

Dear Resident:

The San José City Council recently placed Measure B (Sales Tax Measure) on the June 7, 2016 ballot that is aimed at maintaining the City's long-term financial health while supporting and restoring basic local public services – some of which we had to reduce due to the Great Recession that adversely affected many of the City's revenue sources, and due to increasing retirement and other costs.

The City is sharing with the community factual information about our City's [Fiscal Reform Plan](#), including our ongoing successes to reduce costs and improve efficiencies, and the Plan's strategy to ask voters to consider a revenue measure on the ballot.

The San José City Council adopted the Fiscal Reform Plan in May 2011 to help stabilize the City's long-term finances following the recession. This plan focused on three areas:

- Cost-saving measures
- Service reductions
- Revenue enhancements

We have achieved significant cost savings. Since 2009, San José has reduced costs by using technology, adopting lower-cost staffing models, consolidating services, controlling retirement costs through a lower-cost Tier 2 retirement plan, retiree healthcare savings, and outsourcing services where prudent. The City also reduced its workforce by 21% - a net reduction of 1,553 positions - and our employees also helped solve the problem by taking a 10% reduction in total compensation.

We also had to cut service levels, along with the staff who deliver these services, because cost cutting measures and improved efficiencies did not fully address our serious budget shortfalls. These service reductions do not meet the long-term needs and priorities of our residents, and they're not sustainable.

For example, our police department is operating at reduced staffing levels with a similar number of officers patrolling our streets as it did in 1985 when San José's population was 713,600, compared to the more than one million people who reside here today.

In addition, our roads continue to deteriorate. San José is facing a \$521 million backlog in deferred maintenance on streets, while over 550 miles of our major roads and neighborhood streets are rated as being in "poor" or "failed" condition.

A sales tax measure has now been submitted for voter consideration. On March 9, the San José City Council approved placing Measure B on the June ballot, to follow up on the third key strategy of the 2011 Fiscal Reform Plan. If approved by voters, Measure B will enact a one-quarter per cent sales tax for 15 years, generating an estimated \$40 million dollars annually for the City of San José. These funds will be used to address key priorities for the City's basic public services, such as improving police and fire response times, maintaining and repairing streets, and improving neighborhood services such as reducing homelessness, increasing youth and senior services, blight eradication, and gang prevention.

Please contact our office with any further questions at (408) 535-8100, or via email at webmaster.manager@sanjoseca.gov. For more information about San José Fiscal Reform Plan, or information about all items on the June 2016 ballot, please visit our website: www.sanjoseca.gov/Election2016.

Sincerely,

Norberto Dueñas
City Manager