

**MINUTES OF THE
JOINT RULES AND OPEN GOVERNMENT COMMITTEE
AND COMMITTEE OF THE WHOLE**

SAN JOSE, CALIFORNIA

WEDNESDAY, FEBRUARY 4, 2015

The Joint Rules and Open Government Committee and Committee of the Whole of the City of San José convened in Regular Session at 2:00 p.m. in the Committee Rooms 118-120, Council Wing, City Hall.

PRESENT: Mayor Sam Liccardo, Vice Mayor Rose Herrera, Councilmember Magdalena Carrasco (2:03 p.m.), Councilmember Johnny Khamis, and Councilmember Chappie Jones.

ABSENT: All present.

STAFF: Interim City Manager Norberto Duenas, City Attorney Richard Doyle, City Clerk Toni J. Taber, Interim Assistant City Manager Dave Sykes, Mayor's Agenda Assistant Margaret Le, Agenda Services Manager Gloria Schmanek, Assistant City Clerk Tom Graves, Deputy City Clerk Suzanne Guzzetta, and Deputy City Clerk Anh Tran.

CITY COUNCIL (CITY CLERK)

- (1) Review February 10, 2015 Final Agenda**
- a. Add New Items to Final Agenda
 - b. Assign "Time Certain" to Agenda Items (if needed)
 - c. Review of Notice Waiver Requests for Agenda Items or Documents (if needed)

Public Comment: David Wall offered comments regarding Item 9.1.

Action: Upon motion by Vice Mayor Herrera, seconded by Councilmember Khamis and carried unanimously, the Committee approved the agenda including the following sunshine waivers, additions, and changes: Closed Session to start at 9:00 a.m., sunshine waiver for Item 2.11, Item 2.7 to be heard in the Consent Calendar, and addition of item 2.x regarding Actions Related to Applied Development Economics Access to CA State Employment. (5-0.)

CITY COUNCIL (CITY CLERK)

- (2) Review February 17, 2015 Draft Agenda
None – Meeting Cancelled

REVIEW OF UPCOMING STUDY SESSION AGENDA(S)

- (1) **Review of February 17 Study Session. (City Manager/City Clerk)**

February 17, 2015 Study Session hold released for Measure B.

Public Comment: None.

Action: Upon motion by Vice Mayor Herrera, seconded by Councilmember Jones and carried unanimously, the study session information was approved. (5-0.)

LEGISLATIVE UPDATE

- (1) State – None.
- (2) Federal – None.

MEETING SCHEDULE

None.

THE PUBLIC RECORD

Documents Filed: Memorandum from City Clerk Toni J. Taber transmitting the Public Record for the Week of January 23 – 29, 2015.

Public Comment:

- Lee Ellak provided comments regarding Item E.5 on the 2/4/2015 Rules Agenda.
- David Wall provided comments regarding Item E.8 on the 2/4/2015 Rules Agenda.

Action: Upon motion by Vice Mayor Herrera, seconded by Councilmember Jones and carried unanimously, the public record was noted and filed. (5-0.)

BOARDS, COMMISSIONS AND COMMITTEES

- (1) Appointments – None.
- (2) Work Plans – None.
- (3) Annual Reports – None.

RULES COMMITTEE REVIEWS, RECOMMENDATIONS AND APPROVALS

(1) Consent Calendar

Upon motion by Vice Mayor Herrera, seconded by Councilmember Jones and carried unanimously, the Consent Calendar was approved and the below listed actions were taken as indicated. (5-0.)

- a. Retroactive Approval of Magdalena Carrasco Swearing In Ceremony. (Carrasco) Retroactive Approval of the District 5 Magdalena Carrasco Swearing In Ceremony Sponsored by Council District 5 as a City Council Sponsored Special Event to Expend City Funds and Accept Donations of Materials and Services for the Event which was held on January 9, 2015 and place on the February 24, 2015 Council Agenda for action.

Documents Filed: Memorandum from Councilmember Magdalena Carrasco to the Rules and Open Government Committee, dated January 28, 2015, entitled, "Retroactive Approval of Magdalena Carrasco Swearing in Ceremony Sponsored by Council District 5 as a City Council Sponsored Special Event to Expend City Funds and Accept Donations of Materials and Services for the Event."

Action: The items were placed on the February 10, 2015 City Council Agenda for final action. (5-0.)

END OF CONSENT CALENDAR

(2) Prohibition on Credits to Annual Required Retirement Contributions. (Liccardo)

Direct the City Attorney to return to the council with a Municipal Code that would:

- a. Require that the retirement boards, when setting their annual contribution rates, ensure that the Annual Required Contribution Rates do not apply credits for negative unfunded liabilities which occur when the plans exceed 100% funded status.
- b. Require that the city fully pay the Annual Required Contribution (ARC) rates, without accepting credits applied for negative unfunded liabilities when the plans exceed 100% funded status.

Documents Filed: 1) Memorandum from Mayor Sam Liccardo to the Rules and Open Government Committee, dated January 27, 2015, entitled, "Prohibition on Credits to Annual Required Retirement Contributions"; 2) Spreadsheet from Mayor San Liccardo, dated February 4, 2015, regarding additional analysis for Item G2.

Mayor Liccardo offered background related to his memorandum. City Auditor Sharon Erickson presented background and answered questions from the Committee.

City Attorney Rick Doyle noted that any amendments to the Municipal Code related to retirement would need to first be reviewed by the Retirement Boards.

RULES COMMITTEE REVIEWS, RECOMMENDATIONS AND APPROVALS

- (2) Motion: Councilmember Khamis made a motion to bring forward Mayor Liccardo's memorandum, directing the City Attorney to return to the Retirement Boards for initial review with a Municipal Code amendment that would: a) Require that the retirement boards, when setting their annual contribution rates, ensure that the Annual Required Contribution Rates do not apply credits for negative unfunded liabilities which occur when the plans exceed 100% funded status; and b) Require that the city fully pay the Annual Required Contribution (ARC) rates, without accepting credits applied for negative unfunded liabilities when the plans exceed 100% funded status, and additional direction to incorporate pension sustainability audits and a biennial actuarial valuation consistent with GASB 68. Vice Mayor Herrera seconded the motion.

Retirement Services Director Roberto Pena answered additional questions from the Committee. Committee Discussion ensued.

Public Comment:

- Martha O'Connell voiced support for the recommendation.
- David Wall provided comments and raised questions.

Action: Upon a call for the question, the motion carried unanimously. (5-0.)

REVIEW OF ADDITIONS TO COUNCIL COMMITTEE AGENDAS/WORKPLANS

- (1) Community and Economic Development Committee – None.
- (2) Neighborhood Services and Education Committee – None.
- (3) Transportation and Environment Committee – None.
- (4) Public Safety, Finance and Strategic Support Committee – None.
- (5) Rules and Open Government Committee – None.

OPEN GOVERNMENT

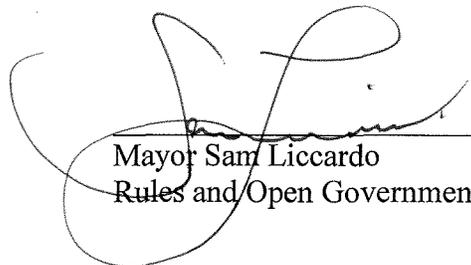
- (1) Appeals of Public Records Act Request – None.

OPEN FORUM

- Susan Landry spoke on medical marijuana.
- David Wall provided comments regarding council committee and the homeless encampment issues.
- Blair Beakman voiced concerns related to transparency and drone use.
- Lee Ellak offered insights regarding the Housing & Community Development Commission's appointments and non-profit representative.

ADJOURNMENT

The meeting adjourned at 2:47 p.m.



Mayor Sam Liccardo
Rules and Open Government Committee

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