



**CITY COUNCIL STUDY SESSION
MAYOR'S FY 2007-2008
MARCH BUDGET MESSAGE**

SAN JOSÉ, CALIFORNIA

WEDNESDAY, MARCH 15, 2007

The Council of the City of San José convened in a Study Session at 9:07 a.m. to discuss the Mayor's FY 2007-2008 March Budget Message.

Present: Council Members - Campos, Constant, Cortese, Liccardo, Nguyen, Pyle, Williams; Reed.

Absent: Council Members - Chirco. (Excused)

Staff: City Manager Les White, City Attorney Richard Doyle, Budget Director Larry Lisenbee, Acting Budget Director Jennifer Maguire, City Clerk Lee Price and Legislative Secretary Susan Davis.

Documents filed: (1) Memorandum from Mayor Reed, dated March 9, 2007, transmitting the March Budget Message for Fiscal Year 2007-2008. (2) Presentation of the March Budget Message Study Session, dated March 15, 2006. (3) Presentation of the 2008-2012 General Fund Five Year Forecast, dated March 15, 2007.

Budget Director Larry Lisenbee presented an overview of the 2008-2012 General Fund Five Year Forecast.

Mayor Reed summarized the Mayor's March Budget Message. City Manager Les White presented five reality checkpoints for the budget process.

Council discussion followed.

Council Member Constant referring to Page 9, Item (g), stated the City should pay close attention to existing policies by exploring savings in areas, i.e. software. He stated it would be excellent idea to involve the employee unions, as they can help to find solutions for improvement. Economic development: businesses allowed to improve their signs show an increase in sells. He stated that in regard to tree maintenance/enforcement, the residents are willing to take care of doing it themselves using Neighborhood Associations, and the City currently does not allow it. He encouraged Council to allow the residents help the City and reduce City costs. He added that businesses that are allowed to improve signage increase sales.

Access the video, the agenda and related reports for this meeting by visiting the City's website at <http://www.sanjoseca.gov/clerk/agenda.asp> or [http:// www.sanjoseca.gov/clerk/MeetingArchive.asp](http://www.sanjoseca.gov/clerk/MeetingArchive.asp)

Mayor Reed and City Manager Les White concurred with Council Member Constant, that the unions should be involved.

Council Member Williams stated that the City should increase the number of jobs available in San José. Referring to Page 9, Item 2(l), he stated the City should involve the employees and stakeholders to help the City better manage its expenses and infrastructure.

Vice Mayor Cortese stated that it would be useful to set up a revenue growth budget projection based on policy scenarios. He concurred with Council Member Constant regarding trees, because there are many partnerships available, i.e. Our City Forest, and the Strong Neighborhood Initiative groups.

Council Member Pyle, referring to Page 10(a), Proposed Balanced Budget, asked if the cost savings could be stipulated as a separate column to keep better track of it. Referring to Page 14, the After School Programs, she stated that the homework programs are very inconsistent and the individual school districts should be included to help with accountability, and for Staff to pursue State Legislation for additional help. She added she would like to see comparison figures with other airports relative to the number of flights per day. She stated the City should increase flights and departures and encourage more tourism by amending the sign ordinance to generate more sales tax revenue.

Council Member Campos proposed that City employees be involved in budget advisory groups and encouraged Staff to develop an outreach plan for sign ordinance amendments. The Mayor responded to questions from Council Member Campos regarding maintenance, affordable housing in-lieu fees and retail strategy. City Manager Les White responded to questions from Council Member Campos regarding the remediation of Watson Park.

Council Member Williams proposed Staff consider options for “beta testing” software for information technology companies. He also encouraged Staff to obtain the best price possible when selling surplus property and further, to involve partners at San José State University when pursuing initiatives in Bioscience.

Mayor Reed responded to questions from Council Member Nguyen regarding criteria for measuring budget reductions for augmentations. Council Member Nguyen spoke in favor of protecting SNI areas and in objection to maintaining Officeholder accounts.

Council Member Liccardo spoke in favor of involving labor in budget discussions but urged meetings to obtain employee input should be noticed per the Brown Act. He concurred with other that Officeholder accounts should be discontinued.

Public Comment:

Daniel Finn and Linda Dittes (ASCFME, MEF 101) stated that the Union Members are glad to be included in the budget process.

Yolanda Cruz, Tom Reilly and Trish Glassey voiced their concerns about employee salaries and benefits.

Mayor Reed adjourned the meeting at 11:54 a.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC
City Clerk

smd/3-15-07 BudgetMIN

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