



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

**SUBJECT: POTENTIAL BALLOT MEASURE
TO AMEND THE CITY CHARTER:
FORM OF LOCAL GOVERNMENT**

DATE: June 29, 2020

SUPPLEMENTAL

BACKGROUND

The City of San José and other local governments play a crucial role in American democracy. There are over 90,000 local governments in the United States ranging from full-service cities, to schools, to special districts. Collectively they employ over 12 million workers, collect roughly a quarter of the nation's revenues, and provide essential services ranging from recycling and garbage collection, to firefighting, and libraries. Local governments are closest to the people they serve, and it is important that their actions represent the views of their communities. Today cities are being asked to address and help solve a range of wicked problems; the COVID-19 pandemic, the resulting economic recession, an uncertain fiscal outlook, needs for affordable housing, climate change, police reform, and racial inequity all requiring government continuously evolve to meet the needs of residents.

Several memoranda have been issued regarding San Jose's form of government demonstrating the divergent view points of the City Council and illustrating the difficulty of assessing the impacts from changes to governing—big or small. On June 24, 2020, the Rules and Open Government Committee approved:

- Memorandum from Mayor Liccardo – June 19, 2020
- Memorandum from Vice Mayor Jones – June 23, 2020
- Memorandum from Councilmember Jimenez – June 23, 2020

In addition, the Rules and Open Government Committee forwarded a memorandum by Councilmember Peralez, dated June 24, 2020 for City Council discussion on June 30, 2020. Since that time additional memoranda and recommendations have come forward:

- Memorandum from Councilmembers Carrasco and Esparza – June 26, 2020
- Memorandum from Councilmember Arenas – June 26, 2020
- Memorandum from Councilmember Diep – June 28, 2020
- Memorandum from Councilmember Khamis – June 28, 2020

ANALYSIS

Local government actions have a profound effect on people's day-to-day lives. Much research and debate has been conducted on historical governmental forms, public preference trends in large cities, and governance effectiveness of in the different forms. Research and past examples of cities changing their form of government yield a common conclusion—*effective transition and modification requires time with the community and focus from the organization.*

I have spent over thirty years working for the City of San José and have seen our hybrid Council-Manager form of government evolve to meet the needs of our community. During this time, the Council-Manager form has worked effectively to meet our community's needs while encouraging neighborhood input into the policy process. As a City of diverse neighborhoods, the distribution of power and access to City Hall has ensured strong collaboration both among the City Councilmembers themselves, and with the Administration—striving to ensure every neighborhood and every district has a voice.

Cities do evolve and, sometimes, changes are necessary. If the City Council wishes to explore a change in form of government through a "Blue Ribbon" commission or City Charter Review Commission, as City Manager, I fully support such an approach. This approach will ensure our community will not only be part of the process, but will also afford the City Council and Administration the time to consider the difficult questions and decisions surrounding governing and power should changes be needed.

However, the current proposal in front of the City Council considers immediate changes effective January 1, 2021, offering little time to study the impact on the City Council, organization, and most importantly the community. As outlined in both memoranda issued by Vice Mayor Jones and Councilmember Jimenez, recommendations #2 (B & D) would modify the current hybrid Council-Manager form of government and raise issues that should be considered:

- Our community deserves to be included: We strongly value community engagement and recognize that we need to evolve our strategies and methods, especially while the COVID-19 pandemic continues. Any governmental change merits engagement with all parts of our City. We have the time and we owe it to our residents and businesses. Last year when the Silicon Valley Organization and San Jose Downtown Association expressed their desire to change San Jose's form of government, I indicated that any change should come from extensive engagement with our community—ensuring any changes affecting our community were centered from their voices. As cities have looked to modify or change their form of government, successful efforts have been grounded in a community process that includes many stakeholders. Those that have failed however, at the ballot or in implementing the changes, have lacked the necessary input and ownership to ensure the change works for all parties.

- Proposal diminishes an independent professional voice: Our current structure ensures that every member of the City Council has access to an independent, non-political, professional staff, but without the ability to politically influence staff recommendations. With recommendation #2 (B & D), the Mayor would have authority to direct policy recommendations prior to them coming to the City Council. Key Administrative staff could fall under the Brown Act rules, not allowing the City Manager and department directors to independently develop policy recommendations or fully brief and share information with all members of the City Council.
- Proposed structure is not functional: Sharing the authority to dismiss department directors will inherently create dysfunction within the organization. Leadership and accountability is achieved through clear vision and direction. In the current structure the Mayor, City Council and Administration play important and distinct roles to serve our community and achieve results. The best forms of local government provide checks and balances as well as separation of powers between administration and policymaking, but with this proposal, the separation of powers is blurred, as the Mayor would both lead the City Council in their policymaking role and place the Mayor in a new executive administration role. The proposal would also give the Mayor immediate authority to appoint, direct and dismiss the City Manager, and while the City Manager also retains the authority to appoint, direct and dismiss department directors (with a majority of Council approval required), that authority is negated, or at best diluted, by giving equal authority to the Mayor to direct those same directors. The act of giving shared administrative directing power to both a City Manager and Mayor blurs lines of command and accountability and would diminish the ability to lead the organization and, at best, cause organizational confusion.
- Timing is rough: This City and our organization is beyond the point of exhaustion from responding to the COVID-19 pandemic and the myriad of other events in the last several months. Although not perfect, we have performed admirably, and continue day in and day out to focus our leadership on saving lives, saving livelihoods, and preserving our fiscal health. Together we have a long road to recovery and reform. More than ever, this is a time to come together and focus our leadership on the recovery and fighting a potential resurgence of the pandemic rather than send the organization through a major transition in just a few short months.

CONCLUSION

Everyone wants effective political leadership—neighborhoods, civic leaders, and the business community. The last half year has put stress on our community, the organization, and our elected leaders, and we can proudly say that we have all done our best. Today’s complex problems cannot be solved without the guidance of effective elected officials and the independent public administrators that support their leadership. Regardless of governmental form, all local governments should exhibit similar qualities – leadership, responsiveness to all City residents, and administrative effectiveness.

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Subject: Potential Ballot Measure to Amend the City Charter: Form of Local Government

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Considering a new form of government is an extraordinary change with enduring and far reaching consequences. The value of that change should be evaluated by the public for whom the government exists to serve—we must give ourselves time and involve the community.

If the Council elects to move forward with a ballot measure, I recommend we hold a special meeting on July 28, 2020 to agendaize the potential ballot measure amending the City Charter for Inclusion, Accountability, and Better Government Reforms. Regardless of what the City Council elects to do in this situation, and what the voters may decide in November 2020, the administration will continue to support our elected leaders, continue to serve the residents and businesses of this wonderful, diverse, and evolving City.


DAVID SYKES
City Manager

For questions, please contact David Sykes, City Manager, at 408-535-8111.