



CITY COUNCIL AGENDA

MARCH 25, 2003

SYNOPSIS

LINDA J. LE ZOTTE
FORREST WILLIAMS
CINDY CHAVEZ
CHUCK REED
NORA CAMPOS

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

RON GONZALES MAYOR

KEN YEAGER
TERRY O. GREGORY
DAVID D. CORTESE
JUDY CHIRCO
PAT DANDO, VICE MAYOR

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT 10

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.
- ***Economic and Neighborhood 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.
- ***Recreation and Cultural Services*** — Serve, foster, and strengthen community by providing access to lifelong learning and opportunities to enjoy life.
- ***Transportation Services*** — A safe and efficient transportation system that contributes to the livability and economic health of the City.
- ***Environment and Utility Services*** — Manage environmental services and utility systems to ensure a sustainable environment for the community.
- ***Aviation Services*** — Provide for the air transportation needs of the community and the region at levels that are acceptable to 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 10 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 on items that are not on the agenda during Open Forum. If you wish to speak to the City Council, please refer to the following guidelines:

1. **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.
2. When the Council reaches your item on the agenda, Mayor Ron Gonzales 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.
3. 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.
4. To assist you in tracking your speaking time, there are three lights located to the far right of 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 and Staff Reports for City Council items may be viewed on the Internet at www.ci.san-jose.ca.us/cty_clk/agenda.htm

To arrange an accommodation under the Americans with Disabilities Act to participate in this public meeting, please call 1 (408) 277-4424 or 1 (408) 998-5299 (TTY) at least two business days before the meeting.

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

- **Call to Order and Roll Call**
9:32 a.m. - Closed Session, Room 600, City Hall
Absent – Council Members: None

1:37 p.m. - Regular Session, Council Chambers, City Hall
Absent – Council Members: None
- **Invocation (District 3)**
Father John Pedigo of St. Julie’s Church delivered a prayer for peace and support for the soldiers in Iraq and they’re safe return home.
- **Pledge of Allegiance**
Mayor Gonzales led the Pledge of Allegiance.
- **Orders of the Day**
Items 2.11 was deferred to 4/1/03 and Items 10.1 and 10.2 were considered in a joint City Council/Redevelopment Agency Board session.

1 CEREMONIAL ITEMS

None.

2 CONSENT CALENDAR

2.1 Approval of Minutes.

Recommendation: Approval of City Council Minutes for:

- (a) Regular meeting of June 18, 2002
- (b) Joint City Council/Redevelopment Agency Board meeting of June 18, 2002.

Approved.

2 CONSENT CALENDAR

2.2 Final adoption of ordinances.

None.

2.3 Approval of various fiscal actions for Redevelopment Capital Projects.

Recommendation:

(a) Adoption of the following appropriation ordinance and funding sources resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund):

- (1) Establishing an appropriation to the Department of Transportation for the Story Road Median Island Project in the amount of \$22,300.
- (2) Increasing the appropriation to the Department of Public Works for the Underground Streetlight System on Oak & Edwards Streets Project in the amount of \$41,335.
- (3) Increasing the appropriation to the Department of Public Works for the King and Story Road Improvements Project in the amount of \$65,563.
- (4) Increasing the estimate for Earned Revenue by \$129,198.

Ordinance No. 26858

Resolution No. 71456 adopted.

(b) Adoption of a resolution making certain determinations regarding the related expenditures of Redevelopment Agency funds on certain public improvements in connection with Story Road Median Island Project, as more specifically described in the memorandum from the Redevelopment Agency, dated October 28, 2002.

CEQA: Not a Project. Council Districts 3 and 5. (City Manager's Office)

Resolution No. 71457 adopted.

2.4 Approval of Independent Police Auditor's travel.

Recommendation: Approval of Independent Police Auditor Teresa Guerrero-Daley's travel to Omaha, Nebraska, from March 26-28, 2003, to attend the First National Police Auditor's Conference. Funding: Police Professional Initiative at the University of Nebraska at Omaha. (Independent Police Auditor)

Approved.

2.5 Approval to amend the general banking services agreement for supplemental banking services.

Recommendation: Approval of the second amendment to the general banking services agreement with Union Bank of California, authorizing the Director of Finance to enter into supplemental agreements for new banking services provided that the cost of such new services does not cause the compensation to exceed the maximum compensation permitted under the agreement, and the terms and conditions of the original agreement govern all supplemental agreements for new services. CEQA: Not a Project. (Finance)

Approved.

2 CONSENT CALENDAR

2.6 Approval of various actions related to the Library Construction and Renovation Bond Act of 2000.

Recommendation: Adoption of a resolution:

- (a) Authorizing the City Manager to submit a grant application to the California State Library under the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000 for the new Rosegarden Branch Library; to execute all documents related to the application; to accept the grants if awarded;
- (b) Making the certification regarding funding for the project as required by the Public Library Construction and Renovation Bond Act of 2000;
- (c) Authorizing the City Manager to negotiate and execute a joint use cooperative agreement with the San José Unified School District for shared programming within the new Rosegarden Branch Library; and
- (d) Authorizing the City Manager to negotiate and execute an amendment to or a new ground lease, at \$1 per year for the library located at the corner of Dana and Naglee Streets.
- (e) Authorizing the City Manager to exercise the option to renew the ground lease on the school district property for 49 years from July 17, 2008.

CEQA: Exempt, H02-065. Council District 6. (Library)

Resolution No. 71458 adopted.

2.7 Approval of the recommended nominees for the San José Beautiful Steering Committee.

Recommendation:

- (a) Approve the appointment to the San José Beautiful Steering Committee of Debbie Andrews, Magdalene Fraser, Carol Grady, Carol Kassab, JR Orlando, Sam Peng, Jose Posadas, and Josh Russell;
- (b) Reappoint currently active Steering Committee members Ben Andrews, Jim Ekblom, Diane Gard, and Ann Smith; and
- (c) Acknowledge the volunteer efforts of outgoing Steering Committee members Cathy Keil and Nancy Cardinet.

CEQA: Not a Project. (Parks, Recreation and Neighborhood Services)

The appointments of Debbie Andrews, Magdalene Fraser, Carol Grady, Carol Kassab, JR Orlando, Sam Peng, Jose Posadas and Josh Russell, and the reappointments of Ben Andrews, Jim Ekblom, Diane Gard, and Ann Smith to the San José Beautiful Steering Committee, and the acknowledgements of Cathy Keil and Nancy Cardinet for their volunteer efforts as outgoing committee members, was approved.

2 CONSENT CALENDAR

2.8 Approval of the 2002 Summer Program Aquatics Report.

Recommendation:

(a) Approving the 2002 Summer Aquatics Report and the Capital Maintenance Plan; and
Approved.

(b) Adoption of a resolution establishing the Aquatics Fee Schedule for the 2003 Summer Program and repealing Resolution Number 70864.

CEQA: Not a Project. (Parks, Recreation and Neighborhood Services)

Resolution No. 71459 adopted.

2.9 Approval to submit a grant application to the State of California Department of Parks and Recreation.

Recommendation: Adoption of a resolution authorizing the City Manager to apply for and accept, if awarded, a \$1,000,000 River Protection and Parkway Grant from the State of California Department of Parks and Recreation and authorizing the City Manager to negotiate and execute all documents relating to the Proposition 12 grant funding agreement. CEQA: Not a Project. Council District 3. (Parks, Recreation and Neighborhood Services)

Resolution No. 71460 adopted.

2.10 Approval of an agreement for data processing services and related connection services for the Records Indexing System.

Recommendation: Adoption of a resolution authorizing the City Manager to negotiate and execute an agreement with the County of Santa Clara for data processing services and related connection services for the Records Indexing System (RIS), for an agreement term July 1, 2002 through June 30, 2003, and for a total agreement amount of \$180,000.

CEQA: Not a Project. (Police)

Resolution No. 71461 adopted.

2.11 Approval of the purchase of land for the Edenvale Area Intersections Project, Cottle Road.

Recommendation: Adoption of a resolution authorizing the Director of Public Works to negotiate and execute (1) a purchase and sale agreement in the amount of \$27,200 with Edwards-Holmgren, a California general partnership, for the purchase of a strip of property located at 5801 Cottle Road, for the Edenvale Area Intersections Project, Cottle Road, and; (2) any additional documents necessary to complete the transaction. CEQA: Exempt, PP03-02-073. Council District 2. (Public Works)

Deferred to 4/1/03.

2 CONSENT CALENDAR

2.12 Approval to set a Public Hearing on the vacation of a portion of the west side of Sixth Street.

Recommendation: Adoption of a resolution of intention to vacate a portion of the west side of Sixth Street and reserve a public service easement and setting a public hearing on April 15, 2003 at 1:30 p.m. CEQA: Negative Declaration, PDC98-10-078. Council District 3. SNI: Spartan/Keyes. (Public Works)

Resolution No. 71462 adopted.

2.13 Approval of an amendment to the agreement for the design of the Silicon Valley Intelligent Transportation Systems.

Recommendation: Approval of the first amendment to the agreement for consultant services with Kimley-Horn and Associates for the design of the Silicon Valley Intelligent Transportation Systems (SV-ITS) Fremont-Milpitas Project, to extend the agreement term through September 30, 2003. CEQA: Not a Project. (Transportation)

Approved.

2.14 Adoption of a resolution declaring the results of the Special Municipal Election.

Recommendation: Adoption of a resolution declaring the results of the Special Municipal Election held on March 4, 2003. (City Clerk)
(Rules Committee referral 3/19/03)

Resolution No. 71463 adopted.

2.15 Adoption of a resolution authorizing an amendment to the agreement with Housing & Development Software, LLC.

Recommendation: Adoption of a resolution authorizing:

- (a) The Director of General Services to execute a second amendment to the agreement to acquire and install a departmental database system with Housing & Development Software, LLC, to modify the scope of services, to extend the term to September 6, 2003, and to increase the total compensation by the previously approved contingency amount of \$50,000, for a total maximum compensation not to exceed \$191,800.
- (b) The Director of General Services to execute maintenance renewals for the ongoing software maintenance of the system with annual increases not to exceed 10% as stated in the original contract, without further Council action other than the appropriation of funding.

(Housing/General Services)

(Rules Committee referral 3/19/03)

Deferred to 4/1/03

3 STRATEGIC SUPPORT SERVICES

3.1 Report of the Study Session

Mayor Gonzales, Chair

No Report.

3.2 Report of the Rules Committee – March 12, 2003

Vice Mayor Dando, Chair

(a) Redevelopment Agency items reported out at Redevelopment Agency meeting

(b) City Council

(1) Review March 25, 2003 Draft Agenda

(2) Add New Items to March 18, 2003 Amended Agenda

(3) Staff Reports Outstanding

(c) Legislative Update

(1) State

(2) Federal

(d) Meeting Schedules

(e) The Public Record

(f) Boards, Commissions and Committees

(g) Council Referrals for Assignment to Appropriate Committee, Administration, or Council Appointee

(h) Administrative Reviews and Approval

(i) Oral communications

(j) Adjournment

Deferred to 4/1/03.

3.3 Report of the Making Government Work Better Committee – March 12, 2003

Council Member Campos, Chair

(a) Report on Park Ranger Staffing

(b) Report on CSA Performance Measurements

(c) Single Audit Reports

(d) Memorandum on Internal Controls

(e) Audit follow-up on Prevailing and Living Wage

(f) Call Center Handling of Service Requests Audit Report

(g) Santa Clara County Cities Association Audit Report

(h) Airport Neighborhood Services Group Audit Report

(i) Fire Paramedics Staffing and Costs

(j) Oral petitions

(k) Adjournment

Deferred to 4/1/03.

4 ECONOMIC & NEIGHBORHOOD DEVELOPMENT

4.1 Report of the Building Strong Neighborhoods Committee
Council Member Chavez, Chair
No Report.

4.2 Report of the Driving a Strong Economy Committee
Council Member Williams, Chair
No Report.

5 RECREATION & CULTURAL SERVICES

5.1 Report of the All Children Achieve Committee
Council Member Yeager, Chair
No Report.

6 TRANSPORTATION SERVICES

6.1 Report of the Building Better Transportation Committee
Council Member Cortese, Chair
No Report.

7 ENVIRONMENTAL & UTILITY SERVICES

8 AVIATION SERVICES

9 PUBLIC SAFETY SERVICES

10 JOINT COUNCIL/REDEVELOPMENT AGENCY

Redevelopment Agency Board convened at 2:02 P.M. to consider Items 10.1 and 10.2 in a Joint Session.

10.1 Continued discussion on CIP project priorities and funding.

Recommendation:

- (a) Continued discussion on CIP project priorities and funding.
- (b) Acceptance of this staff report on the proposed plan to implement the approved Budget Strategy related to capital projects, which recommends the following:
 - (1) Proceed with 132 General Fund projects budgeted at \$52.8 million.
 - (2) Decrease funding for ten General Fund projects by \$3.859 million and increase the Reserve for the 2003-2004 Deficit by the same amount.
 - (3) Place \$10.3 million in General Fund projects on hold pending further evaluation of the budget process.

The Staff Report was accepted.

- (c) Adoption of the following appropriation ordinance amendments in the General Fund:
 - (1) Decrease the Acceleration Park Bond Site Acquisitions appropriation by \$2,000,000.
 - (2) Decrease the Historic Homes Renovations appropriation by \$1,000,000.
 - (3) Decrease the Open Space – Greenbelt appropriation by \$200,000.
 - (4) Decrease the Minor Building Improvements appropriation by \$249,000.
 - (5) Decrease the Minor Restroom Repairs appropriation by \$200,000.
 - (6) Decrease the Demolition (460 Park Ave) appropriation by \$96,000.
 - (7) Decrease the Park Facilities Improvements appropriation by \$58,000.
 - (8) Decrease the Civic Center Relocation Costs appropriation by \$32,000.
 - (9) Decrease the Picnic Area Renovation appropriation by \$17,000.
 - (10) Decrease the Park Bldg Repair/Renovation appropriation by \$7,000.
 - (11) Increase the Reserve for the 2003-2004 Deficit by \$3,859,000.

Ordinance No. 26859 adopted.

- (d) Acceptance of staff recommendations to proceed with funding of certain affordable housing projects:
 - (1) Proceed with funding for those projects that have completed construction and require only permanent financing, and those that are under construction.
 - (2) Proceed with funding for those projects where land has been acquired using City funds, where significant outside funding has been committed, and where Council action is anticipated within the next 30 days.
 - (3) Accept prioritization of projects on hold pending available funding.

CEQA: Not a Project. (City Manager's Office)

(Referred from 3/4/03 – Item 10.1)

Approved.

10 JOINT COUNCIL/REDEVELOPMENT AGENCY

10.2 Public Hearing and adoption of the FY 2003-2004 Mayor's March Budget Message.

Recommendation: Public Hearing and adoption of the FY 2003-2004 Mayor's March Budget Message. CEQA: Not a Project. (Mayor)

FY2003-2004 Mayor's March Budget Message was adopted.

The Mayor's March Budget Message, dated May 25, 2003, was approved, and the following comments/direction given to Staff: (1) that organizational cuts not be larger than City departments are asked to make; that any savings from TOT funds be used to reduce cuts to CBOs—half for arts CBOs and half in reserve for arts organizations and the Conventions and Visitors Bureau;

(2) that Council receive the budget as early as possible for cuts to be considered with the entire budget, that budget documents denote how departments incorporate SNI programs into their decision-making; that Staff determine how the City's Workers Compensation reserve compare to industry standards; that Staff determine the level of debt owed by the Redevelopment Agency to the City; that Staff determine under what circumstances might the competition policy be used to effect savings, that Staff establish guidelines for ending fund balances, that Staff determine whether there could be a one year amnesty for fines other than business taxes and if the General Fund reserve percentage rate needs to be reviewed; on Page 2 of Attachment 2 of the CIP, that Staff include SNI as part of the criteria for evaluating projects; that Staff determine whether the 5 year CIP forecast anticipates the possibility of deficits in all years; that Staff provide an assessment of potential revenue funding sources for projects and/or operation and maintenance funding; that parkland dedication fees to which the Agency contributes be refunded to the housing project in question; that grant writers be hired for the City; that Staff explore joint purchasing opportunities as referenced on pg. 6 l with regional agencies to leverage City procurement funds; that children's nutrition programs be included with senior nutrition programs funded by the Healthy Neighborhoods Venture Funds (HNVF) ; that Staff consider possible reductions in administrative expenditures to focus resources on direct service delivery; that Staff provide information on funding available for rehab projects; and that Staff explore means of ensuring that RDA funds are available for neighborhoods and public facilities;

(3) that City Administration participate in the competition for funds as cuts are made to balance the General Fund; and that Staff compete as do other organizations for City funds for specific programs, and develop a criteria for Council to evaluate overall budget impacts;

(4) that as HNVF funds are taken to balance the General Fund, that the City compete with other organizations for those funds as do the CBOs; that Staff provide a matrix of which nonprofits have applied for and are receiving HNVF funds; that Staff devise a process to extend "project special handling" attention to neighborhood-generated projects; that Staff provide a list of projects that are under construction and/or starting construction soon with funding allocated; and that the City Manager respond to the call center audit in his Budget Message on May 1, 2003;

(Items continued on next page)

10.2 Public Hearing and adoption of the FY 2003-2004 Mayor's March Budget Message (Cont'd)

Recommendation: Public Hearing and adoption of the FY 2003-2004 Mayor's March Budget Message. CEQA: Not a Project. (Mayor)

(5) that Staff develop means of funding traffic calming projects in SNI areas; that Staff add ending funds balances to any future list of capital projects deleted for tracking purposes; that Staff define criteria to leverage initial operating and maintenance funding for capital projects; that the City Attorney provide a Closed Session Report on how Council Appointee cuts may affect ongoing litigation; and that Staff explore a more tailored approach to dealing with CBOs and arts groups;

(6) that Staff include the funding status for the Blackford Teen and Pool Center within the Budget for District 1; that Staff reprioritize the San Tomas Expressway sidewalk project from year five to next year; that Staff provide an information memo as part of the Budget Process to evaluate establishing "sunset" provisions for the budget cuts pertaining to Staff salary freezes, and cuts to CBOs, Healthy Neighborhood Venture Funds, business amnesty program, fee increase and decreases, the streamlining process discussed on Page 5, Paragraph 3 that any shift in capital improvement funding to the General Fund; Staff to provide a breakdown from the Redevelopment Agency prior to the May budget process of all funding sources, base budget and expenditures, including debt services and ending fund balances; that Staff determine whether the budget's Tiers 1, 2, and 3 followed the four policy priorities as listed on Page 14 of the Mayor's memorandum, and

(7) that Staff consider restricting professional dues, fees, travel, and meal allowances for City and CBO employees using City grant funds; and Staff to consider using the General Fund monies rather than TOT as the revenue source for arts funding, including maintenance and upkeep of the City's art collection; and

(8) that Staff attempt to minimize the impact of budget cuts on after-school programs, include Homework Centers, perform a cost benefit analysis for the CBOs thru the Making Government Work Better Committee.

Redevelopment Agency Board portion of the meeting adjourned at 8:31 P.M.

- **Closed Session Report**
- **Notice of City Engineer's Pending Decision on Final Maps**
In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's pending decision on the following Final Maps:
None.

In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's receipt of the following Final Maps for review:
None.

- **Open Forum—**
 - (1) **Ross Signorino spoke on defining City Council Committees and small business issues.**
 - (2) **Gregory Nichols spoke on parking regulations.**

- **Adjournment**

The Council of the City of San José adjourned in memory of Evelyn Sanders Cox, a longtime San José resident, devoted children’s advocate, exemplary community volunteer, and leader in the African-American community; in memory of James Boccardo, long-time San José resident, prominent attorney, and generous contributor to our community; also in memory of Danita Spurling, sister to Don Burrus, Mayor’s office.

The Council of the City of San José adjourned at 8:35 P.M.

THE FOLLOWING RESOLUTIONS WERE ADOPTED AT THE JOINT REDEVELOPMENT AGENCY/CITY COUNCIL MEETING ON TUESDAY, MARCH 25, 2003:

7.1(a) Resolution No. 71464 adopted. Vote: 11-0-0-0.