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## MAKING GOVERNMENT WORK BETTER COMMITTEE

CHUCK REED, CHAIR  
LINDA J. LEZOTTE, VICE CHAIR  
DAVID CORTESE, MEMBER  
KEN YEAGER, MEMBER

KAY WINER, DEPUTY CITY MANAGER  
DANIELLE KENEALEY, ATTORNEY'S OFFICE  
JENNIFER CARLINO, MAYOR'S OFFICE  
DAVID BAUM, REDEVELOPMENT AGENCY

### Meeting Report May 18, 2006

**Present:** Chair Reed, Member LeZotte

**Excused:** Member Yeager, Member Cortese

**Staff Present:** Kay Winer, Deputy City Manager; Danielle Kenealey, Deputy City Attorney; Gerald Silva, City Auditor; David Bullock, Auditor, Macias, Gini & Company; Sheryl Lane, Mayor's Office; Scott Johnson, Finance Director; Fran McVey, Municipal Water; Mansour Nasser, Municipal Water; Ed Overton, Director of Retirement Services; Dan Fenton, Team San Jose; Jonathan Camacho, Team San Jose

**Chair Reed called the meeting to order at 1:34 p.m.**

**1. An Audit of the San Jose Municipal Water System Fire Hydrant Maintenance and Repair Program (Auditor)**

Gerald Silva, City Auditor, presented the Audit of the San Jose Municipal Water System Fire Hydrant Maintenance and Repair Program Report. The Committee accepted the report and forwarded the report to Council.

**2. FY 2005-06 Third Quarter Debt Report (Finance)**

The Committee accepted the report and forwarded the report to Council.

**3. FY 2005-06 Third Quarterly Summary – City's Investment Report (Finance)**

The Committee accepted the report and forwarded the report to Council.

**4. Report back from the Retirement Boards Regarding Conflict of Interest and "Exparte" Communications between Board Members with Actuaries. (City Manager's Office/Retirement/Finance)**

Ed Overton, Director of Retirement Services, presented the Report back from the Retirement Boards Regarding Conflict of Interest and "Exparte" Communications between Board Members with Actuaries. Ed Overton reported that Police and Fire

and Federated Boards acknowledged there were no "Exparte" communications or Conflict of Interest issues with communications between the Boards' actuaries and the Boards' members, and also acknowledged that there is no formal policy. Staff will develop a formal policy memorializing that decision from the May, 2006 meetings. The formal policy will be forwarded to the Boards at their June meetings. The Committee accepted the report and forwarded the report to the Council.

**5. Semi-Annual Audit Recommendation Follow-up Report on all Outstanding Audit Recommendations for the Six Months Ended December 31, 2005. (Auditor)**

Gerald Silva, City Auditor, presented the Semi-Annual Audit Recommendation Follow-up Report on all Outstanding Audit Recommendations for the Six Months Ended December 31, 2005. Chair Reed referenced the Audit with Council direction and recommendation to price Family Camp at a level that would pay for extraordinary expenses to be amortized over time. Gerald Silva will report back to Chair Reed with confirmation of that Audit recommendation. Gerald Silva reported that a full discussion of the Fleet Management Audit recommendation will take place at the June 15 Making Government Work Better Committee Meeting. The Department has implemented most of the recommendations resulting in a substantial savings. The Committee accepted the report to include comments from Chair Reed and Gerald Silva and forwarded the report to Council.

**6. Independent Auditor's Report and Financial Statements, and Report to City Council Results of the 2005 Financial Audit of the San Jose Convention Center and Cultural Facilities as Managed by Team San Jose, Inc. for the Fiscal Year Ended June 30, 2005. (Finance/Auditor)**

Gerald Silva, City Auditor, presented the Independent Auditor's Report and Financial Statements, and Report to City Council Results of the 2005 Financial Audit of the San Jose Convention and Cultural Facilities as Managed by Team San Jose, Inc. for the Fiscal Year Ended June 30, 2005. David Bullock, Auditor, Macias, Gini & Company, presented the results of the Financial Audit. The Committee accepted the report and forwarded the report to Council.

**7. Oral Petitions**

Bill Chew reiterated his candidacy.

**8. Adjournment**

Meeting adjourned at 2:15 p.m.



**Chuck Reed, Chairperson  
Making Government Work Better Committee**