



# MEMORANDUM

**TO: Mayor & City Council**

**FROM: Councilmember Dave Cortese**

**SUBJECT: Initial Report from Independent  
Investigator RE Norcal**

**DATE: December 7, 2005**

**APPROVED:**

**DATE:**

12/7/05

## RECOMMENDATION:

Direct the City Auditor to extend the contract with Dechert LLP and broaden the scope to examine the following issues:

1. Which Councilmembers did the Mayor speak with regarding the true purpose behind the rate increases and when? Which Councilmembers did the City Manager or members of senior staff speak with regarding the true purpose behind the rate increases and when?
2. Which lobbyists have been retained by Norcal and CWS in the last five years? How much were they paid and for what time periods were they contracted? What, if any relation is there between these lobbyists and the Mayor or members of the City Council? Was any lobbyist compensation contingent upon successful amendment of Norcal contract or rate increase?
3. Did the City Attorney at any time provide legal assistance to Norcal as to how to legally justify their request for a rate increase?
4. To what extent were the cease and desist code enforcement actions on CWS tied to Norcal's request for financial assistance from the City of San Jose? Was the action a possible attempt to close down the MRF facility and undermine labor claims?
5. Were any lobbyists or other financially interested parties introduced to Norcal and CWS by City Staff or Mayor's Office personnel?
6. When did the City Attorney first become aware that the Mayor's Office had made commitments to Norcal over and above those contained in the RFP and contract terms?
7. Which labor representatives advocated for modified financial terms and conditions? When and to whom did they present and confer?
8. Did the City Attorney and/or City Manager change their position from non-supportive to cooperative regarding the rate increase and subsequent amendment? If so, why?

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9. Who, among all city personnel, knew or was aware of the \$1.9 million in labor peace money that was folded into the 2003 rate increase, prior to the Council vote on the increase?
10. Was any portion of the \$1.9 million per year rate increase or amendment tied to contingent fees paid to lobbyists, attorneys or consultants?