

COMMITTED ADDITIONS TO THE BASE GENERAL FUND FORECAST

As has been the practice, potential future-year program expenses in the General Fund have been included in a “**Committed Additions**” section of the General Fund Forecast.

Committed Additions involve future operating expenses for projects that have been previously approved by the City Council and deemed relatively unavoidable, or commitments of future service level increases previously authorized by the City Council. The largest items in this category are staffing related – with a two-company station at the new Fire Station 32 and additional staffing in the Police Department; followed by the Police Training Facility, the single company station at the new Fire Station 36, the full activation of the South San José Police Substation, as well as maintenance and operations costs for Columbus Park Soccer Fields. The remaining items included in this category are expenses that will be required to operate and maintain other approved capital projects scheduled to be completed and open within the five-year horizon of this Forecast. These expenses are related to the maintenance and operations of projects such as new parks and recreation facilities, new traffic infrastructure assets, and other public safety facilities. It should be noted that the estimated costs included in this category have been submitted by the various departments involved but have not yet been fully analyzed by the Budget Office. It can be anticipated that refinements of these estimates, as well as determining funding for fixtures, furnishings, and equipment, will be completed prior to bringing them forward for consideration by the City Council in any given year.

A summary of the Committed Additions included in this Forecast is provided below and detailed in Chart A at the end of this section. In addition, based on the City Council’s adoption of Budget Principle #8 during the 2008-2009 budget process, a General Fund Capital Operating and Maintenance/Budget Principle #8 discussion is included in this section. Capital projects with annual maintenance and operating costs over \$100,000 that have been previously certified by the City Council, or are recommended for certification in the future, are identified in Chart A of this section. Certification for potential new projects or modifications to existing projects identified after the release of this Forecast, that have not been previously approved by the City Council, may be recommended for certification as part of the 2025-2029 Proposed Capital Improvement Program. If certified by the City Council, the maintenance and operating costs associated with these facilities would then be included in subsequent General Fund Five-Year Forecast documents.

Following is a summary of Committed Additions included in the General Fund Five-Year Forecast. Projections factor in an inflation escalator for the out-years of the Forecast and are displayed in a cumulative, not incremental, cost method. It is important to note that the City Council has certified a number of interim housing facilities scheduled to begin operations between 2024-2025 and 2025-2026 as Committed Additions, including Branham-Monterey, Rue Ferrari Expansion, Via Del Oro, Cerone, Cherry Avenue, and the Berryessa Supportive Parking sites. However, to provide a complete financial picture, the costs related to these sites, the cost of existing sites, and assumed revenues available for the City’s interim housing portfolio are discussed in detail in *Appendix C, Interim Housing Forecast*. The amount of ongoing contributions from the General Fund necessary to support the interim housing portfolio is included in the *City-Wide Expenses – Interim Housing* line item within the Base Forecast model.

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Police Staffing – This category captures the costs associated with additional positions in the Police Department. City Council’s approval of the Mayor’s June Budget Message for Fiscal Year 2022-2023 authorized, as Committed Additions to future Five-Year General Fund Forecasts, the annual addition of up to 15.0 positions in the Police Department in each year where the City Manager determines that the addition of the positions would not require a decrease in existing basic neighborhood services. The positions may be a mix of sworn and civilian positions depending upon the most pressing community safety needs. Given existing vacancy levels, the Forecast includes ongoing funding prorated in 2024-2025; new cohorts of 15 positions are assumed in subsequent years. The Administration may recommend the addition of the full-time-equivalent positions in the Proposed Operating Budget.

<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>
1,900,000	4,500,000	7,200,000	10,000,000	13,000,000

New Parks and Recreation Facilities Maintenance and Operations – This category reflects the projected additional costs that are necessary to operate and maintain new and expanded parks and recreation facilities included in the Capital Improvement Program. Several parks and recreation facilities are scheduled to come online over the next five years and include, but are not limited to, Columbus Park Soccer Fields, Old Orchard Park, Winchester Orchard Park, Meadowfair Park Expansion, and Communications Hill II - Hillsdale Fitness Staircase. In 2026-2027, the City will assume maintenance and operating costs for City Gardens Park and Elizabeth P. Boyer Park – two downtown park sites that received in-lieu payments for maintenance from the developers, but these limited funding sources are expected to be depleted within the next five years.

The Forecast also includes operating cost estimates for trails, including sections of Coyote Creek Trail, such as Phelan to Tully and Mabury to Empire, and sections along Guadalupe River Trail, including Branham to Chynoweth and Five Wounds Trail: Story to Lower Silver Creek. Additional future costs are identified to support Future Trail Projects to help meet the City’s goal to expand the City’s trail system. The City currently has approximately 65 miles of trails.

<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>
247,000	376,000	1,805,000	2,443,000	2,618,000

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New Traffic Infrastructure Assets Maintenance and Operations – This category reflects the anticipated additional costs that are necessary to operate and maintain transportation-related projects included in the Traffic Capital Improvement Program. Funding to operate and maintain new traffic signals and streetlights (including those installed by developers), landscaping, and other traffic infrastructure is assumed in this category. Most of the projects are related to traffic safety enhancements, such as Pedestrian Improvements, Downtown San José Bikeways (Quick Strike), Tully Road Safety Corridor Improvements, Vision Zero projects such as Quick Builds and Story/Jackson Safety Improvements, West San Carlos Corridor Safety Improvements, and Willow-Keyes Complete Streets Improvements.

<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>
164,000	247,000	321,000	353,000	371,000

New Public Safety Facilities Maintenance and Operations – This category reflects the anticipated additional costs that are necessary to fully activate the South San José Police Substation. The Police Training Facility, expected to come online in 2025-2026, will trigger the activation of the South San José Police Substation once the Police Academy and Training units vacate the Police Substation. The Police Substation will be converted back to the original intent of enhancing community presence and improving response times to calls in the Southern Division. All estimates will be further refined once the scope of work necessary for activation is finalized, the results of which will be brought forward for City Council consideration.

<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>
		990,000	2,558,000	3,971,000

Measure T Maintenance and Operations – This category reflects the projected maintenance and operating costs of new disaster preparedness, public safety facilities, and infrastructure improvements that were included as part of the Measure T bond approved by the voters in November 2018.

Fire Stations 32 and 36 are anticipated to come online in 2025-2026 and 2027-2028, respectively. The increased costs associated with these new fire stations are primarily driven by the need for new sworn positions and associated non-personal/equipment funding at the facilities. Fire Station 32 will be a two-company station to accommodate the service demands in Council District 7 and neighboring Council Districts 3, 5, and 8, whereas Fire Station 36 will be a single company station serving the needs in Council District 7. Other facility maintenance and operations funding is included for the 911 Call Center Expansion, Fire Station 8 Relocation, fencing around the land acquired for the future relocation of Fire Station 23, Police Air Support Unit Hangar, and the Police Training Facility, which are all scheduled to come online during the five-year period. In total, the maintenance and operations funding for Measure T facilities coming online will increase from \$161,000 in 2024-2025 to approximately \$22.5 million by 2028-2029.

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As the Measure T program continues to progress, the corresponding estimates for operations and maintenance costs will be updated accordingly. Future General Fund forecasts will also incorporate any incremental costs associated with the improvements for the Police Headquarters and the construction of the relocated Fire Station 23.

<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>2027-2028</u>	<u>2028-2029</u>
161,000	7,699,000	14,526,000	15,894,000	22,476,000

General Fund Capital Operating and Maintenance/Budget Principle #8

In March 2008, the City Council adopted City of San José Budget Principles as part of the approval of the Mayor's 2008-2009 March Budget Message. Budget Principle #8 is as follows:

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

Chart A details a list of all project maintenance and operations costs assumed in this Forecast. Funding for these projects were included as part of the previously approved Capital Improvement Program or align with previous City Council direction. All capital projects with annual maintenance and operating costs in the General Fund greater than \$100,000 have been denoted in the chart. By 2028-2029, the costs to maintain and operate all City Council projects expected to come online during the five-year period are estimated at approximately \$42.4 million annually, of which approximately \$22.5 million is related to Measure T facilities as described above.

As always, maintenance and operating costs for new or expanded capital facilities will continue to be closely scrutinized to ensure that costs for any newly built or expanded infrastructure are supported on an ongoing basis without a decrease in existing basic neighborhood services. All project maintenance and operating costs will be evaluated on an annual basis for inclusion in subsequent Five-Year General Fund Forecasts. A careful evaluation of the project schedules and/or staffing necessary to maintain and operate these facilities, including the one-time funding for fixtures, furnishings, and equipment will be performed prior to bringing them forward for consideration by the City Council in any given year.

CHART A - 2025-2029 GENERAL FUND FORECAST

Net Operating Impact of Committed Additions

	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
POLICE STAFFING					
Police Staffing Additions	1,900,000	4,500,000	7,200,000	10,000,000	13,000,000
TOTAL POLICE STAFFING	1,900,000	4,500,000	7,200,000	10,000,000	13,000,000
NEW PARKS AND RECREATION FACILITIES MAINTENANCE AND OPERATION					
Alviso Park Expansion Phase I	33,000	34,000	35,000	35,000	36,000
City Gardens Park (working title was Bassett Park)†			38,000	39,000	39,000
Columbus Park Soccer Fields*	-		1,046,000	1,489,000	1,589,000
Communications Hill II - Hillsdale Fitness Staircase	-		81,000	83,000	85,000
Elia Park (Alma Property Trust Site)				14,000	14,000
Elizabeth P. Boyer Park (working title was North San Pedro Park)†			69,000	105,000	107,000
Future Trail Projects		36,000	74,000	114,000	156,000
Guadalupe River Park Pollinator and Habitat Improvements					15,000
Hanchett Park Development	8,000	15,000	15,000	15,000	16,000
Meadowfair Park Expansion			74,000	75,000	77,000
Murdock Park Pollinator Garden					2,000
Old Orchard Park*	95,000	97,000	99,000	101,000	103,000
PAL Stadium Turf Replacement			17,000	23,000	24,000
River Oaks Regional Stormwater Capture Project	29,000	40,000	41,000	42,000	42,000
Senter and Serenade		1,000	1,000	1,000	1,000
Spartan Keyes Area Park Development			53,000	72,000	73,000
TRAIL: Coyote Creek - Mabury to Empire	13,000	23,000	24,000	24,000	25,000
TRAIL: Coyote Creek - Phelan to Tully	16,000	34,000	35,000	36,000	36,000
TRAIL: Five Wounds Trail from Story to Lower Silver Creek	-	-	-	45,000	46,000
TRAIL: Guadalupe River - Thousand Oaks	1,000	1,000	1,000	1,000	1,000
TRAIL: Guadalupe River Trail Branham to Chynoweth	-	-	-	22,000	22,000
TRAIL: Guadalupe River Trail Spur to Data Center	-	-	2,000	2,000	2,000
TRAIL: Guadalupe River Trail St. John to Julian	-	-	-	3,000	3,000
TRAIL: Los Gatos Creek Trail to Three Creeks Trail	-	3,000	7,000	7,000	7,000
Winchester Orchard Park	52,000	92,000	93,000	95,000	97,000
TOTAL NEW PARKS AND RECREATION FACILITIES MAINTENANCE AND OPERATIONS	247,000	376,000	1,805,000	2,443,000	2,618,000
NEW TRAFFIC INFRASTRUCTURE ASSETS MAINTENANCE AND OPERATIONS					
Copper to Fiber Conversion	4,000	4,000	4,000	4,000	4,000
Copper to Fiber Conversion (Future Years)		4,000	4,000	4,000	4,000
Developer Installations - Signals	22,000	23,000	24,000	24,000	25,000
Developer Installations - Signals (Future Years)		4,000	9,000	14,000	14,000
Developer Installations - Streetlights	7,000	7,000	7,000	8,000	8,000
Developer Installations - Streetlights (Future Years)		8,000	17,000	25,000	26,000
Downtown San Jose Bikeways (Quick Strike)	20,000	21,000	21,000	22,000	23,000
Highway 680 and Jackson Traffic Signal	1,000	5,000	5,000	5,000	5,000
Kooser Road Crosswalk	1,000	1,000	1,000	1,000	1,000
McKee Road Safety Corridor Improvements (OBAG)	17,000	17,000	18,000	19,000	19,000
Route 101/Trimble/De La Cruz Interchange Improvements	13,000	14,000	14,000	15,000	15,000
Safety: Pedestrian and Roadway Improvements Program	17,000	17,000	18,000	18,000	19,000
Safety: Pedestrian Improvements	8,000	9,000	9,000	9,000	9,000
Safety: Pedestrian Improvements (Future Years)		8,000	17,000	26,000	36,000
Safety: Traffic Signal Modifications/Construction	4,000	5,000	5,000	5,000	5,000
Safety: Traffic Signal Modifications/Construction (Future Years)		4,000	5,000	5,000	5,000
Senter Road Traffic Safety Improvements (Decorative Fencing)	12,000	13,000	13,000	13,000	14,000
Tully Road Safety Corridor Improvements (OBAG)	24,000	25,000	25,000	26,000	27,000
Vision Zero: Quick Build	13,000	13,000	13,000	14,000	14,000
Vision Zero: Quick Build (Future Years)		13,000	25,000	26,000	27,000
Vision Zero: Story/Jackson Safety Improvements	1,000	1,000	1,000	1,000	1,000
W San Carlos Corridor Safety Improvements (OBAG)		21,000	46,000	48,000	49,000
Willow-Keyes Complete Streets Improvements		10,000	20,000	21,000	21,000
TOTAL NEW TRAFFIC INFRASTRUCTURE ASSETS MAINTENANCE AND OPERATIONS	164,000	247,000	321,000	353,000	371,000

CHART A - 2025-2029 GENERAL FUND FORECAST Net Operating Impact of Committed Additions

	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
NEW PUBLIC SAFETY FACILITIES MAINTENANCE AND OPERATIONS					
Police Substation Activation*	-		990,000	2,558,000	3,971,000
TOTAL NEW PUBLIC SAFETY FACILITIES MAINTENANCE AND OPERATIONS	-	-	990,000	2,558,000	3,971,000
MEASURE T MAINTENANCE AND OPERATIONS					
911 Call Center Expansion		42,000	43,000	45,000	46,000
Fire Station 8 Relocation	12,000	37,000	38,000	39,000	40,000
Fire Station 23 Relocation (Land Acquisition)	48,000	49,000	51,000	52,000	54,000
Fire Station 32 (New)*		5,811,000	12,075,000	12,551,000	13,046,000
Fire Station 36 (New)*	-			808,000	6,808,000
Police Air Support Unit Hangar	101,000	312,000	321,000	331,000	341,000
Police Training Facility*		1,448,000	1,998,000	2,068,000	2,141,000
TOTAL MEASURE T MAINTENANCE AND OPERATIONS	161,000	7,699,000	14,526,000	15,894,000	22,476,000
TOTAL OPERATING IMPACT OF COMMITTED ADDITIONS	2,472,000	12,822,000	24,842,000	31,248,000	42,436,000

†Parks that are currently being maintained by a developer. City responsibility for maintenance and operations begin when initial developer funding ends.
 *Annual maintenance and operating costs in the General Fund greater than \$100,000 that will require certification prior to authorizing construction.