

Minutes of Regular Meeting
Board of Directors
San Jose Downtown Property Owners' Association

November 6, 2012

A regular meeting of the Board of Directors of the San Jose Downtown Property Owners' Association (POA), a non-profit California corporation, was held at SJDA office, 28 N. First St., Suite 1000, San Jose, CA 95113.

Board members present: Berg, Souza, Hammers, Mattson, Ortbal, Utic and Schneider.

Members absent: Cosgrove, Kline, Keit and Ryan.

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich and Operations Manager Eric Hon.

Hammers called the meeting to order at 8:35 a.m.

Minutes

- The meeting minutes from September 18 and October 12 as distributed to the board prior to the meeting were approved.

President's Report

- Hammers reported that Souza, Ryan and Hammers, were re-elected at the October 12 annual meeting and their new terms will begin in January 2013.
- Per the PBID bylaws, the board must elect their officers after the board elections. The current officers all expressed interest in continuing in their current roles, Hammers as President, Utic as Vice President, Ortbal as Treasurer and Mattson as Secretary.
- A motion was made by Berg and seconded by Mattson to re-elect the slate as nominated. The motion was approved unanimously.

New Business: Services and renewal

- Hammers thanked the board members, Kline, Cosgrove, Ortbal and Hammers, and staff, Knies and Hon, who served on the RFP review committee. He described the RFP process and said the board memo on pages 6-8 in the agenda packed provided a good summary.
- The committee has recommended that the board authorize the executive director to negotiate a contract for services with Block-by-Block (BBB), should the negotiations not be finalized, the executive director can negotiate and execute an agreement with ABM.
- Hammers described the four proposals and explained how the committee short-listed the final two. Ortbal spoke about the two finalists, BBB and ABM. He said BBB's proposal was more tailored for downtown San Jose.
- Hon said the cleaning portion of the PBID services is clear-cut. The ambassador services however are harder to define, which is why he felt BBB was the stronger candidate because they outlined clear strategies on improving the ambassador services.
- More discussion about the proposals ensued. Since BBB was in the midst of acquiring incumbent vendor SGI, Berg expressed concern about the contract if the merger was not consummated.
- A motion was made by Ortbal and seconded by Mattson to authorize the executive director to begin negotiations with BBB as per the parameters described in the memo. Berg's friendly amendment was accepted that if

the BBB/SGI merger is detrimental to the proposal, the executive director can negotiate with ABM. The motion was approved unanimously.

Old Business: PBID enhanced security

- Zelalich said that she and Knies attended a security meeting last week with Councilman Liccardo's office, the Sheriff's Office, SJPd, Probation and a community prosecutor, who enforces probation and downtown arrests.
- Zelalich said the group is still working on sorting out the communications between each agency. For example, the community prosecutor was not aware of any current stay-away orders in Fountain Alley and St. James Park.
- She said VTA will continue to fund two swing shift deputies through June 2013.
- Zelalich said there has been no response to the PBID's letter sent to the Police Officer's Association on October 25 requesting a discussion about the proposed Secondary Employment pilot program with SJPd.
- Zelalich said there is some misconception about the PBID off-duty job proposal. The POA apparently does not understand that property owners were the impetus for this SEU proposal, not the City.
- Knies said at the Commercial Property Owner Committee meeting on October 18 members asked about alternatives to using off-duty SJPd. Knies said he understands the frustration, but believes the PBID must continue to first try to work with SJPd.
- Knies asked the board to remain patient. Berg said he supports being patient until January, but suggested staff research other possibilities in the meantime, such as hiring Sheriff deputies, looking at jurisdictional issues, examining private security, park rangers and other alternatives. Hammers suggested SJPd off-duty officers could contract with individual members who are reimbursed by the PBID as one option.
- Utic said there must be a firm January cutoff date and also suggested looking at different options at providing downtown security in the interim.
- Hammers said he and Knies have been meeting with individual City Council members to discuss the prevailing wage issue pertaining to pressure washer's hourly rate. Knies said both the SJDA and PBID board were unanimous in voting to seek an exemption from the mandated wage. Councilman Liccardo will present the recommendation to exempt the PBID on November 14.
- Schneider asked if anyone had previously sought such an exemption? Knies said the airport did for living wage, but the PBID is only looking for an exemption on prevailing wage and will continue to pay living wage.
- Knies reminded the board that pressure washers are currently making \$45.43 per hour and if their wages were reduced to \$21 per hour, the PBID have could realize substantial savings over the next 10 years.

Operations Report

- Hon gave an update on the PBID tree maintenance. He said many of the palms are producing fruit again and the fruit pods need to be trimmed or else they cause a big mess on the sidewalks.
- In addition to the palms, Hon will also coordinate the last portion of the tree pruning. The PBID's four-year pruning plan will be completed in three-years.

- Hon said the PBID financial report was submitted to the City on September 30 and will go to the City Council along with the new PBID contract in December.
- Hon also updated the board on beautification projects. He said the transit mall lights will be complete on November 12 and the winter hanging baskets will be installed by the end of November. Landscape designer Kathy Finley is still looking at hanging basket alternatives and will update the board as soon as progress has been made.
- The San Pedro Square arch letters have been repainted, completing the restoration of the archway.

The meeting was adjourned at 9:53 a.m.