



Regular Meeting
of the
San José
Public Safety, Finance & Strategic Support Committee
held
February 21, 2008 at 1:30 P.M

Roll Call: Madison Nguyen, Chair; Pete Constant, Vice-Chair; Pierluigi Oliverio, Member; Christine Shippey, Assistant City Manager; Melanie Jimenez, Mayor's Office; Danielle Kenealey, City Attorney's Office; David Baum, Redevelopment Agency

Absent: Member Forrest Williams

Staff: Abe Andrade Redevelopment Agency; Randy Murphy, CIO, IT; Desiree Jafferries, Call Center Manager; Scott Johnson, Director of Finance; Julia Cooper, Deputy Director of Finance; Kathy Jackson, Acting Investment Officer, Finance; Aran Andrews, CIO Finance; Steve Hendrickson, Interim City Auditor

Guests: Scott Knies, Executive Director, San Jose Downtown Association

The meeting was called to order at 1:32 p.m.

1. **Redevelopment Agency Monthly Financial Reports (Redevelopment Agency)**
 - a. **Financial Statements**
 - b. **Capital Cost Report**
 - c. **Cash Flow Projections**

Abe Andrade, Redevelopment Agency Assistant Budget Director presented the reports.

The reports presented covered the Agency's financial reports for the month end of December 2007. The financial statements provided a summary of the agency's balance sheet and statement of revenues, expenditures and changes in fund balance.

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee accepted the reports.

2. **Report on the Entertainment Zone Cost Recovery Plan and Its Use for Police Overtime (Police) (Request Deferral)**

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee approved deferral.

3. Public Safety Quarterly Reports (Police/Fire) (Request Deferral)

- a. Police
- b. Fire

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee approved deferral.

4. Second Quarterly Reports on 2007-08 Performance Measurements for October-December 2007 (City Manager)

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee accepted the reports.

5. Report on Call Center Customer Service (Information Technologies)

Randy Murphy, Interim Chief Information Officer, presented the report.

This report provides a review and update on the most recent activities related to customer service at the Customer Contact Center.

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee accepted the report.

6. FY 2007-08 Second Quarter Debt Report (Finance)

Scott Johnson, Director of Finance, and Julia Cooper, Deputy Director of Finance, presented the report.

The City's Debt Management Program manages the City's debt issuance and debt administration activities for all City borrowings including the issuance and administration of tax increment debt for the Housing Department's Expanded Housing Program. Debt issued by the Redevelopment Agency is administered separately by Redevelopment Agency staff.

The Second Quarter Debt Report focuses on the following elements of the City's Debt Program:

- Completed financings and current portfolio through December 31, 2007,
- Debt issuance and management activities completed during Second Quarter,
- Current long-term interest rate environment, and
- Performance of City's variable rate debt.

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee accepted the report.

7. FY 2007-08 Second Quarter Investment Report (Finance)

Scott Johnson, Director of Finance, and Julie Cooper, Deputy Director of Finance presented the report.

This report presents information in the following major categories: Portfolio Statistics, Portfolio Performance, Compliance Reporting Requirements, Investment Trading Activity, and Investment Strategy pursuant to the Investment Policy.

An electronic version of this report is available on the City's website at www2.csjfinance.org.

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee accepted the report.

8. Review of the Park Townsend Disposition and Development Agreement (City Auditor)

Steve Hendrickson, Interim City Auditor; presented the report.

In January 2006, the Redevelopment Agency of the City of San Jose (Agency) requested that the City Auditor audit the Disposition and Development Agreement (DDA) for the Park Townsend Condominium Project for compliance with its agreement, and to ensure that the Agency received all revenues that it was entitled to receive. In accordance with the Agency's request and the City Auditor's 2005-06 Audit Workplan, the Auditor's Office completed its review of the DDA. On October 31, 2007, the Auditor presented its summary report and findings to the Agency.

The Auditor's Office found that Goldrich & Kest (G&K) project developer inflated project costs by over \$4 million, resulting in net profit due to the Agency of over \$1.7 million. Agency staff will continue to monitor the situation.

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee accepted the report.

9. Review of the 101 San Fernando Disposition and Development Agreement (City Auditor) Deferred January 17; Request Deferral to March

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee approved deferral.

10. Bridge Replacement Audit – Phase II (City Auditor) Request Deferral to March 20

Upon motion of Vice-Chair Constant, seconded by Member Oliverio, the Committee approved deferral.

11. Oral Petitions

No oral petitions.

12. Adjournment

The meeting adjourned at 2:19 p.m.

By:

A handwritten signature in black ink, appearing to read "Madison Nguyen", followed by a horizontal line.

Madison Nguyen, Chair
Public Safety, Finance and Strategic Support Committee

Please note that this meeting can be viewed in its entirety on the City's website, www.sanjoseca.gov and click on the link to view meeting broadcast, you can find all Committee meetings as well as City Council meetings.