



CITY COUNCIL AGENDA

SPECIAL MEETING

JUNE 24, 2011

SYNOPSIS

PETE CONSTANT
ASH KALRA
SAM LICCARDO
KANSEN CHU
XAVIER E. CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

CHUCK REED MAYOR

PIERLUIGI OLIVERIO
MADISON NGUYEN, VICE MAYOR
ROSE HERRERA
DONALD ROCHA
NANCY PYLE

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT 10

The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

Welcome to the San José City Council meeting!

This Agenda contains both a Consent Calendar section for routine business items that require Council approval, and general business items arranged to correspond with San José's City Service Areas (CSAs). City Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the City provides to the community. They are:

- ***Strategic Support Services*** — The internal functions that enable the CSAs to provide direct services to the community in an effective and efficient manner.
- ***Community & Economic Development*** — Manage the growth and change of the community in order to create and preserve healthy neighborhoods and ensure a diverse range of employment and housing opportunities.
- ***Neighborhood Services*** — Serve, foster, and strengthen community by providing access to lifelong learning and opportunities to enjoy life.
- ***Transportation & Aviation Services*** — A safe and efficient transportation system that contributes to the livability and economic health of the City; and provide for the air transportation needs of the community and the region at levels that is acceptable to the community.
- ***Environment and Utility Services*** — Manage environmental services and utility systems to ensure a sustainable environment for the community.
- ***Public Safety Services*** — Commitment to excellence in public safety by investing in neighborhood partnerships as well as prevention, enforcement, and emergency preparedness services.

Items listed in Section 9 require approval of both the City Council and the San José Redevelopment Agency Board.

You may speak to the City Council about any item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and are within the subject matter jurisdiction of the City Council or Redevelopment Agency Board. If you wish to speak to the City Council, please refer to the following guidelines:

- **Fill out a Yellow Speaker's Card and submit it to the City Clerk seated at the front table. Do this before the meeting or before the item is heard.** This will ensure that your name is called for the item(s) that you wish to address, and it will help ensure the meeting runs smoothly for all participants.
- When the Council reaches your item on the agenda, Mayor Reed will open the public hearing and call your name. Please address the Council from the podium, which is located to the left of the City Clerk's table.
- Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Mayor's discretion, depending on the number of speakers or the length of the agenda.
- To assist you in tracking your speaking time, there is a display on the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and the red light turns on when your speaking time is up.

Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act) items must first be noticed on the agenda before any discussion or action.

The San José City Council meets every Tuesday at 1:30 p.m. and every first and third Tuesday at 7 p.m., unless otherwise noted. If you have any questions, please direct them to the City Clerk's staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

Agendas, Staff Reports and some associated documents for City Council items may be viewed on the Internet at www.sanjoseca.gov/clerk/agenda.asp. Council Meetings are televised live and rebroadcast on Channel 26.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at San José City Hall, 200 E. Santa Clara Street, Council Wing, 2nd Floor, San José, CA 95113 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. Contact the Office of the City Clerk at (408) 535-1260 or CityClerk@sanjoseca.gov for the final document.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call (408) 535-1260 or (408) 294-9337 as soon as possible, but at least three business days before the meeting.

On occasion the City Council may consider agenda items out of order.

- **Call to Order and Roll Call**
1:31 p.m. - Special Meeting, Council Chambers, City Hall
Absent Council Members: All Present.

- **Orders of the Day**
The Orders of the Day and the Amended Agenda were approved. Regarding Item 4.1, the City Council, by unanimous vote, made a good faith, reasonable determination that an issue has arisen that must be resolved in less than 4 days and approved the addition of the item to the Agenda.

3. STRATEGIC SUPPORT SERVICES

3.1 Declaration of a Fiscal and Public Safety Emergency and discussion of possible ballot language.

Recommendation:

- (a) Adopt a Declaration of a Fiscal and Public Safety Emergency establishing the necessity of making fiscal reforms to avert a fiscal disaster, prevent substantial degradation of public safety and other vital city services, and maintain the integrity of our retirement system so that earned and accrued benefits can be paid to current and future retirees.

(Deferred from May 24, 2011 – Item 3.4)

Deferred to August 2, 2011 per Rules Committee.

3. STRATEGIC SUPPORT SERVICES

3.1 Declaration of a Fiscal and Public Safety Emergency and discussion of possible ballot language (Cont'd.)

- (b) Discuss possible draft ballot language for ballot measures allowing the residents of San José to vote on proposed changes to the Charter:
 - (1) Discuss possible draft ballot language for proposed changes to the Charter to set maximum limits on benefits and other compensation that may not be exceeded without voter approval;
(Referral from May 24, 2011 – Item 3.4)
 - (2) Amend Charter Section 1504 and Section 1505 to clarify purpose of disability retirement benefit.
(Referral from May 3, 2011 – Item 3.5)

Deferred to August 2, 2011 per Rules Committee.

- (c) Report on and provide Council direction regarding fiscal reforms:
 - (1) Report on and provide direction regarding analysis of costs of possible new “opt in” tier and other proposed changes in retirement benefits for existing employees, as directed on May 24, 2011;
 - (2) Update the Council on negotiations with unions regarding a process to combine meeting and conferring on a fiscal reform ballot measure with meeting and conferring on contract terms for retirement reform; and
 - (3) Direct staff on scope and timing of polling to be done to test voter support for revenue measures if fiscal reforms are implemented.

The memorandum from Mayor Reed, dated June 20, 2011, was approved; The recommendations from the memorandum jointly signed by Mayor Reed, Vice Mayor Nguyen, and Council Members Constant, Herrera, and Liccardo, dated June 22, 2011, were approved; Council waived the 7-day noticing requirement with the following modifications: (1) Paragraph 2(b) to incorporate the notion that the amount negotiated would be flexible, so long as the total package achieves the overall goal of returning retirement costs to their Fiscal Year 2010-2011 levels, that is \$186 million from all funds. (2) include a Paragraph 2(d) that includes consideration of positive incentives that might be proposed by any bargaining groups, including cash payments, under the condition that the overall cost savings achieved reach the \$186 million goal, and that if any bargaining unit requests open labor negotiations that the City’s negotiating team will return to Council in a special session for a Council decision.

Noes: Campos, Chu, Kalra, Pyle, Rocha.

Item (3) from the memorandum from Council Member Liccardo, dated June 24, 2011, was approved:

Polling: the City Manager shall include questions in its summer polling that seek to assess the level of voter support for:

- (a) **A revenue generating measure where it is:**
 - (1) **Included on the same ballot with retirement benefits reform.**
 - (2) **Included within the same measure with retirement benefits reform.**
 - (3) **Placed on separate ballot from a retirement benefits reform referendum.**

(Action continued on the next page)

3. STRATEGIC SUPPORT SERVICES

3.1 Declaration of a Fiscal and Public Safety Emergency and discussion of possible ballot language (Cont'd.)

(Action Cont'd.)

- (b) A specific tax (to support public safety) or a general tax.
 - (1) Questions shall ascertain whether a measure will be most successful if it is targeted solely on funding police, fire or more broadly focused on “public safety” (to include crossing guards, gang prevention programs and the like) are most likely to engender public support.
- (c) Ballot language should be vetted with organizations experienced in proposing and supporting ballot measures, such as the Silicon Valley Leadership Group, South Bay Labor Council and the San José Silicon Valley Chamber of Commerce.

Staff directed to conduct stakeholder outreach on business tax modernization and return to Council by the end of the year with the results; the Council waived the 7-day noticing requirement and its review of the July polling questions

Noes: Campos, Kalra, Oliverio, Pyle, Rocha.

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.1 Construction and Funding Commitment for the First and Rosemary Family Apartments Project.

Recommendation: Adopt a resolution approving a construction and permanent funding commitment of up to \$6,300,000 of 20% Housing Funds to ROEM Development Corporation, or its legal affiliate, for the development of the 184-unit First and Rosemary Family Apartments project, located at the southeast corner of Rosemary and North First Streets. CEQA: EIR Resolution 72768, adopted June 21, 2005, File No. PDC07-101. (Housing)

Resolution No. 75932 adopted.

Noes: Oliverio.

- **Adjournment**

The Council of the City of San José was adjourned at 6:20 p.m.