



Memorandum

TO: CITY COUNCIL

FROM: Mayor Chuck Reed

~~SUBJECT: 2011 BUDGET PRIORITIES~~
SURVEY REPORT

~~DATE: January 28, 2011~~

Approved

Chuck Reed

Date

1/29/11

RECOMMENDATION

Accept report on the results of the 2011 Budget Priorities Survey conducted January 13-20, 2011.

BACKGROUND

Attached are the topline survey results of the 2011 Community Budget Survey conducted by Fairbank, Maslin, Maullin, Metz and Associates (FM3) from January 13 to January 20, 2011. A follow-up report discussing the survey's findings in greater detail will be provided by FM3 on Wednesday, February 2. This year's survey explored residents' perceptions of City services, their funding priorities, potential compensation and pension changes, and their support for or opposition to increase revenue or budget reductions. The 2011 Community Budget Survey is a telephone survey of 903 San José residents.

San José Budget

Residents were asked how they would divide a hypothetical \$100 of City spending among five different goals. On average they indicated they would spend the \$100 as follows: a safe city (\$23.80), a prosperous economy (\$23.60), a reliable well-maintained infrastructure (\$20.20), a green sustainable city (\$16.60), and an attractive vibrant community (\$15.80).

Employee Compensation and Retirement Benefits

When asked about the minimum retirement age for public safety employees, 68% of respondents supported increasing the minimum retirement age.

When asked about the minimum retirement age for non-public safety employees, 67% of respondents supported increasing the minimum retirement age.

When asked about receiving up to 90% maximum of their highest annual salary as a retirement benefit, 65% of respondents supported lowering this benefit.

When presented with potential changes to how City employees are managed and compensated, there was overwhelming support to reduce costs and lower benefits.

- 80% of respondents support giving raises based on performance rather than seniority.
- 79% of respondents support slowing the pace of City employee pay raises.
- 79% of respondents support making decision on layoffs based on employee performance rather than seniority.
- 73% of respondents support eliminating the traditional pension plan and replacing it with a 401k style retirement.

- 73% of respondents support limiting the amount of union business that union leaders can conduct while on City time.
- 70% of respondents support ending the policy of paying overtime to Police Captains and Fire Battalion Chiefs.
- 69% of respondents support lowering the maximum level of annual pension benefits employees can receive.
- 65% of respondents support ending the policy of paying employees for a portion of their unused sick leave.

Budget Cuts

When presented with three different strategies for addressing the City's budget deficit, most (45%) recommended the City first pursue reducing employee compensation, rather than reducing City services (15%) or raising additional revenue (20%). When asked about contracting out services to private companies to reduce expenses, 62% of respondents supported this.

A majority of respondents found the following potential reductions in public safety spending "somewhat" or "completely" acceptable to cut:

- Reducing public information desk hours at the police station. (74%)
- Deferring the opening of the newly constructed South San José Police Substation. (65%)
- Eliminating responses to non-injury accidents and other low-priority calls. (60%)

A majority of respondents found the following potential reductions in neighborhood services spending "somewhat" or "completely" acceptable to cut:

- Reducing the number of days or hours that community centers are open. (67%)
- Reducing the number of park rangers for the City's regional parks. (63%)
- Reducing money the City gives non-profits and charities to support their services. (63%)
- Reducing the number of days that libraries are open. (61%)
- Reducing maintenance and upkeep of parks. (60%)
- Reducing adult and family literacy and learning programs. (60%)

Revenue Generation

The attached report contains topline data from all respondents which include both voters and non-voting residents. The follow-up report from FM3 will extract and analyze revenue measures based solely on likely voters as these measures require voter approval. That report will be released on Wednesday, February 2.