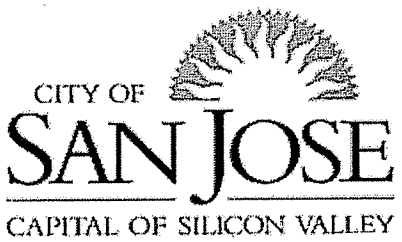


Regular Meeting
of the
San José
Public Safety, Finance & Strategic Support Committee
held
March 15, 2007 at 1:30 P.M.

Roll Call
Present: Madison Nguyen, Chair; Pete Constant, Vice Chair; Forrest Williams, Member; Kay Winer, Chief Deputy City Manager; Mayor's Office; Danielle Kenealey, City Attorney's Office; David Baum, Redevelopment Agency; Abe Andrade, Redevelopment Agency; Dan McFadden, Deputy City Manager; Jim Orbal, Department of Transportation; Captain Cavallaro, Police Department; Scott Johnson, Finance Director; Stanley Arend, Deputy Director of Finance; Julia Cooper, Finance Department; David Persselin, Finance Department

1. **Consent Calendar**

   **a. Legislative Update (City Manager's Office)**
   Upon motion of Member Williams, seconded by Vice Chair Constant, the Committee accepted Betsy Shotwell, Intergovernmental Relations', Report and requested that staff provide written status on Propositions 1A and 1B related to transportation funding, and 1C related to funding for affordable housing.

   **b. Update of Council Directives (City Manager's Office) (Deferred)**

2. **Review of Performance Measures Specified in the Annual Budget (City Manager's Office) (Deferred)**

3. **Downtown Working Group Quarterly Update (City Manager's Office/Police)**

   Dan McFadden, Deputy City Manager, presented the Downtown Working Group Quarterly Update report. Councilmember Williams and Police Chief Davis are the Co-chairs of the Downtown Working Group. Member Williams acknowledged this report as an attempt to identify and address the ongoing framework for development and timely implementation of policies and procedures that improve and support the downtown culture. Jim Ortbal, Department of Transportation, acknowledged that the Parking Board evaluated the current management parking plan, taking action on a four to three vote, to remove the recommended $5 parking garage fee after 10 p.m. on Thursday, Friday and Saturday nights. The Parking Board is aware of the problems and issues facing the parking garages from a safety and cleanliness perspective. The Parking Board's decision was based on the feedback received from community meetings that include

night club owners. At the April Parking Board meeting, staff will present recommendations relating to enhancement in security, safety and cleanliness with costs and funding alternatives as well as additional fees to be recommended and presented to the Parking Board. Vice Chair Constant asked how cost recovery for police services would be addressed with the night clubs, and how the reimbursement would be managed, and how the cost would be allocated. Dan McFadden responded that the Responsibility Hospitality Institute (RHI) consultant and the City Manager's Office would participate in the resolution to these questions.

Dan McFadden continued by saying that the Police Department expressed concern not having Police Officers work directly for the nightclubs, management or ownership. The nightclubs expressed interest that officers assigned to their street or to their nightclub encourage communication for better identification and follow-up with their clientele.

Vice Chair Constant suggested a per click cost recovery for people using the venues and to the impact. This would be a fair way to distribute the cost among the nightclubs, depending on occupancy during the evening. Vice Chair Constant also suggested a review of the CUP process for late night eating establishments in the downtown, so there would be alternatives for people who stop drinking early, or are not necessarily in downtown for drinking and prefer to extend their evening in a downtown establishment before driving home. This is very integral to the success of this policy.

Dan McFadden responded that the Downtown Working Group will focus on the diversity of venues. Chair Madison Nguyen expressed concern for the cost recovery of Police Officer overtime payment and contribution by night club owners. Attention should be given to the capacity of attendees as well as revenue focusing on attendance and cost of each night club. It is imperative to be very inclusive with data documentation.

Chair Madison Nguyen asked for a status update of the cruising ordinance. Captain Cavallaro responded that the cruising plan with cones and directional signage has directed patrons to Market Street Garage and 3rd Street Garage. This has essentially eliminated much of the cruising. However, due to the warm weekends, cruising becomes heavier in the downtown area. Club owners are very pleased with the efforts not only with curbing cruising, but with the curfew issue. Captain Cavallaro responded to Chair Nguyen's question regarding cruising in the neighborhoods. During large events there is spillover which contributes to moving the cruising out of the downtown area. There have been little, if any, complaints from the community regarding people being diverted into their neighborhood.

Captain Cavallaro responded to Vice Chair Constant's question regarding the possibility of residential permit parking, noting that it has some potential, however, is not sure that it will be effective with residents in high rise developments, but would be effective in residential neighborhoods.

Dan McFadden added that traffic diversion has been very effective in the downtown area.

Member Williams added that staff will be forging relationships with the club owners and entertainment venues in terms of the plan for the city. A meeting has been scheduled with club owners and the Redevelopment Agency to discuss framework for moving forward together with a balance between late night activity, quality of life, and urban residential issues.

Chair Nguyen commended Member Williams and staff for their contributions to the Downtown Working Group plan. Chair Nguyen added that the timeline is efficient and she is looking forward to hearing the plans for the downtown area being forwarded to the City Council within the next 60 days.

The Committee entertained comments from the public. David Powell, Downtown Working Group Task Force Member, downtown San Jose business owner, Downtown Association member and President of the Restaurant Entertainment Association, spoke and said he is pleased to see movement in the downtown area. Jacek Rosick, owner of the Agenda Restaurant and Lounge, and San Jose downtown property owner, said he supports the soft closing and also agreed with David Powell's comments. Dan Doherty, owner of Mission Ale House, Tiki Lounge, Board member of the Downtown and Restaurant Association, and the Convention Center Board member supports downtown entertainment. Harry Evans, representing the Volt Club, Club Miami, and The Scores in San Jose stated his support for the new closing procedures. Scott Knies, San Jose Downtown Association, stated that he supports making changes to the downtown and working together to obtain success in the downtown area.

Member Williams asked that this item be cross-referenced on the March 27 City Council agenda.

Danielle Kenealey, Deputy City Attorney, said there are a number of legal issues that have come up through this process regarding the secondary employment of Police Officers as well as first amendment issues with regard to the changes to the licensing. Danielle Kenealey added that Dan McFadden will issue a report with preliminary recommendations within 60 days. The City Council should be made aware that, in many ways, there are no easy solutions, and there are legal issues interwoven within these recommendations.

Member Williams made a motioned that the Committee should review a follow-up report with recommendations before reporting out to Council.

Dan McFadden confirmed there will be a follow-up report. However, discussions will take place prior to issuing the follow-up report.
Dan McFadden continued saying that some of the legal concerns are more general; however, a gray area does exist with a resolution imminent.

Upon motion of Member Williams, seconded by Vice-Chair Constant, the Committee accepted the report to include Member Williams, Vice-Chair Constant, and staff comments.

4. **Redevelopment Agency Monthly Financial Reports (RDA)**
   a. **Financial Statements - January 2007**
   b. **Capital Cost Report - January 2007**
   c. **Cash Flow Projections - January 2007**

   David Baum, Chief Financial Office, Redevelopment Agency, introduced the Financial Reports. Abe Andrade, Assistant Director, Redevelopment Agency, presented the reports. Upon motion of Vice Chair Constant, seconded by Member Williams, the Committee accepted the reports.

5. **External Auditor's Report on Single Audit and Management Letter on Internal Controls for Fiscal Year Ended June 30, 2006. (Finance)**

   Scott Johnson, Finance Director, presented the External Auditor's Report on Single Audit and Management Letter on Internal Costs for Fiscal Year Ended June 30, 2006. Stanley Arend, Deputy Director of Finance Accounting, Cindy Pon of Macias, Gini & O'Connell Consultants contributed in presenting the report. Upon motion of Member Williams, seconded by Vice Chair Constant, the Committee accepted the report.

6. **Review of City Financial Investment Program and Investment Policy by External Auditor (Finance) (Deferred)**

7. **Audit of the Traffic Calming Program (Auditor) (Deferred)**

8. **Audit of the Bridge Repair Program (Auditor) (Deferred)**

9. **Oral Petitions**
   No Oral Petitions.

10. **Adjournment**
    Meeting adjourned at 3:30 p.m.

By:

Madison Nguyen, Chair
Public Safety, Finance & Strategic Support Committee

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