

MINUTES OF THE CITY COUNCIL

**2015-2016 PROPOSED OPERATING BUDGET,
PROPOSED 2015-2016 CAPITAL BUDGET AND
2016-2020 CAPITAL IMPROVEMENT PROGRAM
PROPOSED 2015-2016 FEES & CHARGES
STUDY SESSIONS**

May 6, 2015 – May 8, 2015

The Council of the City of San José convened in Regular Budget Study Session on Wednesday, May 6, 2015 at 9:08 a.m. in Council Chambers, City Hall Council Wing, San José, California.

Present: Council Members - Carrasco (9:20), Herrera, Jones, Kalra (9:15), Khamis, Matthews (9:15), Nguyen, Oliverio, Peralez, Rocha (9:15); Liccardo.

Absent: Council Members - All Present.

Staff: City Attorney Richard Doyle, Norberto Dueñas, Successor Agency Executive Officer, Assistant City Manager Dave Sykes (for Norberto Dueñas at 10:50) Interim Senior Deputy City Manager/Budget Director Jennifer Maguire, Deputy City Manager/Director of Economic Development Kim Walesh, City Clerk Toni J. Taber, and Deputy City Clerk Ruth Krantz.

Documents Filed: (1) Staff presentation dated May 6, 2015 summarizing the 2015-2016 Proposed Operating Budget Overview. (2) Staff presentation dated May 6, 2015 describing the Community and Economic Development 2015-2016 Proposed Operating Budget.

OPENING COMMENTS

Mayor Liccardo offered opening comments and background.

OVERVIEW PRESENTATION

Interim Senior Deputy City Manager/Budget Director Jennifer Maguire presented an overview of the 2015-2016 Proposed Operating Budget, including the 2016-2020 General Fund Forecast and recommended budget actions. She indicated 'next steps', including community hearings, future City Council budget study sessions, City Council review and adoption of the budget.

Deputy City Manager/Director of Economic Development Kim Walesh provided introductory remarks. Economic Development Officer John Lang offered an overview of the economy.

Mayor Liccardo opened the floor for Council questions and comments, and discussion ensued.

Council Member Matthews pointed out that the growing job market includes a great many low-skilled, low income jobs with potentially no benefits, and she stressed the need to address every spectrum of the workforce so that individuals can make a living wage.

Community and Economic Development

Deputy City Manager/Director of Economic Development Kim Walesh provided opening remarks, including the revenue side of the budget. Deputy Director of Economic Development, Nanci J. Klein, Interim Director of Housing Jacky Morales-Ferrand and Director of Planning, Building and Code Enforcement, Harry Freitas responded to questions from Council.

Adjournment

Mayor Liccardo adjourned the Budget Study Session at 11:35 a.m.

RECESS/RECONVENE

The City Council recessed at 11:35 a.m. from the morning Budget Study Session on Wednesday, May 6, 2015 and reconvened on Thursday, May 7, 2015 at 9:13 a.m. in the Council Chambers, City Hall.

Present: Council Members - Carrasco, Herrera (9:23), Jones, Khamis, Matthews, Oliverio (9:24), Peralez (9:23), Rocha; Liccardo.

Absent: Council Members - Kalra, Nguyen. (Excused)

Documents Filed: (1) Presentation dated May 6, 2015, describing the Environmental Utility Services 2015-2016 Proposed Operating Budget. (2) Staff presentation dated May 6, 2015 describing the Neighborhood Services 2015-2016 Proposed Operating Budget. (3) Staff presentation dated May 6, 2015 describing the Public Safety 2015-2016 Proposed Operating Budget. (4) Staff presentation dated May 6, 2015 describing the Transportation and Aviation Services 2015-2016 Proposed Operating Budget.

Environmental and Utility Services

Director of Environmental Services Kerrie Romanow, provided an overview of the proposed operating budget, Interim Assistant Director Department of Transportation Kevin O'Connor provided the report on the Environmental and Utility Services 2015-2016 Proposed Operating Budget, including the expected service delivery, proposed budget actions and CSA workplan highlights.

Mayor Liccardo encouraged Staff to develop a simple guide to the proposed 30 percent water reduction. Environmental Services Director Kerrie Romanow responded that the City is currently partnering with the Water District and offered recommendations for outreach to the community in a cost-effective manner.

Councilmember Carrasco asked that the water reduction requirements be clear and understandable in multiple languages and make the community aware of rebate/incentive programs and fines.

Councilmember Jones asked that this information be rolled out to neighborhood associations, and that water conservation workshops be established.

Neighborhood Services

Library Director Jill Bourne, Deputy Director of Animal Care and Services Jon Cicirelli, and Code Enforcement Officer Diane Buchanan offered the report and responded to Council questions and concerns.

Director of Parks, Recreation and Neighborhood Services, Angel Rios, responded to questions regarding grass reduction and turf conversion options. He further addressed questions from Councilmember Khamis regarding cost recovery with the Park's programs, and included information on crime and nuisance at City parks and the need for rebuilding the Park Ranger program.

Public Safety

Chief of Police Larry Esquivel, Fire Chief Curtis Jacobson, and Deputy Director, Fire Department Bureau of Administrative Services, Ron D'Acchioli, presented the report on the Public Safety 2015-2016 Proposed Operating Budget. Fire Chief Curtis Jacobson offered insight on the EMS Communication Study.

Adjournment

Mayor Liccardo adjourned the morning Budget Session at 11:55 a.m.

RECESS/RECONVENE

The City Council recessed at 11:55 a.m. from the morning Budget Study Session and reconvened at 1:40 p.m. in the Council Chambers, City Hall.

Present: Council Members - Carrasco, Herrera, Jones, Kalra (2:03), Khamis, Matthews, Oliverio, Peralez, Rocha; Liccardo.

Absent: Council Members - Nguyen. (Excused)

Public Safety

Bureau of Investigations Chief of Police Shawny Williams and Deputy Chief Phan Ngo responded to questions from Council.

Transportation and Aviation Services

Director of Aviation Services Kimberly Becker Aguirre presented the report on Aviation Services, including recommended staffing changes for operations efficiency. Director of Transportation Hans F. Larsen and Assistant Director of Transportation Jim Ortbal offered an overview on Surface Transportation.

Vice Mayor Rose Herrera suggested a more extensive program for tree pruning and planting.

Adjournment

Mayor Liccardo adjourned the afternoon Budget Session at 4:24 p.m.

RECESS/RECONVENE

The City Council recessed at 4:24 p.m. from the afternoon Budget Study Session on Thursday, May 7, 2015 and reconvened on Friday, May 8, 2015 at 9:06 a.m. in the Council Chambers, City Hall.

Present: Council Members - Carrasco (9:23), Herrera (9:21), Jones, Khamis, Matthews, Oliverio, Peralez; Liccardo.

Absent: Council Members - Kalra, Nguyen, Rocha. (Excused)

Documents Filed: (1) Memorandum from Senior Deputy City Manager Jennifer Maguire, dated May 7, 2015, providing information in preparation for the City Council policy discussion on General Fund Excess Ending Fund Balance. (2) Staff presentation dated May 6, 2015 describing the Strategic Support 2015-2016 Proposed Operating Budget. (3) Staff presentation dated May 6, 2015 describing the Proposed 2015-2016 Capital Budget and 2016-2020 Capital Improvement Program.

Strategic Support

Director of Finance Julia H. Cooper, Chief Information Officer Vijay Sammeta, Director of Human Resources, Joe Angelo and Director of Public Works Barry Ng provided the report on the Strategic Support 2015-2016 Proposed Operating Budget.

Director of Human Resources, Joe Angelo offered recommendations for standardizing the City's hiring processes and discussed the wellness program to increase employee healthcare participation. Director of Public Works Barry Ng followed up with a discussion of preventative maintenance at City facilities and staffing to support the Silicon Valley Regional Communication Systems upgrade and Enterprise Asset Management System.

Director of Finance Julia H. Cooper highlighted the implementation of a new hourly payroll budget system and expanding services for the organization. Staff responded to questions from Council.

Mayor, City Council and Appointees

Mayor Liccardo presented introductory comments.

City Attorney Richard Doyle, City Auditor Sharon W. Erickson, City Clerk Toni J. Taber, CMC and City Manager Norberto Dueñas presented the Appointees' 2015-2016 Proposed Budgets.

Fees and Charges

Assistant Director of Transportation Jim Ortbal responded to questions regarding penalties for tree-cutting violations. Director of Parks, Recreation and Neighborhood Services, Angel Rios responded to questions regarding community center and park use by neighborhood associations, allowing that policies have been modified to allow certain spaces free of charge. Discussion ensued regarding funds generated from park use to be allotted for new turf and maximizing the use of fields.

General Fund Ending Fund Balance Policy Discussion

Senior Deputy City Manager Jennifer Maguire addressed direction on the portion of the Operating Budget and Capital Improvement Program Policy that addresses the distribution of fund balance, as outlined in her memorandum, dated May 7, 2015.

Capital Budget and Capital Improvement Program

Director of Public Works Barry Ng, Assistant Director of Transportation Jim Ortbal and Senior Deputy City Manager Jennifer Maguire presented the Proposed 2015-2016 Capital Budget and 2016-2020 Capital Improvement Program.

Parks, Recreation and Neighborhood Services Trail Manager Yves Zsutty answered questions regarding construction projects on the site of the former “Jungle”, and Interim Assistant Director of Parks, Recreation and Neighborhood Services Matt Cano discussed demolition of Agnew State Hospital and responded to questions from Council regarding collaboration to build a school and park on this site.

Adjournment

Mayor Liccardo adjourned the Budget Study Session at 11:45 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,

Toni J. Taber, CMC
City Clerk

rmk/May 6-8 2015 BUDGET MIN