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Mayor Reed Issues Budget Message that Protects Essential Public Safety and Community Services

*“Shared Sacrifice” will spare Fire Stations, Park Rangers, Traffic Enforcement,
Libraries and Community Centers from Budget Axe*

As San José confronts its eighth straight year of budget deficits and with our state and nation facing the worst economic crisis since the Great Depression, San José Mayor Chuck Reed is calling for shared sacrifice that will allow many of the devastating cuts to critical services to be avoided.

“Our budget must reflect the values and priorities of our community,” Mayor Reed said. “We must protect the core services that our residents need most. Public safety is our top priority, from police and fire services to the programs that keep our children and seniors safe.”

The Mayor recognized the significant challenge of closing a \$84 million shortfall, which is nearly 10 percent of the \$880 million general fund budget, against the backdrop of an ailing state and national recession. Solving this year’s shortfall will require sacrifice. The Mayor’s proposal closes the budget gap through a combination of additional revenues and increased funding sources, reductions in expenditures, cuts in non-essential and lower-priority services, operating efficiencies, eliminating vacant positions, and concessions made by employees.

“By sharing the burden, our employee groups, the City Council, and the community can collectively ensure that we protect vital services and minimize layoffs,” Mayor Reed stated. “As we move to restore programs and services that are currently slated for cuts, I am proposing that the cost for restoring services be shared across three areas: generating additional revenue, eliminating non-essential services, and partnering with our employees.”

In his Budget Message, Mayor Reed is recommending that the following services and programs be funded (full list contained in the Mayor’s June Budget Message):

- Police Patrol Unit staffing
- Fire Stations 30 and 33
- Police Traffic Enforcement Unit
- Satellite and Neighborhood Community Centers for entire Fiscal Year
- Police Horse Mounted Unit
- Park Ranger Program
- Library hours restoration of eight hours per week

Mayor Reed's Budget Message also calls for the city to continue to aggressively pursue Federal Stimulus funding to create jobs and invest in long-term infrastructure needs. The City of San José has identified 31 projects that are eligible for federal funding, a cost of nearly \$850 million.

To date, \$50 million in American Recovery and Reinvestment Act funding has been awarded to San José, including:

- \$15 million for transportation projects
- \$12 million for workforce development
- \$9 million for energy efficiency and conservation
- \$7 million for housing
- \$6 million for the San José Airport
- \$1 million for the Police Department.

Earlier this week, the County Assessor informed the City that it will receive approximately \$4.75 million more in property tax revenue than previously estimated. The Mayor's Budget Message allocates this funding to critical public safety programs, including keeping Fire Stations 30 and 33 open and helping maintain the Park Ranger Program.

To restore and maintain existing programs, the Mayor's proposal includes a variety of efficiencies, including (full list contained in the Mayor's June Budget Message):

- Management and public information consolidation in the Police Department
- Reductions in the Police Department's take-home vehicle program
- Elimination of advertising and signage for the "Smoke Free Parks" program
- Cost recovery for Emergency Medical Services provide by the Fire Department
- Eliminating the appropriation for tenant improvements for City Hall retail space
- Reductions and interest transfers from the Economic Incentive Fund, Sports Opportunity Fund, General Purpose Parking Fund, General Fund Structural Deficit Elimination Plan funding, Beyond Budgets Cut funding, and Filled Position Elimination Review
- Move costs for Downtown-related services to the Redevelopment Agency
- Change in the Downtown policing model

Mayor Reed noted, "I would like to thank our employees who have already stepped forward to help. Notably, I want to thank the members of ABMEI for agreeing to a 10 percent cut in wages and hours and CAMP for taking true zeros and giving up general wage increases. These sacrifices have helped us to avoid cuts in services and a number of layoffs."

The Mayor's Message outlines additional services and jobs that could be preserved if employees in other bargaining units agree to forego wage increases.

Mayor Reed also recognized community groups that have stepped forward to assist. "Many residents have offered to do their part and contribute to help protect valued services," he said. "I'd like to thank the Friends of the San José Rose Garden and the Friends of the San José Mounted Unit for creating partnerships with the city to maintain important programs."

Mayor Reed's Budget Message, issued at 3 p.m. on Friday, June 5, will be open for public comment at the City Council's final Public Hearing on the Budget on June 15 at 7 p.m. It will then go before the City Council for approval on June 16 at the 1:30 p.m. Council meeting.

"This budget represents a collaborative effort between the city, its employees, and the community to address the challenges we all face," Mayor Reed said. "By working together and sharing in the sacrifices, we can maintain the critical services that our residents depend on while minimizing the need for layoffs."

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