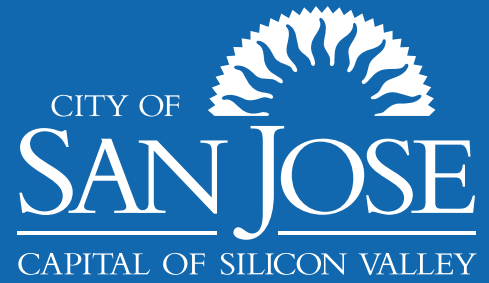


2013-2014 Adopted Budget in Brief



The mission of the City of San José is to provide quality public services, facilities, and opportunities that create, sustain, and enhance a safe, livable, and vibrant community for its diverse residents, businesses, and visitors.



The 2013-2014 Adopted Operating and Capital Budgets for the City of San José total \$2.9 billion and represent the City's financial plan for the year. With this funding, the City will continue to deliver a wide range of services to the City's residents and businesses. These include police and fire services, parks, libraries, community centers, the San José Norman Y. Mineta International Airport, the Water Pollution Control Plant, recycling and garbage services, housing and neighborhood services, and the maintenance of the City's roadway infrastructure.

As a result of the recently improved economic conditions combined with difficult budget decisions that were required over the past 11 years to resolve net General Fund shortfalls totaling almost \$700 million, the City's budget is expected to continue to somewhat stabilize over the next five years with very small variances of less than 1% between projected General Fund revenues and expenditures.

In 2013-2014, major actions in the Adopted Budget will:

- Provide for limited service enhancements in core areas across the city;
- Address a small number of critical unmet/deferred infrastructure needs;
- Continue services funded on a one-time basis in 2012-2013;
- Add development fee program resources to meet service delivery needs;
- Continue investments in the City's capital infrastructure, with significant funding to upgrade the Water Pollution Control Plant;
- Implement several service delivery efficiencies and cost reduction/revenue strategies;
- Set aside reserve funding for the 2014-2015 Future Deficit, Budget Stabilization, Successor Agency to the Redevelopment Agency (SARA) City Legal Obligations, and Fiscal Reform Implementation; and
- Establish contingency plans to address the uncertainty related to the outcome of litigation related to various retirement reform efforts and the County's withholding of Successor Agency tax increment revenue.



INSIDE

- *San José at a Glance*
- *Balancing the Budget*
- *Service Delivery Highlights*
- *Capital Budget Highlights*
- *Roster of City Officials*
- *Managing Our Finances*
- *Accessing the Budget*

San José at a Glance

Basic City Facts

FOUNDED: 1777; California's first civilian settlement
INCORPORATED: March 27, 1850; California's first incorporated City, and site of the first State capital

General Data

Population	984,299
Registered Voters	417,486
Median Household Income	\$76,593
Miles of Streets	2,415
Miles of Alleys	2
Area of City (square miles)	179.8

Major Employers

Santa Clara County	14,950
Cisco Systems	13,600
City of San José	5,655
eBay/Paypal, Inc.	4,700
IBM	4,200
US Postal Service	3,920
San José State University	3,120
San José Unified School District	2,330
Western Digital/Hitachi	2,070

Airport*

Size	Approx. 1,050 Acres
Terminals	2
Runways	3
Hours of Operation	24
Number of Passengers	8.40 Million

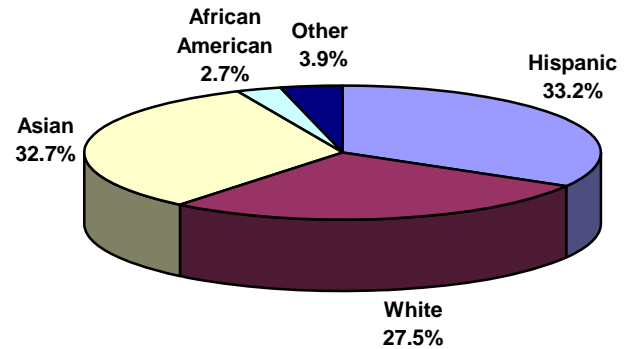
Environment and Utilities*

Miles of Municipal Sewer Mains	2,271
Tons of Recycled Materials	101,000
Tons of Yard Trimmings	133,000
Gallons of Used Motor Oil	81,000

Parking*

Parking Meters	2,582
Parking Lots (1,285 total spaces)	9
Parking Garages (6,175 total spaces)	8

Demographics



Public Safety*

Police Stations	1
Emergency Police Calls	455,000
Non-Emergency Police Calls	385,000
Fire Stations	33
Fire Companies	40
Emergency Medical Calls	52,000
Fire Safety Code Inspections	14,000
Hazardous Materials Incidents	900

Neighborhood Services*

Park Sites**	193
Park Amenities:	
Basketball Courts	95.5
Skate Parks	6
Softball/Baseball/T-Ball Fields	52
Swimming Pools	6
Tennis Courts	95
Soccer Fields	46
Park Acreage**	3,432
City Operated Community Centers	12
Partner Operated Re-Use Sites	42
Participation in Recreation Programs	258,000

Libraries*

Number of Outlets:	
Main Library	1
Branches**	22
Items Checked Out (Circulation)	10,702,000

* Current counts or 2012-2013 year-end estimates

** Data represents City services (excludes school data)

San José at a Glance

2013-2014 Adopted Budget

GENERAL FUND

Police	\$306,848,315
Fire	163,499,035
City-Wide Expenses	109,587,585
Parks, Recreation & Neighborhood Services	51,919,273
Planning, Building & Code Enforcement	37,673,353
Public Works	34,789,387
Capital Improvements	29,437,000
Transportation	27,226,351
Transfers to Other Funds	25,635,266
Library	26,066,596
City Management (Manager and City Council)	22,172,774
Finance and Human Resources	19,142,640
Information Technology	14,330,471
City Attorney	12,375,897
Other	10,417,219
Reserves	167,896,565
Total General Fund	\$1,059,017,727

SPECIAL FUNDS

Airport	\$503,445,856
Waste Water Treatment Plant & Sanitary Sewer	290,421,229
Waste Mgmt (Garbage Collection/Recycling)	143,349,028
Housing	83,538,695
Convention and Cultural Facilities	75,760,549
Storm Sewer Operations	57,768,340
Municipal Water	40,071,769
Parking	24,772,808
Special Assessment Maintenance Districts	21,435,449
Transient Occupancy Tax	19,955,871
Community Development Block Grant	16,670,211
Library Parcel Tax	15,608,644
Workforce Investment Act	11,062,301
Other	217,287,076
Total Special Funds	\$1,521,147,826

CAPITAL IMPROVEMENT FUNDS

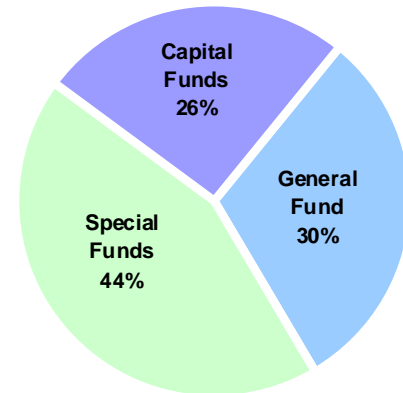
Water Pollution Control	\$183,480,157
Parks and Community Facilities	167,601,144
Airport	167,022,824
Traffic	142,129,251
Sanitary Sewer	104,634,125
Library	35,917,637
Storm Sewer	27,117,137
Public Safety	25,853,929
Other	51,499,556
Total Capital Funds	\$905,255,760

TOTAL ALL FUNDS **\$3,485,421,313**

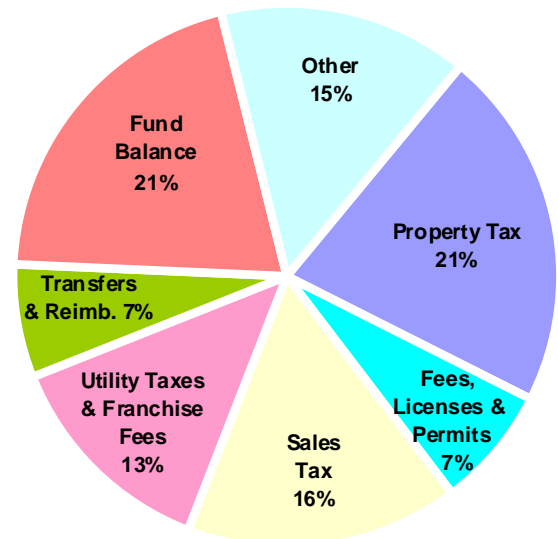
Less Transfers, Loans & Contributions **(\$572,836,383)**

NET CITY USE OF FUNDS **\$2,912,584,930**

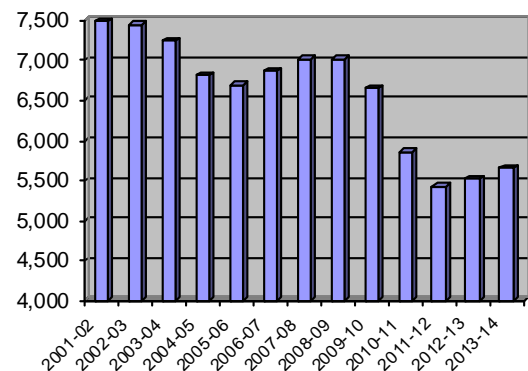
2013-2014 Adopted Budget



2013-2014 Sources of General Fund Revenues



Total City Positions



In the 2013-2014 Adopted Budget, the number of City positions totals 5,655, which is up 133 positions from the 2012-2013 Adopted Budget. Even with the 2% increase in staffing, the City's overall workforce remains well below the peak of almost 7,500 positions in 2001-2002.

Balancing the Budget

The General Fund is used to provide many of the basic services provided by the City, including police, fire, libraries, parks, recreation and neighborhood services, development services, code enforcement, and transportation.

How was the General Fund Budget Shortfall Calculated?

Each year, a Five-Year General Fund Forecast is prepared that compares the estimated revenues and expenditures over the next five years to determine if there is a projected surplus or deficit.

The expenditure figures, which reflect the cost of existing programs, are updated to reflect estimated salary and benefit costs and any changes in contractual obligations. In addition, expenditures to which the City is considered to be committed by prior City Council action are included, such as costs related to operating new facilities.

In 2013-2014, expenditures are projected to exceed revenues by \$2.6 million (including the Development Fee Program). In the February 2013 Forecast, small shortfalls and one surplus were projected in each of the five years of the Forecast.

2013-2014 Adopted Operating Budget General Fund Budget Balancing Plan (in 000's)		
	2013-2014	Ongoing
2013-2014 General Fund Shortfall	(\$ 3,844)	(\$ 3,844)
Development Fee Program Impact	1,222	1,222
Revised Base Budget Forecast	(\$ 2,622)	(\$ 2,622)
Balancing Strategy		
Source of Funds		
Available Fund Balance:		
2013-2014 Future Deficit Reserve Elimination	\$ 29,400	\$ 0
SARA City Subsidy (12-13/13-14 cash flow)	9,157	0
Police Department Overtime Reserve	4,000	0
Development Fee Reserves	2,569	2,268
Additional 2012-2013 Ending Fund Balance	10,197	0
Property Tax	10,850	10,850
Grants/Reimbursements/Fees	2,856	(1,650)
Other Revenue Changes	2,179	2,992
Subtotal Source of Funds	\$ 71,208	\$ 14,460
Use of Funds		
2014-2015 Future Deficit Reserve	\$ 13,700	\$ 8,725
Other Reserves	19,575	2,125
Unmet/Deferred Infrastructure and Maintenance	15,730	0
Service Level Enhancements	12,960	3,030
2012-2013 One-Time Funded Services	6,102	3,146
Development and Other Fee/Grant Programs	5,929	3,105
New Facilities Operations and Maintenance	3,126	2,904
Service Delivery Efficiencies/Cost Reductions	(5,902)	(8,350)
Use of Reserves (Committed Additions/Deferred Infrastructure)	(2,634)	(2,782)
Subtotal Use of Funds	\$ 68,586	\$ 11,903
Total Balancing Strategy	\$ 2,622	\$ 2,557
Remaining Balance	\$ 0	\$ (65)

Balanced Approach to Achieving Stability and Meeting Priority Service Delivery Needs

The 2013-2014 Adopted Budget closes a small \$2.6 million General Fund shortfall and, with the funding available, focuses on the following goals:

- *Achieve budget and service level stability;*
- *Target investments to meet priority needs of the community; and*
- *Continue service delivery efficiencies and cost reduction/revenue strategies.*

The Adopted Budget includes targeted investments that are focused on the most pressing service delivery and infrastructure needs. Reserves have also been set aside to address the forecasted shortfall in 2014-2015 and to better position the City to address potential funding needs. However, a portion of these investments (\$33.0 million) is contingent on the outcome of pending litigation associated with elements of retirement reform as well as litigation with the County of Santa Clara related to the withholding of Successor Agency to the Redevelopment Agency (SARA) tax increment revenue. Two contingency plans are included in the Adopted Budget to address potential adverse decisions that could create a shortfall in 2013-2014. Under these contingency plans, the implementation of several of the budget actions will be delayed until the final outcome of these issues is known.

Service Delivery Highlights

Public Safety



Key Public Safety Services

Crime Prevention
Emergency Medical Services
Emergency Preparedness
Fire Prevention
Fire Suppression
Independent Police Oversight
Police Investigations
Police Patrol
Public Education



Expected Service Delivery

Police Services

- Respond to high priority calls for service and emergencies in a timely and effective manner
- Investigate crimes effectively and seek successful prosecution of criminals
- Continue efforts to deter gang violence
- Prompt review of police complaints by the Independent Police Auditor

Fire Services

- Respond to fires, medical calls, and other emergencies in a timely and effective manner
- Provide regulatory enforcement of fire and hazardous materials codes through inspection activities
- Investigate fire causes effectively
- Continue regional all-hazard emergency management and San José Prepared!

2013-2014 Adopted Budget Actions

- **Police Field Patrol:** adds 21 Community Service Officers as of January 2014 to respond to lower priority calls non-enforcement calls, thereby increasing capacity for existing Police Officers to respond to higher priority calls.
- **Police Field Patrol and Investigations:** adds \$4 million in one-time overtime funds to continue backfilling for patrol and investigation position vacancies, maintain targeted enforcement of high crime activity through suppression cars, and backfill for civilian vacancies.
- **South San José Police Substation*:** funds the January 2014 Phase I opening of the South San José Police Substation that will improve response times and service to the southern part of San José.
- **Police Cal-ID Program:** transfers the CAL-ID Program back to the Santa Clara County Sheriff's Office and retains a Latent Fingerprint Identification Unit that will focus on cases that occur in San José.
- **Police Contractual Backgrounding and Sworn and Civilian Recruitment Activities:** adds one-time funding of \$385,000 for contractual backgrounding services for hiring and \$325,000 for recruiting and hiring efforts.
- **Police Crime Prevention Staffing:** adds 3 Crime Prevention Specialists to increase community outreach, disseminate crime prevention information, and respond to residents' concerns about crime.
- **Medical Marijuana Program**:** continues funding for 1 Police Sergeant to support the Medical Marijuana Program.
- **Police Crime Analysis Staffing:** adds 1 Crime and Intelligence Analyst position to more effectively analyze crime data and better link crime analysis, community policing, and crime prevention programs.
- **La Raza Roundtable/Harvard Study Consensus Building Project:** continues \$50,000 to support efforts to create transformative, multi-system change aimed at eliminating disproportionate Latino representation in the criminal justice, juvenile justice, and child welfare systems serving San José.
- **Fire Cardiac Monitors/Defibrillators:** purchases seven cardiac monitors/defibrillator units for front-line fire apparatus.
- **Fire Fighter Recruit Testing:** adds one-time funding for outreach, recruitment, and testing to establish a new Fire Fighter Recruit eligibility list.
- **Fire Sworn Functional Movement Screening and Training:** adds one-time funding for Fire Department personnel to become peer trainers to help reduce the frequency of injuries caused by strains and sprains.

* Implementation of this proposal is contingent on the outcome of pending litigation

** Ongoing implementation of this proposal is contingent on the outcome of pending litigation

Service Delivery Highlights

Neighborhood Services



Key Neighborhood Services

After School Programs
Anti-Graffiti and Anti-Litter
Code Enforcement
Libraries
Senior Services

Animal Care Services
At-Risk Youth Services
Community Centers
Park Facilities



Expected Service Delivery

Parks and Community Services

- Operate 12 community centers
- Continue anti-gang activities
- Continue anti-graffiti efforts
- Offer Family Camp Program
- Keep parks and trails open
- Deliver Senior Nutrition and Wellness Program

Code Enforcement

- Code Enforcement field inspection services for emergency and priority complaints within 24 – 72 hours
- Proactive enforcement of vacant buildings

Library Services

- Branch Hours:**
 - Open 4 days per week (33-34 hours per week)
 - Evergreen Branch open 5 days per week
- Dr. Martin Luther King, Jr. Library:**
 - Open 72 hours per week during the academic year
 - Open 58 hours per week when the University is not in session

Animal Care and Services

- Animal Care and Services to focus on health and safety related calls

2013-2014 Adopted Budget Actions

- **Annualize Cost of New Libraries:** adds ongoing funding of \$2.8 million to support the four libraries opened in 2012-2013.
- **San Jose BEST Program and Safe Summer Initiative**:** adds \$3 million (\$500,000 ongoing) for gang prevention and suppression efforts and the Safe Summer Initiative Program. In 2013-2014 and 2014-2015, a total of \$4.6 million will be available for these efforts.
- **Senior Services and Wellness Program:** continues on an ongoing basis funding of \$460,000, including 1 Mobility Manager, for senior wellness and transportation services.
- **Senior Nutrition Meal Enhancements:** adds \$100,000 for meal enhancements at the 14 senior nutrition program sites.
- **Community Action and Pride Grants**:** adds \$200,000 to continue this neighborhood grant program through 2014-2015.
- **Parks, Recreation and Neighborhood Services Volunteer Engagement Program:** continues 1.25 positions to support this program, which leverages approximately 24,000 volunteer hours annually.
- **Evergreen Community Aquatics** and Overfelt Swimming Programs:** adds a total of \$50,000 for summer swim programs at Overfelt High School (\$25,000) and in the Evergreen Community (\$25,000 ongoing).
- **Medical Marijuana Program**:** continues 1 Code Enforcement Inspector on an ongoing basis to enforce code compliance.
- **Anti-Graffiti Program*:** adds ongoing funding of \$75,000 to enhance the Anti-Graffiti Program.
- **Children's Health Initiative Funding Shift:** phases out City funding of \$2.1 million for the Children's Health Initiative over three years. With the passage of the County's Measure A sales tax increase, it is assumed that the County will be able to assume these costs.
- **Spartan Keyes Neighborhood Action Center:** adds one-time funding of \$104,600 which enables community organizations to continue to provide services through June 2015.
- **McKinley Neighborhood Center:** adds two Recreation Leader part-time positions ongoing to continue providing after-school programming for middle school youth at the McKinley Neighborhood Center.
- **Youth Summer Programming:** adds one-time funding for summer youth programs, including pop-up parks in the Santee Neighborhood and Get Fit Camp for Kids, which supports healthy outdoor activities to promote a healthier lifestyle for youth.
- **Parks, Recreation and Neighborhood Services Capital Support Staffing:** adds 4 positions to support the park dedication and park impact programs, maintain River Oaks Park, install/renovate playground equipment, and infrastructure planning.
- **Park Picnic Rentals and Picnic Basket Catering:** adds 12 picnic sites that will be available for reservation, including nine at neighborhood parks and three at regional parks and expands the Happy Hollow Park and Zoo Picnic Basket catering service.
- **Animal Care and Services:** adds 3 part-time staff to provide services to the City of Milpitas (costs reimbursed by Milpitas).
- **Evergreen Branch Library:** adds \$146,500 to provide Saturday hours at the Evergreen Branch Library for 2013-2014.

* Implementation of this proposal is contingent on the outcome of pending litigation

** Ongoing implementation of this proposal is contingent on the outcome of pending litigation

Service Delivery Highlights

Community & Economic Development



Key Community & Economic Development Services

Building Permits
Development Services
Economic Development
Housing Services
Land Use and Planning
Local & Small Business Technical Services
Public Art and Cultural Events
Workforce Investment Network



Expected Service Delivery

Economic Development

- Attract and retain companies, with focus on clean technology and emerging technology companies
- Provide a range of workforce programs and services for displaced workers
- Manage the City's real property assets

Planning and Building Services

- Provide excellent development review process customer service
- Provide expedited plan review services

2013-2014 Adopted Budget Actions

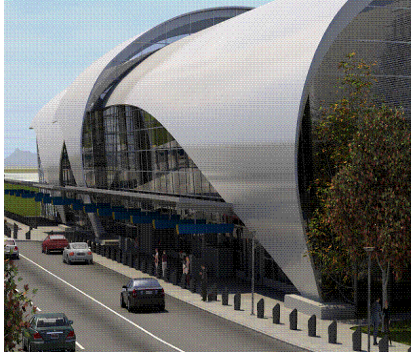
- **Development Fee Programs:** adds resources, including approximately 30 positions, to support the development fee programs (Building, Planning, Public Works, Fire) with no general fee increases. A new Development Fee Program Technology Earmarked Reserve, funded by the Development Fee Program Reserves, is included to set aside funds for technology initiatives.
- **Rapid Rehousing Program/Homeless Response Team*:** adds funding of \$7.3 million over a two-year period to address concerns about the growing and visible homeless encampments and provide supportive services and rental subsidies to assist homeless individuals in their transition from homelessness to permanent housing. Adds 4 Park Rangers, 1 Community Coordinator, and 1 Program Manager to provide enforcement of the encampments along Coyote Creek near Guadalupe River Park, facilitate encampment clean-ups, provide on-site assistance for waste disposal contractors, and connect encampment residents with services and housing. Also adds funds for property storage, security services, individualized case management, and job development services.
- **Economic Development/Incentive Fund*:** adds \$250,000 one-time for economic development support and incentives.
- **Housing Rehabilitation Loan and Grant Program:** eliminates 5 positions as a result of reduced funding due to the dissolution of the San Jose Redevelopment Agency and reduced CDBG funding due to federal sequestration.
- **Homeownership Downpayment Program:** eliminates this program and 2 positions that provided downpayment assistance to low-income first time homebuyers as a result of reduced federal and State grant funding and decreased program demand.
- **work2future - Service Delivery Model Change:** eliminates a net 24 positions and outsources direct client services to provide services to 5,000 – 10,000 unemployed workers in Santa Clara County annually in a more cost-effective manner.
- **Real Estate Services Document Imaging and Records Retention System*:** adds one-time funding of \$200,000 to develop a document imaging and records retention system to retain, retrieve, and research the City's real estate records.
- **Neighborhood Business Districts**:** continues funding of \$45,000 to provide support to nine Neighborhood Business Districts.
- **Center for Employment Training (CET):** adds one-time funding of \$250,000 for CET. In 2008, CET received a \$3.0 million federal grant to renovate its buildings that required a 40% local match. With the dissolution of the San Jose Redevelopment Agency, local funding of \$950,000 is no longer available. This action will help CET achieve the required local match.

* Implementation of this proposal is contingent on the outcome of pending litigation; for the Homeless Response Team, the funding reserved for 2014-2015 is subject to litigation

** Ongoing implementation of this proposal is contingent on the outcome of pending litigation

Service Delivery Highlights

Transportation & Aviation Services



Key Transportation & Aviation Services

Airport Operations
Landscape & Tree Maintenance
Parking Services
Street Pavement Maintenance
Traffic Capital Improvements
Traffic Maintenance
Traffic Safety Education
Transportation Planning and Project Delivery



Expected Service Delivery

Airport Operations

- ❑ Operate the Norman Y. Mineta San José International Airport in a safe and efficient manner
- ❑ Deliver positive, reliable and efficient air traveler services and amenities; compete for community air service destinations and frequencies
- ❑ Preserve Airport assets and facilities through cost effective maintenance and operations
- ❑ Provide mandatory security, safety, and regulatory compliance for air service operations

Transportation Operations

- ❑ Provide safe and viable transportation choices consistent with the Envision San José 2040 General Plan
- ❑ Focus street infrastructure maintenance efforts on facilities with the highest use and economic significance
- ❑ Improve regional travel on major arterials, freeways, and transit corridors to address ongoing concerns with traffic congestion

2013-2014 Adopted Budget Actions

- **Airport Councils International Conference Funding:** adds Airport funding of \$75,000 for the 2013 Airports Council International – North America (ACI-NA) Annual Conference and Exhibition in September 2013. (Special Funds)
- **Airport Marketing Funding:** adds Airport funding of \$500,000 for marketing efforts focused on new air service as directed in the Mayor's June Budget Message for Fiscal Year 2013-2014. (Special Funds)
- **Radar Speed Display Signs:** adds \$300,000 to install 15 radar feedback speed limit signs to help reduce traffic speeds and improve safety, tentatively planned for Blossom Hill Road (2 signs) west of Camden Avenue and east of Leigh Avenue; Taylor Street (2 signs) west of Route 87 and east of Coleman Avenue; Hellyer Avenue (2 signs) west of Route 101 and east of Senter Road; Lanai Avenue (2 signs) north of Tully Road and south of Pensacola Drive; and an additional seven signs whose locations will be determined at a later date. (Capital Funds)
- **Active Transportation Program and Pedestrian Safety:** adds resources to develop and implement pedestrian crossing improvements on major roads and manage the City's Active Transportation Program, which promotes safe walking and bicycle commuting. (Capital Funds)
- **Transportation Staffing:** adds resources to support pavement maintenance management and engineering, local transportation projects and policy oversight, transportation development program staffing, regional transportation projects staffing, and parking program/special events management staffing. (Capital/Special Funds)
- **Sidewalk Repair Program:** continues temporary investments in the Sidewalk Repair Program, offset by property owner reimbursements and fees, that will allow the City to maintain enhanced efforts to address a backlog of needed repairs identified through the street tree inventory and the more efficient consolidated inspection program.
- **Maintenance Assessment Districts and Community Facilities Districts:** adds resources to renovate special landscape assessment districts by bringing deteriorated landscapes up to City and State standards. (Special Funds)
- **Street Tree Maintenance*:** adds one-time funding of \$160,000 to remove dead or dying trees, particularly palm trees, in several key locations throughout the City.

* Implementation of this proposal is contingent on the outcome of pending litigation

Service Delivery Highlights

Environmental & Utility Services



Key Environmental & Utility Services

Energy Conservation Efforts
Garbage Collection & Recycling
“Green” Building Program
Municipal Water System
Neighborhood Cleanups
Sanitary Sewer Maintenance
Storm Sewer Maintenance
Water Pollution Control Plant
Water Recycling



Expected Service Delivery

- ❑ Build, operate, and maintain the City’s wastewater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety
- ❑ Promote the health of the environment and South Bay Watershed through collection, treatment, and management of wastewater and stormwater runoff
- ❑ Collect, process, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment
- ❑ Support the community in implementing sustainable infrastructure, equipment, and behaviors through education and public-private partnerships
- ❑ Reduce the City’s environmental footprint through energy efficiency and conservation, water conservation, waste reduction, and environmentally preferable purchases
- ❑ Lead implementation on four Green Vision goals (Goal 2: Reduce per capita energy use by 50%; Goal 3: Receive 100% of our electrical power from clean renewable sources; Goal 5: Divert 100% of the waste from our landfill; and Goal 6: Recycle or beneficially reuse 100% of our wastewater); and coordinate city-wide efforts on the overall Green Vision

2013-2014 Adopted Budget Actions

- **Vehicles to Support the Sanitary Sewer and Storm Sewer Programs and the Municipal Water System:** adds \$1.5 million for four combination cleaning vehicles and 1.0 mechanic position to ensure adequate equipment is available to clean the sanitary sewers; adds \$1.2 million to replace outdated vehicles that support the sanitary sewer and storm sewer programs; and adds \$140,000 to replace three vehicles and a trailer to support the Municipal Water System. (Special Funds)
- **Sewer Maintenance Technology and Analytics to Reduce Sanitary Sewer Overflows:** makes permanent 4.0 technical and analytical positions to complete the development of a new Computerized Maintenance Management System (CMMS) and begin using the system to more efficiently and effectively maintain the sanitary sewer collection system. (Special Funds)
- **Water Pollution Control Plant (WPCP) – Plant Attendant Staffing:** adds 7.0 Plant Attendant positions to create additional points of entry into the WPCP Mechanic classification series and help obtain a qualified candidate pool for existing Plant Operator Trainee, Apprentice Plant Mechanic, Electrician, and Heavy Equipment Operator positions. (Special Funds)
- **ESD Administrative Services Division Oversight:** adds 1.0 Division Manager position that will manage the Department’s Fiscal, Budget, MIS and new Workforce Planning Section. In addition, 1.0 Senior Analyst position will be added on an ongoing basis to assist with workforce planning efforts including recruitments, training and development. (Special Funds)
- **Solid Waste Code and Contract Compliance Staffing:** adds 1.0 Environmental Inspector position to perform code and contract compliance work to monitor multi-family and single-family compliance with Recycle Plus Program requirements. (Special Funds)
- **Recycle Plus Billing Transition Project Staffing and Engineering Support:** adds 1.0 Analyst for a three-year period to support the Recycle Plus Billing transition. The addition of 2.0 Associate Engineer positions will provide engineering expertise and oversight to ongoing operation needs at the WPCP and Municipal Water. (Special Funds)
- **Rate Changes:** increases the Municipal Water System rates by 8% due to the higher cost for wholesale water and increased operating costs. No general rate increases are necessary for the Sewer Service and Use Charge Fee, Storm Sewer Service Fee, and Recycle Plus Programs.

Service Delivery Highlights

Strategic Support



Key Strategic Support Services

Facility Maintenance
Financial Management
Fleet Maintenance
Human Resources
Information Technology
Mayor, City Council and Appointees
Public Works
Retirement Services



Expected Service Delivery

- Attract and retain qualified employees
- Ensure that the City's finance and technology resources are protected and available to address the short and long-term needs of the community
- Maintain a safe and healthy work environment
- Oversee the City's capital projects, ensuring on-time and on-budget delivery of facilities that meet both customer and City staff needs
- Manage space usage at City-owned facilities
- Maintain City facilities, equipment, and vehicles
- Provide legal representation and legal transactions
- Provide audit services
- Facilitate the City's legislative process
- Provide strategic leadership and manage city-wide service delivery

2013-2014 Adopted Budget Actions

- **Deferred Infrastructure and Maintenance Needs at Police Facilities***: adds one-time funding to upgrade the fire protection system and three electrical systems, replace the chiller, perform exterior waterproofing, and design a redundant electrical power system at the Police Communications Building (\$6.6 million); replace the chiller, two elevator controllers, HVAC controls, and lighting at the firing range, and perform exterior waterproofing at the Police Administration Building (\$2.0 million).
- **City Hall Waterproofing**: adds one-time funding of \$1.6 million to address water infiltration issues at City Hall.
- **City Cultural Facilities Capital Maintenance**: adds one-time funding of \$400,000 to address critical maintenance needs at the City's Cultural Facilities (San José Museum of Art, Technology Museum of Innovation, Repertory Theatre, and Children's Discovery Museum).
- **Preventative Maintenance at City Facilities***: adds one-time funding of \$1.3 million to maintain critical preventative maintenance at City facilities at 80% for HVAC, plumbing, lighting, roofing, generators, and emergency fire alert systems.
- **Technology Investments***: adds funding to replace the City's operating and capital budget systems (\$2.9 million), to upgrade the City's Microsoft Office 2003 Suite to an Office 365 subscription model (\$812,000 in 2013-2014 and \$262,000 ongoing), and to fund computer service replacements and network upgrades (\$250,000).
- **Workers' Compensation Service Delivery Pilot Program**: eliminates 8 vacant positions and shifts funding to a third party administrator that will provide workers' compensation claims administration for approximately 40-50% of the cases during this two-year pilot. The goal of this pilot will be to determine if the overall cost of the program can be reduced.
- **Employment Services Staffing**: adds 1 position to address the increased demand for employment and classification services and provide workforce planning and human resources analytics.
- **Capital Project Staffing**: adds a net 7.35 capital-funded staff in the Public Works Department to support the delivery of the City's 2013-2014 Capital Program. (Capital Funds)
- **Human Resources Training and Development**: adds 1 position to coordinate and communicate training opportunities to City employees, restart the employee survey, and coordinate exit surveys.
- **Minimum Wage Ordinance**: adds 2.5 positions to address the workload associated with this new program.
- **Medical Marijuana Program****: continues staffing in the Finance Department, the City Attorney's Office, and the City Manager's Office to support this program.
- **Council Appointees****: continues 4 positions in the City Attorney's Office (2 ongoing) to provide legal support to the Successor Agency to the San Jose Redevelopment Agency, City departments, and the Capital Program; continues 2 positions in the City Manager's Office to support employee relations; and continues 2 positions in the City Clerk's Office.

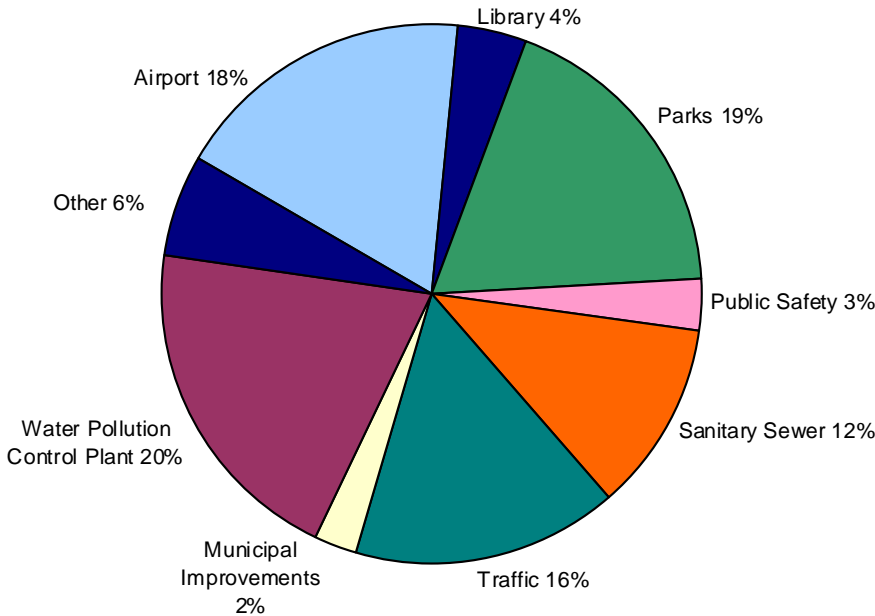
* Implementation of this proposal is contingent on the outcome of pending litigation; however, some components of the deferred infrastructure and maintenance at Police facilities and preventative maintenance at City facilities would not be delayed

** Ongoing implementation of this proposal is contingent on the outcome of pending litigation

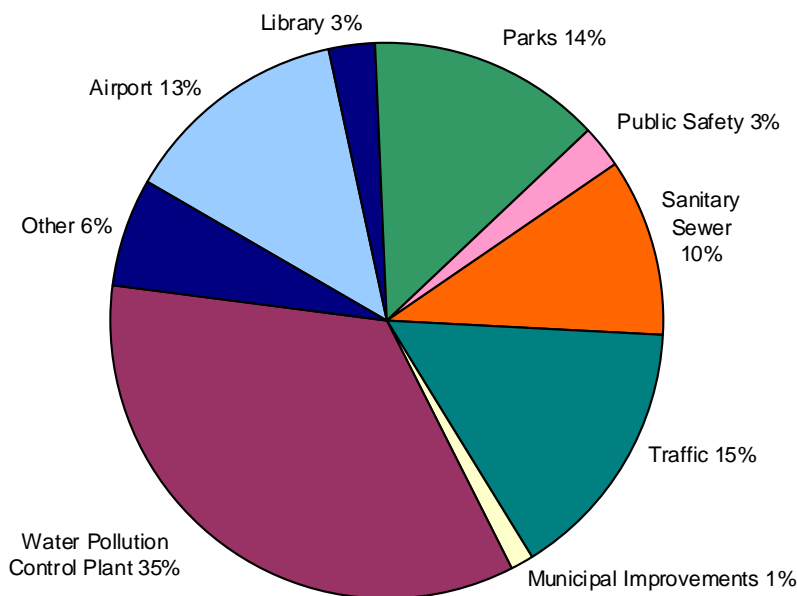
Capital Budget Highlights

The CIP is composed of 14 capital programs. The following pie charts depict the funding uses by capital programs and percentage of funding for the 2013-2014 Capital Budget and the 2014-2018 Capital Improvement Program. Major projects to be completed over the next five years are highlighted in the sidebar.

**2013-2014 Capital Budget
Use of Funds (\$905 million)**



**2014-2018 Capital Improvement Program
Use of Funds (\$2.1 billion)**



Major Projects to be Completed Over the Next Five Years

2013-2014 Projects

Autumn Street Extension
 Coleman Soccer Complex
 Commodore Children's Park
 Lake Cunningham Bike Park
 Nortech and Trimble Reservoir Rehabilitation
 PAB/Police Com. Center Chiller Replacement
 Police Communications Center Electrical System Upgrade
 Taxiway W Improvements
 Pavement Maintenance – State Route Relinquishment (State Routes 82 and 130)
 Rincon Avenue – Virginia Avenue Sanitary Sewer Improvement
 San Fernando Street Enhanced Bikeway and Pedestrian Access

2014-2015 Projects

Allen at Steinbeck School Soccer Field
 Bollinger Road – Blaney Avenue Sanitary Sewer Improvement
 Del Monte Park
 Energy Generation Improvements (Plant)
 Fire Station 21 – Relocation (White Road)
 Headworks No. 1 Repair and Rehabilitation
 Police Communications Center Fire Protection System Upgrade
 Roberto Antonio Balermينو Park
 Southeast Branch Library
 St John Multimodal Improvements Phase I
 Transportation Incident Management Center
 West Evergreen Park
 Willow Glen-Guadalupe Storm Sewer System, Phase III

2015-2016 Projects

60" Brick Interceptor Phase VIA and VIB
 Digester Rehabilitation – Water Pollution Control Plant
 Park Avenue Multimodal Improvements
 Penitencia Creek Park Playground Renov.
 Penitencia Creek Trail Reach IB (Noble Avenue to Dorel Drive)
 SBWR System Reliability and Infrastructure Replacement
 Storm Sewer Master Plan – City-wide
 Taxiway H and K Extension

2016-2017 Projects

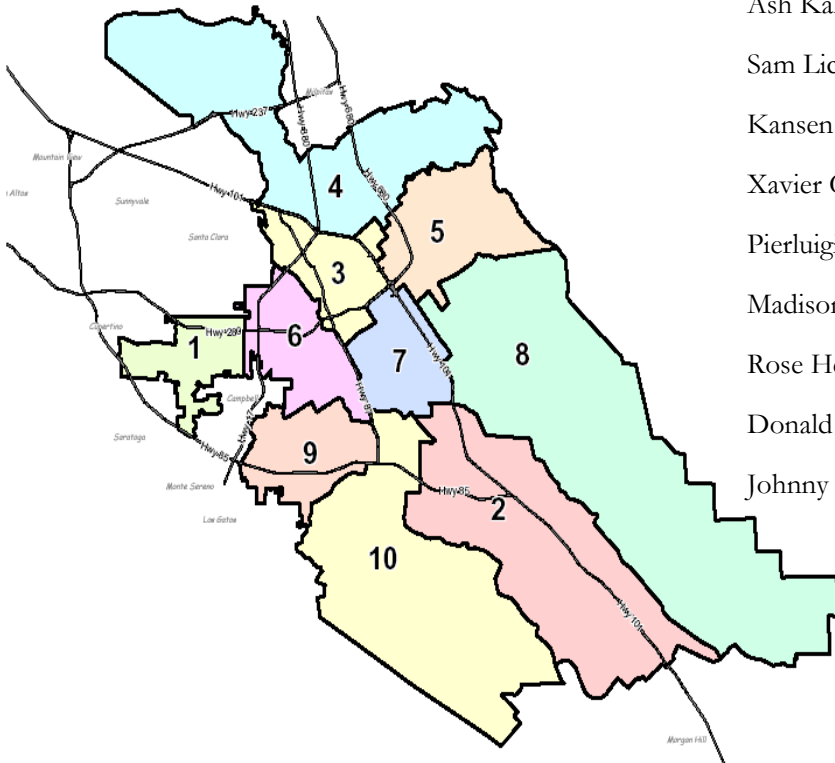
BART Extension Support
 Coyote Creek Trail (Story Road to Selma Olinder Park)
 Taxiway E and F Extension

2017-2018 Projects

Airport Rescue and Fire Fighting Facility
 New Biosolids Facility
 Route 101/Mabury Rd. Project Develop.

Roster of City Officials

City Council Districts



Roster of Elected Officials

CITY COUNCIL	DISTRICT	TELEPHONE/ E-MAIL
Chuck Reed	Mayor	535-4800 mayoremail@sanjoseca.gov
Pete Constant	1	535-4901 District1@sanjoseca.gov
Ash Kalra	2	535-4902 District2@sanjoseca.gov
Sam Liccardo	3	535-4903 District3@sanjoseca.gov
Kansen Chu	4	535-4904 District4@sanjoseca.gov
Xavier Campos	5	535-4905 District5@sanjoseca.gov
Pierluigi Oliverio	6	535-4906 pierluigi.oliverio@sanjoseca.gov
Madison P. Nguyen	7	535-4907 District7@sanjoseca.gov
Rose Herrera	8	535-4908 rose.herrera@sanjoseca.gov
Donald Rocha	9	535-4909 District9@sanjoseca.gov
Johnny Khamis	10	535-4910 District10@sanjoseca.gov

City Manager

Debra Figone
 Phone: (408) 535-8100
Webmaster.manager@sanjoseca.gov

Managing Our Finances

The City's current general credit is rated Aa1/AA+/AA+ from Moody's, Standard and Poor's, and FitchRatings, respectively. Considering the City's fiscal challenges in recent years, the ratings by the three rating agencies together acknowledge the City's moderate debt levels, strong financial management, and proactive responsible leadership. The City still remains one of the highest rated large cities in California and the country. The City's strong credit ratings have saved taxpayers money due to lower financing costs for debt issuance including the three general obligation bond measures passed for park, library, and public safety improvements and other debt obligations. The City's Operating and Capital Budgets and the Comprehensive Annual Financial Report (CAFR) have received awards from the Government Finance Officers Association and the California Society of Municipal Finance Officers.

Accessing the Budget

On-line versions of the City of San José's 2013-2014 Adopted Operating and Capital budgets are posted on the City's website under the Budget Office at <http://www.sanjoseca.gov/index.aspx?nid=1977>.

These documents are also available at your public library. For more information about the City of San José Budget, please contact the City Manager's Budget Office at (408) 535-8144.