



Memorandum

TO: Honorable Mayor &
City Council Members

FROM: Dennis Hawkins, CMC 
City Clerk

SUBJECT: The Public Record
March 18-24, 2011

DATE: March 25, 2011

ITEMS TRANSMITTED TO THE ADMINISTRATION

ITEMS FILED FOR THE PUBLIC RECORD

- (a) Letter from Board of Supervisors, President, Dave Cortese to City Clerk Dennis Hawkins dated March 18, 2011 transmitting the Cupertino Sanitary District election schedule change.
- (b) Letter from Martha O'Connell to Vice-Mayor Madison Nguyen, Mayor Reed and Council dated March 21, 2011 regarding "The 'invisible' rent increases for Seniors in Mobilehome Parks."
- (c) Letter from David Wall to Mayor Reed and Council dated March 24, 2011 regarding "Councilmember Liccardo 'Stabs San Jose Fire Fighters In The Back!'"
- (d) Letter from David Wall to Mayor Reed and Council dated March 24, 2011 regarding "The Ghetto Life: Update on the SCEP."

Dennis Hawkins, CMC
City Clerk

DH/td

Distribution: Mayor/Council
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County of Santa Clara

Office of the Board of Supervisors

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**March 18, 2011**

Dennis Hawkins, City Clerk
City of San Jose
200 E. Santa Clara Street, Wing 2
San Jose, CA 95113

Dear Mr. Hawkins:

The County of Santa Clara Board of Supervisors has received a resolution from the Cupertino Sanitary District, requesting that their regularly scheduled election date for directors be held on to the same day as the Statewide general election, changing from November of odd-numbered years to November of even-numbered years.

California Elections Code Section 10404 requires the Board of Supervisors to notify all districts of the receipt of such resolutions and request input from each district on the effect of the consolidation. If your district would like to provide input, please provide a written response to Maria Marinos, Clerk of the Board of Supervisors, County of Santa Clara, 70 West Hedding Street, 10th floor, San Jose, CA 95110, no later than April 1, 2011.

If you have any questions, please call Anika Campbell-Belton, Assistant Clerk of the Board at (408) 299-5080 or Shannon Bushey, Candidate & Public Services Manager, Registrar of Voters at (408) 282-3041.

Very truly yours,

Dave Cortese
President, Board of Supervisors, District 3

/acb

cc: Maria Marinos, Clerk of the Board of Supervisors
Shannon Bushey, Candidate & Public Services Division, Registrar of Voters

Board of Supervisors:

Mike Wasserman
District 1

George Shirakawa
District 2

Dave Cortese
District 3

Ken Yeager
District 4

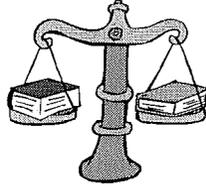
Liz Kniss
District 5

County Executive: Jeffrey V. Smith

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2011 MAR 21 A 8:47

Straight Talk - Not Chatter



H.O.M.E.

Homeowners Organized To Maintain Equity

March 21, 2011

TO: Madison Nguyen
 Mayor and City Council

FROM: Martha O'Connell, President

RE: **The "invisible" rent increases for Seniors in Mobilhome Parks**

Please help ensure that Seniors can retain mobilehomes as an affordable housing option in the City of San Jose. Each year, these Seniors face an "invisible" rent increase beyond that authorized by the City. That increase is the rise in the price of water, sewer use charge, storm drain charge, and garbage charge.

For years, these charges were included in the base rent for most Seniors. Then, in order to make more profit, Park owners separated out these costs and made them line items on the monthly charges to Seniors.

Any time the cost of these services increases above the base rent increase authorized by the City, Seniors are hurt. Instead of, for example, a 3% rise on services once included in their base rent, Seniors face a 9% raise.

Seniors living in Mobilehome Parks are not even allowed to share their garbage carts to try and save money. They are told that regardless of what little space they need in a garbage can, they are not allowed to share with their neighbor to cut costs. If they order a smaller garbage cart, they only save a tiny \$1.60 a month.

These costs are forcing many Seniors to choose between medicine and water/sewer/garbage/storm drain charges. The allowable income level to obtain rate assistance is absurdly low for the City of San Jose.

Please:

- Let Seniors share garbage carts to save money
- Raise the allowable income level to obtain rate assistance
- Do not approve such large rate increases for residents in Mobilehome Parks.

These services are no longer included in the rent for most of us.

Help keep Mobilehomes as an affordable housing option for Seniors. Do not raise their rates so high!

Cc: Senior Commission, City of San Jose

HOME – Homeowners Organized to Maintain Equity 3300 Narvaez Ave, #31 San Jose, CA 95136

David S. Wall

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San Jose City Clerk

2011 MAR 24 P 4: 20

March 24, 2011

Mayor Reed and Members San José City Council
200 East Santa Clara Street
San José, California 95113-1905

Re: Councilmember Liccardo "STABS SAN JOSÉ FIRE FIGHTERS IN THE BACK!!!"

Disingenuous Memorandum dated 03.21.11 was not analytically accurate.

Councilmember Liccardo voted to give Downtown Business Association \$495,000 last year.

Of course, CM Liccardo accepted a campaign contribution from the chief of the DBA.

Enclosed for your perusal is a copy of Councilmember Liccardo's Memorandum entitled, "Agreement with San José Fire Fighters International Association of Fire Fighters, Local 230 (IAFF, Local 230)", dated 03.21.11 as it fully appears and was included on; [City Council Agenda (Tuesday 03.22.11), Item 3.3]. The Memorandum should have been entitled, "I really do not like or respect S.J. Fire Fighters."

First, CM Liccardo shares equally with the entire Council for the egregious and incompetent financial decisions that has exacerbated decades of NOT funding pension liabilities.

Council as a robust and arrogant association of administrative clowns, has systematically given away tens of millions of dollars to Community Based Organizations, Non Profits and other special interests or to fund "pie in the sky projects" instead of paying into their well established liability, EMPLOYEE PENSIONS.

Second, Mayor Reed principally with Council in the aggregate, has demonized city employees as being cause of the budget deficit because they are overpaid and benefited, yet routinely approving employment contracts negotiated in good faith with the various employee unions.

Appropriate funding for Public Health & Safety is the primary job of government.

Mayor Reed's scandalous "phone survey questionnaire" has no merit. Asking uninformed citizens if they would like to have cut in services or to cut city employees and benefits is self serving and a perversion of the truth. Did Mayor Reed's "phone survey questionnaire" to citizens include; "would you like to eliminate the Mayor's private staff, the Office of Economic Development, Employee Relations, the reduction of the Office of the City Manager's over paid-benefited staff, the reduction or elimination of "consultant contracts" and the elimination of tens of millions of your taxpayer dollars to Community Based Organizations, et al?"

Back to CM Liccardo's memo. The \$156 million dollar retirement costs, I believe within a year or two, will be \$256 million per year then, I believe in FY2014, \$400 million per year for a period of twenty (20) consecutive years. This figure of \$400 Million can easily grow to \$650 Million or more per year. The Council was made aware of this on February 14, 2011 at a special "Budget Study Session". The figures were put forth by the testimony of the Director of Retirement Services. **The City is headed for Bankruptcy due to Council.**

These figures are staggering, but remember, the Council as the Redevelopment Agency, an unholy debt machine, has incurred mind numbing liabilities referenced, in part, in CM Liccardo's memorandum.

Let us not forget the \$1.3 Billion dollar expansion of the airport. The debt service for the Airport expansion; FY2010-2011: \$19.8 Million, FY2011-2012: \$40.2 Million and in FY2013-2014: \$58 Million.

How did CM Liccardo vote on these aforementioned issues instead of funding the well established prior obligation to fund employee pensions? I bet he voted the same way All of YOU did.

San José Fire Fighters deserve far better treatment and respect from Council than they receive!

San José Fire Fighters are the only city employees who enter burning buildings to save us from BURNING TO DEATH while risking the same fate. They DO NOT deserve "a cut in pay or benefits".

San José Fire Fighters always will serve the citizens far greater than any of you ever will.

Cc: City Attorney / City Auditor / City Manager... *Respectfully submitted,*

David S. Wall
03.24.11

REPLACEMENT



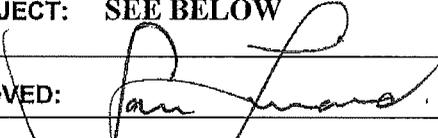
Memorandum

TO: MAYOR AND CITY COUNCIL

FROM: Councilmember Sam Liccardo

SUBJECT: SEE BELOW

DATE: March 21, 2011

APPROVED: 

3-21-11

SUBJECT: AGREEMENT WITH SAN JOSE FIREFIGHTERS, INTERNATIONAL ASSOCIATION OF FIREFIGHTERS, LOCAL 230 (IAFF, LOCAL 230)

RECOMMENDATION

1. Express the Council's sincere gratitude to Local 230, and to all other bargaining units that have agreed to cuts of at least 10% of total compensation, and
2. Citing the dramatically changed circumstances since the Council's November 2010 direction to its negotiating team, defer acceptance of these concessions—and any other bargaining units' concessions--- pending further negotiations that will meet the Mayor's goal for substantial cost reductions in retirement benefits for both future and current employees.

BACKGROUND

We must not minimize the historic and civic-minded nature of the firefighters' concessions, as they mark a substantial détente after years of strained relationships between Local 230 and the City. This agreement amounts to a bold move by a courageous group of civil servants, and they deserve our thanks. They gave the 10% reduction in total compensation that the Council requested in its November 18, 2010 direction.¹ In recent days, a coalition of five other bargaining units has made proposals that include the ten percent reduction in their total compensation. Clearly, these developments collectively say much about the willingness of our workforce to sacrifice in this time of fiscal crisis.

Like my colleagues, I welcomed Local 230's announcement of its offer, supported the tentative agreement, and celebrated their willingness to step forward. A more sober perspective has emerged, however, as we watch the budgetary numbers worsen.

¹ Council also sought the elimination of automatic step increases and modifications to overtime eligibility, however, and the parties have tentatively agreed through a side letter to leave retirement reforms and sick leave payout for future negotiation.

On Tuesday, we should again thank our firefighters, and publicly commend them. Then we should defer acceptance of the agreement, and return to the bargaining table.

Why?

Painfully, it's just not enough. Though substantial, the cuts in this agreement don't satisfy Mayor Reed's goal of holding the line against additional cuts in city services. Even if all of the cost savings stay within the Fire Department, they won't suffice to avoid firefighter layoffs for the next two years, as is required for the City to obtain a large federal grant for firefighting staffing.

The budgetary situation has worsened since the November 18, 2010 meeting at which Council directed staff to seek 10% reductions in total compensation. By "staying the course" within that direction, employees may be misled into believing that no additional sacrifice will be needed, despite the clear pronouncements of the Mayor to the contrary.

With the recalculation of retirement benefit costs, the Budget Director's estimate of the fiscal year 2011-12 General Fund deficit has ballooned rapidly in a period of only a few months. We began with a deficit estimated at \$41 million, it climbed to a \$70 million estimate in November 2010, worsened again to \$90 million in December 2010, and to a \$105 million estimate today. When we include more recent impacts, such as shifting Redevelopment burdens and rising unemployment-related costs, next year's deficit will soon exceed \$120 million.

Even if every bargaining unit joins in sacrificing of 10% of their total compensation, we will have filled less than a third of our very deep hole. We'll still lay off several hundred employees, severely slash city services, and worse of all, do it all over again next year....and the next year after that. In short, we're not solving the problem.

Employees will understandably object that they cannot possibly take additional cuts in salary beyond the 10%, because the proposed cuts already make paying the rent too difficult. We should, therefore, ask whether we're shooting at the wrong target by seeking salary cuts—or at least failing to prioritize the right one.

Far more than salary, rising retirement costs have become our budgetary albatross, and will be for many years to come. Deficit numbers swing wildly with each recalibration of the retirement funds actuarial assumptions. The mere *increase* in retirement costs this year (about \$60.1 million) will comprise half of the 2011-12 deficit, and our retirement costs will balloon from \$156 million this year to over \$400 million within four years. Even worse, it appears almost certain that the \$400 million estimate only underestimates the severity of cost escalation, because unfunded liabilities will jump with imminent declines in earnings assumptions and the number of workers paying into the funds.

To be sure, the proposed agreement contains a side letter that explicitly provides for continued negotiation for retirement savings. Yet can we realistically expect union leaders to be able to stand before their members to demand additional benefits concessions only weeks or months after those same members sacrificed well over 10% of their compensation?

By putting retirement on the same negotiating table as other compensation, we may well find comparatively larger savings without inflicting significantly measurably more pain. Enabling employees to assess the aggregate impact of this sacrifice at once, might more fairly and honestly engage them in the process.²

In any case, as Mayor Reed asserts in his Budget Message, we cannot fix this problem without reducing the costs of retirement benefits for current employees. Even the most severe of second-tier cuts will still save less than 8% of the City's \$400 million annual retirement bill four years from now. As the State of California's independent (but Democrat-led) "Little Hoover" Commission recently reported,

The situation [for cities and counties] is dire, and the menu of proposed changes that include increasing contributions and introducing a second tier of benefits for new employees will not be enough to reduce unfunded liabilities to manageable levels, particularly for county and city pension plans. The only way to manage the growing size of California governments' growing liabilities is to address the cost of future, unearned benefits to current employees, which at current levels is unsustainable.

As the Commission acknowledges, we stand in a crisis, and crisis is no time for half-measures.

Let's defer a decision on this agreement, and return to the negotiating table.

² Assuming that unions can bargain future vested benefits of current employees—and admittedly, it's a large assumption—one might readily find comparatively less painful savings in retirement cuts than in additional cuts to salary. For example, the City's "normal" pension cost for firefighters' pensions—that is, the ongoing annual payment to the pension fund, excluding the costs of unfunded liabilities incurred in past years—will exceed 28.5% of a firefighter's salary in the coming fiscal year. Reducing the City's normal cost to 6.2% of pay for pensions for any future, unaccrued years by current employees—as recommended by Council on January 25, 2011, for new hires—would save the City the equivalent of well over 20% of each firefighter's salary. Would a firefighter rather avoid some small portion of the 10% cut in current salary in exchange for the loss of a costlier benefit paid 15 years in the future out of a pension plan of increasingly questionable solvency? It seems worth asking our bargaining units, and our employees, that very question, particularly if it avoids public safety layoffs.

While legal hurdles surrounding the constitutionality of negotiating cuts in "first tier" benefits appear substantial, an alternative approach—involving a negotiated resignation and re-hiring of members at the same pay but lower benefits—might well circumvent those challenges. Advice from outside counsel regarding our options—expected imminently—may assist us in engaging more creatively with our bargaining units to find necessary savings.

David S. Wall

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2011 MAR 24 P 4: 20

March 24, 2011

Mayor Reed and Members San José City Council
200 East Santa Clara Street
San José, California 95113-1905

Re: THE GHETTO LIFE: UPDATE ON THE SCEP

On Monday (03.20.11), I ventured over to North Tenth Street @ Horning Street to “take the pulse” of the SCEP (Shopping Cart Entitlement Program). I arrived on station at approximately 1407 hours and found eight (8) stolen and abandoned shopping carts. *A 100% increase in stolen and abandoned shopping carts from last week is hereby recorded.*

The “perennial garbage pile” (PGP) continues to grow despite a lack of vagrant encampments on the railroad tracks. The area behind the Horning Street railroad crossing control box continues to be a latrine. The “tire toilet” appears to have been used. At the time and date this SCEP report was taken, there was one male vagrant urinating in public, but, this “Urinator” was not using the “tire toilet”.

The “perennial growing debris field” (PGDF) north of the Horning Street railroad crossing control box, the garbage and assorted debris field continues to grow. Debris from the San José Metals fire is still present near the railroad tracks and roofing operations at San José Metals are underway. No vagrants were sighted today.

“The Golden Falcon” CA # JT 9621 *has moved to* the N.W. corner of E. Mission Street @ North 11th Street. The travel trailer, **“All Scouts Plus”** CA # FQ 3542 *is still* on the N.E. corner of Santa Paula Avenue @ North 11th Street. Garbage in and around Santa Paula Avenue has returned, although it is just a “small pile” right now.

Ownership of the stolen and abandoned shopping carts is as follows;

“Unmarked” (4) one; was full of garbage and contagions ,Target (1), PW Supermarkets (1) was full of garbage and contagions, Dal Thanh Supermarket (1) was full of garbage and contagions, and OSH (1).

*“Unmarked stole and abandoned shopping carts have been “purposefully altered” to shield true identity.
*****special note***** the overall cleanliness of shopping carts picked up off the streets and returned to stores should be addressed by some governmental agency. Unsuspecting customers may use excrement coated shopping carts without their knowledge. Shopping carts picked up off the street are “filthy” and are potential reservoirs of microbial agents waiting to spread contagion(s).

Manuel’s chickens unanimously condemned his Honor, Councilmember Liccardo for his political grandstanding and “stab a firefighter in the back memorandum” that tried to circumvent the negotiated in good faith contract. The chickens, in a tersely clucking tone clucked, “When we chickens finally get to vote, WE WILL NEVER VOTE FOR COUNCILMEMBER LICCARDO FOR ANYTHING”. I had to reply, “I know his Honor made a stupid decision and “stabbing the Fire Fighters in the back is never to be forgiven...but...you chickens are...RIGHT! COUNCILMEMBER LICCARDO SHOULD NOT BE ELECTED TO ANY POSITION except, maybe a position in a rundown banana republic!” Mabel then clucked, “That means Sam could still be Mayor of San José, you should rethink your position.”

I have to admit, there is no arguing with Manuel’s chickens once they get their feathers ruffled, they’re a group of tough old birds and when they are “right” they will not budge on an issue.

Respectfully submitted,

David S. Wall
03.24.11

Cc: City Attorney / City Auditor / City Manager