



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Debra Figone

SUBJECT: SEE BELOW

DATE: February 6, 2012

COUNCIL DISTRICT: City-Wide

SUBJECT: CITY COUNCIL STUDY SESSION: 2012-2013 BUDGET PLANNING

OUTCOME

- (1) Status Update on the Fiscal Reform Plan.
- (2) Discussion of Principles for Restoring City Service Levels and Investing in Organizational Needs.
- (3) Update on City Council Priority Policies and Ordinances.

PURPOSE

The purpose of this Study Session is to engage the City Council and Senior Staff in understanding and discussing the current efforts underway as well as future considerations for the City's 2012-2013 budget process and beyond. No decisions or direction will be required of the City Council during this session. However, City Council comments and feedback through the presentations, questions, and discussions will be helpful to the Administration as we proceed through (1) the upcoming budget process; (2) the implementation of the Fiscal Reform Plan; and (3) the development of principles for potentially restoring service levels and investing in organizational needs in the future. Although the attached supporting documents will be referred to and used in the session, due to other critical path work efforts underway in the Budget Office, more detailed information will be presented through PowerPoint presentations and handouts on the day of the session.

BACKGROUND

Key Budget Processes

On January 9, 2007 the City Council approved several items related to the Reed Reforms including a "Change to a Community Based Budgeting Process." As a result of that direction, the annual budget process has been modified to solicit early input from the community and the City Council. In preparation for the 2012-2013 budget process, these efforts have so far included a Status Report that was heard by the City Council on September 20, 2011 on the General Fund fiscal condition, 2012-2013 General Fund budget, impacts on service delivery, and projected pension cost increases; the release of a 2012-2013 Preliminary General Fund Forecast that was reviewed by the City Council on November 15, 2011; a Neighborhood Associations/Youth Commission 2012-2013 Priority Setting Session held on January 21, 2012; and the 2012 Community Budget Survey of 904 San José residents conducted by Fairbank, Maslin, Maullin, Metz and Associates (FM3) from January 11 to January 20, 2012. The early engagement in the budget process continues to be important given the continued projected General Fund shortfall and the overall General Fund structural deficit.

A City Council/Senior Staff "retreat" has typically followed the Neighborhood Association/Youth Commission Priority Setting Session each year during this February time frame. Over the last few years the session has been used to discuss various facets of the budget challenges which the City Council and Senior Staff have had to confront and to problem solve. It has taken different shapes and has emphasized what has been most pressing and relevant for the moment in time as the City has navigated through unprecedented fiscal problems.

Next in the budget process, the 2012-2013 City Manager's Budget Request and 2013-2017 Five-Year Forecast and Revenue Projections document will be published late February. This document will provide the Mayor and City Council with an updated 2012-2013 General Fund Forecast that will be used as a starting point to develop a balanced 2012-2013 City Manager's Proposed Operating Budget. Based on certain economic and cost assumptions, a five year outlook regarding General Fund revenues and expenditures and resulting shortfalls or surpluses is also provided. In addition, this document provides a set of budget balancing strategy guidelines recommended by the Administration for use in preparation of the 2012-2013 City Manager's Proposed Budget. These guidelines are amended and/or approved through the City Council's approval of the Mayor's March Budget Message.

In accordance with the City Charter, the Mayor is scheduled to issue his proposed March Budget Message on March 9, 2012, which will then be discussed, amended if necessary, and adopted by the City Council. The contents of that Message will provide specific guidance for the preparation of the 2012-2013 City Manager's Proposed Capital and Operating Budgets currently scheduled to be submitted to the City Council on April 25, 2012 and May 1, 2012, respectively. As required by City Charter, those balanced Proposed Budgets will contain the Administration's proposed comprehensive plans for how the City organization will address the highest priority needs of the community while maintaining the fiscal integrity of the City.

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After the release of the Proposed Budgets, there will be a series of Proposed Budget Study Sessions and Public Hearings to discuss the budget proposals and the associated impacts on performance measures and service delivery. The Administration will also work with the City Council to provide informational meetings on the Proposed Budgets in each City Council District in March and April 2012. Additional input by the City Council and community will be incorporated into the budget through these Proposed Budget Study Sessions, Public Hearings, and the Mayor's June Budget Message during the months of May and June 2012. On June 12, 2012, the City Council will amend, as necessary, the Proposed Budget and approve an Adopted Budget for the 2012-2013 fiscal year that will begin on July 1, 2012.

Current Budget Planning and Workload Context

The City is facing its eleventh year of General Fund shortfalls. After cumulative General Fund balancing actions of about \$680 million and reducing over 2,000 positions, of which approximately 1,600 positions were cut in the last three years alone, the City is still grappling with a structural imbalance between its revenues and expenditures as well as a workforce that is still in a state of flux due to turnover, layoffs, and bumping. In May 2011, the City Council approved a Fiscal Reform Plan, as amended, to achieve savings and/or revenues to eliminate the General Fund structural deficit, restore services to the January 2011 level, and open facilities built or under construction within five years.

In December 2011, the 2012-2013 Preliminary General Fund shortfall was estimated at approximately \$25 million. That number will be updated as part of the 2013-2017 General Fund Forecast, which will provide a comprehensive update to all revenue and expenditure projections contained in the Preliminary Forecast, including but not limited to the latest retirement cost projections and the best available information regarding potential General Fund impacts to the City due to the dissolution of the San Jose Redevelopment Agency.

Significant budget shortfalls and corresponding decreases in staffing resources had resulted in a large number of pending ordinances and City Council referrals. Recognizing that it was not possible to advance all of them, staff brought forward a list of pending items for prioritization in February 2011. The City Council and Senior Staff completed a prioritization exercise and identified the top ten priorities from a list of 43 pending ordinance changes and major referrals. Subsequent to the prioritization, the City Council approved the Mayor's March Budget Message and directed staff to focus efforts on the top ten priorities. On August 30, 2011, a follow-up prioritization exercise afforded the Mayor and City Council with an opportunity to modify the list of Top Ten pending policies and ordinances, approve the staff workplan for implementing the priority items, and identify several additional ordinances that would be moved to the Top Ten list as existing top priorities are completed. It is important to note that although there are a large number of pending ordinances, they only represent a small portion of the overall work effort on City programs and initiatives that have already been deemed as City Council priorities and are underway.

ANALYSIS

At the February 13, 2012 City Council Study Session, the City Council will receive a status update on the City's Fiscal Reform Plan; discuss principles for restoring City service levels and investing in organizational needs; and review 2011-2012 priority policies and ordinances as well as discuss the ordinance prioritization process that is scheduled for the February 14, 2012 City Council meeting.

Fiscal Reform Plan Status Update

As discussed above, with the 2012-2013 Preliminary General Fund shortfall of approximately \$25 million, the City is facing its eleventh year of continuous General Fund budget shortfalls. In order to address this chronic deficit, the City Council approved a Fiscal Reform Plan in May 2011. The goals of the Fiscal Reform Plan include: addressing the projected General Fund shortfall over the Forecast period; restoring services to the levels of January 1, 2011 (Police, Fire, Libraries, and Community Centers); opening facilities built or under construction within five years, including libraries, community centers, fire stations, and the police substation; and maintaining retirement costs at the 2010-2011 level of \$186 million for all funds.

At the City Council Study Session, the Administration will provide a Fiscal Reform Plan Status Update including the latest calculations regarding the funding needed to meet City Council goals as well as the items remaining on the Fiscal Reform Plan that could be potentially implemented. Further, the Administration plans to present retirement cost projections for the Federated City Employees' Retirement System and the Police and Fire Department Retirement Plans that were requested from the boards' actuary.

The Fiscal Reform Plan incorporates four potential revenue measures as part of the approach to address the General Fund structural deficit (increasing the Sales Tax, restructuring the Business Tax, increasing the Disposal Facility Tax, and adding a tax on the Municipal Water System). An overview of the revenue ballot measure process and related administrative considerations, an overview of recent polling results on revenue measures, and an update on the Business Tax modernization workplan will be provided at the City Council Study Session. On January 25, 2012, the Rules Committee approved a memorandum issued by Councilmember Pyle which directed the Administration to return to the City Council with information regarding potential June or November 2012 Tax Measures. Staff presentation will also address Councilmember Pyle's memorandum.

The process of bringing forward a potential revenue ballot measure requires a significant amount of planning. While there are political considerations, there are several administrative considerations to take into account while evaluating types and timing of potential ballot measures, including:

- Cost – the cost of putting a measure on the ballot and the cost differential between general and special elections.

- Timing – sufficient time necessary to bring forward a measure. Several steps are necessary before a measure is placed on the ballot, including polling, community outreach, and City Council approval of ballot language. It is important to build in time to complete these steps and meet the early deadlines for placing an item on the ballot. For instance, the latest date for a City Council decision to place any potential measure on the June 2012 ballot is March 6, 2012, while the deadline for placing a measure on the November 2012 ballot is August 7, 2012.
- Probability of Success – level of potential voter support based on the results of the Community Budget Survey or other polling efforts; extent of supporting and opposing coalitions. Generally, a higher number of proposed revenue measures appear during the November election cycle. For example, during 2010, 191 local revenue measures to raise, extend or revise local taxes, fees or bonds were placed on the November ballot, compared to 60 that appeared on the June 2010 ballot. In terms of passage rates, 58% of the November 2010 revenue measures were approved by voters compared to a 73% for the June 2010 revenue measures.
- Type of Ballot Measure – pros and cons of bringing forward a general or special purpose tax measure. A general purpose tax measure requires 50% + 1 voter approval and a special purpose tax measure requires two-thirds voter approval.
- Competing Ballot Measures – the number and impact of other revenue measures on the same ballot. (A list of the currently known potential revenue measures that are under consideration by other agencies will be presented at the Study Session).
- Availability of Staff Resources – whether adequate staff resources are available to conduct outreach, develop educational materials for voters, and prepare the ordinance.
- Implementation – effective date of the tax measure after approval, factoring in any timing restrictions and the need to revise systems to accommodate the change and to inform the public.

Before moving forward with a potential ballot measure, it is important to poll potential voters to determine the likelihood of success. A separate memorandum with the 2012 Community Budget survey results has been issued by the Mayor, which contains polling results regarding potential revenue measures. A high level review of these revenue polling results will be presented at the Study Session.

At the Study Session, the Administration will also present information regarding the Business Tax Modernization workplan. The Business Tax Modernization workplan discussion will provide an overview of the research work that has been performed, including comparisons to other cities, outreach plans, broad categories of options and principles for modernization of the tax, and potential revenue generation.

Principles for Restoring Services and Investing in Organizational Needs

If the City Council is successful in eliminating the General Fund structural deficit through fiscal reforms and in pursuit of new revenues, the City may be in a position in the future to begin restoring the service levels. With limited funds, a key consideration for the Mayor and City

Council will be “how do we invest in the City we want?” Inherent in this question is the likelihood that how the City provides services in the future may be quite different from how they were provided in the past.

Moving forward, if we have the opportunity to restore services, important policy questions for the Mayor and City Council revolve around what kinds of services the City should restore and how should the services be provided. These are values based as well as technical questions. Thus, it is important to have a clear set of principles to help discern how to proceed. The City Administration has developed a preliminary set of guiding principles for restoring City service levels (see Attachment A) to inform City Council and Senior Staff discussion at the Study Session. These preliminary guiding principles fall into four general categories:

- Ensure the fiscal soundness of the City;
- Choose investments that achieve significant outcomes; and
- Improve the efficiency and effectiveness of service delivery.

When considering any additions to the budget, it is important to consider the overall City of San José Budget Principles (see Attachment B) that were initially developed as part of the General Fund Structural Deficit Elimination Plan work. These principles provide a meaningful framework for maintaining the financial discipline crucial to a large organization like the City of San José. Adhering to these principles will help prevent the City from again developing a structural deficit. They were approved as part of City Council’s approval of the Mayor’s March Budget Message for Fiscal Year 2008-2009, and subsequently amended on September 9, 2008.

As discussed above, the goals of the City Council approved Fiscal Reform Plan are to solve the structural deficit and then restore services to January 1, 2011 levels and open facilities that have been recently completed or are under construction (See Attachment C). The preliminary guiding principles for restoring service levels included in Attachment A suggest broadening that approach to include considerations such as infrastructure maintenance, technology improvements, and alternative service delivery methods. These principles can provide a solid guide to help the City determine not only the appropriate service levels and most cost-effective method for service delivery, but also the critical areas for investment needs.

2011-2012 City Council Priority Policies and Ordinances Update

Over the last decade, General Fund deficits as well as budget challenges in other City funds have resulted in the elimination of nearly 30% of the City’s workforce, with most of the reductions occurring in the last three years. Due to the significant amount of position eliminations, staff has limited capacity to take on projects that are not part of existing workplans or the capacity to meet day-to-day operational needs. Previous workload prioritization exercises have proved invaluable in focusing staff efforts on the pending policies and ordinance changes that have been deemed as high priorities by the Mayor and City Council.

At the City Council Study Session, the Mayor and City Council will have the opportunity to review the priority policies and ordinances in advance of the prioritization voting that will take place as part of the February 14, 2012 City Council meeting. Attachment D provides a copy of the memorandum and attachments that were issued under separate cover on February 3, 2012 and posted on the City's website for the February 14, 2012 City Council Agenda. This memorandum and related attachments include information on the priority policies and ordinances as well as additional details on the prioritization process. During the Council meeting, the Mayor and City Council will establish a future list of priority policies and ordinances. Items from this newly created future list of priorities and ordinances will be moved to the Top Ten list as existing top priorities are completed in the coming months. Since many items on the current Top Ten list are scheduled to be completed by June, 30, 2012, establishing a future list of priorities will allow staff to transition quickly to supporting those additional high priority policies and ordinance changes without having to return to Council for additional prioritization and direction between now and August 2012.

CONCLUSION

The overall goal of this City Council Study Session is to provide the City Council and Senior Staff with a status update on the Fiscal Reform Plan; to discuss the principles for restoring service levels and investing in organizational needs; and to review the priority policies and ordinances in advance of the workload prioritization exercise that will take place at the February 14, 2012 City Council meeting.

The City Council's feedback in this Study Session will be important to inform the upcoming 2012-2013 budget process and beyond. Given the possibility to address the City's structural deficit through implementation of the Fiscal Reform Plan and potential restoration of services, the Senior Staff and I look forward to engaging in a meaningful and productive discussion.



DEBRA FIGONE
City Manager

For questions please contact ED SHIKADA, ASSISTANT CITY MANAGER, at 408-535-8190.

Attachments

Attachment A – Guiding Principles for Restoring City Service Levels

Attachment B – City of San José Budget Principles

Attachment C – Fiscal and Service Level Emergency Report – Appendix C (Baseline Service Levels as of January 1, 2011)

Attachment D – FY 2011-2012 Council Priority Policies and Ordinances (February 14th Council Memo)

Guiding Principles for Restoring City Service Levels (Preliminary Draft Concepts)

These preliminary Guiding Principles for Restoring City Service Levels fall into three general categories: ensure the fiscal soundness of the City, choose investments that achieve significant outcomes, and improve the efficiency and effectiveness of service delivery.

Ensure the Fiscal Soundness of the City

- Develop the General Fund budget to support the City's mission and use the City Council-approved Budget Principles to ensure the long term fiscal health of the City (*City of San Jose Budget Principles; Attachment B to this memorandum*)
- Ensure services that are restored can be sustained over the long-run to avoid future service disruption (Use Five-Year General Fund Forecast as one tool)
- If possible, defer adding new permanent positions until new retirement system is in place

Choose Investments that Achieve Significant Outcomes

- Ensure restored services represent City Council priorities and the highest current need in the community
- Balance investments among three categories:
 - Restoration of services (public safety and non-public safety services, including critical strategic support services)
 - Opening of new facilities
 - Maintenance of City infrastructure and assets
- Prioritize baseline service level restorations using performance goals (*Fiscal and Service Level Emergency Report-Appendix C; Attachment C to this memorandum*)
- Focus funding on areas where there is a high probability of success and/or high cost of failure

Improve the Efficiency and Effectiveness of Service Delivery

- Before restoring prior service methods, evaluate options to determine if alternative service delivery models would be more cost effective
- Ensure strategic support and technology resources are capable of supporting direct service delivery and effective management of the organization
- Prioritize organizational investments that maximize workforce productivity, efficiency, and effectiveness
- Pursue opportunities and methods, including performance, to retain, attract, and recognize employees within resource constraints

CITY OF SAN JOSE BUDGET PRINCIPLES

The Mission of the City of San José is to provide quality services, facilities and opportunities that create, sustain and enhance a safe, livable and vibrant community for its diverse residents, businesses and visitors. The General Fund Budget shall be constructed to support the Mission.

1) STRUCTURALLY BALANCED BUDGET

The annual budget for the General Fund shall be structurally balanced throughout the budget process. A structurally balanced budget means ongoing revenues and ongoing expenditures are in balance each year of the five-year budget projection. Ongoing revenues shall equal or exceed ongoing expenditures in both the Proposed and Adopted Budgets. If a structural imbalance occurs, a plan shall be developed and implemented to bring the budget back into structural balance. The plan to restore balance may include general objectives as opposed to using specific budget proposals in the forecast out years.

2) PROPOSED BUDGET REVISIONS

The annual General Fund Proposed Budget balancing plan shall be presented and discussed in context of the five-year forecast. Any revisions to the Proposed Budget shall include an analysis of the impact on the forecast out years. If a revision(s) creates a negative impact on the forecast, a funding plan shall be developed and approved to offset the impact.

3) USE OF ONE-TIME RESOURCES

Once the General Fund budget is brought into structural balance, one-time resources (e.g., revenue spikes, budget savings, sale of property, and similar nonrecurring revenue) shall not be used for current or new ongoing operating expenses. Examples of appropriate uses of one-time resources include rebuilding the Economic Uncertainty Reserve, early retirement of debt, capital expenditures without significant operating and maintenance costs, and other nonrecurring expenditures. One time funding for ongoing operating expenses to maintain valuable existing programs may be approved by a majority vote of the Council.

4) BUDGET REQUESTS DURING THE YEAR

New program, service or staff requests during the year that are unbudgeted shall be considered in light of the City's General Fund Unfunded Initiatives/Programs List and include a spending offset at the time of the request (if costs are known) or before final approval, so that the request has a net-zero effect on the budget.

5) RESERVES

All City Funds shall maintain an adequate reserve level and/or ending fund balance as determined annually as appropriate for each fund. For the General Fund, a contingency reserve amount, which is a minimum of 3% of the operating budget, shall be maintained. Any use of the General Fund Contingency Reserve would require a two-thirds vote of approval by the City Council. On an annual basis, specific reserve funds shall be reviewed to determine if they hold greater amounts of funds than are necessary to respond to reasonable calculations of risk. Excess reserve funds may be used for one-time expenses.

CITY OF SAN JOSE BUDGET PRINCIPLES

6) DEBT ISSUANCE

The City shall not issue long-term (over one year) General Fund debt to support ongoing operating costs (other than debt service) unless such debt issuance achieves net operating cost savings and such savings are verified by appropriate independent analysis. All General Fund debt issuances shall identify the method of repayment (or have a dedicated revenue source).

7) EMPLOYEE COMPENSATION

Negotiations for employee compensation shall focus on the cost of total compensation (e.g., salary, step increases, benefit cost increases) while considering the City's fiscal condition, revenue growth, and changes in the Consumer Price Index (cost of living expenses experienced by employees.)

8) CAPITAL IMPROVEMENT PROJECTS

Capital Improvement Projects shall not proceed for projects with annual operating and maintenance costs exceeding \$100,000 in the General Fund without City Council certification that funding will be made available in the applicable year of the cost impact. Certification shall demonstrate that funding for the entire cost of the project, including the operations and maintenance costs, will not require a decrease in existing basic neighborhood services.

9) FEES AND CHARGES

Fee increases shall be utilized, where possible, to assure that fee program operating costs are fully covered by fee revenue and explore opportunities to establish new fees for services where appropriate.

10) GRANTS

City staff shall seek out, apply for and effectively administer federal, State and other grants that address the City's priorities and policy objectives and provide a positive benefit to the City. Before any grant is pursued, staff shall provide a detailed pro-forma that addresses the immediate and long-term costs and benefits to the City. One-time operating grant revenues shall not be used to begin or support the costs of ongoing programs with the exception of pilot projects to determine their suitability for long-term funding.

11) GENERAL PLAN

The General Plan shall be used as a primary long-term fiscal planning tool. The General Plan contains goals for land use, transportation, capital investments, and service delivery based on a specific capacity for new workers and residents. Recommendations to create new development capacity beyond the existing General Plan shall be analyzed to ensure that capital improvements and operating and maintenance costs are within the financial capacity of the City.

12) PERFORMANCE MEASURES

All requests for City Service Area/departamental funding shall include performance measurement data so that funding requests can be reviewed and approved in light of service level outcomes to the community and organization.

13) FIRE STATION CLOSURE, SALE OR RELOCATION

The inclusion of the closure, sale or relocation of a fire station as part of the City Budget is prohibited without prior assessment, community outreach, and City Council approval on the matter.

APPENDIX C – BASELINE SERVICE LEVELS

BASELINE SERVICES AS OF JANUARY 1, 2011

In May 2011, the City's Fiscal Reform Plan determined that the City's acceptable baseline for providing services would be measured by the level of services being provided by the City as of January 1, 2011.¹⁴⁴ Service level metrics were determined by using either actual data or the level approved in the 2010-2011 Adopted Budget. For example, response times for Fire and Police services are based on performance data whereas hours of operation for the Library or Neighborhood Services are based on the service levels approved as part of the 2010-2011 Adopted Budget. Additionally, in order for the City to support these baseline service levels, strategic support services will need to be funded at an adequate level.

FIRE DEPARTMENT

- 33 Fire Stations open;
- On average, City-wide, 82.6% of time, the initial responding fire unit arrives within 8 minutes after an emergency 9-1-1 call is received;
- On average, City-wide, 85.2% of time, the second response fire unit arrives within 10 minutes after an emergency 9-1-1 call is received.

POLICE

- On average, City-wide, average response time for Priority One police calls for service (present or imminent danger to life or major damage/loss of property) is 6.04 minutes;
- On average, City-wide, average response time for Priority Two police calls for service (injury or property damage or potential for either to occur) is 12.74 minutes;
- On average, overall, the clearance rate (number cleared / total cases) for Part 1 crimes is as follows: Homicide (65.00%), Rape (19.37%), Robbery (26.54%), Aggravated Assault (39.93%), Burglary (5.58%), Larceny (18.90%), and Vehicle Theft (8.85%).

¹⁴⁴ Depending on the service provided, the metrics reflect actual 2010 Calendar Year-End performance data (e.g., Fire and Police response times) or the service level as approved as part of the 2010-2011 Adopted Budget (e.g., Library Hours).

LIBRARY

- On average, 18 library branches are open 39 hours per week;
- On average, King Library (subject to future contractual arrangements with San José State University):
 - Hours open: 72 hours per week per academic semester; 58 hours per week otherwise;
 - Children's Room: 50 hours per week;
 - Third Floor General Collection and Reference Desks: 64 hours per week;
 - California Room: 20 hours per week;
 - Access Services: 72 hours per week;
 - Periodicals: 72 hours per week;
 - Second Floor Reference Desk: 72 hours per week.

PARK, RECREATION, AND NEIGHBORHOOD SERVICES

- On average, 10 Hub Community Centers are open 63 hours per week;
- On average, 9 Satellite Community Centers are open 40 hours per week;
- On average, 8 Neighborhood Centers are open for 15 hours of programming per week.

STREET MAINTENANCE

72 miles of residential and arterial streets resealed and 6 miles of residential and arterial streets resurfaced with various Capital and Grant funds (no General Fund allocation). Maintaining this street maintenance level will be contingent upon receiving commensurate levels of regional, state, and federal funds annually.

FACILITIES BUILT OR UNDER CONSTRUCTION / OPENING DEFERRED

- South San José Police Substation
- Bascom Community Center and Branch Library
- Calabazas Branch Library
- Educational Park Branch Library
- Seven Trees Branch Library



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Debra Figone

SUBJECT: SEE BELOW

DATE: February 3, 2012

SUBJECT: FY 2011-2012 COUNCIL PRIORITY POLICIES AND ORDINANCES

RECOMMENDATION

Establish a future list of priority policies and ordinances, with items on this list to be moved to the Top Ten list as top priorities are completed between now and August 2012.

OUTCOME

Establishing a future list of items will allow staff to quickly transition to supporting additional priority policies and ordinances as Top Ten items are completed. Staff will continue to provide bi-annual updates on efforts to implement the priority items, along with opportunities for the Mayor and Council to re-confirm the list of Top Ten Priority Policies and Ordinances.

BACKGROUND

This fiscal year marks the tenth consecutive year of General Fund shortfalls, with a cumulative impact of \$680 million. Over the last ten years, the City's workforce has shrunk by more than 2,200 positions, or nearly 30%, with most of the reductions occurring in the last two fiscal years. Approximately 500 City positions were eliminated at the start of this fiscal year alone, bringing staffing levels to approximately 5,300 positions--a level not seen since 1986, when the population was three quarters of what it is today. Looking ahead to FY 2012-2013, the City will likely face its eleventh consecutive year of budget shortfalls, currently estimated at approximately \$25 million, which will continue to limit the availability of City staff resources. This significant reduction in staffing levels severely limits staff's ability to take on new policy initiatives and has also resulted in a backlog of pending ordinances, underscoring the need to focus efforts only on ones that are considered priorities.

On February 14, 2011, the Mayor, Council, and senior staff completed a prioritization exercise and identified the top ten priorities from a list of 43 pending ordinance changes and major referrals. Subsequent to the prioritization, Council adopted the Mayor's March Budget Message

and directed staff to focus efforts on the top ten priorities. It is important to note that although there are a large number of pending priorities, they only represent a small portion of the overall work effort on City programs and initiatives that have already been deemed as Council priorities through the Adopted Budget and underway.

On August 30, 2011, the Mayor and Council received a status update on the implementation of the major ordinances that had been prioritized during the February 2011 Priority-Setting session. This follow-up prioritization exercise afforded the Mayor and Council with an opportunity to modify the list of Top Ten Priority Policies and Ordinances, approve the staff workplan for implementing the priority items, and identify several additional ordinances that would be moved to the Top Ten list as existing top priorities are completed.

As part of the August discussion, the Mayor and Council identified three pending ordinances—Smoking in Outdoor Areas, Social Host Ordinance, and Payday lending as being high priorities that should be added to the list of Top Ten Priority Ordinances in place of three ordinances—two ordinances (Zoning Standards – Main Street/Alum Rock and Development Agreement Ordinance) that had not yet started work and one ordinance (Municipal Water System) that had completed since the February 2011 prioritization exercise. In addition, three pending significant ordinances—Zoning Standards – Main Street/Alum Rock, Development Agreement Ordinance, and Real Estate Streamlining, were identified as pending priorities that should be moved to the Top Ten list of priorities as existing items on Top Ten list are completed.

ANALYSIS

Priority Policies and Ordinances

This memorandum provides a status update on the major policies and ordinances. The attachments included with this memorandum provide a list of the priority policies and ordinances that will also be reviewed as part of the City Council/Senior Staff Study Session scheduled for February 13, 2012.

Listed in Table 1 on the following page are the Top Ten Priority Policies and Ordinances that were identified on August 30, 2011. Since the August prioritization exercise, staff have completed work on one Top Ten priority ordinance, the Sign Code Update – 3 year pilot program for electronic/digital signs. As a result, one of the pending priorities identified during the August discussion-- Zoning Standards – Main Street/Alum Rock, has been moved into the list of Top Ten Priority Policies and Ordinances. In addition, Real Estate Streamlining Transactions, which had been identified as a Potential New Ordinance during the August discussion, has been moved onto the list, as a future top ten priority.

HONORABLE MAYOR AND CITY COUNCIL

February 3, 2012

Subject: FY 2011-2012 Council Priority Policies and Ordinances

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Table 1 - Top Ten Priority Policies and Ordinances	
1	<p>Off-Sale of Alcohol at Grocery Stores streamlining (Lead Dept.: PBCE) <i>Description:</i> Define criteria for grocery stores. <i>Status:</i> 50% Complete/Estimated Completion: March 2012</p>
2	<p>Off-Sale of Alcohol process streamlining (Planning Commission recommendation to Council instead of mandatory detail) (Lead Dept.: PBCE) <i>Description:</i> Change process so Council makes final decision without requiring an appeal. <i>Status:</i> 75% Complete/Estimated Completion: February 2012</p>
3	<p>Payday Lending (Lead Dept.: PBCE) <i>Description:</i> Staff to do preliminary research and explore the feasibility of an ordinance to limit payday lending businesses. <i>Status:</i> 20% Complete/Estimated Completion: March 2012</p>
4	<p>Sign Code Major Update (Lead Dept.: PBCE) <i>Description:</i> Next portion to Council includes skyline signs, assembly uses, and other streamlining. Future phase addresses billboard relocations and signs in the public ROW and City properties. <i>Status:</i> 50% Complete/Estimated Completion: Next Phase: Feb. 2012/Final Phase: May 2012</p>
5	<p>Smoking in Outdoor Areas (Lead Dept.: PBCE) <i>Description:</i> City received County grant funds and is developing an ordinance to limit smoking in outdoor areas. <i>Status:</i> 50% Complete/Estimated Completion: March 2012</p>
6	<p>Tree Removal Ordinance - Streamlining and Cost Recovery On private property) (Lead Dept.: PBCE) <i>Description:</i> Streamlining and cost recovery on private property. <i>Status:</i> 20% Complete/Estimated Completion: May 2012</p>
7	<p>Zoning Ordinance Quarterly Modifications (Lead Dept.: PBCE) <i>Description:</i> Minor revisions to Zoning Ordinance that do not require major analysis, raise community concerns or cannot be found exempt from CEQA. This is a recurring ordinance placeholder. <i>Status:</i> 50% Complete/Estimated Completion: March 2012</p>
8	<p>Zoning Standards - Main Street/Alum Rock (Lead Dept.: PBCE) <i>Description:</i> Alum Rock Ave. rezoning project. Rezone land on ARA to the new zoning district. Requires legal descriptions, outreach and diagram creation. <i>Status:</i> 0% Complete/Estimated Completion: June 2012</p>
9	<p>Medical Marijuana (Lead Dept.: CMO/CAO PBCE) <i>Description:</i> Title 6 operational regulations and Title 20 land use regulations pertaining to use of medical marijuana. <i>Status:</i> 90% Complete/Estimated Completion: Completed Sept. 2011--Title 20 subsequently suspended. City Council to consider Title 6 status in Feb. 2012</p>
10	<p>Social Host Ordinance (Lead Dept.: CAO/CMO) <i>Description:</i> Ordinance that could impose liability on adults that host social events where alcohol is served to minors. <i>Status:</i> 50% Complete/Estimated Completion: March 2012</p>
11	<p>Real Estate Streamlining Transactions (Lead Dept.: CAO/OED) <i>Description:</i> Amend Municipal Code to streamline process for selling and acquiring real estate, providing easements, right-of-ways, and entering into below market rate leases with non-profits. <i>Status:</i> 20% Complete/Estimated Completion: April 2012</p>

Attachment A includes a list of other significant policies and ordinances that are currently not part of the top ten; this list also includes potential ordinances that have surfaced since August 2011. Attachment A is divided into three sections—Pending Policies and Ordinances (In Progress), Pending Policies and Ordinances (On Hold) and Potential New Policies and Ordinances.

- Pending Policies and Ordinances (In Progress): Ordinances in which staff have made some progress toward implementation and/or a plan is in place to work on them in FY 2011-2012. Given the fact many of these efforts are dependent upon the availability of limited staff resources, the completion dates for these projects are only rough estimates and are subject to change.

It should be noted that one ordinance—Plug-In Requirements for Parking Garages, which had been listed as a Potential New Ordinance in August 2011, has been moved to this section as staff have made some progress toward implementation. In addition, two additional ordinances—Access to Healthy Food and Mills Act Contract Ordinance Streamlining, have been added to this section.

- Pending Policies and Ordinances (On Hold): Ordinances which currently do not have a work plan for completion and thus do not have associated completion schedules at this time. One ordinance, Public Entertainment Business Permit Fee Methodology that had been included in the Potential New Ordinances section in August 2011, has been moved to this section.
- Potential New Policies and Ordinances: Additional ordinances that have been identified by Council, Council Committee, or Department staff. This list includes nine (9) potential new ordinances that have been identified since August 2011. None of these potential new ordinances have associated workplans, and thus do not have estimated completion schedules at this time.

Below is a list of significant ordinances that have been completed to date.

- Amendments to Title 16 for Gaming Control Licensing and Work Permits
- Bail Bonds Ordinance Analysis
- Development Agreement Ordinance (Previously a Council Top Ten Priority)
- Lobbyist Ordinance Amendment
- San Jose Municipal Water System (Previously a Council Top Ten Priority)
- Sign Code Update-3 year pilot program for electronic/digital signs (Previously a Council Top Ten Priority)

Attachment B provides the FY 2011-2012 Major Projects Workplan by CSA. This attachment includes a list of priority work efforts that are already underway within each CSA, and provides the Mayor and Council with a snapshot of the significant body of work that is currently being undertaken by staff across all City departments. While not fitting within a specific CSA, other citywide efforts, such as, pension reform, employee transitions, development of significant budget balancing strategies and service delivery evaluations, are requiring a significant allocation of leadership and analytical support in order to ensure that organizational change is managed, while service delivery continues to be our priority.

Prioritization Process

Since the Top Ten priorities are anticipated to be completed by June 2012, staff is recommending that the Mayor and Council establish a future list of priority policies and ordinances using the items listed in Attachment A. Since Real Estate Streamlining has already been identified as a priority item, staff is asking Council to identify nine additional priority items that would be moved to the Top Ten list as existing top ten priorities are completed in the coming months. Establishing this list of additional priorities will allow staff to transition quickly to supporting them as work on existing Top Ten priorities is completed, without having to return to Council for additional prioritization and direction prior to August 2012. If Council were to wish to advance any of the ordinances that are currently on hold, this would necessitate others that are currently in progress to be reprioritized.

Similar to the August 2011 prioritization exercise, the Mayor and Councilmembers will be given paper ballots during the February 14th Council meeting to use when voting for the priority items they wish to be included in the future list of priorities. The City Clerk will collect the ballots and tally the number of votes cast for each item shown in Attachment A. The nine items that receive the highest number of votes from the Council will establish the future list of priority policies and ordinances. The voting will be based on one vote per person per item on the ballot i.e. there cannot be multiple votes cast for a particular item.

EVALUATION AND FOLLOW-UP

Based on City Council discussion and direction on the recommended priorities, staff may need to prepare additional assessments of impacts to workload and schedules. Additional prioritization will be brought forward to Council in August 2012.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach.

Although this project does not meet any of the above criteria, this memorandum is posted on the City's website for the February 14, 2012 City Council Agenda.

HONORABLE MAYOR AND CITY COUNCIL

February 3, 2012

Subject: FY 2011-2012 Council Priority Policies and Ordinances

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COORDINATION

This memorandum has been coordinated with City Attorney's Office and City Departments with implementation responsibilities for the Significant Policies and Ordinances.

CEQA

Not a Project, File PP10-069(a), staff reports and informational memos.



DEBRA FIGONE
City Manager

For questions please contact ED SHIKADA, ASSISTANT CITY MANAGER, at 408-535-8190.

Attachments

Attachment A – List of Remaining Significant Policies and Ordinances

Attachment B – FY 11-12 Major Projects WorkPlan by CSA

Attachment A
Remaining Significant Policies and Ordinances
(Sorted by Lead Department)

Name of Assignment/Initiative	Origin/Source	Required Departments	%Complete (As of Jan. 2012)	Level of Effort	Estimated Completion Date
Pending Policies and Ordinances (In Progress)					
1 Access to Healthy Food <i>Description:</i> Amend Zoning Code to remove any barriers to healthy food; This work is being done in collaboration with the Health Trust.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	0%	Medium	June 2012
2 Landscape Ordinance (Water Efficient) <i>Description:</i> Adopt local version of State Model Landscape Ordinance to replace previous version adopted by the City.	State Regulation	<i>Lead: PBCE, ESD</i> <i>Supporting: PW, CAO</i>	50%	Major	Apr. 2012
3 Lighting on Private Property Policy Changes <i>Description:</i> Modifications to City Council policy 4-3 on Outdoor Lighting on Private Developments (consistent with recent update to City Council Policy 4-2 for Public Streetlights) to include standards for the use of Broad-spectrum (white) light sources in private streets, parking lots, pedestrian and landscaped areas.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	20%	Medium	June 2012
4 Mills Act Contract Ordinance Streamlining <i>Description:</i> Modify Municipal Code to allgn with recent state legislation.	Department, City Council	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	50%	Major	Apr. 2012
5 Plug-In Requirements for Parking Garages <i>Description:</i> Develop requirements for the installation of electric vehicle charging stations in parking garages.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	10%	Medium	June 2012
6 Gift Ordinance Cleanup <i>Description:</i> Clarification of specific provisions of Gift Ordinance.	City Attorney	<i>Lead: CAO</i> <i>Supporting: CMO</i>	25%	Minor	Mar. 2012
7 Special Events Ordinance <i>Description:</i> Update and consolidate into one chapter the outdoor special events permitting for parades, parks, paseos and plazas.	City Attorney	<i>Lead: CAO</i> <i>Supporting: OED, PRNS, PD</i>	75%	Medium	Mar. 2012
8 Taxicab Vehicle Operation Ordinance Amendment <i>Description:</i> Amend Ordinance to raise maximum mileage/year limits for alternative fuel vehicles.	Department	<i>Lead: PD</i> <i>Supporting: CAO</i>	50%	Medium	Dec. 2012

Notes:

Level of Effort

- a. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices
- b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused
- c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement.

**Attachment A
Remaining Significant Policies and Ordinances
(Sorted by Lead Department)**

Name of Assignment/Initiative	Origin/Source	Required Departments	% Complete (As of Jan. 2012)	Level of Effort	Estimated Completion Date
Pending Policies and Ordinances (On Hold)					
9 Condominium/Apartment Conversion Notice Ordinance - <i>Description</i> : Notification to neighbors when residential project converts from for sale to rental and vice versa. (CED Committee directed staff on 5/23/11 to explore options to implement a Council policy regarding post entitlement notices for tenure changes, in lieu of an ordinance. Completion schedule will be dependent on additional feedback from CED Committee on 2/27/12.)	Community and Economic Development Committee	<i>Lead: PBCE, CAO</i> <i>Supporting: Housing</i>	50%	Medium	TBD
10 Conservation Area Ordinance Streamlining (Distinctive Neighborhoods) <i>Description</i> : Modify Municipal Code to create a more efficient process for establishing conservation areas.	Department, City Council	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	5%	Major	TBD
11 Green Building Retrofit Ordinance <i>Description</i> : Add green building requirements for additions and alterations of existing buildings. (Green Building Policy will be brought forward for Rules Committee consideration in spring 2012. Given San Jose's need to be competitive in the marketplace, additional Green Building requirements will not be recommended.)	Department, City Council	<i>Lead: PBCE</i> <i>Supporting: CAO/ESD/PW</i>	0%	Major	TBD
12 Multi-Family District Update <i>Description</i> : Alignment with General Plan to facilitate housing production.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	0%	Major	TBD
13 Noise Performance Standards update <i>Description</i> : Update per best practices.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	0%	Major	TBD
14 North San Jose Form Based Code <i>Description</i> : Create new Form Based Code for North San Jose to implement the NSJ Strategy.	Department	<i>Lead: PBCE</i> <i>Supporting:</i>	0%	Major	TBD
15 Urban Village Zoning District (formerly Transit Corridor Residential - Align Zoning Standards) <i>Description</i> : Align zoning standards with General Plan.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	0%	Major	TBD
16 Tow Car Ordinance amendments to be consistent with VC 22658 <i>Description</i> : Amend ordinance to be consistent with new California Vehicle Code revisions.	City Attorney	<i>Lead: CAO</i> <i>Supporting: PD, CMO</i>	0%	Medium	TBD
17 Public Entertainment Business Permit Fee Methodology <i>Description</i> : Amend Public Entertainment Ordinance to authorize change in fee methodology.	2011-2012 Mayor's June Budget Message	<i>Lead: OED</i> <i>Supporting: CAO</i>	75%	Medium	TBD
Notes: Level of Effort a. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement.					

**Attachment A
Remaining Significant Policies and Ordinances
(Sorted by Lead Department)**

	Name of Assignment/Initiative	Origin/Source	Required Departments	%Complete (As of Jan. 2012)	Level of Effort	Estimated Completion Date
Potential New Policies and Ordinances						
18	Development Agreement Policy <i>Description:</i> Create City Council Policy to provide more specific guidance for the recently adopted Development Agreement Ordinance.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO, OED</i>	0%	Medium	TBD
19	Riparian Corridor Policy <i>Description:</i> Create City Council Policy and/or zoning ordinance based on Riparian Corridor Policy Study and Envision 2040 General Plan.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	0%	Medium	TBD
20	Public Review of New Retail Reuse <i>Description:</i> Amend Zoning Code to provide for discretionary review of new retail proposed for existing buildings.	Rules Committee 10-5-11	<i>Lead: PBCE</i> <i>Supporting: OED, CAO</i>	0%	Medium	TBD
21	Regulation of Unattended Donation Boxes <i>Description:</i> Amend ordinance to regulate the use of unattended donation boxes within the City.	Rules Committee 1-25-12	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	0%	Medium	TBD
22	Streamline Permit Process for Recurring Farmers Markets on Private Property <i>Description:</i> Reduce the processing time by changing the type of permit to one that does not need a public hearing.	City Council	<i>Lead: PBCE</i> <i>Supporting: OED, CAO</i>	0%	Medium	TBD
23	Strengthen Vacant Structure Ordinance <i>Description:</i> Modify Municipal Code to clarify historic building provisions.	Department, City Council	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	0%	Major	TBD
24	San Pedro Urban Market Kiosks <i>Description:</i> Amend ordinance to allow location of semi-permanent kiosks on public property and enable a single entity to operate multiple kiosks.	City Council	<i>Lead: OED</i> <i>Supporting: PBCE, CAO</i>	0%	Medium	TBD
25	Update Downtown Paseo/Plaza Use Guidelines <i>Description:</i> Amend Section 13.22.080 of Chapter 13.22 of Title 13 of the Municipal Code to increase the range and number of activities that can be allowed on Downtown Paseos and Plazas, and enable future Guideline modifications to be authorized by the City Manager.	Department	<i>Lead: OED</i> <i>Supporting: PBCE, CAO</i>	0%	Medium	TBD
26	Contractor Employee Benefits <i>Description:</i> Pending Rules Committee direction to staff regarding potential options to encourage or require a minimum number of paid days off for contract employees.	Rules Committee 2-8-12	<i>Lead: Finance/PW</i> <i>Supporting: CAO</i>	0%	TBD	TBD

Notes:

Level of Effort

- e. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices
- b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused
- c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement.

ATTACHMENT B – FY 11-12 MAJOR PROJECTS WORKPLAN BY CSA

<p style="text-align: center;">TRANSPORTATION & AVIATION SERVICES</p>	<p style="text-align: center;">COMMUNITY AND ECONOMIC DEVELOPMENT</p>	<p style="text-align: center;">ENVIRONMENT & UTILITY SERVICES</p>
<ul style="list-style-type: none"> ➤ Infrastructure Backlog (Pavement Maintenance Policy and Funding Strategy) ➤ Green Mobility Strategy (100,000 new trees, zero emission streetlight retrofit, electric vehicle infrastructure, trails/bike plan) ➤ Diridon Master Plan (Land Use Plan, Station Expansion) [Also in CED CSA] ➤ Car Share Deployment Strategy ➤ Regional Mega Projects (BART, High Speed Rail, BRT, 101/Tully/Capitol, 280/880/Stevens Creek) ➤ Bicycle Master Plan Implementation ➤ School Bike/Ped Access Grants ("Walk and Roll San Jose!") ➤ Traffic Signal System Modernization ➤ Implementation of the Airport Living Wage Ordinance ➤ Airport Taxi Operations ➤ Airport Competitive Plan ➤ Airport Bond Issue ➤ Airport West Side Development ➤ Air Service Development 	<ul style="list-style-type: none"> ➤ Economic Strategy Workplan implementation ➤ Envision 2040 adoption and implementation ➤ Outside funding sources and new tools for affordable housing, planning, economic development ➤ Stimulate new construction ➤ Downtown management ➤ Convention center ➤ Green Vision Implementation: cleantech jobs ➤ Preservation of employment lands, including manufacturing ➤ Streamline development process ➤ Planning ordinance updates ➤ Generate revenue through city real estate ➤ Shop San Jose ➤ Redevelopment Agency Transition ➤ Regional influence and state legislative advocacy ➤ Five-year Housing Investment Plan ➤ Destination Home ➤ Community Development Grant Management – CDBG priorities 	<ul style="list-style-type: none"> ➤ Master Planning <ul style="list-style-type: none"> • Storm and Sanitary • South Bay Water Recycling • Plant Master Plan Environmental Impact Report ➤ Stormwater Permit and Pretreatment Program ➤ Sanitary Sewer System Cleaning and Management ➤ Expand Neighborhood Street Sweeping Program ➤ Wastewater Management: <ul style="list-style-type: none"> • Stabilize Work Force • Staff Training and Development • Asset Management and Documentation • Plant CIP Implementation Resourcing • Biosolids Transition Planning • Plant Energy Generation Infrastructure ➤ Commercial Solid Waste System Implementation ➤ Single-Use Bag Ordinance Implementation ➤ Greening of San Jose Events ➤ Environmental Innovation Center Construction ➤ Manage City-Owned Drinking Water Company ➤ Green Vision Advancement – Recycled Water, Zero Waste, Energy Efficiency, Renewable Energy
<p style="text-align: center;">PUBLIC SAFETY</p>	<p style="text-align: center;">STRATEGIC SUPPORT SERVICES</p>	<p style="text-align: center;">NEIGHBORHOOD SERVICES</p>
<ul style="list-style-type: none"> ➤ Police Automated Field Reporting & Records Management System Procurement ➤ Fire Department Strategic Plan ➤ Use of Force Policy revisions ➤ Fire Department: Mobile Data Terminal and Broadband Implementation ➤ Gang Prevention, Intervention & Suppression Services ➤ Early Intervention System ➤ Fire Department: Enhance Labor/Management process ➤ Fire Department Reorganization ➤ Crossing Guard – cost-effective program & Crossing Guard Site Hotspots ➤ Implement Fire Department Alternative Staffing Model ➤ Maximize Police Officers on Street ➤ Fire Department: Evaluate and if appropriate pursue shared services and regional service delivery options ➤ Medical Marijuana Regulations ➤ Fire Department: Evaluation of Special Operation Programs ➤ Cardroom Regulations ➤ Fire Department: Succession planning ➤ Fire Department: Streamline plan review process 	<ul style="list-style-type: none"> ➤ Fleet Services – Business Model Evaluation ➤ Asset Management – Facility ➤ Hayes Mansion and Convention Center ➤ e-ideas ➤ Technology Infrastructure and Applications ➤ IT Investment Strategies ➤ Workers Compensation Cost Containment ➤ Modernize Tax Structure/Revenue Opportunities ➤ Fiscal Emergency Analysis and Support ➤ Redevelopment Agency Transition ➤ Billing System Replacement ➤ Marijuana Business Tax Audit Program Initiation ➤ Organizational Development – New ways of doing business ➤ American Recovery & Reinvestment Act Implementation and Monitoring ➤ City-County Relationship Building ➤ Fiscal/Budget Management ➤ Labor Relations/Negotiations ➤ Retirement Board Governance ➤ Fiscal Reform Efforts, including Retirement Reform ➤ Civil Service Reform ➤ Redistricting Efforts (Clerk) ➤ Green Vision Implementation – City Fleet 	<ul style="list-style-type: none"> ➤ Library Parcel Tax renewal ➤ Evaluate options for opening Seven Trees, Bascom, and Calabazas, and Educational Park Branch Libraries ➤ Install automated materials handling equipment at 5 branches ➤ Begin conversion of library materials handling system to RFID from barcodes ➤ Evaluate Reuse Partner/s for Bascom Community Center with no General Fund impact ➤ Implement Senior Nutrition Task Force recommendation for vendor service model by Nov 2011 ➤ Complete long-term financial sustainability plan for San Jose Family Camp ➤ Expand financial sustainability approach to providing parks and recreation services and facilities ➤ Ensure effective vendor services provision for graffiti abatement, custodial and small park maintenance ➤ Explore additional service delivery evaluation areas in PRNS ➤ Complete Infrastructure Assessment study in PRNS ➤ Partner with Public Works on fleet outsourcing pilot program ➤ Award construction contract for bond Soccer Complex and complete site selection for Softball Complex ➤ Green Vision Implementation: 100 mile trail network