

Status of Mayor and City Council Referrals 2009-2010 Adopted Budget

Referral	Resolution
Measure Budget Reductions or Augmentations Against the Following Criteria: Impact on Essential Public Services, Adherence to Council-Approved Priorities, Relative Importance to Operational Efficiency, Effect on Fiscal Integrity and Flexibility, and Economic Impact and Jobs	As in the past, all budget reductions and augmentations were measured against the criteria set forth by the Mayor and City Council.
Develop a Budget that is Balanced Based Upon Current Revenue Expectations	The Adopted Budget included a budget plan in the General Fund that balanced a total shortfall of \$84.2 million, which is comprised of a \$77.5 million base budget projected General Fund shortfall and a Development Fee Program shortfall of \$6.7 million.
Set Aside Funds for the Mayor and City Council Offices Equal to the Average Council Appointee Reduction. Work With the Mayor's Office to Set Aside Funds for the Council Appointees Offices that are Adequate to Fund Each Office Considering Both the Average Non-Public Safety City Service Area (CSA) Expenditure Reduction and the Impact on Service Delivery. Explore Use of Other Funding Sources to Minimize Cuts.	A 15.4% reduction for 2009-2010, which was the average non-public safety CSA reduction in the Proposed Budget, was applied to the Mayor, City Council, City Attorney, City Auditor, City Clerk, and City Manager Base Budgets and included in the Adopted Budget document. The Independent Police Auditor's budget was reduced by approximately 4.0%, the average public safety CSA reduction. In the Adopted Budget, however, positions in the City Clerk's Office were restored, lowering the reductions in these offices below 15.4%.
Maximize Ongoing Reduction Strategies to Help Solve Future Deficits to the Fullest Extent Possible. Consider Use of One-Time Funds in a Fiscally Responsible Manner.	In the Adopted Budget, approximately 96% (\$81.1 million) of the General Fund shortfall was balanced with ongoing solutions. This balancing strategy utilized one-time funds in a fiscally responsible manner to avoid a large budget shortfall carryover to 2010-2011.
Except as May be Necessary in the Public Safety Departments, Personnel-Related Reductions Should Be Ongoing Cuts to Better Overcome Future Deficit Projections	All position reductions (with the exception of an Analyst position in the City Clerk's Office), totaling 286 positions, were approved in this budget as ongoing reductions.
Coordinate and Pursue Grant Opportunities to Support Programs in Priority Areas	Grant opportunities for priority areas continue to be actively explored.

**Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget**

Referral	Resolution
Avoid Budget Cuts that Mean the Loss of Grants to Support Programs in Priority Areas	The Adopted Budget incorporated this direction.
With the Exception of the Independent Police Auditor's Office that Should Be Displayed in the Public Safety CSA, include all other Council Appointees' Budget Reduction Proposals Under the Strategic Support CSA for the Proposed Budget and Budget Study Session Discussions	The Adopted Budget and Budget Study Session discussions used the directed format.
Identify New Proposed Additions Within CSA's Departmental Proposals Rather Than the Base Budget	As in the past, the Adopted Budget incorporated this direction.
Apply Budget Reductions to Community-Based Organizations (CBOs) that Receive General Fund Support at the Same Level Applied to Non-Public Safety CSAs	A 7.95% reduction for 2009-2010 was applied to the CBOs that receive General Fund support. Because the CBOs received a 2009-2010 Base Budget cost-of-living adjustment of 1.5%, the net reduction in the Adopted Budget is 6.6%, after 50% of the proposed reduction was restored by the Mayor and City Council on a one-time basis for 2009-2010. In 2010-2011, a net 14.4% reduction will be realized.
Baseball Stadium – Take Advantage of Opportunity to Attract the A's to Relocate to San José. Build Community, Silicon Valley Business, and Labor Support and Analyze Opportunities and Challenges of Developing the Park Avenue and Montgomery/Autumn Street Sites as a Location for a Baseball Stadium.	The Office of Economic Development (OED), in conjunction with the Redevelopment Agency (RDA), presented the Economic and Fiscal Impact Analysis of the proposed Ballpark on September 15, 2009. OED and the Agency continue public outreach through the Good Neighbor Committee. In addition, work continues on the Diridon Station plan and Autumn street improvements. OED and RDA will return to the Community and Economic Development Committee with workplan updates in October and December 2009.
Soccer – Continue to Proceed with the Transaction and Negotiate Terms Reflecting the Spirit of Original City Council-Approved Proposal With Consideration Given to	The City Council on May 5, 2009 approved the revised business terms for the construction of 1.5 million square feet of office/R&D, 95,000 square feet of retail and a soccer Stadium. The Office of

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
Current Economic Realities and Real Estate Market Conditions	Economic Development will present an update on the workplan to City Council in December 2009.
Work2future – Through American Recovery and Reinvestment Act Funding, Identify Opportunities to Link the Workforce Development Program, Gang Prevention Programs, and Green Vision	Work2future conducted a summer work experience program for over 900 low-income, at risk youth. Many of the youth were gang impacted. As part of the program the youth received work readiness training, including an overview of the emerging clean tech sector. Work2future has also submitted two ARRA grant applications for green job training, and is preparing a third for a job training partnership related to smart grid with PG&E. Lastly, work2future is developing a small business “how green is you business” self- assessment tool that should be ready for deployment on the BOS website within the next few months.
Coordinated Marketing Effort – Continue to Work with Mayor’s Public Information Officer to Review Marketing Budgets, Improve Collaboration, Use Resources Most Effectively, and Report Regularly to the Community and Economic Development Committee	The Administration and Redevelopment Agency continue to work with the Mayor's Public Information Officer on a coordinated marketing effort. An initial analysis was performed Fall 2008 and shared with City marketing partners, including the ConVis Bureau and Chamber of Commerce. A bi-annual report on these marketing efforts was given to the Community and Economic Development Committee, and the Communications Working Group is reviewing the marketing plans of all of the partners/ members.
ConVis Marketing Funds – Work with Convention and Visitors Bureau and the Arts Roundtable on a ConVis Marketing Funds Proposal to Support the General Fund and Arts. Include ConVis Marketing Subsidy into the Coordinated Marketing Review	The Office of Economic Development met with both the ConVis Bureau and the Arts Roundtable to discuss the 2009-2010 General Fund budget shortfall and the related General Fund ConVis marketing budget of approximately \$2.0 million annually. While not directly reducing marketing, the Adopted Budget included the transfer of one-half of the funding for ConVis executive staffing costs (\$660,000) that are paid from the General Fund to the Convention and Cultural Affairs

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
	<p>Fund to more accurately reflect expenditures for Team San José activities. This reduction was partially offset by an addition of \$337,000 on a one-time basis for ConVis Bureau marketing efforts that was brought forward in the Mayor's June Budget Message for Fiscal Year 2009-2010 that was approved by the City Council.</p>
<p>Downtown Summit Ideas – Work with Stakeholders that have Agreed to Champion a Coordinated Marketing Program, Week-Long Live Music Festival in the SoFa District, and SoFa SoGood Effort to Create an Active and Vibrant Downtown</p>	<p>The inaugural Left Coast Live Music Festival was held May 11 to 15 throughout downtown http://www.leftcoastlive.com. The efforts of the Office of Economic Development, through its Office of Cultural Affairs, along with the Redevelopment Agency generated over 4,000 attendees to the event. Nightlife businesses reported large increases in patrons and revenue for the weekend. OED is currently engaged with Left Coast Live staff and other downtown stakeholders on a live music strategy to continue the positive efforts. The 1st ACT Small Wonders workplan continues to transform SoFA.</p>
<p>Mayor's Economic Stimulus Plan – Coordinate Resources and Work Teams to Achieve Economic Stimulus Plan Top Priority Goals Which Include Conducting a Focused Corporate Retention and Attraction Outreach Campaign, Investing in Renewable Energy and Energy Efficiency, Downtown High Rise Residential Incentives, and Increasing Retail Sales Activity</p>	<p>The Office of Economic Development, in conjunction with the Redevelopment Agency, presented an update to the Community and Economic Development Committee at its March 23, 2009 meeting on the progress that has been made in implementing the elements of the Mayor's Economic Stimulus Plan. The Office of Economic Development and the Redevelopment Agency will provide another status report to the Community and Economic Development Committee on November 23, 2009.</p>
<p>Asset Management – Include Community Survey and Neighborhood Priority Setting Session as a Guide and Factor in Prioritizing Proposals for City Council Review</p>	<p>The Community Survey and Priority Setting Session indicated strong public support for leasing or selling non-essential city-owned properties including the former City Hall, golf courses, and landfills. The former City Hall and two landfills are on the recently adopted Asset Management Work Plan. A study of the golf courses was also added by the Mayor's June</p>

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral**Resolution**

Incubator Program – Develop a Plan to Strengthen the Incubator Program to Encourage Innovation and New Business Formation and Pursue Federal Funding to Expand the Program

Budget Message for review. Support was also indicated for renting outdoor advertising space on city-owned property. A municipal code change would be required to pursue this revenue source.

Affordable Housing, Home Foreclosure, and Homelessness Programs – Develop a Plan to Respond to Affordable Housing Production, Foreclosures, and Ending Homelessness. Explore Opportunities for Funding Programs that Will Improve Our Housing Market Locally and Address Issues Citywide and Most Especially in Impacted Neighborhoods in Central San José, East San José and along the Monterey Corridor.

The Office of Economic Development, in conjunction with the Redevelopment Agency, is moving forward with plans to strengthen the City's Incubator Program. OED has filed a \$4 million application with the federal Economic Development Administration for funding to retrofit and expand the City's Las Plumas facility to improve the City's ability to work with start-up and early stage clean technology companies. The Office of Economic Development and the Redevelopment Agency will provide a status update to the Community and Economic Development Committee on October 23, 2009.

The Housing Department is launching several new programs to address the needs of the most vulnerable citizens during this real estate crisis. Foreclosures: The Housing Department has initiated city-wide foreclosure-related efforts including sponsoring a foreclosure fair, implementing a new hotline and website, opening a Foreclosure Help Center in May 2009, and using \$5.5 million in federal Neighborhood Stabilization funds to mitigate the impact of foreclosures on our neighborhoods. Homelessness: The Housing Department continues to work with Destination: Home and our partners to implement the plan to end chronic homelessness and will be introducing a new \$4.1 million homeless prevention and assistance program utilizing federal stimulus funds prior to the end of 2008-2009. Affordable Housing Production: The Housing Department is proceeding with funding shovel-ready projects and is also looking at innovative financing to move additional projects forward in 2009-2010.

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
<p>Permitting Process – Study and Develop a Program for Automatic Extensions of Land Use Entitlements for a Set and Appropriate Time Period and Continue to Provide Resources to the Extent Possible Through the Special Tenant Improvement Program and Industrial Tools Installation Program</p>	<p>The Planning, Building and Code Enforcement (PBCE) Department developed ordinances to authorize the extension of (1) development permits and (2) building plan check periods and permits. Council approved the ordinance extending certain Planning permits in May 2009, and the ordinance (#28567) went into effect on July 3, 2009. The Adopted Budget continued to provide resources for expedited services through the Special Tenant Improvement Program and Industrial Tools Installation Program.</p>
<p>Green Vision – Budget Funds to Projects that are Aligned to Three Priorities: Savings Created, Private Investment Generated, Measureable Advancement Toward Goals</p>	<p>The Adopted Budget included funding for the retro-commissioning of HVAC controls in facilities with energy management systems, conversion of incandescent light bulbs to light-emitting diode bulbs in North San Jose, and the retrofitting of park lighting to compact florescent lighting technology to meet the Green Vision goal of reducing per capita energy use and generates operating savings. One-time matching grant funds are included to provide stewardship for newly planted trees to meet the Green Vision goal of planting new trees. Recycled water staffing and funding for a salinity study were approved to meet the Green Vision goal of recycling and reusing our wastewater. Funding for a commercial solid waste system redesign consultant was approved to help increase the City's diversion of waste from landfills. The installation of solar parking meters was approved around HP Pavilion. In addition, the 2009-2010 Adopted Capital Budget included funding for additional trails and green building facilities. The City also continues to pursue policies to encourage green building development within the private development community. Green Building performance measurements can be found in the 2010-2014 Adopted Capital Improvement Program and energy savings performance measures are included in the Environmental Services Department section of this document.</p>

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
<p>Energy Efficiency and Conservation Block Grants – Apply Energy Efficiency and Conservation Block Grants Funding Towards Solar America City Projects and LED Streetlights and Explore Working With PG&E and PUC to Modify the Rate Plan to Allow for Reduced Electrical Use Benefits</p>	<p>In June 2009, the City applied to the Department of Energy (DOE) for San José’s allocation of ARRA Energy Efficiency and Conservation Block Grant funds (\$8,840,600). The application focused on three areas—energy efficiency activities at city facilities, LED streetlight installations, and solar installations on municipal facilities and in the community. On September 11, 2009, DOE notified staff that the community solar element (staff to implement community financing districts and educational/marketing activities) was not eligible for funding. Revised application documents have been submitted, with a proposed increase of \$431,970 to the City Facilities Energy Efficiency allocation. The revised allocation is City Facilities Energy Efficiency: \$4.5 million; LED streetlights: \$2 million, and City Facilities Solar: \$2.3 million. Allocation of these funds is anticipated by the end of October. In addition to the grant above, the City applied for a Solar America Cities grant in July 2009. A grant of \$900,000 from the DOE Solar America Cities, was awarded and will be used for a number of projects. The Department of Transportation (DOT) has been working with PG&E on its deployment of LED streetlights. PG&E adopted a new non-metered streetlight tariff that includes rates for LED streetlights. The City can make use of the new rate structure as it installs new or replacement LED streetlights. The City continues to work with the lighting industry and PG&E on the development of revenue grade-metering feature within LED streetlights.</p>
<p>Stimulus Funds – Apply for Federal Economic Stimulus Discretionary Funds to Advance Green Vision Goals</p>	<p>The Administration is identifying applicable American Recovery and Reinvestment Act of 2009 (ARRA) opportunities for the implementation of Green Vision Goals. Initial United States Department of Energy (DOE) - Energy Efficiency and Conservation Block Grants formula allocated \$8.8 million ARRA</p>

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
Environmental Fees – Work with the City Attorney’s Office to Ensure Any New Proposed Fee Increases are in Compliance with Proposition 218	funds to San José and is included in the 2010-2014 Adopted Capital Budget. Projects are being evaluated for additional DOE and United States Environmental Protection Agency ARRA funding awards in areas such as weatherization assistance, state energy programs, alternative fueled vehicles and transportation electrification grants.
Smart Grid/Energy Improvement Districts (EID) – Explore Creating Renewable Energy Zones in Downtown, at the Airport, and in North San Jose and Report Quarterly to the Transportation and Environment Committee	All Environmental Services Department fees included in the 2009-2010 Adopted Budget were in compliance with Proposition 218. The Recycle Plus, Storm Sewer Service, and Sewer Service & Use Charge rates were all noticed for three-years of increases in March and April of 2007, with 2009-2010 being the final year covered under the notice.
Growing our Police Department – Strategically Add Staffing to Maximize the Number of Officers Patrolling Our Neighborhoods with the Goal of Adding 100 Officers by 2012. Opportunities to Increase the Patrol Staff Could Come From the American Recovery and Reinvestment Act Funding, Civilianization, Redeployment from the Airport, and Other Grants.	A status report and next steps were presented at the October 5, 2009 meeting of the Transportation and Environment Committee. PG&E has submitted an application to the U.S. Department of Energy (DOE) for the Smart Grid Investment Grant Program. If PG&E receives the grant, the City would work closely with PG&E to identify viable locations for testing Home Area Network devices and solar PV locations. DOE expects to announce the list of projects awarded in the winter of 2009-2010. Staff will provide further updates on the award of this grant or further smart grid activities to the Committee as part of the monthly energy reports.
	Due to the City's severe budget shortfall, additional General Fund funding for 25 new Police Officers was not included in the 2009-2010 Adopted Operating Budget. Civilianization opportunities were explored during this budget process with the addition of up to 20 civilian and contract positions identified to allow for 22 sworn redeployments and another 3 sworn positions performing lower priority functions identified to be redeployed to patrol. Although

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
	<p>the 3 sworn positions will be redeployed, the addition of the 20 civilian/contract positions was not brought forward due to funding constraints. A total of 18 other existing sworn positions were eliminated in the budget, impacting various units including horse-mounted, canine, airport, information center, and police analysis. The Police Department applied for grant funding for 25 additional Police Officers through the federal COPS Hiring Recovery Grant; however, the Department was notified that San José did not receive funding based on criteria including crime rates and fiscal stability.</p>
Proactive Public Safety Recruitment and Training Efforts – Allocate \$75,000 to Re-implement and Solidify the Recruitment and Training Strategy Implemented in 2008-2009	The 2009-2010 Adopted Operating Budget included \$75,000 in one-time funding to continue to enhance ongoing efforts to recruit potential sworn candidates to meet projected hiring needs.
Fire Station 16 – Allocate \$50,000 to Complete Fire Station 16 Improvements	The Adopted 2010-2014 Capital Improvement Program included a \$50,000 allocation in the Fire Construction and Conveyance Tax Fund to complete the improvements at Fire Station 16. These improvements include upgrades to the Captain's Quarters, a patio cover, and interior and exterior paint.
False Alarm Administrative Citation Program – Increase the Effectiveness and Cost Recovery of False Alarm Fines	As part of the 2009-2010 Adopted Budget, the Police Department false alarm fines were restructured and increased effective October 2009. The Department is currently pursuing a new software program funded through grant funds to better manage the tracking and billing of False Alarm citations. The Fire Department is beginning development of an effective False Alarm Administrative Citation Program. The Department had planned to bring forward a revised schedule of fines by fall 2009. With the transition of responsibilities at the Fire Marshal level, however, program development has been delayed. Policies and procedures for implementing false alarm fine citations are

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
Automated Field Reporting/Records Management System (AFR/RMS) – Continue to Pursue Grants and Other Funding, Establish Best Method to Obtain and Use These Systems and Continue the Pursuit of this Technology	expected to be incorporated into the Fire Records Management System to enable false alarm tracking and billing. The Fire Department plans to bring a False Alarm Administrative Citation Program forward, along with findings from a benchmark study of false alarm fines of other jurisdictions, in the 2010-2011 budget process.
Sworn Police Retirees Perform Administrative Duties – Explore Benefits of Hiring Retired Sworn Officers to Perform Administrative Police Work and Report Results to the Public Safety, Finance and Strategic Support Committee Within 60 Days	The Police Department has identified approximately \$2.5 million in grant funds to begin implementation of a new AFR/RMS system. Additional grant funds are being pursued through the American Recovery and Reinvestment Act of 2009 to complete implementation. The total hardware cost of the AFR/RMS system is currently estimated at \$8.5 million with an additional \$1.0 million needed annually for maintenance and operation costs. Any decision to fully implement a new AFR/RMS system will be based on a return on investment analysis that is currently underway.
San José Municipal Stadium – Identify and Prioritize Needed Facility Improvements for Consideration in Future Budgets	The Administration will explore the benefits of hiring retired sworn officers to perform administrative police work. Considerations will include any legal issues, meet and confer obligations, potential cost savings, as well as exploring if the administrative work can be performed by civilian employees or retirees. This analysis will be incorporated into a report from the City Auditor’s Office that will be presented in 2009-2010.
	The 2008-2009 Adopted Redevelopment Agency Budget allocated \$600,000 for improvements to Municipal Stadium. The first and most critical facility improvements that involved increasing stadium capacity and modernizing concession equipment have been completed. The City Manager’s Office, in conjunction with the Redevelopment Agency, will work with the San José Giants to develop a master plan that

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
	identifies the capital improvements needed to bring this facility to comparable minor league stadium standards. Improvements will be evaluated and prioritized for consideration in future budgets.
PRNS Cost Recovery – Continue to Transform PRNS Toward a More Financially Sustainable Pricing and Revenue Model In Order to Preserve Existing Services and Work Through the Safe Summer Initiative to Ensure Recreation Opportunities for Underserved Youth	The Adopted Budget included a number of PRNS pricing and revenue initiatives designed to increase cost-recovery rates. These initiatives are estimated to generate \$1.2 million in new revenue to the City beginning in 2009-2010. Programming related to the Safe Summer Initiative will also contribute to PRNS revenues as some of these youth will be enrolled in PRNS fee-based programs.
Community Centers – Explore Expanding the Hours and Days of Access at High Usage Community Center Sites that Offer the Broadest Range of Services, Make Significant Revenue Contributions at the Most Efficient Operating Costs, and Develop a Resource Plan for Increased Wear and Tear and Staffing at High Usage Sites. Explore Models that Would Allow Smaller Less Used Satellite Community and Neighborhood Centers to Remain Open Only on an As-Needed Basis.	By reallocating and rescheduling existing and new PRNS staff resources, the hours and days at the 2 new Mayfair and Roosevelt high-usage community centers were extended in 2008-2009 to enhance revenue generation potential. As part of the Adopted Budget, five satellite centers and one neighborhood center are scheduled for closure by July 2010 to generate General Fund operating budget savings. These facilities will be placed on the re-use list for other potential operators or uses. PRNS will explore expanding the hours and days of access at other community center “hub” sites over the next year, with funding provided partially through the reallocation of staff and hours from other satellite and neighborhood centers.
Downtown College Prep – Increase Educational Opportunities for Our Most Disadvantaged Youth	The Park, Recreation and Neighborhood Services Department will continue to work with Downtown College Prep to explore options that may increase educational opportunities for disadvantaged youth.
Crossing Guards – Provide Sufficient Funding to Maintain the Crossing Guard Program, Evaluate the Feasibility of	Continued funding for the School Crossing Guard Program was included in the Adopted Budget to maintain current service levels,

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
Implementing Cost-Effective Programs that are in Place in Other Jurisdictions, Explore Alternate Funding Sources, Work with the Schools/City Collaborative for Safety Solutions, Evaluate Installation of Pedestrian Activated Crosswalks at Un-Staffed Middle School Intersections and Consider Use of Trained Volunteers to Perform Crossing Guard Duties	although a minor reduction for a vacant supervising crossing guard position and 0.81 FTE vacant part-time crossing guard positions was approved to generate savings of approximately \$109,000. The Administration has been actively working with the Schools/City Collaborative for safety solutions and a consultant study regarding the School Crossing Guard Program was completed in 2008-2009. As discussed in Manager's Budget Addendum #32 issued as part of the 2009-2010 budget process, the Department of Transportation will be piloting the feasibility of using parking and traffic control officers in conjunction with crossing guards. The pilot will be coordinated with the Police Department and will include an assessment of both the benefits to school safety and any challenges or impacts to parking compliance activities.
Neighborhood Improvement Reserve Fund – Hold \$1 Million in One-time Fund for Needed Improvements in a Reserve Fund for City Council Recommended Improvements During the Budget Document Process in May	The Proposed Budget included a \$1 million City Council-Initiated Neighborhood Improvement Reserve for City Council allocation during the budget process. These funds were subsequently allocated in the Adopted Budget
Street Maintenance – Use American Recovery and Reinvestment Act of 2009 (ARRA) Funds and Explore Opportunities with the Construction Excise Tax to Maximize Street Maintenance and Repair Levels	The 2010-2014 Adopted Capital Improvement Program (CIP) included Construction Excise Tax funding for pavement maintenance totaling \$27.4 million. Funding from various grant sources totaling \$61.8 million (Prop 42 - \$26.5 million, ARRA funds - \$15.1 million, Prop 1B - \$6.2 million, and Federal Transportation Bill - \$14.0 million) was also included in the CIP.
Increase Revenue at Norman Y. Mineta San José International Airport – Explore Innovative Opportunities for Additional Flights and Revenue	The Airport continues to explore opportunities to bring additional air service and revenues to the community. The Airport Incentive Program, introduced in 2006-2007, eliminates Airport operation fees for airlines that introduce new service to particular destinations. On April 21, 2009, City Council revised the program to support the development of new international air

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
<p>Airport People Mover – Continue to Explore Public Private Partnerships to Assist in Funding Automated Transit Network Emerging Technology</p>	<p>service with routes to and from Canada and Mexico by providing longer, two-year incentives. The revised program is open to all airlines, both new and incumbent carriers. Depending on the category, incentive credit would be offered for up to a three-year promotional period for new routes. Although \$320,000 in special air service marketing non-personal/equipment funds were eliminated, the Airport will devote remaining air service resources to support strategic partnerships, research and air service development programs that have the highest potential for success in bringing new service opportunities to San José.</p>
<p>Parking Citations – Explore Raising Parking Citations on Violations that Impact Safety and the Environment and Those that Have Not Been Adjusted for the Last Several Years. Explore Installation of On-street Parking Controls With Variable Rate Structures in the Caltrain Diridon-Arena Area</p>	<p>The Transportation Department is continuing efforts to develop an Airport area Automated People Mover system and exploring public private partnership arrangements for project implementation. The City's Request for Interest in the project generated 17 responses from firms in the United States, Europe, and Asia. Staff recently participated in March 2009 in a national conference on automated transit technology held in Oakland, is actively seeking a federal partnership arrangement, and has requested a \$4 million funding commitment from the Valley Transportation Authority for continued project development. Additionally, the Adopted Traffic Capital Budget included funding of \$100,000 to support continued City staff efforts in 2009-2010.</p> <p>In the Adopted Budget, parking citation fines were increased, generating approximately \$952,000 in revenues. In addition, a budget action was approved in the Adopted Budget to install multi-space meters in the Caltrain Diridon – Arena Area with approximately \$108,000 in revenues expected to be generated in 2009-2010 and \$132,000 annually.</p>

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
Budget Outreach Meetings – Work With the Mayor’s Office and Councilmembers to Conduct Neighborhood Meetings in Each Council District to Discuss the Budget and Possible Solutions for the Structural Deficit	The Administration worked with the Mayor’s Office and Councilmembers to conduct neighborhood meetings in each Council District. A total of 10 meetings were held between March and May, 2009.
Service Delivery Efficiencies – Review Service Delivery Models to Achieve Efficiencies, Including Streamlining and Program Auditing	The Adopted Budget includes many actions that transition programs to other service delivery models, streamlines functions, flattens management layers, and achieves other cost efficiencies. A total of \$100,000 in one-time funding is included in the Adopted Budget to continue General Fund Structural Deficit Elimination Plan implementation and other organizational improvement efforts, including service delivery optimization studies.
New Public Facilities – Review Upcoming Capital Projects and Bring Forward Recommendations and the Criteria Used for Delaying Construction or Postponing Opening Facilities to Achieve General Fund Savings	The Adopted Budget incorporated the deferral of nine capital projects which generated General Fund operating and maintenance cost savings totaling \$2.2 million, including the deferral/elimination of 70 new positions. The criteria used to determine the deferral of facilities is discussed in detail in the 2009-2010 Adopted Capital Budget/2010-2014 Capital Improvement Program.
Existing Leases and Lease City Assets – Review Leases with Non-Profits that Operate City Facilities and Review City Assets and Explore Opportunities to Lease These Assets	Staff is currently in the process of reviewing non-profit leases administered by the General Services Department. The review of non-profit leases administered by other departments will be coordinated through the Property Acquisition and Disposition Committee. The Asset Management Principles approved by City Council on April 7, 2009 make the generation of ongoing revenue through leases of city property a preferred strategy. Staff is looking for leasing opportunities in the current review of under-utilized properties, including comparisons with market rates and potential modifications to policy to allow firmer management of below market rate leases.

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
Economic Stimulus Funds Compliance Review – Set Aside Appropriate Economic Stimulus Funds for the City Auditor, City Attorney, and Finance Department to Properly Review and Monitor These Funds to Ensure Compliance with Federal Requirements and Guidelines	Funding of \$500,000 is included in the 2009-2010 Adopted Operating Budget for administrative review and monitoring of ARRA funds to ensure compliance with federal requirements and guidelines. These expenditures will be reimbursed from ARRA grant funding as allowable.
Community Based Organization (CBO) Partnerships –Partnership for Strategic Civic Engagement Should Report Work on CBO Oversight to Rules and Open Government Committee Within 90 Days	The Administration has been coordinating a major new initiative to develop a platform for enhanced City oversight and engagement of the non-profit organizations that receive in excess of \$30 million in total from the City to fund a variety of programs. This effort applies a consistent assessment methodology and monitoring approach to identify and correct financial and management problems before they occur and to provide effective mitigations in situations where problems happen either due to the actions of the non-profit or as a result of their operating environment. A progress report was presented to the Rules and Open Government Committee on April 29, 2009.
Essential Services Preservation Fund – Set aside \$500,000 of One-time Funds to Maintain Services Deemed Essential by the City Council	In the Proposed Budget, funding of \$500,000 was set aside in an Essential Services Preservation Fund for City Council allocation during in the budget process. These funds were subsequently allocated in the Adopted Budget.
Healthy Neighborhoods Venture Fund (HNVF) Program – Expedite the General Fund Deficit Elimination Plan Strategy of Appropriating Any Additional Increment Tobacco Settlement Monies into the General Fund	The General Fund Structural Deficit Elimination Plan strategy of using additional incremental HNVF funds was expedited with an ongoing transfer of \$165,000 beginning in 2009-2010. (The original estimate to transfer \$1.1 million to the General Fund was based on State projections of \$11.5 million in tobacco revenues; the tobacco companies have since held back payments such that the City received only \$10.6 million.) Any additional incremental revenue will be subject to future tobacco revenue receipts. The Adopted Budget included, however, an additional transfer

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
	of \$160,000, bringing the total 2009-2010 transfer to \$325,000, as a result of cost saving efficiencies in HNVF administrative functions.
Layoffs and Service Reduction Alternatives – Continue Discussions with Employees on Creative Alternatives and Solutions to Avoiding Layoffs and Service Reductions	The City Manager's Office of Employee Relations engaged in discussions with labor representatives from each of the 10 bargaining units to explore personnel cost savings solutions to minimize, to the extent possible, the need for layoffs or service reductions. Three bargaining groups reached agreements to contain payroll costs and to restore specific City services that would otherwise have been eliminated. The three groups agreed to forego the 1.5% general wage increase that was scheduled in 2009-2010. In addition, two groups also agreed to freeze step and merit increases for eligible employees, resulting in a true wage freeze.
Sales Tax – Conduct Additional Analysis, Such as Another Poll on a Lower Tax Increase or a Sunset Clause, Before Including a Sales Tax in Any Future Years of the General Fund Structural Deficit Elimination Plan.	As discussed in the General Fund Structural Deficit Elimination Plan Update, released February 2009, the Administration will conduct additional analysis before including a Sales Tax increase as part of the revenue strategies included in future years of the plan.
Construction Excise Tax and Building and Structure Construction Tax – Review Updating the Valuation Tables for Possible Consideration in 2009-2010	The Adopted Budget included an update to the Municipal Code to amend the referenced tables (2002) to the current International Code Conference (ICC) (2009) or its successor's building valuation table. The current Municipal Code references "published valuation tables in the latest edition of the Building Standards magazine published by the International Conference of Building Officials." The International Conference of Building Officials (ICBO) has merged into the International Code Conference (ICC) which now publishes the construction valuation tables. It should be noted that this was not a change in the tax rate or the methodology for calculating the amount of tax. It was simply a correction of a reference in the Municipal Code that has become outdated. With

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
	<p>this change, additional revenue totaling \$3.0 million is anticipated to be received in the Construction Excise Tax and Building and Structure Construction Tax Funds.</p>
<p>Disposal Facility Tax – Review the Proposal to Raise and Broaden the Disposal Facility Tax for Possible Inclusion in the General Fund Structural Deficit Elimination Plan</p>	<p>As discussed in the General Fund Structural Deficit Elimination Plan Update, released February 2009, the Administration will consider including a Disposal Facility Tax proposal as part of the revenue strategies included in future years of the plan.</p>
<p>Employee Suggestion Program – Bring Forward a Program for City Council Consideration in June 2009 and Include Funding to Support this Program</p>	<p>The Beyond Budget Cuts Employee Empowerment Team developed a program design and process for the implementation of the City’s “E-Ideas: Suggestion and Innovation Program.” E-Ideas will be online and accessible through the City’s intranet page. Employees will be able to submit, vote and build upon ideas through this website. An employee will be able to track their suggestion through the evaluation process. The program will be administered by the Human Resources Department, and will be launched in October 2009. Staff will present a website demonstration and final program design to the City Council in December 2009. A total of \$25,000 in ongoing funding was included in the Adopted Budget and a one-time rebudget of \$50,000 in 2008-2009 funds was also included for use in 2009-2010.</p>
<p>Restructure Business Tax – Continue to Work with Stakeholders to Improve Business Processes Before Considering Going to the Voters for Approval of a Business Tax Increase</p>	<p>As discussed in the General Fund Structural Deficit Elimination Plan, released November 2008, the Administration will thoroughly examine its policies and procedures which could be burdensome to business and make improvements, as well as conduct extensive outreach, before going to voters for approval of a business tax increase.</p>

Status of Mayor and City Council Referrals (Cont'd.)
2009-2010 Adopted Budget

Referral	Resolution
RDA Support of General Fund – Explore the Potential of Other City Projects that Could be Eligible for RDA Funds, Giving Consideration to the RDA Budget Constraints and Limitations Under Law, With the Goal of Maximizing Opportunities for RDA Support of Capital Projects and Services with the Goal of \$1-2 Million at a Minimum	The Adopted Budget included additional 2009-2010 Redevelopment Agency support totaling \$2.1 million. The Redevelopment Agency will be reimbursing the General Fund for City improvements that benefit redevelopment areas to fund one-half of the Safe School Campus Initiative, 50% of four Office of Economic Development positions, a Transportation Department blight abatement maintenance worker position, additional support for the Small Business Chambers, City Manager’s Office Strong Neighborhoods Initiative Program positions, 50% of the Downtown Coordinator position, Watson Park expenses (one-time), and City Auditor staffing reimbursements.
Billboard Advertising – Conduct Business and Community Outreach Before Including in Any Future Years of the General Fund Structural Deficit Elimination Plan	As part of the Sign Code Update currently underway, staff is conducting outreach to businesses and the community on billboard advertising in the Downtown only. The results of this outreach will be discussed with the City Council in early 2009-2010.
Additional Proposals – Review and Consider Additional Proposals for future General Fund Structural Deficit Elimination Plan Updates from Any Ideas That May Come from Various Efforts	The Administration welcomes all ideas and strategies for possible inclusion in future updates to the General Fund Structural Deficit Elimination Plan.