

Regular Meeting
of the
San José
Public Safety, Finance & Strategic Support Committee
held
June 21, 2007 at 1:30 P.M

Roll Call: Madison Nguyen, Chair; Pete Constant, Vice-Chair; Forrest Williams, Member; Pierluigi Oliverio, Member; Kay Winer, Chief Deputy City Manager; Antonio Guerra, Mayor's Office; Danielle Kenealey, City Attorney's Office; David Baum, Redevelopment Agency;

Staff: Ken Ferguson, Deputy Police Chief; Don Anders, Deputy Police Chief; Darryl Von Raesfeld, Fire Chief; Linda Charfauros, Fire Department; Nancy Hetrick, Management Partners; Randy Murphy, Director of Information Technology; Jim Helmer, Director, Department of Transportation; Hans Larsen, Deputy Director, Department of Transportation; Jorge Osequera, Chris Constantin, Belinda Silvatici, City Auditor's Office; Lupe Aguinaga, Redevelopment Agency

The meeting was called to order at 1:31 p.m.

1. Consent Calendar

a. Quarterly Legislative Update (City Manager)

Upon motion of Vice Chair Constant seconded by Member Oliverio, the Committee accepted the Consent Calendar.

2. Decisions on Performance Measurements and Reporting Procedures

(Management Partners) (City Manager)

Nancy Hetrick, Management Partners, presented the Performance Measurements and Reporting Procedures Report. The report provides the Committee with a recommended list of performance measures for regular review, and reflects the input of staff and Committee members based on interviews, document review, and the facilitated discussion at the May 17, 2007 Public Safety, Finance and Strategic Support Committee meeting.

Upon motion of Member Williams, seconded by Vice-Chair Constant, the Committee accepted the final report submitted by the Management Partners for the Review of Performance Measure Reporting to Council Committees.

3. Public Safety Quarterly Report (Police and Fire)

a. Police Department

Deputy Chief Ken Ferguson and Deputy Chief Don Anders presented the Police Department's Public Safety Quarterly Report. In February 2007, this Committee approved categories and measurement criteria, measured on a quarterly basis, concerning on-going Police Department operations and is provided to better understand trends facing the City and the Police Department.

Upon motion of Member Williams, seconded by Vice Chair Constant, the Committee accepted the Police Department's Quarterly Report concerning on-going Police Department operations for the months of February, March, and April, 2007.

b. Fire Department

1) Hiring Demographics (Fire)

Chief VonRaesfeld and Linda Charfauros presented the Fire Department's Hiring Demographics Report. This report contains information on the current Firefighter Recruitment Qualified Candidate Pool and hiring activity from the Qualified Candidate Pool.

In the February 2006, the Firefighter recruitment testing and selections process received approximately 3,057 applications. Of the 3,057 applications, 2,828 of the candidates met the minimum qualifications as a Firefighter Recruit. 1,029 of these candidates passed both the National Firefighters Standardized Instrument (NFSI) exam and a Personal History Questionnaire (PHQ). Candidates passing both written exams were invited to an Oral Interview. The Qualified Candidate Pool of 936 candidates was created based on candidates meeting the Highly Qualified or Qualified rating creating a broad qualified candidate group. Out of 936 candidates, 62% are White, 35% are Non-White, and 3% did not disclose their ethnicity. In the Non-White category, 18% are Hispanic, 8% Asian, 5% Other, 3% African-American, and 1% Native American. The gender breakdown of this group is 96% Male and 4% Female. As of June 21, 2007, the Fire Department hired 85 Recruits for three academies from this Qualified Candidate Pool. The April 2007 Academy certified seven candidates as oral bilingual in Cantonese, Spanish, Tagalog, or Vietnamese.

Member Oliverio asked for clarification on the Firefighter residency requirement for reasonable response time. Kay Winer, Chief Deputy City Manager, responded that the California Constitution prohibits the residency requirement. However, it is legally possible to draw a response time and is a feasible option to consider. Chief Von Raesfeld will meet with the City Attorney's Office to research the response time/residency requirement and also discuss the topic in an upcoming arbitration meeting.

2) 2006-2007 Preliminary Report on Fire Department Vacancy and Absence

Rates and the Impact on Overtime (Fire)

Chief VonRaesfeld and Linda Charfauros presented the 2006-2007 Preliminary Report on Fire Department Vacancy and Absence Rates and Their Impact on Overtime. This report contains projected vacancy and absence data for 2006-2007. To meet daily minimum staffing levels, the Fire Department currently must staff 193 line positions. Using projected data, staff is able to track absences by rank and type. Staff will continue, on an annual basis, to evaluate absence rates to ensure the most cost efficient and operationally effective means for developing a relief-to-overtime ratio to ensure that overtime funding and relief staffing levels are annually measured, funded, and managed. Relief staffing levels will continue to be evaluated on an annual basis to ensure operational effectiveness and fiscal efficiencies.

Vacancies have the same impact as absences on overtime costs. Vacancies occur due to retirement from the organization or separations from employment. When comparing estimated 2006-2007 to 2005-2006 actuals, vacancy hours are estimated to be significantly lower (46.3%)

in 2006-2007 and absence hours are expected to show a reduction (2.4%) in 2006-2007.

The Fire Department will report back to the Committee by January 2008 on its analysis of relief staffing based on four years of absence and vacancy data.

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

4. **Monthly Financial Report (Budget)**

Acting Budget Director Jennifer Maguire and Margaret McCahan presented the Monthly Financial Report. The Monthly Financial Report (MRF) for March/April was jointly prepared by the City Manager's Budget Office and the Finance Department.

The City's overall financial position continues to be sound. Revenue and expenditures are performing within expected levels. Economic conditions are consistent with the assumptions used to develop the 2006-2007 Adopted Budget.

The slowdown in the local real estate market remains a concern. The cooling housing market has the potential to create a drag on economic growth and has impacted current Construction and Conveyance Tax and SB 813 Property Tax collections.

The Airport continues to experience sluggish activity levels. Monthly passenger activity in April 2007, for example, was down 0.1% from April 2006.

General Fund excess revenues and expenditure savings recommended establishing a \$28.1 million Ending Fund Balance allocation consistent with 2007-2008 Budget. Development-related fee revenue continues to track below estimates; fee reserves and expenditure savings in each of the four fee programs available to offset revenue shortfalls. Margaret McCahan said a reconciliation will be included in the September Annual Budget Report with a reconcile of the fee programs. Vice-Chair Constant asked if the lower development fees were due to a slow development. Jennifer Mcguire responded research and an analysis will be reported out in the Annual Budget Report in September.

Transient Occupancy Tax revenue continues to track 10-15% above budget and 12% above last year.

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

5. **Monthly Financial Reports (Redevelopment Agency)**

- a. Financial Statements – April 2007
- b. Capital Cost Report – April 2007
- c. Cash Flow Projections – April 2007

Lupe Aguinaga, Redevelopment Agency, presented the reports on Financial Statements, Capital Cost, and Cash Flow Projections. Upon motion of Member Oliverio, seconded by Vice Chair Constant, the Committee accepted the report.

6. **Report on Technology and Automation Progress (City Clerk) (Deferred to August)**

7. **Review of Information Technology Report on Citywide Technology Needs and WiFi Status Update (Information Technology)**

Randy Murphy, Director of Information Technology (IT), Steve Turner and Randy Rudolph, Deputy Directors, Information Technology, presented the reports on Citywide Technology Needs and WiFi Status Update.

Member Williams asked IT to complete a Master Plan. Randy Murphy responded that each department has responded to what their technology needs are according to their City Service Areas (CSA). The Technology Reserve approved in the budget is \$1.1 million and set aside to focus on electronic content management and document imaging in order to move forward with city-wide use of technologies with consistent standards to benefit the department.

Member Williams asked for a small, simple technology chart/diagram system of all primary IT systems, devices and their communication capabilities. Randy Murphy will report out on the IT Planning Process at August 2007 Committee meeting. Member Williams commended staff for the smooth IT Technology transition from the Old City Hall to the New City Hall and has been significantly positive. Member Williams also suggested scheduling a workshop for in-depth insight and discussion on IT Technology and City Departments strategy, plans, and end result for technology.

Member Williams asked and Randy Murphy responded that WiFi exists on San Jose State campus and downtown.

Upon motion of Vice Chair Constant, seconded by Member Oliverio, the Committee accepted the reports to include Member Williams comments.

8. **Review of Allied Waste Expenditures for the Period of April 1, 2006 through March 31, 2007 (Auditor)**

Belinda Silvatici, City Auditor's Office, presented the Review of Allied Waste Expenditures for the Period of April 1, 2006 through March 31, 2007. On May 18, 2004, the City Council approved the execution of a one-year service order and four one-year options to renew with Allied Waste (BFI) for the grit and grease screening, hauling and disposal process at an annual cost of \$150,000, with an additional four one-year renewal options as well as City staff ensuring BFI was properly disposing of materials.

During the period of June 1, 2006 through March 31, 2007 BFI disposed of 1,301 tons of grit, grease, and screenings; transported 138 bins from the plant to the Newby Island Sanitary landfill; and invoiced the City \$73,553.18 for services provided. In addition, BFI: (1) Submitted all landfill receipts on a timely basis; (2) Complied with the City's prevailing wage policies; and (3) Provided the Plant with compliant containers.

BFI overcharged the City \$3,759.36 for hauling services it provided during the period of April 1, 2006 through March 28, 2007 and stated it intends to credit the City for the overcharges. BFI will take corrective action to prevent future billing errors.

Upon motion of Member Oliverio, seconded by Member Williams, the Committee accepted the report.

9. **An Audit of the Bridge Repair Program (Auditor) (Deferred from May)**

Chris Constantin and Jorge Osequera, City Auditor's Office, Jim Helmer, Director of Transportation and Hans Larsen, Transportation presented the Audit of the Department of Transportation's (DOT) Bridge Repair Program. The purpose of this program is to replace bridges that are unsafe either due to structural deficiencies, physical deterioration, or functional obsolescence. This Audit reviewed DOT's efforts to secure Federal Highway Bridge Replacement and Rehabilitation (HBRR) Program funds to reduce the City of San Jose's share of costs to build these transportation projects and improve the timeliness of billings to CALTRANS. DOT staff is currently working with Caltrans and the City's Finance Department in an attempt to obtain an indirect overhead rate that can be applied toward future grant funded projects.

Upon motion of Member Williams, seconded by Member Oliverio, the Committee accepted the report.

10. **An Audit of the Traffic Calming Program (Auditor) (Deferred from May)**

Ruth Moreno, City Auditor's Office, presented the Traffic Calming Program Audit. This program was established in 1978 and has been discontinued and reestablished twice over the past few decades. In 2000, the City Council established a new Traffic Calming Policy and the program was reestablished. Funding problems have limited the Program's ability to implement needed traffic calming measures.

Three components of the Traffic Calming Program are engineering, education, and enforcement. Engineering provides basic services such as signs and markings. Level I and II projects include road bumps, traffic circles, traffic islands, and partial and full street closures. The education component provides the Street Smarts Safety Education Program educating 53,000 children at over 100 schools.

Vice Chair Constant referred to Audit Recommendations 11 & 12 - Develop a performance measure to monitor NASCOP utilization and formalize procedures to guide staff in the effective deployment of NASCOP resources. Vice Chair Constant said the final budget recommended three motor officers be deployed and utilized as NASCOP in or for the residents would have a similar level of service. Vice Chair Constant continued saying Recommendations 11 & 12 would apply to develop performance measures for the new program to see if we are meeting or exceeding what we would be replacing NASCOP with motor officers.

Member Oliverio supports providing more traffic calming for any neighborhood in this City and is a number one issue.

Vice Chair Constant encouraged DOT and Planning to work together to look at the new developments that increase the level of traffic and coordinate projects similar to what is being done in Vendome from developer dollars.

Upon motion of Vice Chair Constant, seconded by Member Oliverio, the Committee accepted the Audit Report to include comments Vice Chair Constant and Member Oliverio.

11. **Semi-Annual Recommendation Follow-up Report on all Outstanding Audit Recommendations for the Six Months ended December 31, 2006. (Auditor)**
(Deferred from May)

Jorge Osequera and Chris Constantin, City Auditor's Office, presented the Semi-Annual Recommendation Follow-up Report on all Outstanding Audit Recommendations for the Six Months ended December 31, 2006.

The Auditor received approval for 21 new Recommendations, and had 112 Outstanding Recommendations. Of the 112 Outstanding Recommendations, 28 were implemented, 75 were partly implemented, eight were not implemented, and one Recommendation was deferred. Of the Recommendations remaining, seven require Council attention and are found on Pages 5 through 8 on the Executive Summary.

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

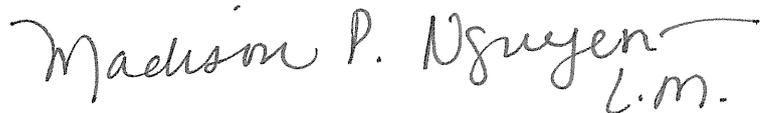
12. **Oral Petitions**

No oral petitions.

13. **Adjournment**

Meeting adjourned at 3:55 p.m.

By:



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.