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>> Mayor Reed: Good afternoon. I'd like to welcome everybody back from no meeting in July. If you didn't enjoy having no council meetings, I'm sorry, but I certainly enjoyed not having council meetings. I know that staff enjoyed not having council meetings. There's a lot of work that got done. And we appreciate the fact that people did a lot of things that we're not going to have to take up today and in the next few meetings. So let's get on with the agenda unless there are any changes to this agenda order to discuss we'll just go through it in order. First would be the August 7th council meeting. On page 1 City Attorney thinks we should start the closed session at 9:00 based on the matters in closed session. And whether or not we start the council meeting immediately after the closed session, or just go to the 1:30 start time. I think we'll come back to that after we see what all's on the agenda for the 7th. But right now, I think a 9:00 start in closed session probably is sufficient time to get the closed session work done before noon. So we don't run into the afternoon. Anything else on page 1? Page 2 or 3? Item 1.3 is ceremonial item, Councilmember Constant's request, we're going to drop that to be renoticed. So that he can be present when we do that. At a was KLIV commemoration. Anything else on page 2 or 3? Page 4 or 5? We'll have to adjust the labor negotiations update time to 9:00 at the beginning of the meeting, like we usually do. Anything on page 6 or 7?

>> Councilmember Oliverio: Question, mayor. City Clerk, City Attorney, on 3.3, the previous council action didn't already put that item on the ballot?

>> Dennis Hawkins: No, the direction was to bring it back on August 7th for the adoption of the resolution. And just to note, we'll be issuing a supplemental memo on clarification of cost and so forth.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Council action I think substantively made that decision, but eventually it is got to be in final final final final form to get to the registrar.

>> Councilmember Oliverio: Four finals.

>> Mayor Reed: This is seriously final. We're not having another meeting. Anything else on 6 or 7? Page 8 or 9. I'd like to see some scheduling of the meeting in order to accommodate my need to go to another meeting, during the middle of the meeting with congresswoman Lofgren and the United States patent and trademark people. So if we could do the retail sales and tax use measure not before 3:00, and the service level restoration priorities, not before 3:00. I'm just going to step out to welcome everybody to San José, and start that meeting. I'll be back in before 3:00 for the council meeting. I'd like to do that. Anything else on page 8 or 9? Item 3.7, I have got a note that we need a sunshine waiver of the 14 day sunshine rule. So we would hit which ten-day rule?

>> We did meet the ten-day distribution. It went out on July 25th.

>> Mayor Reed: It has already been distributed. Anything else on 8 or 9?

>> Councilmember Oliverio: Comment, Mr. Mayor. You know, for that meeting you could always just call the council into recess. You have that prerogative.

>> Mayor Reed: Okay. Page 10 or 11. Slurry seal project 6.1 and a consultant agreement 7.1 on South Bay water recycling, could we put those on consent calendar? I don't think there's likely to be discussion on those. Anybody see the there's discussion? We could do that maybe spied up the meeting a little bit. 8.1, 2011 staffing for SAFR grant. We need a sunshine waiver for some kind on that I think.

>> Dennis Hawkins: As well as 7.1 Mr. Mayor.

>> Mayor Reed: 71 is the South Bay water recycling contract and then the SAFR grant 8.1.

>> Councilmember Oliverio: Put that on consent too?

>> Mayor Reed: SAFR grant requirement can that go on consent? I don't think -- we pretty much discussed some of the stuff before. Would need a sunshine waiver. Of the 14 days or --

>> Correct, the 14 day waiver. These did meet the ten day distribution. They went out on July 26th.

>> Mayor Reed: Okay, so those are out for anybody that wants to see them. Anything else on 10 or 11? Page 12?

>> Debra Figone: Excuse me, Mr. Mayor, you could move 8.2 also to consent.

>> Mayor Reed: 8.1 and 8.2. That's a 2012 grant application.

>> Debra Figone: It's similar to the grants that we have applied for in the past. This is a council request to apply. And then if we are awarded, we would bring it back for acceptance with all the budgary comments on that.

>> Councilmember Oliverio: Just a comment, I would like to start seeing some grants, though, for police. Because if we allocate all the dollars for fire we're not going to have any future flexibility.

>> Debra Figone: As soon as we have a COPS grant opportunity we certainly will pursue that.

>> Mayor Reed: So are you saying there's not going to be any for discussion on 8.2 on the grant, councilmembers think there's going to be any discussion on that?

>> Debra Figone: I don't believe there would be. You know I think our memo would be clear about the application process, which we've been through before.

>> Mayor Reed: I think I'd like to leave this on the agenda because I probably would ask the staff to just talk a little bit about the SAFR grant so the public gets a little bit educated about the fact that we're getting money from the federal government. We appreciate that, also the chance to publicly thank or congressional delegation. So I'd like to leave 8.2 on since that's the 2012 grant.

>> Debra Figone: Sounds fine and we'll be prepared.

>> Mayor Reed: Anything on 12? There's actually a deferral to 8-21 so there's nothing on page 12 to talk about but we have a financing authority agenda as a separate agenda. Anything on that? Other than what time will we do the financing authority agenda? Early in the meeting? Or late in the meeting?

>> City Attorney Doyle: Whenever. It's the request to subordinate a deed of trust. So it's nothing out of the ordinary.

>> Mayor Reed: So we don't have bond counsel coming out or anything like that?

>> City Attorney Doyle: No.

>> Mayor Reed: We'll just take it probably get to it before 3:00 would be my guess. Take it after -- well, we'll take it before we take up the last items on the agenda which are the service level restoration priorities and the sale tax matter. So rather than get it confused, let's just say that will be first. We'll do the financing authority before we get into the consent calendar items on the council agenda. I have some requests for additions. Councilmember Chu's travel to Boston, national league of cities. District 4 river oaks park ribbon cutting and resource fair. Acceptance of donation for construction of soccer fields in Almaden valley. We're going to need some kind of a sunshine waiver on that. I'm not sure what.

>> Correct. This one would need a ten day sunshine waiver, if approved to be added to the agenda the memo would be released after rules today.

>> Mayor Reed: Okay, so somebody wants to give us \$4 million.

>> Correct.

>> Mayor Reed: Okay. Have you put that on the agenda. And then, we should probably just hear this right after the ceremonials. Perhaps the people who are going to donate the money would like to come for \$4 million we'll accommodate them. Maybe \$3 million I don't know but certainly for \$4 million, that's kind of a big deal. Anything else in the way of additions?

>> Councilmember Oliverio: Motion to approve the agenda with the additions, changes and sunshine waivers.

>> Second.

>> Mayor Reed: We have a motion to approve the agenda with the additions, waivers, and changes, as noted. Request to speak on that agenda item, Mr. Wall.

>> I guess you're really well rested because you gave yourselves two extra weeks this year. With reference to next week's agenda, item 3.7 is the sewer service and use charges. I'm not opposed to the increases because I know the plant, the water pollution control plant has to be rebuilt. I am opposed and have a standing objection as to the calculations and breakdowns by single family homes, pay the lion's share, when single family homes are -- their definition has been changed over the years. And I think these calculations are materially off beat and not correct. Now, with reference, 7.1 which you want on the consent calendar, this deals with this South Bay water recycling master plan. And there's significant problems with this. First, it's already proven that you've exceeded the scope and authority of using the sewer service and use charge for the expansion of this program. So therefore, how can you have a master plan agreement funded out of what appears to be the plant capital improvement program budget when in all reality the plant -- or the recycle water program has been in existence since the '90s so the plant has already been created up to this arbitrary point in time where you decided to expand it and create the South Bay water recycling program, into a water utility. That is against proposition 218. And this is referenced also by the Cupertino sanitary district and the City of Milpitas opting not to participate any further in the expansionary program. Therefore I allege there is possible wrongdoing here because persons in authority should know how to using these restricted funds without me coming here and having to make commentary.

>> Mayor Reed: That includes the public testimony.

>> Councilmember Oliverio: Mayor.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Can I ask the City Attorney when the council hears 7.1 to talk about 2.18 and just clarify that?

>> City Attorney Doyle: It's a consent calendar item now, but --

>> Councilmember Oliverio: However you feel best. In the form of a memo --

>> City Attorney Doyle: Either in the form of memo --

>> Councilmember Oliverio: That would be great, thank you. Try not to have you write something, Rick, make it easy for you.

>> Mayor Reed: Your choice. If you just want to comment on it in the meeting, we will take it off the consent calendar and do that, or we can do an info memo.

>> Councilmember Oliverio: Info memo would be great.

>> Mayor Reed: Okay, info memo. All right. We have a motion to approve the motions and the waivers and the changes that we have discussed. On that motion, all in favor, opposed, none opposed, motion is approved. August 14th agenda. Anything on page 1? Page 2 or 3? Have a request I think on 1.2 one of the ceremonials that would like to defer to August 28th. That's the commendation of sparky Harlan. Anything else on

page 2 or 3? Page 4 or 5? Are page 6? Realty now it's a relatively short agenda. I think some things will probably get added before we get there. Any additions? I don't have any written requests for additions at the moment. Motion is to approve the agenda. All in favor, opposed, none opposed. We have no upcoming study session agendas to consider. Legislative update. Verbal update from Betsy Shotwell.

>> Betsy Shotwell: Mr. Mayor, members of the Committee, Betsy Shotwell, Director of Intergovernmental Relations. I just have one item, and it's good news. The bill AB 57, carried by Jim Beall, that would give San José and Oakland permanent seats on the Metropolitan Transportation Commission, was signed on Friday, July 13th. So thank you all for your tremendous support and help. It's been a long uphill road and we finally did it. That's it.

>> Mayor Reed: Thank you. On the federal let me just give a brief update. I was in Washington a couple of times since council met last, primarily dealing with some pension reform issues and the U.S. patent and trademark office issues. And as was announced by the federal government during the break, they have designated San José as a location for one of their branch offices, satellite U.S.P.T.O office, which is great news. That legislation has been a long in the works, the president signed it I think a year ago in March, and now they're in the elimination phase. San José was one of some 500 cities that were interested in having a U.S. patent and trademark office here. So I want to thank our legislative delegation and Silicon Valley leadership group in particular, who took the lead on this, because it's really important to the region's economy to have the U.S.P.T.O. have an office here, and we're going to continue to work on that over the coming months. But it was a good work by a lot of people over a long period of time, which is what it takes in Washington and Sacramento. And so that's a big win for the region and for San José, so a little good news during the recess period. Meeting schedules will be next. We have study session dates on hold I think for August 13 and September 10. Are we ready to give up one or both of those? We don't have any study session items that I know of lined up for topics. We can certainly give up the August 13th. Any probability we would need to hold on to the September 10th for a while?

>> Mr. Mayor, we are recommending cancelling September 10th. We have a special T&E meeting scheduled that day.

>> Mayor Reed: Committee, cancel both of those?

>> Councilmember Oliverio: Motion to cancel both the study sessions of August and September.

>> Second.

>> Mayor Reed: Okay, we have a motion to cancel both those dates on study sessions, fill up the time on other things of course. On the motion, all in favor, opposed, none opposed, that's approved. Public record. Anything from the public record the committee wants to pull to discuss? I have a request or two to speak on items on the public record, Mr. Wall first.

>> First item, M is a thank you letter to San José police officer Karl Alman, badge number 4188, and item N to his partner, San José Police Officer Jaime Alfaro, badge number 4187. It appears that both of these went to the academy together. They were in -- showed their own initiative, Mr. Mayor, in between calls to do foot patrols at St. James park, which is now should be renamed as vagrants and criminal element park. And they were very polite in doing what I appear to be a field interview of a shiftless vagrant. The amount of garbage and all in one of San José's most pristine parks that have been turned over to the criminal and vagrant elements. But these two officers, on their own initiative, in between calls were just doing what they were hired to do, good police work and they should be thanked. Item number S, titled "Mama, it hurts to breathe, will soccer field be a quasi-gas chamber?" I think they're in a wrong location. I think if you're going to have one of the most intense cardiovascular activities known to human beings, you shouldn't have it right next to the airport. Item W was really interesting. This was downloaded from the Police Officers Association Website. It is a -- entitled are the contents of 1994 lawsuit CV 742653 involving Councilmember Herrera true? Now, the lawsuit is there that was downloaded. I tried to ask that question at the community for economic development committee meeting, and yet, before the meeting was started, I was told that I couldn't discuss the matter. And I just wonder if this contents contained therein are true. If they are, it gives serious credibility issues, since I did not research this. The police and the fire department, these people researched it. That's where it came from. Thank you.

>> Mayor Reed: Sorry your time is up. Karl witt.

>> Yes, thank you, Mr. Mayor. I'm Karl witt chair of the disability advisory commission. I'm addressing item L which is a letter from the disability advisory commission requesting that city council pass a resolution to encourage the U.S. senate to ratify the U.N. convention on the rights of persons with disabilities. This is -- President Obama signed this resolution in 2009. And it is -- has just started this summer wending its way through the senate and is finding some bipartisan support. So we would really encourage the City of San José to encourage our senators to help ratify this convention. There are many people around the world who don't have the rights, many people with disabilities around the world who don't have the rights that we have in this country. Many cannot, in many countries, own property, access medical care, hold bank accounts, things like that. So we think this is a very important convention to put out to the world and to support. So we hope that you will put this forth to to council. Thank you.

>> Mayor Reed: Thank you. I think that is everybody that wanted to speak on the public record.

>> Motion to note and file.

>> Councilmember Oliverio: Second.

>> Mayor Reed: All in favor, opposed, none opposed, that's approved. Boards commissions and committees We have motion from Councilmember Liccardo to appoint Doug feece to the downtown park board. All in favor, opposed, none opposed, that's approved. Request from city manager, human resources, to approve the appointment of Darren Wallace and the representative nominated by the firefighters local 230, and Dave Woolsey as representative nominated by the San José POA to the deferred compensation advisory committee.

>> Councilmember Oliverio: Motion to approve.

>> Second.

>> Mayor Reed: Motion is to approve the recommendations. All in favor, opposed, none opposed, that's approved. Work plans. We have a City Auditor fiscal year work plan, airport commission work plan, and advisory commission on rents work plan. City auditor is here. Sharon. Would you like do speak on yours?

>> Sharon Erickson: Yes, if I could just briefly, Sharon Erickson, City Auditor. You have before you the list of proposed 2012-13 audits. We have four assignments in process, they're listed here. We have four other annual projects which include audit recommendation follow-up, Team San José annual performance measures and our annual service efforts and accomplishments report. We have three categories of external financial audits including the City's CAFR, comprehensive annual financial report, annual audits of the voter approved bond and parcel tax measures and semi annual review of the City's investment program. We have four carryover projects that we haven't started yet and we're looking for approval to continue. Those are housing programs with a focus on the housing loan portfolio consulting agreements, deferred compensation and overhead reimbursements. We have 9 additional projects. Several of those are follow-ups to current audit work. A couple of them look at service reductions in outsourcing that's been conducted over the last few years. And there's another one that looks at performance measures in one of the departments. Kind of an ongoing series of audits. With that I'm happy to answer any questions. If we have any additions to the work plan through the year we'll bring them back through the Rules Committee. Otherwise I do a monthly report to the Public Safety, Finance and Strategic Support committee on the status of the work plan.

>> Mayor Reed: Okay, colts or questions on the auditor's report?

>> Councilmember Oliverio: Hi Sharon. You know on the news all the stuff on the state level about the \$54 million in the park fund for the state. Does your annual external financial audit audit all our funds to that level to that, if there was -- so that the public feels that you know it's being looked at by a third party the auditor?

>> Sharon Erickson: It does look at the extent of those funds for the proper statement of those funds. So if we had \$54 million that would be in the annual comprehensive financial report which is audited.

>> Councilmember Oliverio: So just to speak to that you believe that the auditing team that you have in place doesn't allow those types of things to happen in San José?

>> Sharon Erickson: I would certainly hope so. You're going to get a cagey answer from an auditor who hasn't looked at every particular fund. In the course of doing our performance audits in any particular fund we do look at performance levels, we look at that time funds that are deployed by that department so special funds are included in those reviews. Our current review of the environmental services department does touch on some of those areas for example.

>> Councilmember Oliverio: And in light of this topic at the state level does it -- should you add any -- do you believe you should add any extra effort to just getting the residents of San José a level of satisfaction and security?

>> Sharon Erickson: You know, I -- as I read the newspaper, and those findings, what I thought to myself was, in the course of doing any of our reviews we need to be looking at those special fund levels and what fund reserves we're holding.

>> Councilmember Oliverio: So would you believe that audit would take care of that this year? Or is that a new request of workload?

>> Sharon Erickson: You know it's something that I think we need to -- so the comprehensive annual financial report audit will cover that we do know where all those funds are. And the extent of those funds. I think.

>> Mayor Reed: When we look in depth at any department we are also looking for that. It is not something that we could -- that I would recommend a separate audit on. It is part of the audit that we're doing in any particular department.

>> Councilmember Oliverio: Okay, thank you.

>> Debra Figone: And the other place we could highlight it is the annual budget. Any special funds are in the source and use of funds so we could lance that.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Well, if there's a difference between what the manager thinks are in those funds an what somebody else thinks are in those funds, when would that be apparent?

>> Sharon Erickson: It would be party in the annual report that the budget Office prepares. When they do the annual report back to you that is the reconciliation between the City's financial statements, the CAFR and the budget document. So that would explain and exactly as the City Manager said, in the back of the City's budget documents is a statement of those special funds. So you can see those special funds in the back of the budget document. So the city is more transparent about those, at least from my perspective, than apparently the state has been. At the same time, I think it is something that all auditors up and down the state took note of. And are being extra-vigilant about in the coming years.

>> Mayor Reed: So when we do the annual report, if there is some variance somewhere in there, that's going to be highlighted, we'll know that and we can figure out what to do about it?

>> Debra Figone: Absolutely.

>> Mayor Reed: Because I think kind of the issue at the state was, there was no reconciliation between the different numbers and our reconciliation process basically pushes out into public if there is any differences.

>> Sharon Erickson: That's right.

>> Mayor Reed: Okay, anything else on the auditors work plan?

>> Motion to approve.

>> Councilmember Oliverio: Second.

>> Mayor Reed: Motion to approve the auditors work plan as proposed. All in favor, I'm sorry, before we vote Mr. Wall you wanted to speak on the auditors work plan.

>> Yes, I think everybody knows how well our auditor does, a great service to our city. Our assignments in progress number 1, audit of how ratepayer funds, sewer, storm water, reuse and water are being used at the environmental services department. This gets to the South Bay water recycling program Mr. Mayor which I just spoke and since it's agendaized for tomorrow at TPAC on reclaimed water project and then for next week's agenda, this little snippet might not be on the work plan of the auditor. And this is a very significant piece that goes -- that is material to the funding of the entire South Bay water recycling program, the expansion, going into the advance water treatment or the Silicon Valley water purification, whatever the name that they've given it to. Mr. Mayor, this is -- we're talking tens of millions of dollars here that are coming out of one fund that shouldn't be coming out of that fund. And it should be fully audited but I'm really concerned that you have different work products coming in at different rates to the auditors office. And she just mentioned she doesn't look at all the funds. And the reasons she gave are appropriate. But this here is very, very significant stuff. Thank you.

>> Mayor Reed: We have a motion to approve the auditors work plan. All in favor, opposed, none opposed, that's approved. Any questions or comments on the airport commission work plan? We have some requests to speak on that. I'll take those at this time. Keith Graham.

>> Honorable mayor, members of the committee. I speak as chair of your airport commission and I strongly recommend that you adopt the work plan in its entirety, including the additions posed by the airport commission at their May 14th meeting. We don't take our role lightly and we need to be fully educated. The airport commission is a highly technical commission, not unlike planning, and our members are for the most part not aviation experts. It is therefore vitally important that we spend as much time as possible being educated and learning what we need to know about upcoming policy issues. Yes we understand that some issues may not become policy output but none the less we need to be informed in a timely manner. We do not take kindly to airport staff adding, amending or removing items that the commission have asked for or requested from their meetings. We are, I need not to remind you, appointed by council, not airport staff and we are responsible to you, the council, to give you our response in a timely, well informed, and cogent manner. Thank you.

>> Mayor Reed: Frank Sweeney.

>> Frank Sweeney airport commissioner. I too urge that you approve the work plan in its entirety. One of the elements that the commission added was a presentation on an alternative approach to dealing with air field configuration. The staff has presented the commission with three alternatives. They all are aimed at a bad choice, either take out runway 1129 or take off a lot of the FBO's ramp space. Which is unacceptable to the FBOs. Two or several stakeholders have researched the issue. These stakeholders have expertise and they have proposed another way of dealing with the issue without removing the runway, without taking the ramp space. They've given us extensive papers on this. But these papers are very complex. And they need an explanation. So on our work plan, is a presentation by the state holders, a 15-minute presentation, to explain their alternative and give it some standing along with the airport's on three alternatives. Thank you.

>> Mayor Reed: David Wall.

>> I propose adding a couple of items to their work plan. It's not too hard to find out. Back in 2009 Director Sherry put forth a very poignant memo on the airport financing with reference to the debt structure the debt service. Now, I'm not sure if the calculations have changed since then, because these were projected debt service levels. I believe fiscal year 2011-2012, the debt service may be 19.8 million. Next year it will be 40 or \$58 million. I have to go back and research the actual numbers but those numbers are well within the figures. And I think these debt service numbers should be recalculated. If they are not sound as I sit here per day, also is \$12 per CPE, cost per enplanement, a realistic figure, considering rising fuel costs and lack of air traffic to San José international. So I think that should be also reviewed because that's a very significant piece of the airport's financial structure. Also, the last part, what would cause the airport to go past the point of return financially? I know they're just one or two items that could push them over the limit. Director Sherry has done an outstanding job I think in cutting costs with the sole exception of not being able to fund the San José Police and Fire department to maintain public safety at the airport. So I think there's a lot the public should know about the airport that they unfortunately do not see in the Mercury News and certainly do not see publicly talked about by learned council. Thank you.

>> Mayor Reed: That concludes the public comments on the airport work plan. Does airport staff have anything to add to the staff report? Kim Aguirre's here.

>> Good afternoon, mayor, members of the committee. Kim Aguirre, assistant director and COO for the airport. Welcome back. On the work plan the commission presented and asked for a review. We agree that there is definite a need for a community interaction and report and discussion on alternatives. The difference I believe is in the timing, council gave us clear direction that we were to go forward with the RFP and look at the planning options later and what we're recommending is that for this fiscal year the timing is not appropriate. We won't even get to those items until at least next fiscal year. So what we're seeing is, we're asking that that would be dropped from this year's work plan, and reconsidered for next year.

>> Mayor Reed: Okay. Any questions or comments from the committee? I'd like just to say that I don't think this is the time to start looking at the West Side in this regard. The council has made some sequencing

decisions. Right now we're focused on the RFP for the West Side which I think the final draft went out today. I saw an e-mail so we're making progress on that. And that's what we need to get done and it's premature to have staff and others working on the details of the West Side with these runway configurations for a lot of reasons that the council's already discussed. Whether it is in the beginning of the period or the end of the period, I don't really know but I know it's not time to start it now. But I think I would go along with the staff's recommendation on the work plan. This is work that will eventually get done but now's not the time to do it. Any other questions or comments.

>> Councilmember Oliverio: Kim if I may paraphrase what you just said, these types of decisions will be in a much longer time frame and to commit resources to manage them now isn't realistic because it's so far out?

>> That's correct.

>> Councilmember Oliverio: Okay, thank you.

>> Mayor Reed: And we have other things that we want our staff to be working on. This RFP is kind of important.

>> That's correct.

>> Mayor Reed: Anything else on that? Is there a motion?

>> Vice Mayor Nguyen: Motion to approve staff recommendation.

>> Councilmember Oliverio: Second.

>> Mayor Reed: Motion is to approve the work plan. All in favor, opposed, none opposed, that's approved. Advisory commission on rents work plan. City Manager housing department on that I have one request to speak. I'll take that now, Mr. Wall.

>> Sir, this is in reference to mobile homes. All past last year for example we have had several members of the mobile home community come up here to speak about the pass-through of the sewer service and use charge and the storm drain fee. Now, these are pass-through rent increases per se. In which the property owner benefits, but yet the people that rent space have to pay. It's been postulated that the property owner should be the one who has to pay these increases in total, since it is a commercial enterprise, and therefore it should fall under the auspices of the advisory commission on rents. Now, the people that have come here obviously are disabled, they're elderly on fixed incomes. And you've heard the testimony time and time again of house burdensome and oppressive these rate increases are individually. But for a corporate entity would not be that significant. So I'd like you to consider that for our mobile home people and those rate increases that were previously discussed. Thank you.

>> Mayor Reed: Thank you. That concludes the public comment. Vice Mayor.

>> Vice Mayor Nguyen: Thank you Mr. Mayor. I think under item G-4 we have a memo to ask the city clerk to bring back boards and commission structure improvement report by the end of the year. We approved this I'm not sure if there's any conflict in terms of moving forward with the work plan.

>> Mayor Reed: If we approve the work plans and then we have a report back I know this is one of the commissions that's subject -- well they're all a subject of the clerk's work so --

>> Dennis Hawkins: I think in the past the committee's approved work plans for other commissions. If there are any adjustments made as a result of the structural improvements then I think we'd need to bring back modifications to those commissions' work plans.

>> Vice Mayor Nguyen: Very good. Move to approve.

>> Councilmember Oliverio: Second.

>> Mayor Reed: Motion is to approve. All in favor, opposed, none opposed, that's approved. Item category G. We have a memorandum from Councilmember Chu that we deferred from the June 13th Rules committee meeting regarding a referral to the elections commission on disclosure of electioneering communications. I requested that this be deferred until after the elections commission had an opportunity to deal with a complaint that had been filed. So is there a status on that particular complaint? Is the election commission concluded its -- whatever it's going to do?

>> Dennis Hawkins: That matter was heard by the elections commission on June 13th. No action was taken by the commission. I would like to note that part of the commission's work plan is, we are compiling a variety of issues that have come about as a result of the June 2012 election, and the commission wants to examine those issues, bring forward recommendations to the council to change title 12 in time for the 2014 election cycle. So this issue has already been identified as some clarification is necessary on the electioneer and communications piece and would be part of the commission's review and potential recommendation to the council.

>> Mayor Reed: Okay, what I would suggest is we refer this to the council as part of that process. I'm not ready to take a substantive position on whether or not they should do anything one way or the other on all this because I don't even know what all the issues might be. But if we are referring this that, they are obviously looking at this question, this is a question they have had to consider and they can take it up.

>> Dennis Hawkins: And Mr. Mayor, that's essentially the request of the elections commission is to refer the matter and they will report back to the committee and to the council in time for the 2014 election cycle.

>> Mayor Reed: Councilmember Chu did you want to speak on this?

>> Councilmember Chu: Mr. Mayor, welcome back. I'm delighted to hear that the elections commission is going to consider this item, as one of their work plan for the 2014. I guess my question is, can they do it sooner, so we would be able to at least resolve this particular item before the 2012 general election. The reason I'm bringing up to the Rules Committee and the colleague of the council is that I noticed during the June election, you know, none of the candidate, none of the measures for or opposing any measures, actually abide by this rule of having the disclosure, the electioning communication, the size no smaller than a quarter of the largest font on the signage. I've seen disclosure but they are like 12-point fonts. And they're really really not complying with the spirit of the rules that we set up here. I know that Dennis tried to compromise, and lesson of the candidate to put like an address label, you know dwell-font address label on the sign about 3 feet by 2 feet dimension, little address label 12-font disclosure and nobody will see it. So he really defeated the purpose of having that ordinance. So I would like to single out this item because I think this is something that the election commission can decide it real quickly. Not to -- not create a confusion for the November election. I also wanted to note that the FPP does not require certain -- that this electioneering communications on the lawn sign or the comment, neither does any of our neighboring cities have that kind of a requirement. And the strain the sign is really a silent expression of speech that's protected by the First Amendment. And also, those -- the signs have not -- due to a mass mailing like the fire but through direct personal contact. So I again respectfully ask the Rules Committee to make a special consideration of moving this item forward so we can eliminate a lot of confusion for the upcoming November election. Thank you.

>> Mayor Reed: City Clerk.

>> Dennis Hawkins: If I could Mr. Mayor, I don't think it's a fair assessment that to say that no one adheres to the electioneering communications rules. We did have a number of issues come forward in the June primary. We did work with candidates and advised them that they did need to comply with that direction and in every case I'm aware of when we brought the matter to the attention of the candidate they corrected the matter. And if they had sent out a mailing that didn't have the required disclosures they made sure that future mailings did. So there were a couple of complaints to the elections commission and in several cases the elevator investigator found that they were inadvertent violations on the part of a campaign. It was not a pattern of abuse. And I think it's important that

we do work towards compliance with the law. I'm a little concerned with trying to do something in a very short time frame. The rules are set for the 2012 cycle, and I think it's the preference of the commission and my preference that we look at this for -- as part of an overall review of title 12 and also a review of the sign ordinance. Because there are a number of issues that came forth in the June election as well, regarding signs. And working with Planning, Building, and Code Enforcement that would be part of our plan, to bring something forward for council consideration prior to the 2014 cycle.

>> Mayor Reed: Okay. Vice Mayor.

>> Vice Mayor Nguyen: Thank you. I have a different opinion when it comes on disclosure. This administration has been built on openness and transparency. And I think that if any way that we are moving away from that, really taking us back to the dark ages again and that's not write wanted to go. At the same time, I think we are running for local positions and all candidates should comply with local election laws. Whether the state approves this or not that's -- we're not running for assembly, we're not running for state senate. We're running for a city council position. We should abide by the election codes in our municipal code. So I'm hoping that the election commission's not even really considered this. It's something that we should be compliant with, from now into the future, and this is not something that I like to see removed from the election code.

>> Councilmember Oliverio: Thank you. I just think the elections commission ought to take a peek at it as they want to take things -- you between you and Lisa our City Attorney that manages elections would have an idea of what may be cumbersome or what might be brought to the council for a change because some of it's FPPC, some of it is City of San José. So I'm comfortable with how the elections commission is planning on doing it.

>> Mayor Reed: I can't remember if we had a motion on this or not.

>> Councilmember Oliverio: I don't think there's a motion. You don't need a motion.

>> Councilmember Chu: Mayor, if I could clarify, this is really just to address the signage. Dennis mentioned that some of them have complied with the fonts of the disclosure. But I haven't seen any long sign that comply with this ordinance. Which requires they have use font no smaller than the quarter size of the largest fonts on that lawn sign. You know, to disclosure their electioneering communications. So I want to make it clear. This I just address the line sign, and the size of the fonts that we should be on the lawn sign.

>> Mayor Reed: Okay. So commission already has this. They've got a work plan they're working on so we don't need a motion, is that correct?

>> Dennis Hawkins: That's correct, Mr. Mayor.

>> Mayor Reed: The commission is going to take it up. We're going to move on to the next item which is G3, request to place items on the August 7th city council agenda regarding a charter amendment to require financial support for the San José library departments on the November 2012 ballot with some subparagraphs et cetera on that. I have some folks who want to speak on that. We do have a memorandum from councilmembers Chu, Kalra and Campos. Councilmember Chu would you like to speak?

>> Councilmember Chu: I'd like to yield to public comment. I appreciate your letter just coming out this morning, yesterday. So I'd like to defer.

>> Mayor Reed: Committee have anything to say before public comment? I'm going to take public comment on this. Trixie Johnson and then Mary McClain.

>> As a former councilmember I certainly understand the fiscal decisions that you have been facing and I also understand at a there's a contract between the people and the city. And that is an important contract. It is important because you have broken that contract now twice. First, you blew through the level of support that you promised the voters when they passed the last parcel tax and you've never acknowledged that you have blown through that maintenance of effort contract. Now because of errors by your employees you are telling people who

wanted to vote on an issue that they no longer can vote on it. I started working with former councilmembers Frank Fiscalini, Nancy Ianni, Charlotte Powers, Margie Matthews and a whole bunch of other library supporters on this initiative because we thought the libraries were in danger and we looked for a charter amendment that would help us deal with that issue. Based on what some other cities had done. Long before the issue started and several times after it started we checked with the City Clerk to make sure we knew how many signatures we needed. Time and again, we were told that it was 5% of registered voters or 19,600. Based on that information, we proceeded with our initiative. We had hundreds of volunteers. Tens of thousands of dollars spent in reliance upon that word. We collected almost 40,000 signatures. More than double what we had been told we needed. The day before we were to turn our petitions in we got a call from the City Clerk saying oops, sorry, you need three times what I told you. We did not have either the time, or the resources to complete the number of signatures required in order to get this measure on the November ballot. The only timing that is acceptable for saving the libraries. I understand the mayor has a memo that proposes looking at these issues starting in September and moving on forward. And that's fine. But it doesn't resolve the issue of what's happening to the library right now. In other words, you've broken the social contract twice now. And you have a way you can make it right. You can do what those voters who signed the initiative expected to do. You can put it on the ballot and allow them to vote. This doesn't mean that you have to support the measure. In fact we understand that you may not.

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

>> In fact we understand that you may not. But that's not the issue now, it's the character of the city.

>> Mayor Reed: Mary McClain and Pat Saucedo.

>> I'm Mary McClain. I'm the executive director of the San José public library foundation. I'd like to provide just a brief summary and background of the activities over the last year. In the summer of 2011 the foundation was seeking solutions for a city library budget that had been ravaged year after year by cuts. We found that Los Angeles and San Francisco both used fixed dollar amount based on the percentage of property value to set their

library budgets. In both cases this was created by a charter change voted open by the people. At that time when I called the City Clerk's office to inquire about the requirement for placing a charter amendment on the citywide ballot. I was told that it would take signatures from 5% of registered voters in San José to qualify. Because we felt we could reach this threshold, the foundation paid for a survey of San José voters to determine if a charter amendment would have a chance to succeed. Based on very encouraging survey results and after the confirmation of a 5% threshold from the City Clerk, the foundation invested nearly \$50,000 in the save San José libraries campaign. Three months later the clerk informed the campaign that he had made an error, that they would need to submit three times the signatures they were originally told. Campaign staff informed the foundation board that they would not have the resources to gather the additional signatures in time to place the measure on the November 2012 ballot. As a result the foundation's precious funds time and energy have effectively been wasted by an error on the part of one of your most senior appointees. If the clerk had correctly informed us of the 15% threshold when we originally made our multiple inquiries the foundation never would have made such an investment and would have, instead, pursued other solutions. But there is still a chance to redeem our efforts and the right -- and right the wrong done to save San José libraries campaign. On behalf of the foundation, I urge the city council, to use their power to place a library funding measure on the ballot this November. Thank you.

>> Mayor Reed: Pat Saucedo.

>> Mayor and council, Pat Saucedo, San José Silicon Valley Chamber of Commerce. I think it's important that we not lose sight of the real issue before us, and that is, an initiative that would begin the process of budgeting by departmental carve outs of our general fund. That's really the issue at the table today. That's what you will be deciding whether to take to council to put on the ballot or not. Public policy by departmental carve-out for budgeting purposes for a municipality is bad budgeting policy and is bad policy for the City of San José. All the residents and businesses pay taxes. They pay taxes into the General Fund. That General Fund needs to be dealt with on an annual basis by the city council, the administration and the public that chooses to engage on an annual basis. There should not be carve outs. We should not start that process. It is only the beginning to the end where there will be no say by this council or a future council as to how any dollars are spent in future and upcoming budgets. The chamber strongly encourages that this go no further than today. Keep your eye on the ball and what

the real issue is. It's unfortunate, there was misinformation. There also were legal attorneys that could have been consulted to affirm exactly how many signatures are needed for a charter amendment initiative. Obviously that was not done. On behalf of the chamber, thank you.

>> Mayor Reed: Janice Allen and then Jane light.

>> Janice Allen. District 6 resident. I'm a retired elementary school teacher. For 20 years my second graders learned that if they made a mistake it was not acceptable to just say, "I'm sorry I made a mistake Mrs. Allen." They learned that it was their responsibility to correct that mistake. San José taxpayers elect their mayor and city council representatives. And they must have the reasonable expectation that their mayor, councilmembers, plus the employees whom they hire or appoint are competent. When they or one of their employees make a mistake, and in this case, an egregious error, it is totally unacceptable for that employee, and the city, to just say, "oops, I'm sorry, I made a mistakes. You need three times the number of signatures that I told you." If I hold seven-year-olds accountable for correcting their mistakes, as a taxpayer in this city I most definitely hold my elected officials just as accountable. Do the right thing, San José. Thank you.

>> Mayor Reed: Jane light and then David Cook.

>> Good afternoon Since I left the City's service a few months ago, I've continued to live in the city, in our great city in District 3 and I've been active in the steering committee for the City of San José's library ballot initiative. The errors that the city appointee made that derailed this campaign before it could even really begin has created a serious problem that the city council and only the city council at this point can redress. The voices of 40,000 people who wanted to have an opportunity to vote on this have been silenced. And as the previous speaker said and as an employer, not a teacher in all my years as the City's public library director, my employees sometimes made mistakes that caused harm to the people that we were serving. And I felt it was my ethical duty I was truly obliged if at all possible to try to find a way to fix a mistake my staff made. And I believe as a public official I had to be transparent thorough and fair in all of my dealings with the public. So I'm asking you as council,

to have the opportunity to correct the mistake and right the wrong done to all these constituents to move this forward for consideration by the full council. Thank you.

>> Mayor Reed: David hook and then Wilma hashi.

>> Thank you, Mayor Reed and members of the rules committee. I appreciate the opportunity to speak to you today. My name is Dave Hook and I live in San José. The save San José libraries campaign relied on the advice of city staff in setting the target for signature gathering to place the measure on the ballot this fall. Now we have found out that that information is incorrect and the number of signatures needed cannot be gathered in time for this fall's ballot. I'm urging you to support the American value of fair play and vote to move placing the save San José libraries on the agenda for next week's city council. This is the right thing to do, regardless whether you support the save San José libraries campaign. Thank you for your leadership and make San José a world class city in these difficult times.

>> Mayor Reed: Wilma hashi and then Daniel Allen.

>> My name is Wilma hashi. I'm president of the pearl avenue and the Seven Trees friends and I work with a number of other friends groups including Hillview, Cambrian and Rose Garden as well as the offer ends group. Between March and June of this year I collected more than 300 signatures for the save San José libraries campaign. I was not paid to do this. I did it because I love our libraries, and want to see them open more than four days a week. And I wasn't alone. More than 100 volunteers like me collected thousands of signatures on behalf of this campaign. We spent hours each week passing around clip boards outside our local libraries in front of stores at PTA meetings and barbecues and retirement meetings. For me this is a really hard thing to do because that's not my comfort zone. Then we find out that all of that time was for nothing, because the city staff didn't do its job. I don't know about you, but that doesn't seem right to me. If you truly value the volunteers who work, so hard to make this city a better place to live and work and play then I know you'll do the right thing and put this measure on the ballot in November. Thank you.

>> Mayor Reed: Daniel Allen and then David Wall.

>> Hi, my name is Daniel Allen, I'm a faculty member for the San José Evergreen Community College district. I just wanted to say I heard this argument floated around that funding for libraries means fewer cops on the streets. And to that I say if you give public services like libraries and education the proper funding they deserve you won't need as many cops in the streets. I think that's something that may not get people elected but it's the truth. Libraries are a vital resource for kids, for working families. They can't afford daycare, they can't afford summer camp and when you underfund that resource you're basically responsible for the further ghettoization of the city. In rebuttal to one of the previous speakers, attorneys were consulted regarding gathering of signatures and this mistake made by the clerk, the mistake in regards to number of signatures it's really hard for me to believe that it was an accident. Thank you.

>> Mayor Reed: David Wall.

>> Heard a lot of impassioned speakers here today but none of them except for myself is going to raise the specters of the hypocrisies about measure B. It's going to come home to roost. You destroyed the public's investment in the police department but in doing so, you did this on the backs of saving the libraries. So you've actually, as we sit here today, you've raised the bar of hypocrisy to an orchestra of irritated taxpayers. Now I think that the only course that you need to come across is, put this on the ballot. But also, say to people about the dangers of what learned speaker from the chamber of commerce said about carveouts and those restrictions. But also, the further decimation of public safety, with reference to the San José police department, in which you can't hire police officers faster than you're losing them. The fire department, almost the same issue. But not as exacerbated as police. But let us get back to what you campaigned on measure B. You've mentioned libraries all over the place with reference to all the police costs and what not. The public bought into the hypocrisies of measure B and now there is back pedaling to deal with what the taxpayers want with their libraries. You should also discuss today, before people leave, Mr. Mayor, the interview with Damien Trujillo about the increase in burglary, so it's just publicly stated 30% several months ago at city council meeting by the assistant Chief of

Police but some neighborhoods are experiencing 80% increase in residential burglaries. So the people sitting behind me, reading books is not going to deal with the realities of a failed city.

>> Mayor Reed: Your time is up. That concludes the public testimony on this item. I have circulated a memo, the copies are available on the desk. And I'd just like to start by talking about what we did in the budget this year. And to do that you have to go back to the previous year's budget. Because a little over a year ago, we reduced our payroll by 24%. Everybody in the city took a 10% pay cut. Librarians, police officers, councilmembers, managers, everybody took a 10% total cut of compensation. We also laid off a bunch of people, police officers and other workers and shrank our payroll. As a result of that we got a little bit of reprieve, that had an impact on retirement cost. This fiscal year the retirement costs are not going up. What are we doing with the money? 9 million cushion, roughly 1% of the budget. We are going to open four new libraries. Libraries that have been built with bond funds approved by the taxpayers over a decade ago that have been sitting locked up and empty. We are going to be optimistic but move cautiously and get those four libraries open. So the council has approved that. That's in the budget. And as long as things stay as we project we should be able to begin to see those libraries open in January. That doesn't mean that that's all we should do for the libraries. Every councilmember would like to restore hours to the libraries, I've heard that many, many times from many councilmembers. The community would like to have the library hours restored. I don't think there's any doubt about that. So I don't think there's any doubt that the libraries are a high priority. But aren't necessarily at the expense of police, fire and parks. So the idea that we would carve out a section of the General Fund just for libraries means that we'd have to take it away from someplace else. And I think that would be not just a bad policy, certainly it is bad budgeting policy, to have carve-outs, but a disaster for those other departments. We do not have enough police officers on our streets today. And we really need to expand that department. But if you have another \$16 million you have to come up with, for the libraries, that comes out of the other departments, you can be sure that some of it will come out of the police department. A lot of it, because \$16 million eats up a lot of territory in those departments. I think that would be disastrous for our city. So as a policy and as a matter of budget I just think this is going in a completely wrong direction. And anybody who wonders what impacts that might have can look at the changes that have been outlined by the manager previously as to areas where we have to look to make the cuts. And none of those are things that I or the council wants to do. On the merits of the arguments here today, it seems to me that we're a

little bit premature. The advocates who are certainly passionate about libraries started gathering signatures in March and by June 6th had 40,000 some signatures that they have reported that they collected. They still have a couple months left to go. The time period does not expire until September 18th to gather signatures. And I think we're premature knowing how many they have whether or not any of those would be certified and what level of certifications we get from the registrar. We just don't know that. So I think we need to take no action on this. It doesn't belong on the council agenda. It's premature. We don't know how many signatures they might gather. We don't know how many signatures they have gathered. And there's still time for them to do whatever it is they think is important to gathering signatures. So I would like to give Councilmember Chu a chance to speak on this. He's part of the councilmembers that have asked this to be placed on the agenda so I'll let him do that now.

>> Councilmember Chu: Thank you mayor. I just want to make the statement that I'm bringing this item before you today not to address the merit of the ballot initiative but rather to address the fairness of the process. Given the circumstances, we need to respect the voters who signed the petition, with the understanding that it will appear on the November ballot as well as the dozens of supporters, donors and others who have spent time and resources on this initiative. As many of our speakers have already pointed out, there's no longer an issue of the initiative, but the character of our city, and our application as a city to fix the error. And that's the reason I'm bringing up to the Rules Committee to consider to consider to give the full council the opportunity to understand what has happened and give consideration for this item on the November ballot. Thank you.

>> Mayor Reed: Vice Mayor or councilmember?

>> Vice Mayor Nguyen: Thank you. First of all, let me just start by saying how impressive I have been with the proponents of the library to be able to collect over 40,000 signatures in a relatively short amount of time. I think the mayor is right. I think it is premature for us to consider this matter given the fact that we have two more months or the proponents of the libraries have two more months to continue gathering these signatures. I think now is the time for you to continue to put the boots on the ground and see if you can get the extra 17,500 signatures for this to qualify for the November ballot but I feel really uncomfortable taking this action when we

have a little bit of time left, little bit over a month and a half. So I would be more than glad to move the mayor's memo and defer consideration of the library funding carve-out charter amendment.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. I as well want to compliment the zeal and energy of the library advocates out there. Many of you agree with you but we have to take everything in balance. After today when you regroup and rehash how to best support the library I would make two suggestions: One, we have an incredible opportunity in Silicon Valley with so many college educated baby boomers to have an opportunity for residents to volunteer in the libraries, to augment city staff, to actually keep them open more hours per week. We have an opportunity here and if you put that energy there I think we can get there much faster than the rate we're going now and provide that opportunity for people to enjoy the library. There is very little opportunity to enjoy the libraries when the doors are closed. I would ask you to lobby your county board of supervisors that are currently trying to sue the city for a pension employee retirement system tax that they've never done in the past, and if they're successful will eke out about \$3.4 million from our budget, and none of those four libraries that are closed will open, if that's successful. And that board of supervisors has done nothing to stop that from happening. So in the end, I believe there should be no action today and I will not be seconding anything, just no action at all.

>> Mayor Reed: So if the motion dies for lack of second this is not going on the agenda?

>> City Attorney Doyle: That's right.

>> Mayor Reed: The committee will take no action and we'll wait and see.

>> City Attorney Doyle: That's right.

>> Mayor Reed: Okay, so we have no motion, no action, this is not going on the council agenda, we'll take it up at some time later if there's something else to consider. We'll move then to item 4, agendize for the August 7th

council meeting an ordinance extending the pilot program for neighborhood commission to June 30th, and directing the clerk to complete the boards and commissions structural improvement report by December 1st. There's a memorandum from myself, Vice Mayor, Councilmember Herrera on this.

>> Vice Mayor Nguyen: Motion to approve.

>> Councilmember Oliverio: Is Kip here?

>> Mayor Reed: Kip Harkness is here.

>> Councilmember Oliverio: Kip, if I could ask, when we originally start a commission I always ask, what will it do? And people go, well, I'm not sure. And I mean, well, there's a neighborhood commission in Honolulu, what are they doing there? Well, I'm not sure. Now we've had time to be together as a neighborhood commission. Where do you really see this group focusing its efforts while we're doing the restructuring of city commissions?

>> Mr. Mayor, members of the committee, Kip Harkness assistant to the City Manager. That's a very good question. I think that part of what the direction that would be useful to me from council is that given the history of the pilot project what do we think makes the most sense. My advice which you've asked is I think there are a number of areas where a neighborhoods commission could be quite valuable. In particular one that you just alluded to is the question of volunteerism and how we work with harnessing the energy of volunteers within the city for a number of things, everything from neighborhood clean-ups to supporting running programs in the library. I think there's a lot of energy that a neighborhoods commission could apply to something like that. But part of my experience through the pilot project is that I believe that ultimately there's some structural changes that need to be made to the form and structure of the committee to make it function more efficiently. And for us to be able to really move forward with an effective neighborhoods commission.

>> Councilmember Oliverio: Okay, thank you Kip.

>> Mayor Reed: Okay we got --

>> Councilmember Oliverio: Second.

>> Mayor Reed: Okay we have a motion on the floor to approve the recommendations. City Clerk any problem with the December 1st date in completion of the plan?

>> Dennis Hawkins: No, Mr. Mayor, actually I'd appreciate the extra time.

>> City Attorney Doyle: Just to note that if the motion passes we'll need a sunshine waiver to get this item on the August 7th agenda.

>> Councilmember Oliverio: May I suggest we just put it on the later agenda?

>> City Attorney Doyle: That's your call. I mean, it's --

>> Councilmember Oliverio: I mean sometimes when it's sunshined for no reason, obviously the 14th has really nothing going on versus the 7th last a lot going on.

>> City Attorney Doyle: This is essentially extending a date.

>> Councilmember Oliverio: I'd imagine I would have more questions at council, though.

>> Mayor Reed: It could generate some discussion at council. I don't see any reason why we couldn't do it on the 14th. There is nothing between the 7th and the 14th that this commission needs authority to work on. So is that the motion then to put it on the 14th? And no sunshine waiver needed for that. Okay. On the motion all in favor? Opposed? None opposed, that's approved for the 14th. Item G 5, is a request to -- in Councilmember Chu to adopt a resolution in support of freeway directional signage on U.S. 101, Interstate 280 directing commuters to

little Saigon business district on Story Road. Betsy Shotwell is here and I'd like her to bring us up to speed on the legislation that is moving through the state legislature on this topic. So that we're aware of the status.

>> Betsy Shotwell: Thank you, mayor. Again, Betsy Shotwell, Director of Intergovernmental Relations. Assembly member Nora Campos introduced AB 2095, which is currently in the senate appropriations committee and specific to that bill, it was -- it allows the CalTrans district 4 and Hans Larsen is also here, who has been in communication with the district, to provide this signage with a resolution of support from the county and documentation from the community where it would be placed. That legislation is expected to be heard next week and then to the senate floor of which it would then go back to the assembly to country occur on the amendments and it would have to get to the governor's desk by August 31st.

>> Mayor Reed: Okay. Hans Larsen did you have anything to add, any communications with the -- (inaudible).

>> Mayor Reed: Okay. We do have a letter that Mr. Larsen sent to CalTrans District 4 back in June of on this, Councilmember Chu did you want to speak to your memo?

>> Councilmember Chu: Thank you mayor. Three times a charm. This is my third time to you this afternoon. But first of all, I'd like to thank assembly member Nora Campos to putting together the AB 2095. I know one of her staff member Maria Fernandez is also in the audience. I also want to thank congresswoman Zoe Lofgren for her support of the measure. The county supervisors including Dave Cortese and George Shirakawa, for answering the calls of our residents to support a freeway directional signage on 101 and 280 directing commuters to little Saigon business district on Story Road. And I'm bringing this one forward, strictly for the economic benefit to our city. I believe previous signage will bring visible to the business district, as a visitor passing through San José, they may want to exit the freeway to explore this unique designation point, and spend money in our city. I'm speaking from my own experience. I was taking the kids to a vacation down in Southern California, and traveling on the freeway, I don't even remember the name or the number of the freeway. And I saw, we saw the little Saigon sign and said wow, okay, let's -- we'll take -- check it out. And ended up spending not just the meal but also did a lot of shopping there. So I know the freeway sign will help the local business in that area and will bring

additional sales tax revenue to the city. So I -- again, respectfully ask you, the Rules Committee and my colleagues to support adoption of a resolution to support this project. And hopefully, that would be the final push that assembly member Nora Campos needed in Sacramento to have those signs installed on both 101 and 280. Thank you very much.

>> Mayor Reed: Thank you. Before we got started on this I have about half a dozen cards of people who want to speak. I want to make sure that everybody is aware of the letter that Hans Larsen sent to the State of California. Are there copies of this letter available?

>> They're in the rules packet.

>> Mayor Reed: I just want to read, everybody understands where the City of San José has been on this. We acknowledge the authority of CalTrans to decide on the placement of directional signage on state highways for culturally unique communities. Streets and highways code section 101.12. We are not opposed to the request of placing little Saigon signs along route 101. I think that's a fair assessment of the city's position. That's what we've informed the state of California. And as you can see from the legislation that's being carried by assembly member Campos, there is no need for a resolution from the City of San José. CalTrans has the authority to put up the sign. The city does not object to them putting up the signs. And so I just want everybody to know that the city has taken a position, it's in writing, and it should be clear as to the City's position. So with that I'm going to take some public testimony. Barry do, followed by tin Nguyen. And Von Lei.

>> Mayor Reed and Rules Committee member, just Mary just mentioned and also from councilman Kansen Chu just mentioned, we really appreciate Mayor and the city leadership that through the city Planning Department have helped our community to put the banner and the monument ready. So this is just the last piece of the puzzle to make this unique area a business area, turned into the area already attract a lot of visitors from outside the City of San José and is also attract people that are interested in the Viet community in San José. So hopefully after this resolution has been like Mary mentioned, already the city take the position so we would like to see that the CalTrans will move forward with this sign here and I also would ask Councilmember Chu, maybe you could

adding because it happened the location is pretty strategic is right at the trisection of freeway 680 and 280. So it's 101 but actually it is the joining point of the 280 and 680. So could you may add in with the freeways 280 and 680 in here and I just been in the City of Sacramento and I can see that the little Saigon area just like there but even worse than here, there is more business people that I see that develop in this area. So hopefully this is the last piece of the picture about little Saigon and we hope that the City of San José, just like the resolution put out by the county and by Councilmember Chu, the City of San José will have -- turn into a tourist place especially for people that would like to visit kind of unique community. So we just want to appreciate that the city would already acknowledge and move forward quickly. Thank you, Rules Committee members.

>> Mayor Reed: Tin Nguyen and then bud Le.

>> Honorable city council Rules Committee. On behalf of Vietnamese American community of Northern California, I would like to extend our organization's recommendation that the city of San José adopt a resolution in support of freeway directional signage on U.S. 101, Interstate 280 and 680 directing commuters to little Saigon district on Story Road. The little Saigon business district serves a source of pride for not only Vietnamese community but the City of San José. The businesses which operate there generate enormous amounts of economic opportunity, helping to create local jobs, and support our local tax base. On freeway could help draw on customer for this critical economic and cultural hope in San José and assist this business their ongoing growth. Operations, Vietnamese Americans and their family in the City of San José, organizations recommend for citizens in support of freeway directional signage. Is one of the leaders of this community I'm proud to voice the community's recommendation City of San José adopt the resolution. Thank you.

>> Mayor Reed: Von Le and then David Wall.

>> Good afternoon, mayor Chuck Reed, our councilmember and ladies and gentlemen. Based on what Mayor Chuck Reed just read, we don't have an issue and we have support from the City of San José. So what else could I say besides saying that thank you all for your support. Thank you.

>> Mayor Reed: Von Le.

>> Hi, my name is Von Le, I'm also vice president of care and school board trustee site. I've been working closely with state assembly Nora Campos, county supervisor Dave Cortese and with the little Saigon foundation. And if you said that if we don't need the resolution in order to deal with the signage, I don't think so. I think we urge you to vote for -- approve the resolution because the resolution is really impact to move on for the at this time assembly, for the bill. From my understanding without the resolution the work is going to take longer. If you can take the moment to review the process, we would ask you to pass the resolution for signage for little Saigon today. It is very important for us. Otherwise we wouldn't go the letter we receive it from the supervisor, we could go the other route. Why do we have to go back with the city council? And I know that the letter from CalTrans would say that but we still urge you to approve the resolution from Councilmember Kansen Chu to approve the little Saigon signage today.

>> Mayor Reed: Honoring man Nguyen, tran Trong.

>> Good afternoon, mayor. As one of my friend say, the City of San José, there's an object, you know. They are saying that you are going to approve the signage on the freeway. That's a good news for us. That sign for the Vietnamese community is to reunite, all the Vietnamese that are living abroad. 3 million people are living around the world and 80% a victim of the communityists. You know we lost everything. We lost to south Vietnam. Push the capital Saigon. The name little Saigon keep our heart warm and it can unite all the Vietnamese around the world, also attract a lot of tourists who come to San José. That name is highly appreciated by myself, by the Vietnamese community in San José. And you know, in the state, in this country and around the world. Thank you.

>> Mayor Reed: Vana Tren, Hong En and I may not be completely accurate on these names. So we'll get everybody a chance to speak who wants to speak.

>> Good afternoon. My name is Vana Tren. The city council, the City of San José has no objection to the project of having a sign, on 101 and we are really thankful for it. I just say a few words on why we Vietnamese support

the name little Saigon. You know Saigon is a name of the old capital of the republic of South Vietnam. It was a lovely beautiful city. We are very proud of it. And after 1975, many Vietnamese, hundreds of thousands of Vietnamese fled the communist regime to settle in other parts of the world. New life new land however they always miss the home country and of course, the old city capital, Saigon. That is why they, wherever they are, they would love to have a little Saigon, it's where they live. The Vietnamese people in San José would love to have the same thing. That is why we wholeheartedly support the building of a sign, little Saigon, off of freeway 101, leading to Story Road. I believe that with this sign up, many Vietnamese from San José arrive from many cities in the United States and around the world, will flock to the shopping malls and businesses will flourish there, which in turn will benefit the City of San José. That is why we would appreciate it if the city, the San José city council would give its approval to this project. Thank you.

>> Mayor Reed: Honoring an, Minh Kahn.

>> Speaking Vietnamese]

>> Dear mayor and the committee, leader of little Saigon would like me to make the translation for him. I would like to bring the request the committee to support the resolution to install freeway signage, directing residents and travelers to little Saigon business area. Our committee has installed little Saigon signs and banners, for the business district and have committed to pay for the freeway directional signage as well. I ask for mayor and the Rules Committee members to support our business district for the hundreds of business owner who have invested there and for the hardworking man and woman in our community who work there. And for the prosperity of our San José city. Thank you very much.

>> Mayor Reed: Minh Kahn and then tan Gno.

>> Good afternoon, mayor and council committee. I am business owner and I really proud about -- thank you -- I'm very proud that you aware of what our wish and you approve for the signage. For the little Saigon. I'm very grateful. But I think the sign on the 101 only not enough. Because the location of the little Saigon, maybe you

consider a sign or so on 680 and 280, because it's leading to that little area. And for the see, I think you all want to do the right thing and this is right thing to do. So please look into it more carefully and do it right because this was prosperity for the city and for business owner. I strongly believe that you will do the right thing for this issue. Thank you.

>> Mayor Reed: Tan Gno.

>> Good afternoon, mayor and committee. On behalf of Tuduc, I would like to show you a (inaudible) little Saigon corporation, why? I don't know who represent for the little Saigon foundation. This incorporation form on April 28, 2008. With the C, the number is C 2954059. And February 20, 2009 that's been. So please don't work with spend incorporation, thank you very much.

>> Mayor Reed: Tung Huang. I'm guessing on some of these names. If you don't want to speak we'll come back to you.

>> Thank you very much, mayor. Please stop working with the organization and lead us San José, thank you.

>> Mayor Reed: Charlie Lee.

>> Good afternoon Pair council and our committee. Today I come here, I want to ask city council to reject the propose from the assembly Nora Campos. I think this on March 4, 2008, I told the city council, this is not the one name of business, little Saigon, other than 621 and Tully road, you can look for --

>> Mayor Reed: Sir, if you'll pass it down. Thank you.

>> This corporation belong to, his daughter Linda Nguyen, on the house of Madison Nguyen, the retaliation Madison Nguyen, I hope this one now, hunger strike and the to everything, then after that, you can you believe, the pressure on the Vietnam community, to this one, he would run the community under 21 South Tennessee with

the corner office, restaurant, and the office, and not complied with the city code and uniform building code. And he run barber shop and camera store and retained no license. We the people write a citation to the code enforcement and send this one to the City Attorney. This we had a lawyer by name of Michael Lu. All of them City Attorney bring to the court he will fully --

>> Mayor Reed: Sorry, your time is up. Your time is up. Duong Nguyen.

>> My name is Duong Nguyen. I know to freeway direction thank you.

>> Mayor Reed: Richard McCoy.

>> Welcome back, mayor and council. Well, I'm not a member of the Vietnamese community myself I have been to Saigon. And I know how proud those people are of their heritage and what they want to keep for their ancestors and their children to understand. The idea of putting a sign up is not an uncommon thing. I've had the opportunity to travel around the country and the state. It's not uncommon to see a sign for some local ethnic group. You go up to San Francisco you see signs for Chinatown. For Nob Hill area or north beach area or even Russian hill. It's not an uncommon thing. But agreeing with what the mayor says here, that CalTrans has the right to put the sign up regardless what we do here, they may or may not do it depending on what the needs are. The fact that the city wants to put out a resolution in support of this I would have to agree with. Because it's not uncommon and not different for what a lot of cities around the country are doing for their ethnic groups to help support them. Thank you.

>> Mayor Reed: I think I called out a couple of names that I pronounced wrong, is there anybody who put in a card that I pronounced wrong, if you put in a card please come on down.

>> Hi, ladies and gentlemen. My name Waun Shuen, president of Northwest U.S.A. chapter. I cam here to request council support little Saigon San José. Because group in January through City of San José come to

visit. Bring January to business owners in the area. Up for people in the area. Please support and approve little Saigon San José, thank you very much.

>> Mayor Reed: Anybody else that wanted to speak? I think that's everybody, so that concludes the public comments on this item. Let me start by acknowledging the passion that we have in the Vietnamese community over this issue. Anybody who's been around for a few years and was here when we had numerous hearings, many, many hours, thousands of people participating, knows this is an issue that has motivated the community in multiple directions. Not everybody supporting, not everybody opposed, but certainly, a very long debated, long discussed item. And the city took several action. And those are summarized in the letter from Hans Larsen to CalTrans. So we have a little sigh gone. You can go out there and see the signs. You have the monument sign that got put up. But it is not necessary to bring this back and put it open a council agenda for CalTrans to put up the sign. We do not oppose CalTrans putting up the signs, we'll told CalTrans. What I'm opposed to is putting another divisive item on the council agenda that is not necessary, that will divide the Vietnamese community and create an argument where one is not necessary, desirable and shouldn't happen. We've worked on this long and hard. I think we've done all that we need to do, and if CalTrans wants to put up signs, they can put up signs. Now, they may have their own reasons for not wanting to do it. But based on the conversations that my staff has had with the state I think CalTrans is perfectly capable of putting up the signs. And certainly with the legislation that assemblymember Campos is carrying, there will be no doubt that CalTrans has the capacity to put up the signs, and there should be no doubt that San José has to objection to that. What do I object to is putting something on the council agenda that will be divisive and unnecessary, and harmful to our Vietnamese community. So I don't support putting it on the agenda. It is not necessary. CalTrans will put up the signs. They have the capacity, they have the power, they have the authority. They can do it. It doesn't involve a lot of money so I don't even think budget is a big issue. We don't need to take any action on this. Our previous actions are sufficient to accomplish what folks want that can be done. Any other comments? Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you, Mayor Reed. Just quickly I wanted to thank Hans Larsen and also Roxann Miller and Betsy Shotwell for the work that's been done so far. My office has actually been working with these individuals for the past several months trying to come up with the right language so that we can take a no oppose

position on the signage issue. And I think the mayor's right. I think the Vietnamese American community has been through a lot and there has been compromise and work toward creating a peaceful environment in our community, and we should stick to the course. We shouldn't have to bring this issue back to the full council for what I probably assume will be another divisive discussion. So at this point, my understanding is that there is no registered opposition Assemblymember Nora Campos bill. It will move through legislature and it's really up to her office to work with the Governor's Office to make sure he signs this bill. So if there's no registered opposition I don't see a problem with this bill. So I think it's probably best for us not to take any action in this item. Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Nope.

>> Mayor Reed: Okay, so we're taking no action, there's no motion. But I think what the proponents want can be accomplished with what we've done so far and there's no San José opposition that's been documented. Everybody can get a copy if they want to know what our position is. Move to item 6 category G, to direct the City Manager or designee to execute a jointly use park agreement with the Santa Clara unified school district on the Agnews East site on North San José.

>> Councilmember Oliverio: Motion to approve.

>> Mayor Reed: Motion to approve. We have no request to speak. Do we need a sunshine waiver?

>> Councilmember Oliverio: Always, always.

>> Mayor Reed: Included in the sunshine waiver on that. All in favor? Opposed? None opposed, that's approved. A request to approve the designation of councilmember Pete Constant as the alternate voting delegate at the league of California cities.

>> Councilmember Oliverio: Motion to approve.

>> Vice Mayor Nguyen: Second.

>> Mayor Reed: We need a sunshine waiver so we can get this on.

>> Dennis Hawkins: That's correct.

>> Mayor Reed: August 7th meeting?

>> Dennis Hawkins: That's correct, Mr. Mayor. Because the designations are due to league of cities I believe by the 13th or the 14th, I forget the date. But it's --

>> Mayor Reed: Okay.

>> Dennis Hawkins: -- shortly thereafter.

>> Mayor Reed: Very soon and I think I got a motion on that. All in favor, opposed, none opposed, that's approved. We have a revision of the council policy 1-17 sponsor ships fundraising which the staff has worked on we've had some discussion on this and now it's ready to go to council we think.

>> Councilmember Oliverio: Second.

>> Mayor Reed: We have a motion to do that, to refer it to council as recommended by staff if staff much wants to make a presentation.

>> We're here for questions.

>> Mayor Reed: Okay, it doesn't have to be ton August 7th agenda, August 14th. That's the motion all in favor, opposed, none opposed, that's approved. Request to approve the San José jazz festival flag raising as a city sponsored event.

>> Councilmember Oliverio: Motion to approve.

>> Vice Mayor Nguyen: Second.

>> Mayor Reed: That would be a consent calendar item?

>> Dennis Hawkins: That's correct, Mr. Mayor.

>> Mayor Reed: With sunshine waiver although I'm not sure we need one. All in favor, opposed, none opposed, that's approved. Approving National Night Out as a city sponsored special event.

>> Councilmember Oliverio: Motion to approve.

>> Mayor Reed: Motion to approve, including whatever waivers may be needed. Request to speak on this one yes, Richard McCoy.

>> Thank you, mayor. As you know unfortunately this annual event happens always on the same date, and it always seems to be the daylight at which the council returns back to business. And as many of you know or have done you've scheduled or had your staff schedule appearances for you at local parks and/or neighborhood association activities. In the past, unfortunately, the city council meeting is always gone on a little bit longer and perhaps you weren't always able to make some of your commitments. It is important for the people as you know that appearances can be made there because a lot of them would like to see you. My request is for what it's worth however it can be done to try to keep the council business down to a minimum so you can all keep your appointments and your schedules for National Night Out.

>> Councilmember Oliverio: You may want to e-mail specific councilmembers.

>> Mayor Reed: We could have a national non-talking day would really speed it up, right? Okay. We have a motion to approve it and get it on the agenda. All in favor? Opposed? None opposed, that's approved. District 8 day in the park as a city sponsored event.

>> Councilmember Oliverio: Motion to approve.

>> Mayor Reed: Get that on the agenda with appropriate waivers. All in favor, opposed, none opposed, that's approved. Report on the posting of public calendars by city officials on the city's website. I have one request to speak on that. David Wall.

>> I have long held, Mr. Mayor, that this is a waste of your time and the councilmembers' time because you're too busy for this. But then I'm, for a moment of reflection and discernment, when I recall that you have six senior advisors that don't seem to do too much, Mr. Mayor, I can see where you're perfect in this arena all the time. With reference to my councilmember in district 3, Councilmember Liccardo, he has three absences from reporting, I think these should be overlooked because he's trying to clear up the problems of St. James park otherwise known as vagrant and criminal element park. As to district 6 he has four little marks against him but this must be in error because to my knowledge, he's the only councilmember in recorded history that's never missed a meeting or site. So if it was an error, it should be overlooked by his overwhelming service to the city without error. And of course, the City Manager is also perfect but then again I also use the same argument with an assistant City Manager and two deputy City Managers that don't seem to pay too much attention whatsoever to the environmental services department with reference to the problems of the water pollution control plant. I can see why this attendance record is also perfect. My only comment is, it's the attorneys shouldn't even have to be worried about this since his office is always trying to repair the damages done by the incompetent office of the City Manager. So he shouldn't even have to be made to do a calendar with his workload especially losing all the trained esquires that we used to have due to Measure B and other administrative unfortunateness that has come

from learned counsel. So I would say, get rid of this it is not even environmental, you caused seven pages, seven pieces of paper per agenda, how many trees had to die because of this calendar business? Thank you.

>> Mayor Reed: That concludes public testimony. Committee discussion on this? I notice we're 92% or something like that, I don't see any problems. We do this quarterly.

>> Councilmember Oliverio: May I suggest twice a year? Make it biannual ethics review?

>> Mayor Reed: The question was whether or not we ought to do it twice a year instead of quarterly? Does it make any difference to staff?

>> Really up to the city council.

>> Mayor Reed: You want less appearance at Rules Committee meeting?

>> Councilmember Oliverio: Do it!

>> Mayor Reed: You want to move that?

>> Councilmember Oliverio: I don't know if that's part of your biannual ethics thing. I could certainly propose that here --

>> City Attorney Doyle: I'll check with the sunshine resolution and see if that's something we can come back about with.

>> Mayor Reed: Why don't we have a motion on this one and have something to come back with.

>> Councilmember Oliverio: I have invested in some kind of modern technology that's called a post-it note, that reminds me to add it. So I should be better next time.

>> Mayor Reed: Motion? Brit back before the next report on the frequency issue. All in favor, opposed, none opposed, that's approved. Council committees agendas and work plans. We have some work plans and I have a note that we may need to cancel an August meeting for neighborhood services and education committee. So let's take this as a package on the work plans and deal with any issues that we have. So we have the question of cancelling the August meeting, is that one committee that we might need to cancel on?

>> That's correct, Mr. Mayor, just for the neighborhood services and education committee, the August meeting will be cancelled.

>> Mayor Reed: Okay. And any other item of interest is 4B, which is some additional items to the Public Safety, finance and strategic support committee work plan, from a memo from myself and Councilmember Herrera regarding burglary and response, we ought to do that, any questions or comments on --

>> Councilmember Oliverio: Motion on it all.

>> Vice Mayor Nguyen: Second.

>> Mayor Reed: We have a motion to move all of them does that include the cancellation of that August meeting for NSE?

>> Councilmember Oliverio: Yes.

>> Mayor Reed: Okay, cancellation of one meeting. Mr. Wall. And Mr. Wall.

>> I -- for the transportation and environment committee work plan, I believe that conditions are so dire at the water pollution control plant that all items -- well first of all, the September -- they should be in August, they shouldn't wait for anything to do with water pollution control, at all. And second, I don't see anything at all on here unless it is dealing with the storm drain collection system, any definitive language on the municipal regional storm drain permit. And the City's ability to maintain compliance with that. The capital improvement program update that is scheduled for November should also be first and foremost on your agendas, especially at Rules, because this is incredible amount of money that was laid just idling, just ratepayer money laying idle because of substandard management flowing from the office of City Manager all the way down to ESD managers. Then on the rules work plan, I don't think you should cancel any more meetings. You need more meetings, Mr. Mayor, because the last meeting, June 19th of this year, you had over 60 -- I think 62 items on the consent calendar. And that's just not acceptable sir. Especially when you, as Your Honor, consider all those 62 items, as one item. And they're certainly not routine items. So I think that a little bit more effort on your part here at Rules is needed so you don't jam up these consent calendar with all this significant cost to the taxpayers. Thank you.

>> Mayor Reed: That concludes the public testimony. I just had a comment on the memorandum from Councilmember Herrera and myself regarding the Public Safety committee and burglary items starting with the August 16th meeting. We know that there's been an increase in burglaries. We've discussed this at a council meeting and I think having a regular reporting on this where councilmembers can see the data for their districts and other districts nobody will be surprised by it. And it will allow us to begin to focus on that even though we don't have the resources to rebuild the police department at this time. We're going to have to implement the measure B savings before we get there. I think there are things that we can do to focus how we deploy our resources and how we deal with the problems as we have in the past when other issues have come up. So I think it will be helpful to everybody to get this on the Public Safety committee work plan.

>> Councilmember Oliverio: Also interesting to note that Palo Alto's burglaries have increased 30% so obviously it's regional.

>> Mayor Reed: Sometimes we discover there are trends, sometimes trends all over the country, usually nobody can explain why but we know it happens. Any further discussion, we have a motion to approve all of these. On the motion, all in favor, opposed, none opposed, that's approved. I think we're down to the open forum. Correct? Mr. Wall.

>> I just wanted to report to the Rules Committee that I received an e-mail from the headhunter group that the City Manager's office contracted with with reference to the director of environmentally services department. I have been found that I lack qualifications because other people have more qualifications than myself. So I'm out of the running for the role of director of your environmental services department. The amount of issue was for 2.2 million contract that had five amendments to \$5.2 million total that was designed basically for a consultant reporting to a deputy director who is now left the city. Without my intervention, that contract apparently just flew by, flew by TPAC Mr. Mayor you were warned there you were warned here at rules, you were warned at the city council meeting about this contract. And yet after all these warnings, to my knowledge not a penny was given to this engineering firm. As a matter of fact, this consultant has been excused summarily from city service. So I don't see anybody that's polite for this job that has the ability to do that, as a citizen. When you have a City Manager, assistant City Manager, as a member of TPAC two deputy City Managers and it escaped their knowledge, their ability, they didn't take care of it. It escaped the entire command structure of the environmental services department. I can go on and on but tomorrow at TPAC sir you will note that they have been studying for the past ten years or so their inability to retain tradesmen like electricians and whatnot at the plant. Now see that's why maybe I was disqualified to be a director, because you see if they pull that crap on me for a month I would fire their rear ends faster than you can blink your eyes and yet this city allowed ten years --

>> Mayor Reed: Sorry, your time is up. That concludes the open forum, that concludes our meeting, we're adjourned.

>> Councilmember Oliverio: All right!