temporary disability cost, they include like attorney fees that we pay, settlement awards, permanent disability awards. So that's the major part of the cost. When you get into the purple part that we say the departments pay that's actually the part where it's called disability leave supplement or the 4850 benefit. So that's the part that we pay for the lost time from work. And as Alex mentioned, the disability leave supplement for nonsworn basically may all go away come June. So right now, it's at a lower level than it ever was before. But Police and Fire, and I just want to caution you about this particular area, accounts in our last estimate about 80% of all of that orange part of it. That orange part is not going to change because that is the law as of January 1st, 2010. So by doing the reduction in disability supplement we're affecting about 20% of the cost of that orange section.

>> Councilmember Chu: Okay, am I safe to assume that the blue section is pretty much the state standard?

>> Yes, a lot of it is of course state mandated benefits that we pay out.

>> Councilmember Chu: And the red ones are --

>> The city --

>> Councilmember Chu: We put the burden to the department to pay.

>> The department actually pays because they code it into their time card as lost time like sick leave but they have a special coding for this particular area. It gets paid out of the department's budget under personal services.

>> Councilmember Chu: So the red would include the time out?

>> Yes.

>> Councilmember Chu: The time out, the loss?

>> That's all that it includes.

>> Councilmember Chu: The productivity. Thank you.

>> Pete Constant: Thank you. I would just like to point out to the committee members, did I put an e-mail on each of your spots that I received today from Janet who is here. Did you want to speak at all, address? You can come on up. If anyone else would like to speak on this item, Dave, you going to speak too? You can come up right after her. Come right up to the mic and then state your name for the record.

>> My name is Janet Senik, I'm president of AXON services, we're a workers comp consulting and auditing firm. Been doing this since 2003 and in the course of my business I've reviewed several public agencies, claims management service, involving fire authorities to police departments the city of Oakland, city of Berkeley, City and County of San Francisco, county of Santa Clara and the City of San José. I have offered some input over the last few days as to whether or not I've thought some of the solutions you have outlined are viable. I do agree with a good number of them. Recently I became aware that the union 230 Police and Fire is interested in entertaining the concept of review a carve out alternate dispute resolution which I think would be a good solution for the city moving forward. Going back to the claims that have been increased in volume over the last year, since the city issued an RFP, last winter, I've noticed that there's been an increase, it's a concern. A lot of it has to do with the lack of in the department which is severely low when compared to other public agencies. Actually any claims

administrator that is self ensured, self administered in the State of California does as you are aware have a caseload of 150 to 175. Some of them have 135. Currently, the City of San José has a cases that are around 400, have been historically. That's a concern. Obviously, you know that is going to be a hindrance to providing the service levels that you are wishing to achieve here in this analysis. In order to do these things that you're recommending you need staff. It's not going to happen on its own. I do understand that there is a budget constraint. There are some things that can be done to reduce the caseload.

>> Mayor Reed: Janet, your two minutes are up but we do have your comments, and if you want to -- yeah, we'll have a question. If you want to provide any additional information you can just go ahead and send it into us.

>> Councilmember Oliverio: Janet, one of the things you believe would add value is reducing the caseload by a one-time kind of surplus of people, to audit the claims and in this case it could be an outside group, I think that's what --

>> Yes, the objective of that would be to bring the inventory down to the level where you can provide the services and accomplish the goals you're outlining here. Or also go to bid, make it a more market annual outside firm that want to become third party administrators if that's the direction you want to go. But at this point you're between a rock and a hard place. You have to make an impact on reducing those caseloads.

>> Councilmember Oliverio: Thank you.

>> Pete Constant: Thank you, Janet. Mr. Wall.

>> I think that when you produce these graphs, that you should also have projected cost for outside contracted services. I'm primarily concerned with negating out the work of our workers comp unit as an entity itself and also, more significantly, the attorney's office. What I've seen over the years, that all too many firms, be them legal firms or other entities for services to the City of San José, low-ball the city for obviously reasons. To get a foot in the door, and then amendment after amendment for increased contracts for services occurs. This goes on almost

without comment, once they do receive their first contracts. I think that the workers comp unit for our city has done an excellent job at keeping down costs. I think with the constriction of the lack of city employees, that perhaps there could be some form of cause eye partnership with the workers comp unit with outside vendors under the auspices of the attorney. But at no way should you decide to contract-out attorney services. These outside law firms can just kick the meter into high gear and you won't have any backup to prevent the cost overruns. So I thank you for your efforts up to date on this matter. But I think more graphs on projections of ideas should be included. Thank you.

>> Pete Constant: Thank you. And 30 seconds shorter than needed. Thanks. So we have a motion, we have a second, we've had a couple of comments. Anyone else like to speak on this item? Any further questions from the committee?

>> Just one question. On the outsourcing of the legal services, legal services for the workers comp administration I think we would want that to go through city attorney's office through an RFP process as opposed to being combined in the RFP for the administrative services.

>> Pete Constant: Yeah, I think we'll let the city attorney's and the City Manager figure that out. We won't prescribe how they do it just that we think it should be looked at.

>> All right, thank you.

>> Pete Constant: All right, all in favor, any opposed, that motion carries. Our next item is number D-6 monthly report of activities of the City Auditor. Welcome, Sharon.

>> Sharon Erickson: Good afternoon, I have the feeling that I'm one of the last things between you and a vacation. Or a time off. So I'll be brief. The monthly report for November includes the fact that we issued three audits, the first was the form 700 filers, the second was the annual audits of the voter approved bond and parcel tax measures. We have presented at least two of those to the oversight committees. We have one more oversight

committee in January. And finally, the semi annual compliance review of the City's investment program. I did want to point out that this afternoon, we're beginning to print our service efforts and accomplishments report for 2010-11. You should be receiving that tomorrow in your packet. It will be going to the city council on January 10th. And finally, what day was it? Tuesday, whatever day today is. On Tuesday you heard the comprehensive annual financial audit. There will be pieces of that that come through to this committee in January. Otherwise, that audit is mostly complete. I'm happy to answer any questions.

>> Pete Constant: Do you have any questions?

>> Councilmember Nguyen: Motion to accept the report.

>> Pete Constant: We have a motion to accept the report. Second?

>> Councilmember Chu: Second.

>> Pete Constant: Anyone here wish to speak on that item? All in favor, opposed, thank you very much. Number 7, do you have anything to add there?

>> Sharon Erickson: I'm very pleased to note in our external peer review, there were no significant weaknesses noted. We did concur with the auditor's suggestion regarding documentation of supervisory review and will implement their suggestions. I'm happy to answer any questions.

>> Pete Constant: Do we have any questions for Sharon?

>> Councilmember Nguyen: Motion to accept.

>> Pete Constant: We have a motion to accept, do we have a second? Do we have anyone who wishes to speak on that item, all in favor uh, opposed, thank you Sharon. Our final item for the final meeting of this committee for the year, Mr. Wall you get the last word. And you don't have to use all two minutes.

>> First of all I'd like to thank the committee and all the members of the council for all the work that you've done for all of us this year. One point, the \$19,000 that was roughly used for outside counsel for the ballot measure, I think this money could have been redirected elsewhere. The \$1 million surplus for the parking fund, now this is somewhat of an embarrassment. Predominantly the mayor cries or you all cry as a voice, City's in a fiscal wreck, ballot measure this and that, city employees are driving the city into a ditch but yet you find an extra \$1 million lying around. This is troublesome. You ought to be able to realize where the money is at all times, in other words real time accounting. Next thing would be for next year you have a lot of people coming as usual begging for bucks and I think that there should be some form of business plan analysis team that also deals with performance measures, built into it. So you wouldn't end up with Team San José's again but also, there's a lot of overlapping redundant services through these groups that need to be addressed as far as how much money the City's going to give them. Lastly, this committee today had two sunshine waivers and I've seen the various committees, sunshine waivers are pretty flippantly dealt with. I'd like for you folks to consider that when somebody asks for a sunshine waiver at the last moment that it triggers an automatic deferral of the report to the next month and also serves as a management target, a negative management target, so they can get their houses in order. Unless there's a justifiable excuse there should be some accountability. So sunshine has some meaning. Thank you. And have fun. Until next year.

>> Pete Constant: Thank you, Mr. Wall. Everyone have a happy holiday, we are adjourned.