

# City of San José

## Neighborhoods Commission

### Independent Citizens Oversight Standing Committee

#### 2016-2017 Measure B Sales Tax Review

May 2, 2018

#### 2016-2017 Local Sales Tax (Measure B) Overview

##### Revenue Collections

2016-2017 Adopted Budget :	\$30,000,000
2016-2017 Actual Collections:	<u>\$26,519,745</u>
Budget to Actual Variance:	(\$3,480,255)

##### Expenditure Allocations

2016-2017 Adopted Budget:	\$30,000,000
2016-2017 Actual Allocations:	<u>\$30,000,000</u>
Budget to Allocation Variance:	\$0

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### 2016-2017 Local Sales Tax (Measure B) Reporting on Measure B Allocations

- Sales Tax revenues, including Measure B, are deposited into the General Fund and combined with Property Taxes, Utility Taxes, Business Taxes, Transient Occupancy Taxes, etc.
- Because of this, it is not possible to specifically tie the Measure B revenue source to a particular General Fund expense.
- However, for 2016-2017, we can report out on how the funding identified in Manager's Budget Memorandum #14 was allocated. In some instances we can separate out how much of the specific allocation was spent, in others we cannot.
- Going forward we can look at the growth in Measure B sales tax and compare to growth in the services, included those outlined in the ballot language.

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### 2016-2017 Local Sales Tax (Measure B) Allocation Summary: Transportation

FY2016-17		2016-2017			
Category	Description	MBA #14	NOTES	Amount Allocated	Comments on allocation
Street Repair	Maintain and repair major streets - One-time funding for pavement maintenance funding. Total amount allocated to pavement in 2016-17 would be \$30.6 million, enough to fund annual need to pothole repairs and all major streets at the Council goal of pavement condition index of 70 (good).	\$ 17,700,000	One-Time Funding	17,700,000	Fully encumbered in 2016-2107.

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## 2016-2017 Local Sales Tax (Measure B) Allocation Summary: Fire Services

FY2016-17		2016-2017			
Category	Description	MBA #14	NOTES	Amount Allocated	Comments on allocation
Improve Fire, Medical Response	Restores ongoing overtime funding of \$2.4 million to maintain Fire Dept sworn minimum staffing levels to prevent "brown outs". Adds ongoing funding of \$1.25 million to Fire Dept for 3.0 Fire Fighter/Paramedic and 3.0 Engineer positions to restore one squad unit for Engine 30. Adds one-time funding of \$1.2 million to provide emergency vehicle preemption service at all signalized	\$ 4,850,000	Ongoing \$3.65M and one-time capital funding of \$1.2M	\$4,850,000	--\$2,400,000 of overtime allocated to the Fire Department's personal services appropriation. --\$1,250,000 of funding added for new positions allocated to the Fire Department's personal services appropriation. --\$1,200,000 allocated to the Emergency Vehicle Preemption appropriation. \$440,000 has spent in 2016-2017, the remaining \$760,000 was carried forward to be spent in 2017-2018.
Improve Fire Response - Fire Station 37 Construction	Sets aside one-time funding to go towards the construction of Fire Station 37. The construction of this fire station is the final station scheduled for construction as part of the Public Safety Bond Program (Measure O, 2002). Due primarily to the unexpectedly high cost of construction during much of the Measure O program, the decision to rebuild instead of remodel Fire Station 2, and the higher bid prices received for construction of another fire station, there isn't enough bond funding remaining to fully construct and staff Fire Station 37. The Administration will create a multi-year funding strategy to fully fund the construction of Fire	\$ 960,000	One-Time Funding	\$960,000	In 2016-2017, the amount of \$960,000 was allocated to the Fire Station 37 Reserve. Using funding from several different sources, the 2019-2023 Proposed Capital Improvement Program contains a total allocation toward this reserve of \$4,560,000.
Improving Emergency Medical Response (6.0 FTE)	Restoration of additional squad team of 3.0 Paramedic/Firefighters and 3.0 Engineers.	\$ 1,250,000	Ongoing	\$1,250,000	--\$1,250,000 of funding added for new positions allocated to the Fire Department's personal services appropriation.

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## 2016-2017 Local Sales Tax (Measure B) Allocation Summary: Police Services

FY2016-17		2016-2017			
Category	Description	MBA #14	NOTES	Amount Allocated	Comments on allocation
Improve Police Response	Effective 2017-18, adds ongoing funding of \$3.4 million to Police for 41.0 sworn positions (1.0 Lieutenant, 7.0 Sergeants, 33.0 Officers), increasing sworn staffing from 1,109 to 1,150 positions. The 2017-18 costs assume a Feb 2018 Police Academy start date; the annualized costs total approx. \$6.9 million. *Due to the hiring delay, the 2016-17 one-time savings for sworn vacancies of \$3.26 million are recommended to fund other one-time public safety proposals.	\$	Ongoing, but deferred to 2017-2018	N/A	With the adoption of the 2017-2018 Adopted Operating Budget, the hiring of these positions were deferred until 2018-2019. The 2018-2019 Proposed Operating Budget assumes that these positions begin June 2019.
Improve Burglary, Neighborhood Crime	Adds on-going funding of \$1.53 million for 14.0 Community Service Officer (CSO) I/II, 4.0 Senior CSO, 1.0 Supervising CSO positions, as well as equipment costs with an academy start date of March 2017 and street-ready date of June 2017. The 2016-17 costs assume a March 1, 2017 start date; annualized costs total \$1.95 million.	\$ 1,530,000	Ongoing	\$1,530,000	--\$1,530,000 of funding added for new positions allocated to the Police Department's personal services and non-personal/equipment appropriations.
Expand Police Recruitment	Adds one-time funding of \$1.5 million for recruitment and hiring new and lateral police officers as well as retention efforts of existing	\$ 1,500,000	One-Time Funding	\$1,500,000	--\$1,500,000 of funding added for new positions allocated to the Police Department's personal services appropriation.
Improve Crime Solving	Adds ongoing funding of \$210,000 for 5.0 Crime and Intelligence Analyst positions and equipment costs to support the Field Patrol (4.0 positions at 1.0 per Patrol Division) and Special Operations (1.0 position) programs. 2016-17 costs assume a January 1, 2017 start date, annualized costs total \$420,000.	\$ 210,000	Ongoing	\$210,000	--\$210,000 of funding added for new positions allocated to the Police Department's personal services appropriations.

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## 2016-2017 Local Sales Tax (Measure B) Allocation Summary: Homeless Services

FY2016-17		2016-2017			
Category	Description	MDA #14	NOTES	Amount Allocated	Comments on allocation
Reduce Homeless	Adds ongoing funding of \$2 million to double homeless rapid rehousing services. This proposal will bring total ongoing rapid rehousing funding to \$4 million annually.	\$ 2,000,000	Ongoing	\$ 2,000,000	--\$2,000,000 allocated to the Homeless Rapid Rehousing appropriation. --The adoption of the 2017-2018 Operating Budget shifted these costs to the Multi-Source Housing Fund for 2 years (2017-2018 & 2018-2019). General Fund contributions will restart in 2019-2020.

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## 2016-2017 Local Sales Tax (Measure B) Police and Fire Budget to Actuals

### Police Department

Budget :	\$350,198,857
Actual Expenditures:	\$345,923,704
Remaining Balance:	\$4,275,153*

### Fire Department

Budget:	\$197,830,197
Actual Expenditures:	\$195,684,730
Remaining Balance:	\$2,145,467*

\*Does not include amounts carried forward, or rebudgeted, into 2017-2018: Police: \$1.7 million, Fire: \$900,000

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**Looking Ahead**  
**Estimated Measure B Growth vs. Expenditure Growth**

	2016-2017 Actuals	2017-2018 Modified Budget	2018-2019 Proposed Budget
Measure B Revenue	\$26,519,745*	\$35,000,000	\$43,000,000
Year-Over-Year Growth		\$8,480,255*	\$8,000,000
Police Department Expense	\$345,923,704	\$382,111,339	\$408,873,709
Year-Over-Year Growth		\$36,187,635	\$26,762,370
Fire Department Expense	\$195,684,730	\$219,749,503	\$220,909,108
Year-Over-Year Growth	N/A	\$24,064,773	\$1,159,605**

\*Reflects partial year data

\*\*Does not reflect anticipated salary increases

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**2016-2017 Measure B 1/4-cent Sales Tax Matrix (updated 5/2/2018)**

FY2016-17		2016-2017			
Category	Description	MBA #14	NOTES	Amount Allocated	Comments on allocation
<b>TRANSPORTATION</b>					
Street Repair	Maintain and repair major streets - One-time funding for pavement maintenance funding. Total amount allocated to pavement in 2016-17 would be \$30.6 million, enough to fund annual need to pothole repairs and all major streets at the Council goal of pavement condition index of 70 (good).	\$ 17,700,000	One-Time Funding	17,700,000	Fully encumbered in 2016-2107.
<b>PUBLIC SAFETY</b>					
Improve Fire, Medical Response	Restores ongoing overtime finding of \$2.4 million to maintain Fire Dept sworn minimum staffing levels to prevent "brown outs". Adds ongoing funding of \$1.25 million to Fire Dept for 3.0 Fire Fighter/Paramedic and 3.0 Engineer positions to restore one squad unit for Engine 30. Adds one-time funding of \$1.2 million to provide emergency vehicle preemption service at all signalized intersections.	\$ 4,850,000	Ongoing \$3.65M and one-time capital funding of \$1.2M	\$4,850,000	-\$2,400,000 of overtime allocated to the Fire Department's personal services appropriation. -\$1,250,000 of funding added for new positions allocated to the Fire Department's personal services appropriation. -\$1,200,000 allocated to the Emergency Vehicle Preemption appropriation. \$440,000 has spent in 2016-2017, the remaining \$760,000 was carried forward to be spent in 2017-2018.
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<b>OTHER</b>					
Reduce Homeless	Adds ongoing funding of \$2 million to double homeless rapid rehousing services. This proposal will bring total ongoing rapid rehousing funding to \$4 million annually.	\$ 2,000,000	Ongoing	\$ 2,000,000	--\$2,000,000 allocated to the Homeless Rapid Rehousing appropriation. --The adoption of the 2017-2018 Operating Budget shifted these costs to the Multi-Source Housing Fund for 2 years (2017-2018 & 2018-2019). General Fund contributions will restart in 2019-2020.
		\$ 30,000,000		\$ 30,000,000	