

General Fund Recommended Budget Adjustments Summary 2022-2023 Annual Report

Required Technical-Rebalancing Actions

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Local Sales Tax - Transfer to the Airport Revenue Fund (Jet Fuel)	Airport Department	\$200,000	-

This action increases the Transfer from the General Fund to the Airport Revenue Fund for the estimated Jet Fuel Local Sales Tax from July 2023 to June 2024 by \$200,000, from \$400,000 to \$600,000. Per Federation Aviation Administration (FAA) policy, Sales Tax revenue related to jet fuel sales that are located at Airport properties must be returned to the Airport. This FAA policy applies to sales tax that went into effect after December 31, 1987. Given this timeframe, the City of San José's General Sales Tax is exempt from this regulation as it was in effect before December 31, 1987; however, the Local Sales Tax effective October 2016, must follow the FAA policy. In 2022-2023, jet fuel related Local Sales Tax collections totaled approximately \$600,000; therefore, this action increases the estimated 2023-2024 transfer to align the revenue with prior year activity levels.

Non-Personal/Equipment (Post Street Traffic Closure Pilot Program)	City Manager - Office of Economic Development and Cultural Affairs	\$50,000	-
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This action increases the Office of Economic Development and Cultural Affairs Non-Personal/Equipment appropriation by \$50,000 to extend the Post Street Traffic Closure Pilot Program through June 30, 2024, as directed by the Rules and Open Government Committee at its August 30, 2023 meeting. Post Street has undergone full closures, subsequent reopenings, and partial closures between South First Street and Lightston Alley for the last three years, starting during the pandemic as part of the San José Al Fresco program. Closure of the street to automobile traffic is aimed at increasing foot traffic to the businesses in the area. This action will fund the costs of permitting, inspections, and temporary barrier setup and takedown. As part of the development of the 2024-2025 Proposed Operating Budget, the Administration is directed to return to City Council with a Manager's Budget Addendum analyzing the costs to continue the Post Street Traffic Closure Pilot Program through December 31, 2024, and to permanently close Post Street to automobile traffic. This action is offset by a corresponding reduction to the Storefront Activation Grant Program described elsewhere in this report.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Sports Authority (2023 U.S. Gymnastics Championships)</p> <p>This action increases the Sports Authority City-Wide Expenses appropriation by \$100,000, from \$678,236 to \$778,236, to address a funding shortfall for San José Sports Authority host requirements related to the 2023 USA Gymnastics (USAG) Championships bid fee of \$250,000. As part of the 2023-2024 Adopted Budget, \$150,000 was allocated for the USAG Championships; however, the Sport Authority's requested contribution from the City was insufficient, leaving a funding shortfall of \$100,000. This action will provide the full funding necessary for the bid fee. The USAG Championships was broadcast live by NBC from August 24-27, with primetime nationwide coverage on Friday, Saturday, and Sunday providing visibility for the City of San José and enhancing its image as a destination city. Approximately 2,500 members of the USA Gymnastics community were estimated to attend the national congress and trade show at the San José McEnery Convention Center, yielding economic benefits by stimulating downtown business activity and creating jobs for area hotels, restaurants, bars, transportation, and especially event venues - SAP Center and San José McEnery Convention Center. Visit San José estimated an economic impact for the 2023 USAG Championships of approximately \$7.81 million, with 4,189 total room nights, and event guest spending that yielded an approximate return of \$31 for every \$1 dollar invested by the City of San José.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	\$100,000	-
<p>Storefront Activation Grant Program</p> <p>This action decreases the Storefront Activation Grant Program appropriation by \$50,000, from \$750,000 to \$700,000, to reallocate funds to the Office of Economic Development and Cultural Affairs Non-Personal/Equipment appropriation to extend the Post Street Traffic Closure Pilot program through June 30, 2024, as directed by the Rules and Open Government Committee at its August 30, 2023 meeting. Post Street has undergone full closures, subsequent reopenings, and partial closures between South First Street and Lightston Alley for the last three years, starting during the pandemic as part of the San José Al Fresco program. Closure of the street to automobile traffic is aimed at increasing foot traffic to businesses in the area. The funding will provide for the costs of permitting, inspections, and temporary barrier setup and takedown. As part of the development of the 2024-2025 Proposed Operating Budget, the Administration is directed to return to City Council with a Manager's Budget Addendum analyzing the costs to continue the Post Street Traffic Closure Pilot Program through December 31, 2024, and to permanently close Post Street to automobile traffic.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	(\$50,000)	-

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Fire Training Center Relocation	Fire Department	\$125,000	-

This action increases the Fire Training Center Relocation appropriation by \$125,000, from \$1.4 million to \$1.5 million, to offset higher than expected close out expenses. This project is scheduled to be fully completed by June 2024 with a full beneficial use in October 2023.

Non-Personal/Equipment (Ambulance Transport)	Fire Department	\$75,000	-
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This action increases the Fire Department's Non-Personal/Equipment appropriation by \$75,000 to complete the feasibility study and Request for Proposal (RFP) development through the existing agreement with an external consulting agency for the County of Santa Clara's ambulance transport RFP, which is anticipated to be released in 2024.

Business Taxes	General Fund Revenue	-	-
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This action aligns the 2023-2024 budgeted estimate for the General Business Tax and Cardroom Tax with the anticipated collection levels. Due to higher than anticipated 2022-2023 General Business Tax collections, the 2023-2024 receipts can drop by 8% to meet the budgeted estimate of \$27.5 million. As 2023-2024 General Business Tax receipts are not anticipated to drop, a recommendation is included to increase the 2023-2024 estimate by \$2.0 million (from \$27.5 million to \$29.5 million). Offsetting this adjustment is an action to decrease the Cardroom Tax budgeted estimate by \$2.0 million, from \$32.0 million to \$30.0 million. This action is recommended to align the 2023-2024 budgeted estimate with the 2022-2023 collection level.

Transfers and Reimbursements (Transfer from American Rescue Plan Fund)	General Fund Revenue	-	\$2,244,132
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This action increases the revenue estimate for Transfers and Reimbursements to recognize a transfer of \$2.2 million from the American Rescue Plan Fund, reflecting the remaining balance in the fund due to accumulated interest earnings and liquidated encumbrances, to support workstreams previously funded by the American Rescue Plan Act and shifted to the General Fund in 2022-2023. As described elsewhere in this report, this amount serves as a contribution to the \$15.0 million allocated for Emergency Interim Housing Construction and Operation.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Transfers and Reimbursements (Transfer from Municipal Golf Course Fund)	General Fund Revenue	-	\$5,397

This action increases the estimate for Transfers and Reimbursements by \$5,397 for reimbursement to the General Fund for Golf Course Insurance Premiums. The golf course operator reimburses the City for the insurance premium, which is expensed from the General Fund. Corresponding actions to recognize revenue and establish a Transfer to the General Fund in the Municipal Golf Course Fund are recommended elsewhere in this report.

Emergency Interim Housing Construction and Operation	Housing Department	\$15,000,000	-
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As previously directed by the City Council, increases the Emergency Interim Housing Construction and Operation appropriation by \$15.0 million, from \$14.5 million to \$29.5 million, to supplement current year and future year resources for the development, design, construction, and operation of interim housing sites. As part of their approval of the Mayor's June Budget Message for Fiscal Year 2023-2024 and the 2023-2024 Adopted Operating Budget, the City Council directed the allocation of up to \$15.0 million from the General Fund Ending Fund Balance over two years for interim shelter and other homeless support program costs if additional funding was available. Given the availability of Ending Fund Balance in this report; the continued prioritization of the City Council and community to address unsheltered homelessness; that the City continues to move forward with interim housing development at Rue Ferrari, Cerrone, Cherry, as well as a cost-benefit analysis of Via Del Oro scheduled for City Council consideration at their meeting on October 17, 2023; and the significant resource needs for these critical programs, this action allocates the full \$15.0 million to support the near-term development and operating costs of interim housing.

Non-Personal/Equipment (Recruitment)	Independent Police Auditor's Office	\$50,000	-
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This action increased the Independent Police Auditor's Office Non-Personal/Equipment appropriation by \$50,000 for professional recruiting services. The Independent Police Auditor position is currently vacant, and these funds will fund a professional recruiting company to do an in-depth recruiting and marketing strategy for this critical position in the organization.

City Attorney's Office Outside Litigation Reserve	Office of the City Attorney	\$510,000	-
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This action increases the City Attorney's Office Outside Litigation Reserve by \$510,000, from \$490,000 to \$1.0 million, to restore funding to needed levels following the reallocation of funding to the City Attorney's Office during 2022-2023 for outside legal services.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment (Outside Counsel)	Office of the City Attorney	\$100,000	-
<p>This action increases the Office of the City Attorney's Non-Personal/Equipment appropriation by \$100,000, as the existing budget is insufficient to provide the necessary level funding for specialized expertise and services that are expected to be provided by contracted outside counsel.</p>			
Community and Economic Recovery Reserve	Office of the City Manager	\$1,350,000	-
<p>This action increases the Community and Economic Recovery Reserve by \$1.35 million, from \$10.15 million to \$11.5 million, to support recovery workstreams and initiatives. This reserve was originally established with City Council's approval of the 2021-2022 Mid-Year Budget Review to capture savings from previously authorized community and economic recovery efforts and for the potential continuation of existing workstreams. This increase of \$1.35 million is a result of additional savings from recovery initiatives that were shifted from the American Rescue Plan Fund to the General Fund as part of Item 3.1, as approved by the City Council at its May 25, 2023 Special Meeting. This revised funding level is anticipated to provide sufficient funding for the City's potential financial commitment toward the Isolation and Quarantine program managed by the County of Santa Clara, which is anticipated to be brought before the City Council later in the fiscal year.</p>			

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Contingency Reserve	Office of the City Manager	\$1,000,000	-

This action increases the Contingency Reserve by \$1.0 million, from \$47.0 million to \$48.0 million, in accordance with Council Policy 1-18 which provides for the maintenance of a minimum 3% Contingency Reserve in the General Fund to meet unexpected circumstances arising from financial and/or public emergencies that require immediate funding that cannot be met by any other means. The current Contingency Reserve level of \$47.0 million was established in the 2023-2024 Base Budget, as the reserve is calculated against Base Budget expenditures and an assumed amount of funding that will be rebudgeted at fiscal year-end. This action adjusts the Contingency Reserve to account for the remaining balances rebudgeted as part of the 2022-2023 Annual Report. In addition, a separate action included elsewhere in this report further adjusts the Contingency Reserve by \$2.0 million to account for funding allocated during the 2023-2024 Proposed Budget process and estimated savings rebudgeted as part of the Adopted Budget process. The combined actions will bring the Contingency Reserve to \$50.0 million. It is important to note, however, that if this Contingency Reserve is ever needed, it is only sufficient to cover General Fund payroll expenditures for approximately two weeks in the event of an emergency.

BeautifySJ and Encampment Waste Pick Up - BeautifySJ Consolidated Model	Parks, Recreation and Neighborhood Services Department	\$120,000	-
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This action increases the BeautifySJ and Encampment Waste Pick Up – BeautifySJ Consolidated Model appropriation by \$120,000 to fund additional support from the San José Police Department for BeautifySJ abatement activities. The amount budgeted for Police Department support for abatement activities in 2023-2024 is \$250,000; however, a total of \$580,000 was expended in 2022-2023. Increasing the existing budget by approximately 50% is anticipated to help provide the additional capacity needed to assist with abatement work. The presence and support of Police Officers ensure a safe environment by providing a visible deterrent and protection from disruption at the encampments when signs need to be posted of an upcoming abatement or an area that needs to be abated.

BeautifySJ Grants	Parks, Recreation and Neighborhood Services Department	\$99,924	-
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This action increases the BeautifySJ Grants City-Wide Expenses appropriation by \$99,924. The BeautifySJ Grant Program funds small grants to neighborhood associations, district leadership groups, emerging neighborhood groups, property owner/tenant associations, and community partner groups to implement beautification projects and neighborhood building events. Near the end of 2022-2023, PRNS received \$99,924 in unused funds from 46 groups. The unused funds will be allocated back to this program, which can then be granted to other groups for beautification projects.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Vehicle Cost Escalation)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation by \$200,000 to fund estimated increased costs for vehicle purchases for the Beautify San José program. These increased costs are due to supply chain issues and inflationary factors over time. Nine new vehicles for Beautify San José were previously budgeted but remain unpurchased and will be ordered in 2023-2024.</p>	Parks, Recreation and Neighborhood Services Department	\$200,000	-
<p>Police Athletic League Stadium Master Plan</p> <p>This action eliminates funding of \$400,000 from the Police Athletic League Stadium (PAL) Master Plan appropriation. Funds will be reallocated to support the conversion of the deteriorated turf field to an artificial turf field at PAL which has unanticipated costs. Funding for the PAL Master Plan appropriation was established from Memorandum Budget Addendum #7 (Use of Coleman Property Sales Proceeds) as part of the 2019-2020 Adopted Budget, as approved by City Council, for the development of a Master Plan for PAL, which is no longer needed due to the work being completed by internal staff. A corresponding action to increase the PAL Turf Replacement appropriation is recommended to offset this action.</p>	Parks, Recreation and Neighborhood Services Department	(\$400,000)	-
<p>Police Athletic League Stadium Turf Replacement</p> <p>This action increases the Police Athletic League Stadium (PAL) Turf Replacement appropriation by \$400,000, from \$2.8 million to \$3.2 million. This allocation supports the conversion of the deteriorated turf field to an artificial turf at PAL which has unanticipated costs. Funding will be reallocated from the PAL Master Plan appropriation which was established from Memorandum Budget Addendum #7 (Use of Coleman Property Sales Proceeds) as part of the 2019-2020 Adopted Budget, as approved by City Council, for the development of a Master Plan for PAL, which is no longer needed due to the work being completed by internal staff. A corresponding action to decrease the PAL Master Plan appropriation is recommended to offset this action.</p>	Parks, Recreation and Neighborhood Services Department	\$400,000	-

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Revenue from Local Agencies (Berryessa Union School District - Expanded Learning Opportunities Programs Grant)	Parks, Recreation and Neighborhood Services Department	-	\$269,648

This action increases the estimate for Revenue from Local Agencies by \$269,648 to recognize the 2023-2024 allocation of the Expanded Learning Opportunities Program (ELOP) agreement with Berryessa Union School District (BUSD). Through the ELOP agreement, BUSD provides registration fees to the City for specific students to attend the after-school program R.O.C.K. at select elementary schools in the Berryessa District. The original contract totaled \$273,600, \$3,952 of which was used in 2022-2023. This action budgets the remainder of the award to 2023-2024.

Senior Nutrition Program/Revenue from Local Agencies	Parks, Recreation and Neighborhood Services Department	\$2,006,249	\$2,019,795
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This action increases the Senior Nutrition Program City-Wide Expenses appropriation by \$2.0 million, and the corresponding estimate for Revenue from Local Agencies by \$2.0 million. Since June 2018, PRNS, in partnership with the County of Santa Clara, has contracted with a vendor to provide cooked meals to seniors at various community centers around San José through the Senior Nutrition Program. The County reimburses the City a portion of the total contract cost to provide the meals. The contract with the vendor was finalized and the cost of the program, including the City's share of the program, is less than what was assumed in the development of the 2023-2024 budget due to a reduction in the number of meals provided. Increasing expenditures from \$1.3 million to \$3.3 million will provide funding to operate the entire program (the Adopted Budget only included the City's portion), offset by increasing the estimate of Revenue from Local Agencies by \$2.0 million to account for the County's reimbursement for the program.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment (Pleasant Hills Golf Course)</p> <p>This action increases the Planning, Building, and Code Enforcement's Non-Personal/Equipment appropriation by \$250,000 to fund consultant services in the City-led community engagement process for the proposed redevelopment of the former Pleasant Hills Golf Course property. On April 25, 2023, City Council approved and directed the Administration to begin a City-led process of community engagement on the potential development of the former Pleasant Hills Golf Course property concurrent with consideration of a potential development application by summer 2024. This action will provide funds for a consultant to augment and assist with this process given the extensive work needed within the stipulated timeline. This work entails community engagements; developing a Guiding Principles document for Council; and updating the CEQA, General Plan, and zoning application review process, which requires significant staff and consultant involvement. The consultant will collaborate with community-based partners in an attempt to reach all elements of the community and also retain a subconsultant to assist in assessing multimodal transportation improvements.</p>	<p>Planning, Building and Code Enforcement Department</p>	\$250,000	-
<p>Solid Waste Code Enforcement Program Reserve</p> <p>This action establishes the Solid Waste Code Enforcement Program Reserve in the amount of \$680,000. The Solid Waste Code Enforcement Program is a full cost recovery program funded through fees, and the program ended 2022-2023 with expenditure savings and additional revenues totaling \$680,000. This funding will be set aside for future use by the Solid Waste Code Enforcement Program.</p>	<p>Planning, Building and Code Enforcement Department</p>	\$680,000	-
<p>Non-Personal/Equipment (Police Department Badging System Upgrade)</p> <p>This action increases the Police Department's Non-Personal/Equipment appropriation by \$150,000 to fund the replacement of the access control badging system at the Police Administration Building and Police and Communications buildings. The outdated system no longer complies with the Department of Justice requirements, prompting a replacement system. The system replacement costs a total of \$250,000 and the Police Department has the ability to absorb a portion of the costs (\$100,000), leaving a funding shortfall of \$150,000 that is resolved with this recommended action.</p>	<p>Police Department</p>	\$150,000	-

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Personal Services (Child Forensic Interviewer)	Police Department	\$112,719	-

This action increases the Police Department's Personal Services appropriation by \$112,719 to support the hiring of child forensic interviewers for the Children's Advocacy Center (CAC). The CAC supports families and children who are victims of sexual assault. The child forensic interviewers provide critical services in support of the CAC by conducting interviews and mandatory peer reviews of interviews conducted by detectives within the Department. The City of San José and the County of Santa Clara executed and entered a reimbursement agreement for \$260,000 for services between July 1, 2023 and June 30, 2024, where the City provides staffing for a part-time Child Forensic Interviewer with costs for the position to be reimbursed by the County. As part of the development of the 2023-2024 Base Budget, the revenues were recognized and budgeted; however, the corresponding increase to the Personal Services appropriation was inadvertently omitted. This action corrects the oversight and aligns the expense with the revenue budget.

Ice Centre Expansion Oversight Project	Public Works Department	\$100,000	-
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This action increases the Ice Centre Expansion Oversight Project appropriation by \$100,000 to provide funding for the Public Works Department staff time required for plan review, permit, inspection services, and approval of pay requests for the Ice Centre Expansion Project (Enhancements). A corresponding action to increase the revenue estimate for Transfer and Reimbursements in the General Fund to offset this action is also recommended elsewhere in this report.

Measure E - Interim Housing Maintenance (15% HSP)	Public Works Department	\$500,000	-
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This action increases the Measure E - Interim Housing Maintenance (15% HSP) City-Wide Expenses appropriation by \$500,000, from \$2.0 million to \$2.5 million, to support the maintenance of interim housing sites. The Public Works Department staff maintains emergency interim housing and bridge housing community facilities such as Mabury, Bernal, Rue-Ferrari, Felipe, Evans Lane, and Guadalupe. Public Works has developed a joint maintenance plan with facilities operators where the Department supports larger projects, capital replacements, and severe damage caused by nature or occupants while the facility operators are responsible for day-to-day maintenance. The Department utilizes general contractors for building repairs, and specialized contractors for landscape work, glass repairs, plumbing, and others. This action funds the contracts necessary to support Public Works staff and will be adjusted as needed. This action is offset by a corresponding decrease to the Measure E - Interim Housing Maintenance Reserve (15% HSP) as recommended in this report.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Measure E - Interim Housing Maintenance Reserve (15% HSP)	Public Works Department	(\$500,000)	-

The action decreases the Measure E - Interim Housing Maintenance Reserve (15% HSP) by \$500,000, from \$3.0 million to \$2.5 million, to reallocate funds to the Measure E - Interim Housing Maintenance (15% HSP) City-Wide Expenses appropriation.

Non-Personal/Equipment (City-Owned Property Management and Maintenance)	Public Works Department	\$375,000	-
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This action increases the Public Works Department's Non-Personal/Equipment appropriation by \$375,000 to provide funding to address maintenance needs to various City-owned properties. Funding will be used to demolish a vacant building located on Taylor Street and for immediate repairs and security needs prior to the demolition of the building (\$175,000). The vacant property should be demolished for safety and cost-effective reasons since trespassers vandalize the property or light fires inside for heating and cooking. Funding is also needed to address unanticipated property maintenance such as replacing the HVAC system at 3Below or changing the fire control panel and building management system at 88 S. 4th Street prior to new tenants moving in (\$200,000). The Public Works Department will work closely with the Office of Economic Development and Cultural Affairs' Real Estate Division to address and prioritize emergency property management and maintenance needs. The ongoing costs for property management and maintenance needs will be incorporated into the development of the 2024-2025 Base Budget.

Non-Personal/Equipment (Civic Center Contractual Security Services)	Public Works Department	\$75,000	-
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This action increases the Public Works Department's Non-Personal/Equipment appropriation by \$75,000 for contractual security services at the Civic Center. The additional security services will be coordinated between the Public Works Department, Police Department, and the City Manager's Office and will help increase safety for the public, City staff, and visitors at City Hall and the Dr. Martin Luther King Jr. Library. The added levels of security will help provide more visibility and active response to any situations arising between City Hall, the employee garage, Fourth Street Garage, and Dr. Martin Luther King Jr. Library.

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
San José Museum of Art Cooling Tower Replacement	Public Works Department	\$150,000	-
<p>This action increases the San José Museum of Art Cooling Tower Replacement appropriation by \$150,000, from \$2.85 million to \$3.0 million, to fund immediate repairs and temporary cooling and humidity equipment until the replacement of the new cooling tower is completed. The cooling tower has been breached due to old age and deterioration, already causing the water content to leak, and with a higher level risk of a complete breach with all water being released causing human, art, and facility harm. Currently, there is a new cooling tower replacement project funded which is awaiting to be bid, awarded, and completed. In the meantime, this additional funding will provide for an interim solution until the larger project moves forward.</p>			
Transfers and Reimbursements (Transfer from Ice Centre Revenue Fund)	Public Works Department	-	\$100,000
<p>This action increases the revenue estimate for Transfers and Reimbursements by \$100,000 to reflect funding from the Ice Centre Revenue Fund. This funding reimburses the City for staff time required for plan review, permit, inspection services, and approval of pay requests. A corresponding action to re-establish the Ice Centre Expansion Oversight Project appropriation in the General Fund is recommended elsewhere in this report.</p>			
Unanticipated/Emergency Maintenance (Civic Center Elevator Repairs and Assessment)	Public Works Department	\$400,000	-
<p>This action increases the Unanticipated/Emergency Maintenance appropriation by \$400,000, from \$1.3 million to \$1.7 million to fund an assessment of all the elevators in the Civic Center and initial funding for as needed repairs and maintenance of the elevators. Due to the aged elevator system infrastructure at the Civic Center and recent reliability issues, there is a need to update and modernize controls equipment and infrastructure for the elevators within the facility. The current system infrastructure is consistently experiencing issues, with users stuck in cabs for periods of time, and other units being offline for longer periods, with some out-of-service for more than one year. This funding will set aside dedicated funding for an assessment necessary to develop a scope for a future major renovation project and to start repairs and maintenance which will help run operations smoothly in the Civic Center.</p>			
Required Technical-Rebalancing Actions		\$23,228,892	\$4,638,972

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Grants-Reimbursements-Fees

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment/Revenue from Federal Government (Economic Development Administration)</p> <p>This action increases the Non-Personal/Equipment appropriation to the Office of Economic Development and Cultural Affairs and the corresponding estimate for Revenue from Federal Government by \$287,611 to reflect reimbursements from the U.S. Economic Development Administration for expenditures, including through Manufacture San José and the San José Downtown Association. The Economic Development Administration Grant provides assistance and support to small businesses and manufacturers.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	\$287,611	\$287,611
<p>Santa Clara County Public Art Services/Revenue from Local Agencies</p> <p>This action establishes the Santa Clara County Public Art Services City-Wide Expenses appropriation in the amount of \$200,000 and increases the corresponding estimate for Revenue from Local Agencies to support public art professional services provided by the Office of Economic Development and Cultural Affairs (OEDCA) per agreement with the County of Santa Clara (County). The professional services agreement with the County, approved by the City Council at its June 20, 2023 meeting (Item 2.14), enables OEDCA staff to provide project management services to the County for the development and implementation of the County of Santa Clara Art Program over a five-year term, with compensation to the City not to exceed \$800,000. This action recognizes the first installment (\$200,000) of advance funding received in 2023-2024 to support corresponding staff costs.</p>	<p>City Manager - Office of Economic Development and Cultural Affairs</p>	\$200,000	\$200,000
<p>Clean Creeks, Healthy Watersheds/Revenue from Federal Government</p> <p>This action establishes the Clean Creeks, Healthy Watersheds City-Wide Expenses appropriation in the amount of \$384,000, and increases the estimate for Revenue from the Federal Government in the same amount to recognize the 2023-2024 installment of the Clean Creeks, Healthy Watersheds Grant provided by the Environmental Protection Agency. This grant, awarded in 2021 and approved by Council on June 22, 2021, provides a total of \$1.54 million over four years, from June 2021 through July 2025, to support creek cleanup, watershed beautification, and ecological restoration activities. Along with matching City resources, this grant will provide support for both City work for these activities as well as contracts with non-profit organizations such as Keep Coyote Creek Beautiful and the South Bay Clean Creeks Coalition to conduct volunteer trash cleanup events and engage in community outreach and education efforts.</p>	<p>Environmental Services Department</p>	\$384,000	\$384,000

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<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
California Joint Apprenticeship Committee Program/Other Revenue	Fire Department	\$14,650	\$14,650

This action establishes the California Firefighters Joint Apprenticeship Committee Program (Cal-JAC) City-Wide Expenses appropriation by \$14,650 and increases the corresponding estimate for Other Revenue to support the Fire Department's operational needs such as personal protective equipment (PPE) and training related expenses. As participants of the local branch of the Cal-JAC program, the San José Fire Department is committed to comply and make resources available to all sworn personnel that complies with the State Board of Fire Services and National Fire Protection Authority Standards

Library Grants/Revenue from State of California (California Library Literacy and English Acquisition Services ESL Grant)	Library Department	\$116,108	\$116,108
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This action increases the Library Grants City-Wide Expenses appropriation and the corresponding estimate to Revenue from the State of California by \$116,108 to recognize the California Library Literacy Services (CLLS) English as a Second Language (ESL) Grant. The CLLS ESL Grant will support the purchase of books, materials, and software to support literacy services and programming. This literacy and language learning program seeks to increase English language competency for adults and children by providing one-to-one or small group learning sessions with trained volunteer tutors.

Library Grants/Revenue from State of California (Library Services and Technology Act: Holistic Initiative Grant)	Library Department	\$60,363	\$60,363
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This action increases the Library Grants City-Wide Expenses appropriation and the corresponding estimate to Revenue from State of California by \$60,363 to recognize the Library Services and Technology Act (LSTA) Holistic Initiative grant from the California State Library. This grant will support the expansion of social workers at Library branches, allowing the Library to foster healthy and safe communities.

Library Grants/Revenue from State of California (Lunch at the Library Grant)	Library Department	\$12,463	\$12,463
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This action increases the Library Grants City-Wide Expenses appropriation and the corresponding estimate to Revenue from State of California by \$12,463 to recognize the 2023-2024 portion of the Lunch at the Library Grant. This grant, which is administered by the California State Library, provides support for free summer meals at library sites.

General Fund Recommended Budget Adjustments Summary 2022-2023 Annual Report

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Library Grants/Revenue from State of California (Outdoor Exploration)	Library Department	\$2,173	\$2,173

This action increases the Library Grants City-Wide Expenses appropriation and the corresponding estimate to Revenue from State of California by \$2,173 to recognize the 2023-2024 portion of the Outdoor Exploration Parks Pass Grant. This grant, which is administered by the California State Library, provides free vehicle day-use hangtags to library patrons with the goal of generating positive, measurable impacts in the areas of health, natural resource stewardship, and historical and cultural connections. The Exploration Parks passes are distributed to library jurisdictions using an equity lens to ensure those patrons typically unable to visit California State parks are given the opportunity.

SJPL Foundation Grants/Other Revenue (Coding 5K Challenge)	Library Department	\$147,000	\$147,000
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This action increases the SJPL Foundation Grants City-Wide Expenses appropriation and the corresponding estimate to Other Revenue by \$147,000 to recognize a grant provided by the San José Public Library Foundation. This funding will support the addition of an overstrength Literacy Program Specialist position to support the administration of the Library's Coding5K Challenge program, which provides resources for computer programming lessons and activities for children and teens at all branch library locations.

2022 Emergency Management Performance Grant/Revenue from Federal Government	Office of the City Manager	\$127,740	\$127,740
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This action establishes the 2022 Emergency Management Performance Grant (EMPG) City-Wide Expenses appropriation in the amount of \$127,740 and increases the corresponding estimate for Revenue from the Federal Government by the same amount. The Office of Emergency Management received the 2022 EMPG funding, awarded by the Federal Emergency Management Agency. The funds will be used for Emergency Operations Center technology projects and audio/visual equipment, including the purchase of 360-degree conference cameras and other equipment for wireless presentation and content sharing from their devices on a display screen. The grant performance period ends March 31, 2024.

General Fund Recommended Budget Adjustments Summary 2022-2023 Annual Report

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Adaptation Planning Grant/Revenue from State of California	Office of the City Manager	\$514,970	\$514,970

This action establishes the Adaptation Planning Grant City-Wide Expenses appropriation in the amount of \$514,970 and increases the corresponding estimate for Revenue from the State of California by the same amount. The California Governor's Office of Planning and Research awarded the City an Adaptation Planning Grant in the amount of \$649,970, of which \$514,970 will be expended in 2023-2024 and the remaining funds will be spent in subsequent years. Funds will be used to develop a comprehensive climate adaptation plan that focuses on critical infrastructure as described in the City's Infrastructure Strategy and incorporates the needs of vulnerable communities. The grant performance period ends January 31, 2026.

After School Education and Safety Programs for 2023-2024/Revenue from Local Agencies	Parks, Recreation and Neighborhood Services Department	\$129,000	\$129,000
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This action establishes the After School Education and Safety Programs for 2023-2024 City-Wide Expenses appropriation and increases the estimate for Revenue from Local Agencies by \$129,000. The After School Education and Safety (ASES) is a state-funded program that awards grants to schools throughout California. Schools use the grants to contract with various agencies to provide students with comprehensive after school educational support services during the school year. In April 2023, PRNS entered into an ASES agreement with the Berryessa Union School District to provide after school services at Summerdale Elementary School through July 2024. This action appropriates the funding to execute that agreement.

Mattress Recycling Grant/Revenue from Local Agencies	Parks, Recreation and Neighborhood Services Department	\$75,000	\$75,000
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This action increases the Mattress Recycling Grant City-Wide Expenses appropriation and the corresponding estimate to Revenue from Local Agencies by \$75,000. Each year, the City participates in the Illegally Dumped Mattress Collection Initiative through the State of California's Mattress Recycling Council. Through this program, the state reimburses the City a flat amount of \$15 for every mattress or box spring collected. PRNS estimates the collection of approximately 5,000 units in 2023-2024.

General Fund Recommended Budget Adjustments Summary 2022-2023 Annual Report

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Non-Personal/Equipment/Other Revenue (Tree Replacement)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation and the corresponding estimate for Other Revenue by \$15,000 for tree replacement. A developer paid a mitigation fee to obtain a permit to remove four damaged trees in order to access its construction project. PRNS Department's Assistant Arborist evaluated the four trees and confirmed that they were burnt, dying, or dead. The \$15,000 will fund the replacement of the four trees plus another eight trees.</p>	Parks, Recreation and Neighborhood Services Department	\$15,000	\$15,000
<p>Non-Personal/Equipment/Revenue from Local Agencies (Santa Clara County Public Health Department SJ Recreation Preschool Grant)</p> <p>This action increases the Parks, Recreation and Neighborhood Services Department's Non-Personal/Equipment appropriation and corresponding estimate for Revenue from Local Agencies by \$5,000 for the Santa Clara County Public Health Department SJ Recreation Preschool Grant. In August 2022, PRNS entered into an agreement for up to \$10,000 with the County Public Health Department to train San José Recreation Preschool Program staff on the Coordinated Approach to Child Health (CATCH) Program and the Smarter Mealtimes Movement (SMM). In June of 2023, the agreement was amended to increase the maximum amount to \$40,000, and to extend the term of the agreement to September 2026. Each year, upon completion of the training, PRNS is reimbursed for an initial installment of \$5,000, and awarded an additional \$5,000 upon completion of the preschool program school year. This \$5,000 is the additional award for the completion of the 2022-2023 school year, and will be primarily used to fund program staff hours, with a small amount going towards program materials.</p>	Parks, Recreation and Neighborhood Services Department	\$5,000	\$5,000
<p>Santa Clara County Homeless Encampment Cleanup/Revenue from Local Agencies</p> <p>This action increases the Santa Clara County Homeless Encampment Cleanup City-Wide Expenses appropriation and corresponding estimate for Revenue from Local Agencies by \$170,000. In June 2022, the City entered into an agreement with Santa Clara County (SCC) to conduct homeless encampment cleanups in SCC jurisdictions within San José as needed. Following two amendments between SCC and the City, the total award is \$2.0 million with the term extended through June 2027. This action increases the funding for the cleanups from \$230,000 to \$400,000.</p>	Parks, Recreation and Neighborhood Services Department	\$170,000	\$170,000

General Fund Recommended Budget Adjustments Summary 2022-2023 Annual Report

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
<p>Santa Clara County Teen Programming Grant/Revenue from Local Agencies</p> <p>This action establishes the Santa Clara County Teen Programming Grant 2023-2024 City-Wide Expenses appropriation and corresponding estimate for Revenue from Local Agencies by \$100,000. This grant facilitates increased memberships and involvement at City-operated community centers for at-risk youth identified by the Santa Clara County Probation Department. This program is designed to help deter youth from engaging in criminal acts that would further entrench them in the juvenile justice system. The City receives \$100,000 in grant funds annually from the County Probation Department; this is the third consecutive year of the grant program.</p>	Parks, Recreation and Neighborhood Services Department	\$100,000	\$100,000
<p>Summer Youth Nutrition Program/Revenue from Federal Government</p> <p>This action increases the Summer Youth Nutrition Services Program City-Wide Expenses appropriation and the corresponding estimate for Revenue from Federal Government by \$82,165. Since 2011, PRNS has partnered with the California Department of Education's Nutrition Services to provide the Summer Food Service Program (SFSP). The SFSP is a federally funded, state-administered program that reimburses program operators who serve free, healthy meals and snacks to children and teens in low-income areas. A total of \$112,041 is budgeted in 2023-2024 for SFSP, with an additional \$82,165 recommended due to an estimated increase in the total meals served (from 38,016 to 51,388). PRNS experienced a sharp increase in demand during June 2023, and has adjusted their meal estimates for this year accordingly.</p>	Parks, Recreation and Neighborhood Services Department	\$82,165	\$82,165
<p>Internet Crimes Against Children State Grant 2022-2023/Revenue from State of California</p> <p>This action increases the Internet Crimes Against Children State Grant 2022-2023 City-Wide Expenses appropriation by \$113,852, from \$562,925 to \$676,777, and the corresponding estimate for Revenue from State of California. This action appropriates the remaining allocation of this grant in order to fund activities related to increasing the investigation and prosecution of internet crimes against children during the term of the grant (January 1, 2023 through December 31, 2023).</p>	Police Department	\$113,852	\$113,852

General Fund Recommended Budget Adjustments Summary 2022-2023 Annual Report

<u>Action</u>	<u>Department</u>	<u>Expenditure Change</u>	<u>Revenue Change</u>
Non-Personal/Equipment/Other Revenue (Gaming Background Services)	Police Department	\$60,000	\$60,000

This action increases the Police Department's Non-Personal/Equipment appropriation by \$60,000 and the corresponding estimate for Other Revenue for background investigation services conducted by the Division of Gaming Control in the Police Department. The Police Department contracts out with a consultant to support an in-depth financial background investigation for each entity applicant and each entity associated with an individual/trust applicant. This will provide a layer of protection to make sure no criminal or financial crimes are conducted by the businesses.

Selective Traffic Enforcement Program 2023-2024/Revenue from Federal Government	Police Department	\$280,000	\$280,000
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This action establishes the Selective Traffic Enforcement Program 2023-2024 City-Wide Expenses appropriation in the amount of \$280,000 and increases the corresponding estimate for Revenue from Federal Government. The program primarily funds overtime for Police Officers to staff DUI Checkpoints/Saturation Patrols, and conduct Distracted Driving, Motorcycle Safety, Click It or Ticket, and Pedestrian/Bicycle enforcement operations. The term of the grant is October 1, 2023 through September 30, 2024.

State Homeland Security Grant Program 2023-2026/Revenue from Federal Government	Police Department	\$60,000	\$60,000
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This action establishes the State Homeland Security Grant Program – Police 2023 City-Wide Expenses appropriation in the amount of \$60,000 and increases the corresponding estimate for Revenues from Federal Government. These funds are to be utilized for the implementation of State Homeland Security Strategies to address identified planning, organization, equipment, training, and exercise needs for acts of terrorism or other catastrophic events. The term of the grant is from September 1, 2023 to May 31, 2026.

Grants-Reimbursements-Fees		\$2,957,095	\$2,957,095
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